

MUTUAL AID SYSTEM 65 (MAS 65)

Terms and Conditions

The following Rules and Regulations shall govern the operations of the Mutual Aid System 65 (MAS 65) of the Philippine Public School Teachers Association (PPSTA).

A. TITLE

These Rules and Regulations shall be referred to as the Terms and Conditions of MAS 65 of the PPSTA.

B. MEMBERSHIP

1. Public School Teachers and Employees of the Department of Education and the PPSTA in the active service who are not yet members of the PPSTA are qualified to join MAS 65 provided they are not more than fifty-four (54) years old and they are certified by a government physician to be physically/medically fit.
2. An applicant for membership in the plan must apply in the prescribed form and any material or willful misstatement or misrepresentation in the application shall be caused for denial of her application or cancellation of her membership if already approved and/or disapproval of the claim for death benefits by her heirs, subject to provision C.11 below.
3. Membership in the plan shall take effect only upon approval of her application by the authorized official of the PPSTA and upon payment of her first monthly contribution as follows:
 - a. If payment for premium contribution is effected by salary deduction, after the first salary deduction has been effected by the Department of Education Payroll Services Division.
 - b. If payment for premium contribution is through direct payment, upon actual receipt by the PPSTA of the first monthly payment.
4. A member shall be entitled to a membership certificate following receipt of her first payment or deduction, the date of receipt of which shall be indicated on the certificate as the date of effectivity of her membership.
5. Membership of a member shall be deemed automatically cancelled or to have lapsed on the following grounds:
 - a. Material misrepresentation in her application for membership.
 - b. Non-payment of monthly contribution for a period beyond the ninety-day (90) grace period from the due date, subject to provision C.9 below.

In case of death of the member during the grace period, the balance of the contribution in arrears shall automatically be deducted from the benefits payable.
6. A member whose membership has lapsed may regain her membership only after payment of all her premium contributions in arrears and any indebtedness on her membership certificate with interest rate not exceeding the maximum rate allowed by the Insurance Commission and submission of a verified medical certificate by a government physician attesting to her good health. Reactivation of membership shall take effect only after one (1) month from receipt of the medical certificate and payment of contributions in arrears. The lapsed membership of those who are already seventy (70) years old shall no longer be reactivated.
7. The member is eligible for reinstatement within a period of three (3) years from the date of lapse. After the three-year period, the membership is cancelled.

C. COVERAGE/BENEFITS

1. Upon the death of a member and presentation of acceptable proof of her death, her beneficiaries shall be paid by the PPSTA a death benefit in the amount of: P200,000 if death occurs before age 65 or P150,000 if death occurs after age 65. If death is due to accident and occurs before age 65, the death benefit is P400,000. Upon attainment of age 65, the surviving member receives an endowment of P50,000. If a member is diagnosed to be terminally ill by a legally qualified physician, a condition with a life expectancy of less than six (6) months, fifty per centum (50%) of the death benefit is advanced to the member. Subsequently, the death benefit and all other certificate-related values are reduced by the same percentage.
2. The death benefit shall be paid to the beneficiaries designated by the member in her application form unless they are disqualified by law or unless new beneficiaries have been designated by the member in a request in writing and under oath submitted to the PPSTA main office prior to her death.
3. A member may change her beneficiaries at any time unless she has designated her initial beneficiaries to be irrevocable, in which case no change of beneficiaries shall be allowed without their consent in writing.
4. Notwithstanding the beneficiaries designated in the application, the benefit shall be divided in equal shares to the surviving spouse and all the children of the deceased member if:
 - (a) the member was single at the time of her application but subsequently got married and had children.
 - (b) the member designated as her beneficiaries her children at the time of the application but subsequently had additional children but failed to include them in the list of her beneficiaries.
5. If a member dies without any designated beneficiaries or her designated beneficiaries predeceased her, the benefit shall be awarded to her surviving legal heirs in the following order of priority:
 - a. surviving spouse and children, share and share alike;
 - b. surviving parents;
 - c. surviving brother and sisters;
 - d. her estate
6. A revocable beneficiary acquires no vested right to the benefits during the lifetime of the member. Should the beneficiary die ahead of the member, her share shall be disposed of as in No. 5 hereof.
7. After three (3) full years of continuous membership, a member who terminates her membership shall be entitled to an equity value equivalent to at least fifty per centum (50%) of the total contributions collected from her based on the table of equity values printed at the back of the Policy contract.
8. While the certificate of membership is in-force and when an equity value is available, the member may obtain a Certificate Loan from the PPSTA. The amount of loan together with any other indebtedness shall not exceed the member's equity value. The Certificate Loan shall bear interest at a specified rate by the PPSTA but not more than the maximum rate allowed by the Insurance Commission. Interest is payable in advance. The loan interest is payable on each policy anniversary and any interest not paid when due shall be added to the loan and shall bear interest at the rate applicable at that time. Whenever the outstanding loan and any accrued interest exceed the equity value, this certificate shall be deemed automatically terminated.

PPSTA may postpone the granting of a loan, other than to pay a contribution due, for not more than six (6) months after receiving the request for the loan.
9. While the certificate is in-force, an equity value is available, and the Automatic Contribution Loan option was selected by the member at the time of application or by a written request thereafter, any contribution that remains unpaid at the end of the grace period will be paid by the PPSTA, subject to the provisions of C.8 above pertaining to Certificate Loans.
10. All loans, Certificate or Contribution loans, and their accrued interest are deducted automatically from any amount payable by the PPSTA under this certificate.
11. The certificate of membership shall be incontestable after it shall have been in force during the lifetime of the member for a period of two years from its effective date or date of approval of last reinstatement, except for non-payment of premium contribution.

D. PREMIUM CONTRIBUTION

1. Members of the system shall pay a monthly premium contribution up to attained age 65 according to the premium schedule below:

Age group	Premium
Less than 30	P 210.00
30 – 34	P 233.00
35 – 39	P 318.00
40 – 44	P 447.00
45 – 49	P 660.00
50 – 54	P 1,059.00

The monthly contribution shall be in addition to and separate from the P20.00 monthly PPSTA membership fee.

2. Premium contributions may be paid directly to the main office of the PPSTA or by salary deduction through the DepEd Payroll Services Division. If the payment is through Cashier's/Manager's check or Money Order and sent through the mails, the premium contribution shall be deemed paid only upon actual receipt and encashment thereof by the PPSTA. If the payment is through salary deduction, the payment shall be deemed to have been made as soon as the deduction has been effected by the DepEd-PSD. Payment by personal checks shall not be deemed made without prior clearance from the General Manager.

3. Payments made through affiliated chapters shall be deemed made only upon actual receipt of the payment by the PPSTA head office. No contract of agency shall be inferred between the PPSTA and any of its local chapters or any of its officials or representatives in connection with the collection of premium contributions for the system.
4. Group payments shall be accompanied by a list of the individual payees, otherwise, no payment for any particular individual shall be recognized.
5. Failure to pay the required monthly contribution within the prescribed period shall be a ground for the automatic cancellation of the membership of a member, subject to the provisions of C.11

E. OTHER PROVISIONS

1. The Accidental Death benefit shall automatically terminate upon the member's attainment of age 65 or upon payment of the terminal illness benefit.
2. A claim for death benefit should be filed with the PPSTA office within one year from the death of the member. Failure to give notice and proof as required, will not invalidate nor diminish the claim if it is shown not to have been reasonably possible to give such notice or proof and that each was given as soon as was reasonably possible.
3. For Terminal Illness benefit, the member shall furnish the PPSTA a statement describing the occurrence of the event that gives rise to a claim and shall provide such information and evidence satisfactory to the PPSTA. The PPSTA reserves the right to require the member to undergo a medical examination by its designated physician.
4. The PPSTA will not be liable if the member dies by suicide within two (2) years after the effective date or date of last reinstatement of the Certificate of Membership, provided, however, that suicide committed in state of insanity will be compensable regardless of the date of commission. Where suicide is not compensable, the PPSTA's liability shall be limited to the return of all premium contributions paid.
5. The claim should be accompanied by the authenticated Death Certificate of the member and two (2) copies of the following documents:
 - a. Service record duly signed by the Superintendent of Schools or the Administrative Officer, if deceased died while in service;
 - b. Certificate of active membership in the affiliated chapter from the President of the Local Chapter or her duly authorized representative;
 - c. If one of the claimants is the surviving spouse, a certified true copy of his Marriage Contract with the deceased member;
 - d. If the surviving spouse is a beneficiary together with minor children, proof of custody and capacity to administer the property of the minor children together with the birth certificates of the minors; (a form may be obtained from the PPSTA)
 - e. If any of the beneficiaries is a minor both of whose parents are already deceased, a letter of guardianship issued by the proper court and/or other documents showing the authority of the one acting or claiming in behalf of the minor beneficiaries;
 - f. If any beneficiary waives or assigns her right in favor of another, an Affidavit of Waiver or Deed of Assignment;
 - g. If any of the designated beneficiaries is already dead, a certified true copy of the death certificate of said beneficiary;
 - h. Information sheets to establish the identity of all claimants as beneficiaries together with an attached ID picture and right and left thumbmark.
6. All controversial or doubtful death benefit claims shall be decided by a Committee of Awards composed of: a) the Chairman of the MAS Committee of the Board of Trustees, as Chairman, b) any one member of the MAS Committee, c) the member of the Board of Trustees representing the region of the claimant, d) the General Manager, and e) the chief of the Membership Division. The Legal Counsel shall serve as consultant. All claims shall be decided by the vote of the absolute majority of the committee.
7. The PPSTA will not be bound by any certificate of membership unless a copy of the assignment and the written consent of every assignee, or other similarly affected person, if any, are filed at the PPSTA Head Office and duly endorsed on the certificate. The PPSTA assumes no responsibility for the effect, sufficiency or validity of any assignment.
8. If the member's age has been misstated, all benefits payable shall be adjusted to the amount that the contributions would have purchased at the correct age. If according to the correct age the member is no longer eligible for coverage, the PPSTA's liability shall be limited to the return of all contributions paid.
9. The Certificate of Membership is not transferable.
10. The PPSTA Board of Trustees shall adopt a prudent cash management program to invest profitably all cash in excess of current disbursements.
11. The fees and contributions may be adjusted by the PPSTA Board of Trustees as may be necessary to maintain the funds of PPSTA at a level adequate to meet its benefit obligations or commitments under the insurance plan. Any change in the contribution or fee is subject to approval by the Insurance Commission.
12. Not more than twenty percent (20%) of all actual monthly premium contributions may be used for operational expenses.
13. The PPSTA Board of Trustees shall set up each year sufficient reserves for the payment of claims and other obligations in accordance with actuarial principles and procedures approved by the Insurance Commission (IC) and calculated and duly certified to by IC Accredited Actuary. If the reserves become impaired, the Board of Trustees shall require all members to pay the PPSTA the amount of the member's equitable proportion of such deficiency as ascertained by the PPSTA Board of Trustees. If the payment is not made, it shall stand as an indebtedness against the members and draw interest not to exceed five per centum (5%) per annum compounded annually.
14. Any member of the PPSTA, who through malfeasance, misfeasance, or nonfeasance allows a spurious claim to be paid, including the claimant, will be punished accordingly to whatever penalty the PPSTA Board of Trustees may so decide and the amount of indemnity paid must be refunded to the PPSTA.
15. It is hereby declared and agreed that the provision of Article 1250 of the Civil Code of the Philippines which reads:

"In case of extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of establishment of the obligation shall be the basis of payment..."

 shall not apply in determining the extent of the liability under the provisions of the certificate of membership.
16. Any amendment/s made to this Rules and Regulations is/are subject to approval by the Insurance Commission.

IMPORTANT NOTICE

The Insurance Commission, with offices in Manila, Cebu, and Davao, is the government office in charge of the enforcement of all laws relating to insurance and has supervision over Mutual Benefit Association. It is ready at all times to render assistance in settling any controversy between a Mutual Benefit Association and its members relating to insurance matters.

AVAILABILITY OF RULES AND REGULATIONS

A copy of the Rules and Regulations of the PPSTA Mutual Aid System 65 (MAS 65) is kept in the PPSTA main office and is available to members for inspection during regular office hours.

APPROVED, Under the provision of Section 226 of Presidential Decree No. 1460 otherwise known as the Insurance Code of 1978. _____