

**HOME DEVELOPMENT MUTUAL FUND**

Corporate Headquarters  
The Atrium of Makati  
Makati Ave., Makati City

**HDMF Circular No. 274**

TO: ALL CONCERNED

SUBJECT: **REVISED GUIDELINES ON Pag-IBIG FUND MEMBERSHIP**

---

Pursuant to RA 9679 and its Implementing Rules and Regulations, the **Revised Guidelines on Pag-IBIG Membership** are hereby issued:

**A. OBJECTIVES**

These guidelines are being issued to:

1. Provide comprehensive policies regarding the membership and coverage of Pag-IBIG members, including their contribution, the remittance of the same to the Fund, and their benefits; and
2. To facilitate the mandatory coverage of members who were previously under voluntary membership with, including those who were not covered by, the Fund prior to RA 9679

**B. MEMBERSHIP COVERAGE**

1. Mandatory Coverage

1.1. All employees who are or ought to be covered by the Social Security System (SSS), provided that actual membership in the SSS shall not be a condition precedent to the mandatory coverage in the Fund. It shall include, but are not limited to:

1.1.1. A private employee, whether permanent, temporary, or provisional who is not over sixty (60) years old;

1.1.2. A household helper earning at least P1,000.00 a month. A household helper is any person who renders domestic services exclusively to a household such as a driver, gardener, cook, governess, and other similar occupations;

1.1.3. A Filipino seafarer upon the signing of the standard contract of employment between the seafarer and the manning agency, which together with the foreign ship owner, acts as the employer;

1.1.4. A self-employed person regardless of trade, business or occupation, with an income of at least P1,000.00 a month and not over sixty (60) years old;

- 1.1.5. An expatriate who is not more than 60 years old and is compulsorily covered by the Social Security System (SSS), regardless of citizenship, nature and duration of employment, and the manner by which the compensation is paid. In the absence of an explicit exemption from SSS coverage, the said expatriate, upon assumption of office, shall be covered by the Fund.

An expatriate shall refer to a citizen of another country who is living and working in the Philippines.

- 1.2. All employees who are subject to mandatory coverage by the Government Service Insurance System (GSIS), regardless of their status of appointment, including members of the judiciary and constitutional commissions;
- 1.3. Uniformed members of the Armed Forces of the Philippines, the Bureau of Fire Protection, the Bureau of Jail Management and Penology, and the Philippine National Police;
- 1.4. Filipinos employed by foreign-based employers, whether they are deployed here or abroad or a combination thereof.

## 2. Voluntary Coverage

An individual at least 18 years old but not more than 65 years old may register with the Fund under voluntary membership. However, said individual shall be required to comply with the set rules and regulations for Pag-IBIG members including the amount of contribution and schedule of payment. In addition, they shall be subject to the eligibility requirements in the event of availment of loans and other programs/benefits offered by the Fund.

The following shall be allowed to apply for voluntary membership:

- 2.1. Non-working spouses who devote full time to managing the household and family affairs, unless they also engage in another vocation or employment which is subject to mandatory coverage, provided the employed spouse is a registered Pag-IBIG member and consents to the Fund membership of the non-working spouse;
- 2.2. Filipino employees of foreign government or international organization, or their wholly-owned instrumentality based in the Philippines, in the absence of an administrative agreement with the Fund;
- 2.3. Employees of an employer who is granted a waiver or suspension of coverage by the Fund under RA 9679;
- 2.4. Leaders and members of religious groups;
- 2.5. A member separated from employment, local or abroad, or ceased to be self-employed but would like to continue paying his/her personal contribution. Such member may be a pensioner, investor, or any other individual with passive income or allowances;
- 2.6. Public officials or employees who are not covered by the GSIS such as Barangay Officials, including Barangay Chairmen, Barangay Council Members, Chairmen of the Sangguniang Kabataan, and Barangay Secretaries and Treasurers;

2.7. Such other earning individuals/groups as may be determined by the Board by rules and regulations.

### 3. Existing Membership and Coverage

All records and documents, as well as the amounts and benefits already accrued to the members covered by the Fund under PD 1752, as amended, shall be transferred, continued, and integrated into the member's coverage under RA 9679.

All rights vested, duty imposed, penalties accrued, and/or proceeding commenced under PD 1752, as amended, particularly those under RA 7742, shall continue to subsist and shall be enforced under the provisions of RA 9679 and its IRR.

## C. MEMBERSHIP REGISTRATION

### 1. Modes of Registration/Updating of Records

#### 1.1. Online Registration

Registration shall be done online using the Membership Registration System. The member shall personally fill out the computerized Member's Data Form (MDF).

#### 1.2. Manual Registration

Those without access to the online Membership Registration System shall be required to accomplish the MDF in hard copy. MDFs with lacking information shall be returned to the concerned members for completion.

2. All existing members of the Fund, whether under mandatory or voluntary membership, shall update their records with the Fund via submission of MDF or Membership Registration System. Existing Pag-IBIG II members whose Pag-IBIG I membership is inactive shall also update their records with the Fund. Inactive members who have not updated their records under RA 9679 shall do the same upon reactivation of membership.

3. All existing members shall update their records whenever there are changes in their personal information.

### 4. Effective Date of Membership/Coverage

**Fund coverage shall be effective as follows but actual membership shall only commence upon the remittance of the initial monthly membership contribution.**

**4.1. The mandatory coverage of the following shall take effect on January 1, 2010, unless a different date is set by the Board by resolution:**

**4.1.1. Employees who were not subject to mandatory coverage prior to RA 9679;**

**4.1.2. Filipinos employed by foreign-based employers; and**

**4.1.3. Other coverable members who were not previously covered mandatorily prior to RA 9679.**

**4.2. The mandatory coverage of employees of an employer whose Fund coverage is suspended or waived shall take effect after the expiration of the said waiver or suspension.**

**4.3. The coverage of individuals under voluntary membership shall commence on the actual date of registration.**

**D. MEMBERSHIP CONTRIBUTION**

1. The contribution rate of all members, except for non-working spouses of Pag-IBIG members, shall be as follows:

<u>Monthly Compensation</u>	<u>Contribution Rate</u>	
	Employee	Employer (if any)
P1,500 and below	1.0%	2.0%
Over P1,500	2.0%	2.0%

“Monthly Compensation” shall refer to the basic salary and other allowances, **where basic salary includes, but is not limited to, fees, salaries, wages, and similar items received in a month. It shall mean the remuneration or earnings, however designated, capable of being expressed in terms of money, whether fixed or ascertained on a time, task, or piece or commission basis, or other method of calculating the same, which is payable by an employer to an employee or by one person to another under a written or unwritten contract of employment for work done or to be done, or for services rendered or to be rendered.**

The maximum monthly compensation to be used in computing the employee and employer contributions shall not be more than P5,000.

Employers shall remit two percent (2%) of the monthly compensation of the contributing member as counterpart contribution. The employer is not entitled to deduct from the wages or remuneration of or, otherwise, to recover from the employee the employer’s contribution.

**2. A Filipino employee working abroad and whose employer is not subject to mandatory coverage shall contribute an amount equivalent to 2% of his/her monthly compensation. Said employee may opt to pay the employer counterpart.**

3. A member may contribute more than what is required herein, whereas the employer shall only be mandated to contribute what is required in accordance with Item D Section 1 hereof, unless said employer agrees to match the employee’s increased contributions.

4. In cases where an employee has two (2) or more employers, he/she shall contribute monthly to the Fund a percentage of his monthly compensation per employer, which shall be matched by the latter in accordance with the rates specified in Item D Section 1 hereof.

**5. The self-employed person subject to mandatory coverage, including those who registered for Fund coverage under HDMF Circular No. 96, shall be treated as both the employee and employer and shall therefore be required to pay both the employee share and the employer counterpart in accordance with the rates specified above.**

6. Membership contributions of a non-working spouse shall be as follows:

<u>Fifty Percent (50%) of Working Spouse's Monthly Compensation</u>	<u>Contribution Rate</u>
P1,500 and below	1.0%
Over P1,500	2.0%

The non-working spouse shall not be required to remit the employer counterpart.

## **E. REMITTANCE OF CONTRIBUTIONS**

1. The employer shall act as agent for both the Fund and the employee. He shall collect the membership contributions, as well as the employees' loan amortizations or payments, through payroll deductions and shall indicate the same on the employees' pay slips or issue corresponding receipts for said deductions.
2. It shall be mandatory and compulsory for the Government, its national and local offices, political subdivisions, branches, agencies or instrumentalities, government-owned and controlled corporations (GOCCs) to provide the payment of contributions in their annual appropriations.
3. Membership contributions shall be collected and remitted from the time the employee should have been covered by the Fund.
  - 3.1. If the employer pays unremitted collections due to enforcement, the same shall be applied retroactively upon the employee's presentation of proof that said contributions were previously collected/deducted from him/her. Such shall also apply to said employer's previous employees from whom deductions were made but were not remitted. In these cases, the reckoning of membership shall be on the date that the member should have been coverable by the Fund.
  - 3.2. If the employer did not collect any membership contribution from his/her employees but paid the mandatory employer counterpart due to enforcement, reckoning of the twenty-year membership shall be on the date that actual payment was made. These remittances shall be treated as a single contribution.
  - 3.3. While the member may opt to pay the sum of contributions during the period of his/her employer's delinquency, such shall be treated as a single contribution and shall not be applied retroactively. In such instances, counting of membership contributions shall begin on the date of the initial Pag-IBIG Fund Receipt (PFR).
4. The monthly membership contributions of barangay officials shall be deducted by their respective barangays from their monthly honoraria. The employer counterpart shall be provided and sourced from local funds of their respective barangays.
5. All employers and trade associations/cooperatives with existing agreement with the Fund shall remit the required monthly employer and employee contributions to the Fund or its authorized collecting banks in accordance with the following schedule:

First Letter of employer's name	Due date
<b>A to D</b>	<b>10<sup>th</sup> to the 14<sup>th</sup> day of the month following the period covered</b>
<b>E to L</b>	<b>15<sup>th</sup> to the 19<sup>th</sup> day of the month following the period covered</b>
<b>M to Q</b>	<b>20<sup>th</sup> to the 24<sup>th</sup> day of the month following the period covered</b>
<b>R to Z, Numeral</b>	<b>25<sup>th</sup> to the end of the month following the period covered</b>

The duly accomplished Membership Contribution Remittance Form (MCRF) shall be submitted together with the remittance.

Failure or refusal of the employer/trade association/cooperative to pay or to remit the contributions herein prescribed shall not prejudice the right of the covered employee to the benefits under the Fund. Such employer/trade association/cooperative shall be charged a penalty equivalent to **1/10 of 1% per day of delay of the amount due starting on the first day immediately following the due date until the date of full settlement.**

6. **In cases of suspension from work, leave of absence without pay, or separation from employer, a member-saver may remain in good standing with the Fund by directly remitting his/her monthly contributions together with the employer counterpart to be shouldered by him/her, to any Pag-IBIG branch. A member-borrower, on the other hand, shall be required to continue paying and remitting to the Fund his/her monthly membership contributions and monthly amortization payments.**

It shall be the duty of the employer to inform the Fund of such incidences.

7. A member-saver under an employer who has been granted a waiver or suspension from coverage may remain in good standing by directly remitting to the Fund his/her monthly membership contributions. However, a member-borrower shall continue to pay and remit to the Fund his/her monthly membership contributions and loan amortization payments. On both accounts, the member may opt to shoulder and remit the employer counterpart.
8. Self-employed and voluntary members shall remit contributions directly to the Fund on or before the 10<sup>th</sup> day of the month following period covered. They may opt to pay their contributions on a quarterly basis, provided that such remittances are made on or before the 10<sup>th</sup> day of the beginning month of the quarter.

## **F. MEMBERSHIP STATUS**

A Pag-IBIG member shall refer to any person registered with the Fund and has remitted at least a single contribution, whether under mandatory or voluntary coverage.

Based on the number and frequency of monthly contributions made, members may be classified into:

1. New member – refers to a member whose first membership contribution is posted for the month.
2. Active Member – refers to a member with monthly membership contributions within the last six (6) months. An active member may either be:
  - 2.1. Regularly paying – refers to a member with at least five (5) monthly membership contributions within the last six (6) months; or

- 2.2. Intermittently paying – refers to a member with at least one (1) but less than five (5) monthly membership contributions within the last six (6) months.
3. Inactive Member – refers to a member with no single payment over the past six (6) months. Inactivity may be due to the following reasons:
  - Termination/separation from service;
  - Leave without pay for at least a month; or
  - Contributions were collected but were not remitted.
4. Reactivating Member – refers to a previously inactive member who resumed paying his/her monthly membership contributions.

## **G. BENEFITS**

1. A member's Total Accumulated Value (TAV) shall consist of the member's accumulated contributions, the employer counterpart, if any, and the dividend earnings credited to his/her account.
2. The member's contributions, inclusive of the employee and employer contribution, shall earn dividends which shall be distributed annually and credited to said member's TAV. Only members with outstanding TAV as of year-end shall be entitled to dividends declared for that particular year. All dividend earnings shall be tax-free.

The Fund shall credit dividends to the accounts of members with unclaimed savings, provided the member has not yet reached age sixty-five (65), and those with pending applications for provident benefits whose claims disbursement vouchers have not been prepared as of December 31<sup>st</sup>.

3. A member who transfers to another employer or who becomes self-employed carries with him his/her TAV.
4. A member may avail of the Fund's various housing loan, short-term loan, and other benefit programs, provided that he/she satisfies the eligibility criteria set by the Fund.
5. A member who becomes a member of the Fund after the effectivity of RA 9679 shall have the option to withdraw his/her TAV after the fifteenth (15<sup>th</sup>) year of continuous membership, provided that said member has no outstanding housing and/or short-term loan with the Fund at the time of withdrawal. This option shall not prejudice his/her continuing membership with the Fund.
6. A member shall be entitled to receive his/her TAV upon termination of membership or upon the occurrence of any of the grounds for membership termination. Any and all pending obligations of the member shall be deducted from said TAV.
7. In the event of a member's death, his/her legal heirs, as provided under the Intestate Succession of the Revised Family Code, shall likewise receive said member's TAV, less any and all pending obligations of the member with the Fund. Beneficiaries shall also be entitled to the additional death benefit grant, the amount of which shall depend on the member's TAV and membership status at point of death.
8. The benefits prescribed under RA 9679 shall not be diminished and the government of the Republic of the Philippines guarantees the payment of

employee and employer contributions as well as the corresponding dividends to the members when they are due.

#### **H. MEMBERSHIP TERM**

1. Membership with the Fund shall be for a period of twenty (20) years commencing from the first day of the month to which the member's initial membership contribution applies, provided that said member shall have contributed the corresponding two hundred forty (240) monthly membership contributions.
2. Any member shall be compulsorily retired with the Fund upon reaching age sixty-five (65).
3. Membership with the Fund may be earlier terminated by reason of retirement, permanent or total disability, insanity, death, permanent departure from the country or other causes as may be provided for by the Board of Trustees.
4. In the event that a member whose membership has been earlier terminated, except when due to compulsory retirement, continues or places him/herself in a situation that would subject him/herself to mandatory coverage, said member shall continue to be covered mandatorily.

#### **I. REPEALING CLAUSE**

All previously issued policies found to be inconsistent with any of the provisions under these guidelines are hereby superseded.

#### **J. AMENDMENT**

These guidelines may be amended, revised or modified by the HDMF Senior Management Committee in furtherance of the objectives of the program, provided that the amendments, revisions or modifications herein adopted are consistent with the mandate of the Fund under its charter and existing laws.

#### **K. EFFECTIVITY**

These guidelines take effect immediately.



**JAIMÉ A. FABIANA**

Makati City  
January 07, 2010