Loan and Premium Arrears Among DepEd Teachers: Basis for Intervention Program

DOI: 10.5281/zenodo.18502164

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ABSTRACT

Some teachers, regardless of their affiliation with implementing or non-implementing units have encountered arrears in loans and premiums with GSIS. Notably, a considerable number of teachers facing arrears belongs to implementing units, indicating a prevalent issue within this group. This study employed mixed-method research and used exploratory sequential design in investigating 36 teachers among schools in the Dipolog City Schools Division. Most teachers in the implementing unit schools incurred arrears in loans and experience challenges in resolving them. These challenges have placed teachers in a difficult position, as they strive to manage their financial obligations while planning for retirement, prompting them to seek effective strategies to address their outstanding debts. The teachers attribute their financial struggles to two main factors: the perceived lack of transparency within GSIS and the tendency to overextend themselves through borrowing from external financial sources like lending. These practices have hindered their ability to make timely repayments on both loans and premiums, exacerbating their financial burdens. To resolve this issue, the GSIS offers a Financial Resilience and Recovery Program as an intervention for teachers with arrears. The program should offer financial literacy education and support for loan restructuring and maintain updated and accurate financial records while also fostering a culture of financial responsibility within schools. Its goal is to address existing issues related to arrears and contribute to the development of GSIS system that upholds transparency and accountability and prevents future loan delinquencies among government employees.

***Keywords**:* arrears, GSIS, implementing units, loan, non-implementing units, loan and premium.

Introduction:

Around the world, teachers deal with various financial issues that frequently call for taking out loans. Several issues, such as low pay, expensive living expenses, and the requirement for continual professional development contribute to these difficulties. This essay will investigate why teachers around the world require loans, looking at the particular circumstance and settings where loans become essential. Being a teacher requires a great deal of devotion and dedication. The financial benefits, however, frequently fall short of the workload and degree of responsibility. It can be challenging for teachers to make ends meet because they frequently receive poor pay, particularly in underdeveloped nations. Teachers often have little extra money to spend because of the high cost of living, especially in cities (Mancini, 2023).

In the Philippines, teachers share a common concern: they feel that their current salaries are insufficient to meet their families' basic needs. They are advocating for a salary raise from the government to better align with the escalating costs of essential goods. Responding to these appeals, the government has proposed a structured salary increase for teachers and non-teaching staff. Through Executive Order No. 64, a phased salary increment is set to take place over the course of the next four years. The initial phase of this raise is retroactive, encompassing the period spanning January to December 2024. Consequently, government employees will not only receive their regular pay starting in January 2025 but will also be compensated for the previous year through back pay.

Despite the proposed salary increase, the teachers could not feel its impact significantly as it only amounted to a small addition to their take-home pay. Consequently, many of them resorted to obtaining loans from the Government Service Insurance System (GSIS), a Filipino government-owned and controlled corporation (GOCC) catering to government employees. Established through Commonwealth Act No. 186 and Republic Act No. 8291 (GSIS Act of 1997), GSIS

operates as a social insurance institution offering a defined benefit scheme. Members contribute monthly premiums to the system in exchange for insurance coverage against specific contingencies.
Teachers are currently grappling with a challenging situation as they struggle to pay off accumulated arrears, mainly due to their limited take-home pay. These arrears, reflecting payments that teachers have fallen behind on, can gradually accumulate, posing a threat to their financial well-being. This predicament not only jeopardizes their financial stability but also exposes them to potential repercussions such as additional charges, harm to their credit ratings, or even legal actions (Fund, 2013).

Compounding their difficulties, teachers are perplexed by discrepancies in the remittance process, including missing records, outdated payments, and delays despite the school deducting the required amounts from their salaries as per payroll. This confusion further hampers their ability to clear their arrears, especially considering they also have other loans from private banks and lending companies. While some may opt for partial payments through window transactions, this practice only adds to their financial burden.

The researcher, a GSIS employee overseeing digitalization, embarked on an investigation into the underlying causes of teachers' arrears in loans and premiums. This inquiry acknowledged the authority of implementing schools to manage deductions and remittances to the GSIS. In contrast, non-implementing unit schools maintain up-to-date records and manage remittances efficiently due to their comprehensive fiscal staff.

Furthermore, the study delved into the challenges encountered by teachers with arrears through interviews, and survey. Additionally, interviews were conducted with GSIS personnel to explore potential strategies for addressing teachers' arrears, despite schools asserting early remittances and deductions from all teachers' loans. The research outcomes recommended the implementation of an intervention program to ensure updated records, thereby averting teachers from facing arrears in the future.

Literature Review:

This study is anchored on the Double Trigger Model Theory by Cunningham, Gerardi, and Shen (2021). It is a prominent theory that sheds light on the issue of mortgage arrears. According to this theory, borrowers are more likely to fall into arrears when their debt burden surpasses their capacity to repay it. Factors such as low income, high interest rates, or declining asset values can exacerbate this situation (Ilzetzki et al., 2019). Borrowers often struggle to meet their loan obligations, especially when unforeseen events like illness, job loss, or economic downturns disrupt their income flow. This model highlights the intricate interplay between borrower characteristics and external economic factors in causing loan arrears. It underscores that arrears stem from the combined pressure of overwhelming debt and cash flow challenges rather than a single factor alone. For instance, teachers in the Department of Education may face difficulties with their loans, leading to accrued arrears in GSIS. While it is expected that these teachers repay the principal amount along with the annual interest, unforeseen priority expenses sometimes hinder them from meeting these obligations, posing additional challenges in addressing this issue.

Teachers generally trust the efficiency of GSIS processes concerning loans and premium contributions. Once a loan is approved, it becomes the responsibility of the school where the teacher is assigned to deduct the appropriate amount from their salary and remit it to GSIS. The GSIS, in turn, receives the payments and regularly updates its records to reflect the outstanding balances and amounts paid by each teacher. However, despite these systems in place, many teachers in the field report experiencing arrears. This situation often compels them to make monthly payments, placing a significant strain on their personal and family finances. As a result, this study is anchored in the Double Trigger Model Theory, which posits that borrowers—such as the teachers in this context—may fall behind on their loan obligations due to compounding factors, such as illness in the family or other economic hardships.

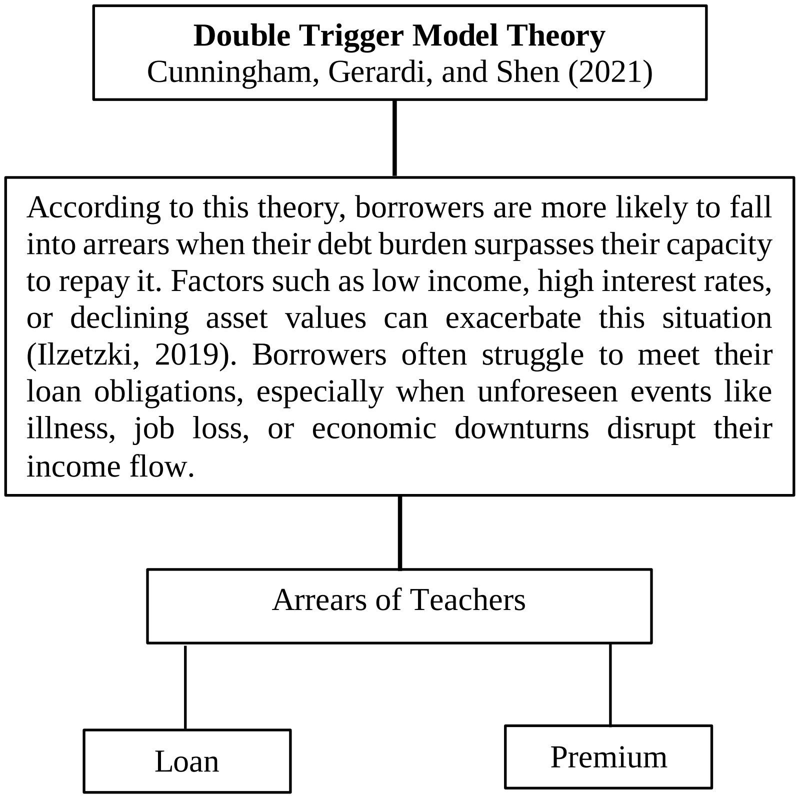

Figure 1: The Theoretical Framework of the Study on Double Trigger Model Theory

Conceptual Framework of the Study

The framework of the study is illustrated in Figure 2. It shows that the participants were secondary teachers from Dipolog City Division who had outstanding arrears in loans or premiums, or both. The respondents included teachers from both implementing and non-implementing unit schools, chosen through purposive sampling to focus solely on those facing this particular issue.

In the first box, the arrears of teachers were displayed, which could stem from either loans or premiums. Therefore, any teacher experiencing either type of arrears was included in the study. GSIS loan arrears refer to teachers' unpaid debts to the Government Service Insurance System for loans they have taken, while premium arrears indicate outstanding contributions to a teacher's insurance or retirement plan.

Regarding the study's outcomes, the GSIS plans to launch an advocacy campaign to raise awareness among members about the digitalization and digitization programs offered by the agency. This initiative aims to keep members informed about their payments, balances, and the status of their loans and premiums, enabling them to manage their payments effectively, identify any deficiencies early on, and address issues before retirement.

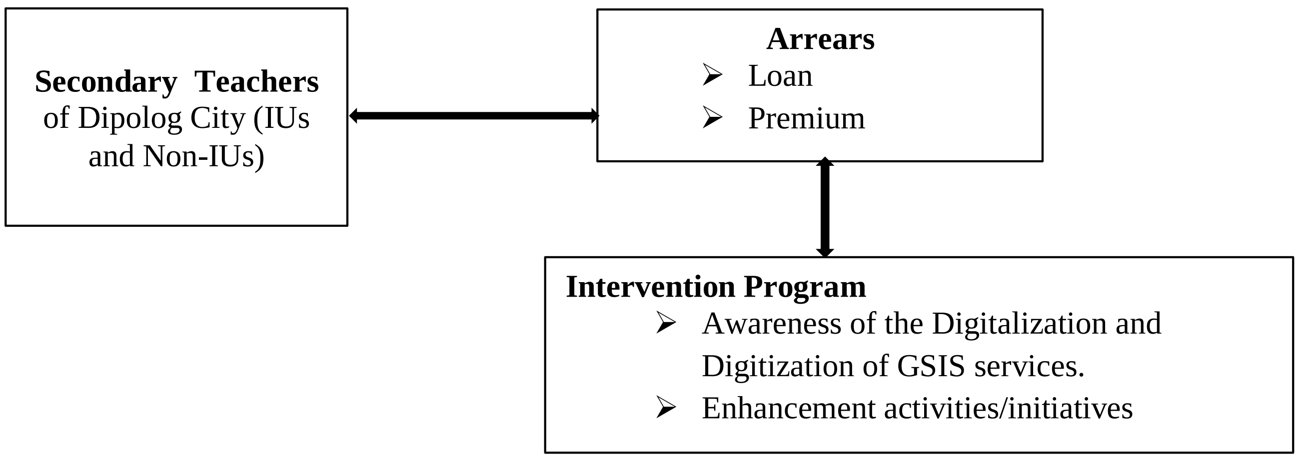

Figure 2: The Conceptual Framework of the Study

Research Method:

This study used a mixed-method design employing both descriptive for quantitative and phenomenological for qualitative approaches. Mixed methods research is a powerful approach that combines elements of **qualitative research** and **quantitative research** to provide a more complete and nuanced understanding of a research question. This approach allows researchers to leverage the strengths of both methodologies, offering a richer and more robust analysis than either method could achieve alone (Creswell, 2021). The descriptive section presents the number of respondents from both implementing and non-implementing schools in the Dipolog City Divisions with arrears in loans and premiums, while the qualitative section focuses on the participants' lived experiences of the challenges they faced with their arrears. Besides, this study investigated the participants' own perceptions of the factors of experiencing these arrears and how the GSIS actions to resolve the accumulated arrears can resolve the issue. The entire model of this study was exploratory sequential design, where the researcher, before administering the survey questionnaire, conducted the interview first and gathered some ideas from them about the factors they believed caused them to have arrears. These factors helped the researcher formulate the checklist to gather information from the respondents at the time the survey questionnaire was administered. The interview was done first with the selected participants and after a couple of days, the survey was followed to the identified participants having arrears.

Research Respondents

The study's respondents comprised 36 teachers from Dipolog City Division who had arrears in either loans, premiums, or both. Among these respondents were the 12 teachers served as participants for the interview. They were chosen through purposive sampling, where only teachers facing these specific payment concerns with GSIS were included. Purposive sampling entails selecting units intentionally based on certain qualities required in the sample (Nikolopoulou, 2023). In other words, it involves purposefully selecting units for the study. These teachers were surveyed regarding their arrears, whether from loans or premiums, and from which school, either implementing units or non-implementing units. Additionally, the researcher interviewed four GSIS personnel to understand the initiatives being taken to address the teachers' arrears.

Research Environment

This study was conducted in the Dipolog City Division. These schools are Zamboanga del Norte National High School (Estaka), Zamboanga del Norte National High School - Turno (now independent from ZNNHS Main Campus), Miputak National High School (formerly Miputak West Elementary School and ZNNHS Miputak Extension), Dipolog City National High School (Barra), Galas National High School, Punta National High School, Alberto Q. Ubay Memorial Agro-Technical Science High School (Olingan), Pamansalan Eco-Tech High School, Cogon National High School, Sicayab National High School, and Gulayon Integrated School (Antonio, 2017).

Among these schools, all Zamboanga National High Schools are big, categorized as having thousands of students in both junior and senior high school curriculum, while hundreds of teachers serve as the teaching force, which excludes non-teaching personnel such as Agency Authorized Officers, disbursing officers, bookkeepers, guidance counselors, clerks, and other staff. Big schools in this in this category most likely are implementing unit schools. Implementing unit schools are distinguished by their larger size and higher student population, mainly because they are typically secondary schools with a considerable number of teaching and non-teaching staff (Diola, 2018). Contrarily, schools and middle schools' categories are non-implementing units.

Research Instrument

The research utilized a researcher-made questionnaire as its primary instrument, which was structured into three main parts: Part I focused on classifying the respondents based on whether their schools were implementing or non-implementing units. It also gathered data on the respondents' arrears, specifying whether these arose from loans or premiums, and further categorized them according to the type of school they belonged to. Part II consisted of a checklist, designed to collect quantitative data on the various factors contributing to the respondents' arrears in loans and premiums. Part III included open-ended questions, which were answered by selected participants with arrears. This section aimed to explore their personal challenges and perceptions of GSIS actions regarding the accumulation of arrears. To ensure content and construct validity, the instrument was evaluated by three experts—one from the GSIS and two from the Department of Education. Their suggestions and comments were incorporated to improve the accuracy and clarity of the tool. Additionally, as part of the validation process, the derived themes from the participants' interview transcripts were presented to them for confirmation, ensuring that the interpretations were consistent with their expectations and understanding of the interview questions. For reliability testing, the same panel of experts reviewed the instrument for consistency, and inter-rater reliability was assessed. The overall rating of the tool was classified as "very good." The experts rated each of the six items on a scale of 1 to 5, with a total possible score of 30. According to Brown (2010), the interpretation of scores was as follows: 1–6: Very Poor; 7–12: Poor;13–18: Acceptable; 19–24**:** Good; and 25–30: Very Good

Data Gathering Procedure

This procedure was strictly observed by the researcher in gathering the data. It was challenging, but it was successfully conducted. Thus, the following are enumerated:

1. Upon receiving approval for the letter request from the office of the schools division superintendent, the researcher proceeded to administer the questionnaire.
2. The researcher visited the office of the school principal, conducted a courtesy call, presented the approved letter from the SDS, and submitted another letter requesting permission from the head of the school.
3. With the principal's consent, the researcher, along with the bookkeeper and Agency Authorized Officer responsible for overseeing teachers' loan deductions and GSIS contributions, visited their offices to secure the necessary list for easy identification.
4. Having identified the names, the researcher then visited the teachers in their classrooms or faculty rooms. Despite finding them occupied with classes, the researcher patiently waited for a break to approach them.
5. Upon meeting the teachers, the researcher introduced himself, explained the purpose of the visit and the study objectives. Emphasizing the importance of confidentiality, the researcher ensured that personal information would be handled with utmost care while conducting the interview in most preferred locations such as the canteen, faculty room, or laboratory away from students.
6. The researcher conducted first the interview with that teachers concerning they believed the factors to have arrears. These factors serve as part of the questionnaire to determine the frequency of teachers who have these factors.
7. The researcher used the exploratory sequential design method in collecting the data, which means he conducted the interview first to collect ideas from the factors of experiencing arrears to be used in formulating the survey questionnaire and followed by administering the survey for days after.

8. The interviews were conducted by inviting teachers with arrears to remain in the faculty room, ensuring that only they were present during the session. Before the interviews began, each participant received a brief orientation about the nature of the study and the procedures involved in the interview process.
9. During the interviews, the researcher sought permission from the teachers to record the conversations as part of ethical considerations, assuring them that the recordings would be deleted after transcription.
10. After the interview, a day after the researcher the researcher conducted the survey questionnaire capturing the data on the teachers' arrears like either premiums or loans and the type of school the teachers are teaching whether in the implementing or non-implementing units.
11. The researcher maintained a consistent procedure for gathering data from other schools.
12. Upon completion of each respondent's participation, the researcher expressed gratitude and appreciation for their support in ensuring the success of the data collection process.

Ethical Consideration of the Study

This research conducted in full compliance on ethical standards for governing human participants. Prior to the actual data collection, the researcher first secures his Ethics and Review Committee Clearance from Institutional Research Office of DMC College Foundation Incorporated with reference number (079-2024-2025) bind to align with the Institutional Policies and Research Ethical Guidelines. The researcher followed the process, seek for official authorization from the Schools Division Superintendent, since the respondents and participants were secondary school teachers in Dipolog City. The GSIS Dipolog Branch Manager also approved the conduct of the study, as several of the selected participants worked in Frontline Services Division. To ensure anonymity throughout the interviews, the interviews were conducted in a quiet and secure surrounding free from any possible disturbance. Participants and respondents were told that all the acquired data would remain confidential. Following data tabulation and consolidation, all answered surveys were shredded and burned to protect the participants' personal identities.

Statistical Treatment of the Data

The data collected in this study was based on the research design employed. The study utilized a mixed-method approach, incorporating a descriptive method for the quantitative aspect and a phenomenological approach for the qualitative. In Phenomenological, it uses interpretive (Hermeneutic) phenomenology which focuses on understanding and interpreting the **meaning** of lived experiences within a person's context. As a result, the gathered data consisted of numerical data and verbatim transcripts of the interactions between the researcher and the participants, each receiving distinct treatment based on the research methodology. In terms of analyzing the data, the responses for the quantitative data were summarized using frequency counts and percentages, providing a quantitative overview of the findings. On the other hand, for the qualitative data derived from the verbatim transcripts of participant interactions, codes and themes were extracted, presented, analyzed, discussed, and interpreted. This comprehensive approach allowed for a thorough examination of the data, capturing both the quantitative trends and the qualitative while adhering to exploratory sequential design which means, the researcher conducted first and interview and followed by a survey after several days.

Moreover, in analyzing the data for qualitative analysis, Clarke and Braun (2006) was used. The following six (6) steps were observed:

Step 1: Become familiar with the data

To comprehend the data and start to see patterns and meanings emerge, the researcher this phase involves immersing in it. It is an active process of interacting with the info rather than merely reading or listening. It covers transcription, repeated coding and reviewing, noting initial ideas, and immersion.

Step 2: Generate initial codes

This stage is methodically locating and classifying significant data aspects that are pertinent to the research topic or questions. It refers to these labels as "codes." It suggests working systematically through the entire data set, code exclusively, use data -driven codes, generate as many codes as needed, and use software or do it manually.

Step 3: Search for themes

A **theme** is a **broader pattern of meaning** that captures something important about the data in relation to the research question. It's not just a topic—it tells a **story** about the data. This involves review all the codes, group the codes into candidate themes, gather data that support each theme, and create sub-themes if needed.

Step 4: Review themes

This phase refines the initial themes and check whether the themes work in relation to the coded data and fit well across the entire data set. The process starts on review the coded data and review the entire data set level.

Step 5: Define themes

This phase is about **clearly articulating** what each theme **means** and **how it fits** into the overall story of the data. It is where the researcher moves from raw ideas to polished, well-explained insights. It is to refine the themes further, identify the story each theme tells, write a detailed analysis of each theme, and create themes names.

Findings and Discussion:

In this part, the presentation, analysis, and interpretation of data are included. As part of the presentation, the related literature is incorporated to enhance the overall discussion of the study.

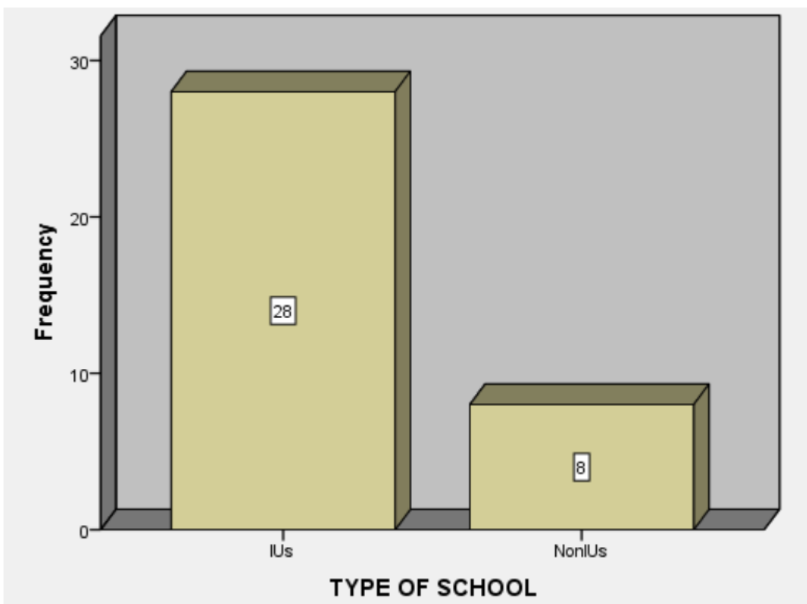

Figure 3
The Demographic Profile of Teachers with Arrears in Terms of Type of School

Figure 3 depicts the teachers' profiles in terms of the schools they are teaching. From the Implementing Units, there were 28 teachers and eight (8) teachers from Non-Implementing Unit Schools. It shows that the majority of the teachers with arrears were from implementing Units comprising about 28 or 77.78% of the entire representation. Implementing Unit schools, each of them typically designates specific personnel, like cashiers, bookkeepers, and budget officers, to ensure proper management and accountability in financial transactions. Implementing unit schools are distinguished by their larger size and higher student population, mainly because they are typically secondary schools with a considerable number of teaching and non-teaching staff (Diola, 2018).

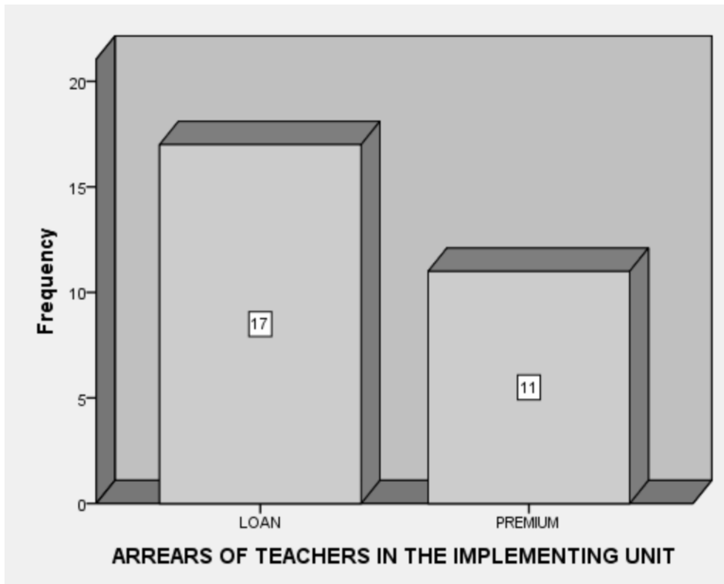

Figure 4
Arrears of Teachers in the Implementing Unit

Figure 4 depicts the arrears of teachers in the implementing unit schools. Based on data, 17 teachers had arrears from the salary loan, while 11 of them had arrears from premium. It shows that majority encountered loan arrears with 60.71 percent among the 28 teachers in thus type of school. According to (Ulla, 2019), teachers may find themselves burdened with substantial arrears, often stemming from delayed contributions or administrative oversights, which accumulate over time, posing a significant financial challenge

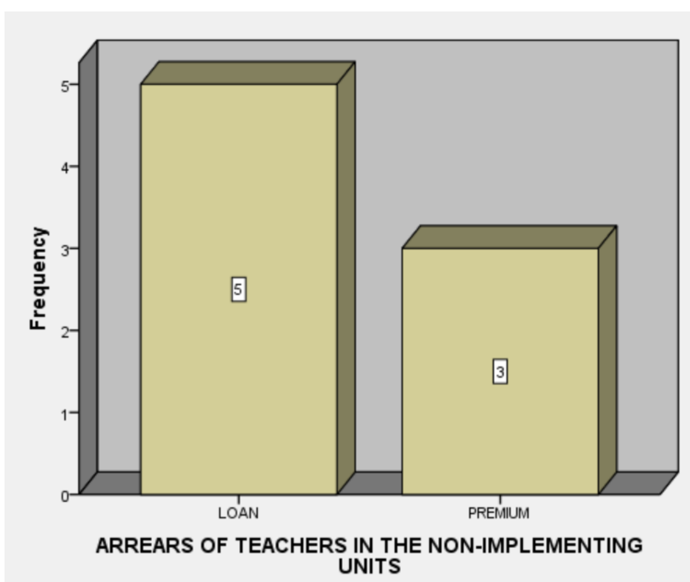

Figure 5
The Arrears of Teachers in the Non-Implementing Units

Figure 5 depicts the arrears of teachers in the non-implementing units. Among these arrears, out of eight (8), five (5) are from loans, and three (3) are for premiums. It asserts that the majority of teachers from non-implementing schools have loan arrears, with only a small number experiencing arrears for premiums. It indicates that there is a problem in the process that must be addressed for the teachers' freedom from the accumulation of arrears. As cited by Goel et al. (2022), in the Philippines, teachers often face difficulties with GSIS loans and premium arrears, which can be attributed to factors like delayed contributions, administrative inefficiencies, and inconsistencies in payment protocols. This persistent issue carries significant financial implications for teachers, jeopardizing their retirement benefits and overall financial stability.

Table 1
The Challenges of the Teachers with Arrears

Participant	Themes and Codes		Verbatims
1	Financial Challenge	Settle the loan Unsure to pay	"It is challenging for me to settle the loan and premium arrears since they have already accumulated. I am unsure when I will be able to pay off all these debts and fulfill this obligation".
2	Lack of transparency in GSIS	Difficult to pay Confused Net home pay 5000	"I only noticed two years ago that I have arrears in my GFAL loan. In fact, I was confused as to why this happened when looking at my payroll and pay slip, as I have updated deductions. I believe it is difficult for me to pay since I only have a net home pay of 5,000 at this time."
3	Retirement Concern	Worried Might not receive	"I cannot imagine how to pay my arrears, sir, considering that I have several salary loans and other debts. I am worried that if these arrears are not settled, I might not receive anything when I retire, sir."
4	Retirement Postponement	Feeling depressed Postpone retirement	"I intend to retire next year, sir. However, when I visited GSIS to assess my loan balance, thinking it could be fully paid next month, I discovered that I have 75,000 arrears on my GFAL loan. This news left me feeling depressed, and I must settle it. Consequently, I will postpone my retirement for another four years.
5	Repayment Strategy	Aware of arrears Can be resolved	"I am aware of the arrears on my loan, so I have promptly started making payments through window services. I believe this issue can be resolved in the upcoming months. However, due to this, I am experiencing a budget shortfall."
6	Overborrowing (loans with GSIS and private lending)	Financial burden Impacting financial situation	"The arrears have become a financial burden, impacting my financial situation significantly. I have been making payments for eight months now, which has required sacrifices in our family budget and opted to borrow from private lending."
7	Financial Hardship	makes me difficult it is challenging monthly budget will be sacrificed	" I did not expect of the arrears sir and this condition makes me difficult. Ako naman gi budget ang ako financial obligation of our family based on the net home pay I received monthly. Igo go radyud ang budget but then,

			because of the arrears now, it is challenging since I need to pay it to avoid accumulation then my monthly budget will be sacrificed. Nganun gud ni sir oy, dugay padyu nku ni ma fully pay”
8	Financial Constraint and Instability	subsequently making my financial stability unstable and difficult to budget	“ First impression, I am confident for the financial transactions concerning my payment to GSIS loans and premiums if ok because, the school I work is an implementing unit. Di ba sir basta implementing confident radyud to have clear transactions but I wonder why I have accumulated arrears. I suspected sir nga there was no updated records on remittances and subsequently making my financial stability unstable and difficult to budget.”
9	**financial burden**	making me to have financial burden	“ I made my loan from March 2023 sir, then my pay slip reflected the deduction last June 2024 pa. I often reminded our bookkeeper to follow the issue kay magbayad dyud ko. He responded to nga e settle ra daw. However, I have been waiting until last June of 2024, the deduction appeared in my pay slip. It is ok but need to be per monthly the arrears, na kwaon na nuon ako budgets sir making me to have financial burden.”
10	Struggles in Monthly Budget Allocation	It is difficult for me now to allocate my remaining salary	“ In my case sir, since the school I assigned is not an implementing unit, medyo it is a long process kay the deduction was done from the regional office man because the pay slip or payroll is prepared in the region. I expected after availing the loan to have automatic deduction of my net home pay kay believing that the region and GSIS has a system that efficiently recording the remittances and list of teachers with loans. So, naabot man ug almost one year ayha na deduct and as a policy, ako dyud ni bayaran. Ok ra sir kay doul raman ang GSIS, but my net home pay gamay na kaayu. It is difficult for me now to allocate my remaining salary for the family expenses, short na kaayu sir.”
11	**struggle to manage priorities**	difficult to balance now my financial stability	“ I did not expect to have arrears ma’am kay the pay slip reflected automatically the deduction. However, I don’ t know why it was I have arrears. I visited the office of the GSIS and the personnel in-charge suggested that its office depends on the remittance coming from DepEd and once it would receive, record is updated. This makes me sir difficult to balance now my financial stability in my family kay I need to pay the arrears monthly through window payment. Then, based on my records, the payment will last for 11 months.

12	Financial Instability and Burden	Maglisud nako ug budget sa ako sweldo sir	" This arrears sir ambot nalang maka lagot. I did not expect this. I availed the loan to finish my house and I know that the net home pay is enough to cater to family needs monthly to finance my children's schooling, foods, bills and others. Unya kay naa man koy arrears after I followed up my records in GSIS, I made the payment started last three months ago. Maglisud nako ug budget sa ako sweldo sir. I hope that this issue can be resolved so that next time when teachers will apply for loan, they cannot experience arrears anymore.

In Table 1, the challenges faced by teachers who have arrears are outlined. Having arrears poses significant difficulties as it impacts various financial aspects of teachers' lives. When teachers have arrears, they often resort to taking out loans to manage additional financial responsibilities such as their children's education, healthcare needs, and other personal expenses. However, rather than alleviating their financial burdens, this often leads to the accumulation of debt, making it increasingly challenging for teachers to meet their financial obligations. According to Kireeva (2024), this agency offers loans for teachers through the Government Service Insurance System (GSIS). A variety of loan schemes are available to assist teachers and other employees in managing their finances. Participant one (1) stated that:

P1:"It is challenging for me to settle the loan and premium arrears since they have already accumulated. I am unsure when I will be able to pay off all these debts and fulfill this obligation".

The description highlights the challenges faced by teachers in settling their arrears, which have grown more complex over time due to compounding factors. Additionally, teachers operate within a constrained monthly budget, leaving them with limited funds to address their arrears. As a result, they frequently experience financial shortfalls. The narrative suggests that teachers are uncertain about the timeframe within which they can completely clear their arrears.

Furthermore, there are situations where teachers, despite being diligent in keeping their records updated after obtaining a loan from GSIS, and consistently making payments as indicated on their payslip or payroll, discover that they still have arrears. Consequently, teachers may find themselves burdened with substantial arrears, often stemming from delayed contributions or administrative oversights, which accumulate over time, posing a significant financial challenge (Ulla, 2019). Participant three (3) has similar experienced and cited:

P2: I only noticed two years ago that I have arrears in my GFAL loan. In fact, I was confused as to why this happened when looking at my payroll and pay slip, as I have updated deductions. I believe it is difficult for me to pay since I only have a net home pay of 5,000 at this time."

At times, despite teachers being aware that they consistently make payments towards their loans from GSIS and believing that these payments are up to date, they may find that their loan balances remain unpaid when they inquire with GSIS. This situation can be attributed to factors such as delays in remittance or errors in data entry. While contributions from schools to GSIS are obligatory, there are instances where such issues arise. This aligns with the GSIS publications (2025) that establish mandatory contributions for all GSIS members, including teachers, to ensure coverage against various contingencies like separation from service, retirement, disability, or death. One participant said:

P3: *"I cannot imagine how to pay my arrears, sir, considering that I have several salary loans and other debts. I am worried that if these arrears are not settled, I might not receive anything when I retire, sir.*

Teachers aim to settle their loans and eliminate any arrears before retiring from service. Their goal is to ensure that by the time they reach their desired retirement age, all their loans are fully repaid. Nevertheless, there are occasions when teachers discover upon visiting the GSIS office that they have accrued arrears despite their efforts to stay current with their payments. This is supported by the narrative of participant four (4):

> P4*: I intend to retire next year, sir. However, when I visited GSIS to assess my loan balance, thinking it could be fully paid next month, I discovered that I have 75,000 arrears on my GFAL loan. This news left me feeling depressed, and I must settle it. Consequently, I will postpone my retirement for another four years.*

Despite facing challenges in settling their arrears, resulting from various lapses on the part of both the school and GSIS, teachers are mandated to clear their outstanding payments. While they have the means to pay off these arrears through their salaries, they often encounter financial constraints leading to budget shortfalls. As highlighted by participant five (5)

> *P5: I am aware of the arrears on my loan, so I have promptly started making payments through window services. I believe this issue can be resolved in the upcoming months. However, due to this, I am experiencing a budget shortfall."*

While teachers certainly have the capability to settle their arrears from their loans, their families may bear the brunt of financial strain, especially when teachers are also borrowed money from lending. This scenario poses a challenge for families in meeting basic necessities such as food, shelter, clothing, and other essentials. It is crucial to underscore the importance of effective communication and accurate record-keeping between both the school and GSIS to prevent teachers from encountering such difficulties. This sentiment resonates with the insights shared by participant six (6):

> *P(6): The arrears have become a financial burden, impacting my financial situation significantly. I have been making payments for eight months now, which has required sacrifices in our family budget."*

The burden of having arrears is a significant source of stress. Teachers are required to make monthly payments until the balance is fully settled and their loan or premium records are updated. When teachers avail of loans, it is often for important and purposeful reasons—such as completing home construction or supporting their children's education. Unfortunately, the presence of arrears forces them to make difficult financial sacrifices. In many cases, regular bills or household expenses are delayed or canceled due to adjustments made to their already limited monthly net pay. As expressed by Participant 7 in the transcript:

> P7: " *I did not expect of the arrears sir and this condition makes me difficult. Ako naman gi budget ang ako financial obligation of our family based on the net home pay I received monthly. Igo go radyud ang budget but then, because of the arrears now, it is challenging since I need to pay it to avoid accumulation then my monthly budget will be sacrificed. Nganun gud ni sir oy, dugay padyu nku ni ma fully pay"*

As noticed, teachers did not expect of the arrears they experienced after having loans from GSIS. For the teachers, because of arrears, they struggled with their financial status in their family. This is consistent with the study of Białowolski (2017) examined how households cope with financial difficulties, particularly debt arrears. The research indicated that arrears lead to decreased life satisfaction and financial well-being, as families often resort to compensatory actions that may not alleviate the underlying financial stress.

Furthermore, teachers generally express confidence that their GSIS (Government Service Insurance System) loan payments are properly recorded and that they will receive regular and updated notices of their monthly deductions. However, contrary to these expectations, many have discovered arrears upon inquiring about the status of their school remittances. Some of these arrears have even accumulated over time, leading to confusion and concern. The teachers did not anticipate such discrepancies—whether due to issues within GSIS or the school's remittance processes. For instance, Participant eight (8) believed that working in an implementing unit school would guarantee timely loan remittances and prevent any arrears. Contrary to this assumption, she still experienced delays and unrecorded payments. She shared:

> P8." *First impression, I am confident for the financial transactions concerning my payment to GSIS loans and premiums if ok because, the school I work is an implementing unit. Di ba sir basta implementing confident radyud to have clear transactions but I wonder why I have accumulated arrears. I suspected sir nga there was no updated records on remittances and subsequently making my financial stability unstable and difficult to budget."*

The issue of arrears must be resolved, considering that despite implementing units, schools have encountered discrepancies in recording, making the teachers experience arrears in loans and premiums. Loan arrears in GSIS refer to unpaid or delayed loan amortizations that have not been remitted on time by the employer (e.g., a school or government agency) or by the borrower themselves. This situation occurs when monthly payments for GSIS loans—such as emergency, consolidated, policy, or educational loans—are not properly recorded or transmitted to GSIS on schedule. According to GSIS, an account is considered in arrears when unpaid amortizations accumulate due to delayed remittances, which can affect loan privileges and even retirement benefits (GSIS, 2022; GSIS, 2016).

The occurrence of arrears disrupted the family's financial stability. Rather than allocating their budget to essential household needs and planned financial activities, a significant portion had to be redirected toward paying off the arrears. This led to prolonged financial strain, lasting from the onset of the repayment period until the arrears were fully settled. Participant nine (9) shared her insights and experiences regarding this burden:

> *P9.“ I made my loan from March 2023 sir, then my pay slip reflected the deduction last June 2024 pa. I often reminded our bookkeeper to follow the issue kay magbayad dyud ko. He responded to nga e settle ra daw. However, I have been waiting until last June of 2024, the deduction appeared in my pay slip. It is ok but need to be per monthly the arrears, na kwaon na nuon ako budgets sir making me to have financial burden.”*

Moreover, if teachers assigned to implementing unit schools have experienced loan arrears, those teaching in non-implementing unit schools have encountered similar challenges. The issue appears to be widespread, affecting teachers across different types of school assignments. As expressed by Participant 10 during the interview:

> *P10.“ In my case sir, since the school I assigned is not an implementing unit, medyo it is a long process kay the deduction was done from the regional office man because the pay slip or payroll is prepared in the region. I expected after availing the loan to have automatic deduction of my net home pay kay believing that the region and GSIS has a system that efficiently recording the remittances and list of teachers with loans. So, naabot man ug almost one year ayha na deduct and as a policy, ako dyud ni bayaran. Ok ra sir kay doul raman ang GSIS, but my net home pay gamay na kaayu. It is difficult for me now to allocate my remaining salary for the family expenses, short na kaayu sir.”*

This transcript reinforces the perspectives of other participants, highlighting how the presence of arrears made it increasingly difficult to manage their family’s monthly budget. The financial strain diverted resources that would otherwise be allocated to essential family needs. Families must prioritize fundamental necessities such as food, shelter, and other primary requirements for survival. Chiappero-Martinetti (2014) noted, **family basic needs** include both material and non-material resources that are crucial for the health, survival, and overall well-being of all family members. These needs support not only daily living but also contribute to long-term development.

Additionally, Participant 11 shared her insights regarding the unexpected occurrence of arrears, despite her efforts to follow up with GSIS about the status of her loan:

> P11. *“ I did not expect to have arrears ma’am kay the pay slip reflected automatically the deduction. However, I don’ t know why it was I have arrears. I visited the office of the GSIS and the personnel in-charge suggested that its office depends on the remittance coming from DepEd and once it would receive, record is updated. This makes me sir difficult to balance now my financial stability in my family kay I need to pay the arrears monthly through window payment. Then, based on my records, the payment will last for 11 months.*

Thus, if teachers have arrears, undoubtedly, their financial stability is unstable and unable to save money for their future. This is supported by the research by the Global Financial Literacy Excellence Center (2018) which highlighted that even households with moderate to high incomes can exhibit financial fragility, often due to insufficient emergency savings and the inability to cover unexpected costs (Yakoboski et al., 2018).

For teachers, if they have projects to accomplish and something to buy for their family, they apply for loans and GSIS offers several types of salary loans. This agency caters to government employees who wish to apply loans and contributes for their premiums. Despite the agency’s offer to teachers, there are discrepancies which even at this moment are difficult to correct. It is either on the part of the GSIS or the schools where the teachers are assigned. Participant 12 responded to the interview and cited:

> P12: *This arrears sir ambot nalang maka lagot. I did not expect this. I availed the loan to finish my house and I know that the net home pay is enough to cater to family needs monthly to finance my children’s schooling, foods, bills and others. Unya kay naa man koy arrears after I followed up my records in GSIS, I*

> *made the payment started last three months ago. Maglisud nako ug budget sa ako sweldo sir. I hope that this issue can be resolved so that next time when teachers will apply for loan, they cannot experience arrears anymore.*

Based on the teachers' narratives, arrears have a significant impact on their financial stability and are considered a major challenge to settle—particularly when the accumulated amount is substantial, forcing them to make sacrifices from their monthly salaries.

Definition of Themes

After all the verbatims have been transcribed and analyzed through thematic analyses, the following themes are discussed:

Financial Challenge: This refers to a challenge or barrier encountered by the teachers with arrears when handling one's finances. This can involve problems with arrears, saving, budgeting, and any other area of financial planning that presents challenges for a teacher. Teachers may experience financial difficulties for a variety of reasons, such as unforeseen costs, losing one's work, bad financial habits, or a lack of financial literacy. To ensure a healthy financial future, it is critical to take proactive measures to solve these issues.

Lack of Transparency. It pertains to the lack of openness, clarity, or full disclosure in communication, decision-making, or operational processes within the GSIS and schools, which contributes to teachers accumulating arrears.

Financial Confusion. This is used to describe a state of ambiguity or uncertainty about one's financial circumstances or choices. This might happen when teachers do not know how to handle their money or set a budget to pay for the accumulated arrears.

Retirement Concern. This refers to the concerns, doubts, or problems teachers might have with their retirement years. These issues may include worries about healthcare costs, how to manage investments in retirement, the social and emotional aspects of retirement, such as finding purpose and maintaining social connections, or financial worries about having enough savings to support their desired lifestyle, especially if they have arrears to pay due to the lapses of the agencies concern in setting their financial contributions to GSIS.

Retirement Postponement. This refers to the situation where teachers feel compelled to delay their retirement in order to settle their accumulated arrears, ensuring that all loans are fully paid before they officially retire.

Overborrowing. This refers to the excessive taking out of loans beyond teacher's capacity to repay, often resulting in financial strain, increased debt, and potential default. It may stem from inadequate net home pay, and accumulated arrears.

Repayment Strategy. This refers to a structured plan or approach designed to systematically settle financial obligations—such as teachers' arrears in GSIS—over a specified period. The strategy typically involves prioritizing the repayment of outstanding balances and adhering to the agreed loan terms.

Financial Burden. This refers to the difficulty teachers experience in managing their monthly expenses due to the unexpected allocation of a portion of their salaries for arrears payment. This unanticipated deduction often leads to financial strain and hardship.

Financial Hardship. This refers to the economic strain and instability experienced by teachers when unpaid or delayed loan amortizations—typically through the Government Service Insurance System (GSIS)—accumulate and result in unexpected deductions, reduced take-home pay, or loan penalties.

Financial Constraint and Instability. This refers to the economic difficulties and unpredictable financial situations experienced by teachers as a result of unpaid or unremitted Government Service Insurance System (GSIS) loan contributions.

Struggles in Monthly Budget Allocation. These refer to the financial difficulty teachers experience in managing their monthly income due to unexpected or significant deductions made to their salaries to cover unpaid GSIS loan balances.

Struggle to Manage Priorities. This refers to the difficulty teachers experience in balancing essential financial responsibilities—such as food, education, utilities, and other household needs—when a significant portion of their salary is unexpectedly or consistently allocated to pay for accumulated arrears from GSIS loans.

Financial Instability and Burden. This refers to the condition where teachers experience ongoing economic difficulty and unpredictability in managing their finances as a result of unpaid or unremitted loan obligations with the Government Service Insurance System (GSIS).

Table 2
The Checklist of the Factors that Contribute to the Accumulation of Arrears

Factors	Frequency (f)	Percentage (%)
1. delayed in payroll system	2	5.56
2. delayed in school remittances	3	8.33
3. inconsistency of the school's entry (incorrect amount, etc.)	2	5.56
4. inconsistency in deductions	2	5.56
5. inconsistency in remittances	1	2.78
6. lack of transparency in GSIS	12	33.33
7. difficult to track my personal account in GSIS	1	2.78
8. inefficiency of the GSIS collection	1	2.78
9. high interest charge of GSIS loans	1	2.78
10. overborrowing (loans with GSIS and private lending)	10	27.78
11. lack of literacy	1	2.78
Total	**36**	**100.00**

Table 2 reveals the factors that contributes to the accumulation of arrears among teachers from implementing and non-implementing units. For them for about 33.33 percent perceived that because of the lack of transparency of the GSIS caused them to have arrears wither from their loan or for premiums. Other than that, many of them that their arrears are caused by their overborrowing with GSIS and other private lending companies. In this avenue, it shows that the teachers have low net home pay and it could not suffice for the payment of their loans and premium remittances resulting to have accumulated arrears. However, the study of Domingo (2013) underscores that administrative inefficiencies within the GSIS system worsen the problem of loan arrears. These inefficiencies manifest in delayed contribution processing, outdated records, and unresolved payment discrepancies. Furthermore, inconsistencies in payment procedures add another layer of complexity. Conflicting protocols and unclear guidelines can lead to misunderstandings and remittance errors, ultimately fueling the accumulation of arrears.

Table 3
The Actions Taken by GSIS as Regard to Accumulation of Arrears

Participant	Theme	Codes	Verbatims
1	Enhanced Transparency and Communication	Clear details Frequent updates	The GSIS should give clear details about loan terms, interest rates, and repayment plans. Teachers can better understand their duties through online resources and frequent updates. Dapat mag update pud sila sir.

2	Streamlined Loan Processing and Transactions	Streamlining loan Improve ease and accessibility	Teachers' administrative workloads might be lessened by streamlining the loan application, processing, and repayment procedures. Mobile apps and web platforms can improve ease and accessibility. The agency can cater to this. Pero they used to personally visit the office man.
3	Improved Customer Service	Simplifying the loan process Increase accessibility	Simplifying the loan application, processing, and repayment processes could reduce the administrative burden on teachers. Web platforms and mobile apps can increase accessibility and convenience. Nag start naman gud ang uban ana.
4	Collaborative Solutions	Buy-out agreements Collaborate	In order to investigate alternate loan possibilities and buy-out agreements that benefit teachers, the GSIS and DepEd should collaborate. It should be done kay ang uban schools delayed ila submission.

Table 3 presents the action taken by the GSIS as regards to accumulated arrears of teachers. The only agency that digs out the issues on arrears is the GSIS itself as the schools obligations are to remit their teachers' loan payment every month on the amount of deduction. Nevertheless, there instances that the schools are efficient and timely in their remittances but teachers still experienced arrears. Thus, much better if the schools and GSIS will work together resolve the issue and provide quality services for the teachers. It is consistent with the participant one (1) from the GSIS personnel (GP) in the loan section that stated:

> *(GP1): The GSIS should give clear details about loan terms, interest rates, and repayment plans. Teachers can better understand their duties through online* resources and frequent updates.

In this regard, the GSIS aims to enhance digitalization by regularly updating its website for teachers to access and review their remittances for loan payments. The objective is to provide comprehensive information regarding loan terms, interest rates, and repayment schedules. Additionally, schools are urged to enhance their processes for deducting and remitting payments to GSIS on behalf of teachers. According to the GSIS personnel (GP2):

> (GP2): *Teachers' administrative workloads might be lessened by streamlining the loan application, processing, and repayment procedures. Mobile apps and web platforms can improve ease and accessibility.*

That GSIS personnel recommend that schools reduce the workload of their financial staff to prioritize the efficient management of teachers' loans, particularly in implementing unit schools. Implementing units have fiscal autonomy, leading them to handle transactions independently. These schools are characterized by their larger scale and higher student enrollment, typically comprising secondary schools with a significant number of teaching and non-teaching personnel (Diola, 2018). Additionally, the other personnel from GSIS remarked that:

> *(GP3): Simplifying the loan application, processing, and repayment processes could reduce the administrative burden on teachers. Web platforms and mobile apps can increase accessibility and convenience.*

The process of applying for a loan in GSIS can be time-consuming due to the multiple stages involved, such as paper processing and verifications at different levels. In line with a suggestion from GSIS personnel, the application and processing procedures could be streamlined to ensure that teachers seeking a loan receive the funds promptly. This individual recommends that teachers utilize mobile applications for easy access and convenience, eliminating the need to spend on travel expenses or take leave from work. One GSIS personnel added:

> *(GP4): In order to investigate alternate loan possibilities and buy-out agreements benefit teachers, the GSIS and DepEd should collaborate.*

Therefore, it is essential to enhance collaboration between schools and GSIS. This will guarantee that any issues raised by teachers regarding their loan applications and premium remittances are promptly addressed, and outstanding arrears can be resolved efficiently.

Definition of Themes

After analyzing the participants' verbatims and codes, the following themes are presented and discussed.

Enhanced Transparency and Communication. This refers to the practice of increasing openness, clarity, and accessibility in various interactions, whether in organizations, relationships, or public institutions. It involves fostering clear and honest communication channels, providing relevant information openly, and promoting understanding between the school and GSIS.

Streamlined Loan Processing and Transactions. This refers to the optimization of procedures and systems involved in the lending and borrowing process. It aims to simplify and expedite the steps required to apply for, approve, and disburse loans, making the overall transaction smoother and more efficient for both the GSIS and the teacher as borrower.

Improved Customer Service. This refers to enhancing the quality of assistance and support provided to teachers by businesses GSIS. It involves implementing strategies to better understand and meet teacher needs, resolving issues promptly and effectively, and offering personalized and responsive communication.

Collaborative Solutions. This refers to approaches that involve working together with schools and GSIS to address challenges, find innovative ideas, and achieve common goals. It entails fostering a cooperative environment where individuals or groups contribute their expertise, share resources, and engage in collective problem-solving.

Conclusion:

After the summary of findings was thoroughly analyzed and concisely written, the following conclusion was drawn. This study investigated a group of teachers with arrears in their loan and premium, most of whom are from implementing unit schools. Among the two types of arrears, loan arrears were the primary concern, as many teachers faced issues related to inaccurate or problematic loan records. These issues were especially prevalent in implementing unit schools, where systemic problems contributed to the teachers' financial difficulties.
As a result of these accumulated arrears, the affected teachers have experienced financial hardships and uncertainty regarding how to maintain financial stability for their families. Some have even chosen to delay their retirement plans to ensure they can fully settle their obligations with the Government Service Insurance System (GSIS), including clearing all arrears. Although this creates additional financial strain, they are compelled to continue repayments until their accounts are cleared.

Moreover, the findings suggest that when teachers incur arrears, their daily financial stability is significantly affected—something that ideally should not occur, as the transaction is supposed to be managed between the school and the GSIS. Despite consistently making monthly payments, teachers are still held accountable for arrears they did not intentionally incur.

Limitations and Further Research:

This study recommends the development of an intervention program by both GSIS Dipolog Branch Office and the Dipolog City Schools Division to address issues surrounding teachers' arrears. Such a program should provide financial literacy training, loan restructuring assistance, updated and accurate financial records, and promote a culture of financial responsibility within schools. This initiative aims to resolve current arrears-related issues and help establish a GSIS system that ensures transparency, accountability, and the prevention of future loan arrears among government employees.
After analyzing the summary of findings and conclusions, the following recommendations are offered; Implementing schools should actively collaborate with GSIS to establish a more efficient and transparent system for processing

teachers' loan deductions and ensuring the timely remittance of premiums; Teachers should take a proactive role in monitoring their loan and premium remittances by regularly checking both GSIS and school records, and addressing any discrepancies or arrears promptly to prevent further accumulation; Teachers are encouraged to borrow responsibly, ensuring that their net pay can sufficiently cover loan and premium obligations to GSIS to avoid financial strain; and Schools and GSIS must prioritize transparency and enhance customer service, working collaboratively to provide clear, accessible, and timely support that addresses teachers' financial concerns effectively.

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