

GUIDELINES AND INSTRUCTIONS

A. Who May File

1. The employer who deducted monthly savings (MS) from their employees but failed to remit the same to the Fund.
2. Employers who have pending application for plan of payment resulting from enforcement efforts of the Fund who were not qualified to apply under Circular No. 387 or the "Guidelines on Condonation of Penalties for Monthly Savings Arrearages".

B. How to File

The applicant shall:

1. Secure and accomplish the Application for Penalty Condonation (For Employers Who Deducted MS but Failed to Remit) (HQP-PFF-318) from the Pag-IBIG Branch. The application form may be downloaded from the Pag-IBIG Fund website at www.pagibigfund.gov.ph.
2. Submit application and required supporting documents (*refer to Checklist of Requirements below*) to Pag-IBIG Branch maintaining your account.

C. Period of Availment for Penalty Condonation

1. Eligible employers may avail this program beginning 26 June 2018 until 26 June 2019.
2. Applications must be filed not later than 26 June 2019.

D. Mechanics

1. The employer shall pay the following provident obligations:
 - Total unremitted monthly mandatory savings. This shall include the employer counterpart and employee contribution;
 - Deprived dividends; and
 - Total Assessed Penalties (TAP) which shall refer to the penalties computed as of date of filing of application.
2. The employer shall be granted specific discount on the TAP based on the following payment options:
 - **Full Payment**
 - A 70% discount on TAP shall be given to the employers for full settlement of the total unremitted monthly mandatory savings, deprived dividends and the remaining 30% of the TAP. Full payment shall be made within thirty (30) calendar days from the date of approval of the discount. Otherwise, said approval shall be forfeited.
 - Employers who signified their intent to pay in full but later on opted for a plan of payment shall be granted discount based on the settlement term, provided, they shall submit their plans of payment not later than the 25th day from the date of approval of application for penalty condonation. Otherwise, said approval shall be forfeited.
 - **Plan of Payment**
 - Employers who opted for plan of payment shall be granted discount on TAP based on the following settlement term:

Settlement Term	Penalty Discount on TAP
1 year or less	60%
More than 1 year to 2 years	50%
More than 2 years to 3 years	40%
More than 3 years to 4 years	30%
More than 4 years to 5 years	20%

- The total unpaid balance shall be charged with an interest of 0.50% per month until full settlement thereof.
- Payment shall start exactly one (1) month after the date of approval of the application for penalty condonation, which shall be the due date under the plan of payment.
- The employer shall issue the corresponding number of post-dated checks (PDCs) to cover the approved plan of payment.
- Should the employer failed to pay any of the installment due under the approved plan of payment, all other penalties shall be re-imposed. Further, appropriate civil and/or criminal actions shall be filed against the delinquent employer.

CHECKLIST OF REQUIREMENTS

IMPORTANT

1. Pag-IBIG FUND RESERVES THE RIGHT TO REQUEST ADDITIONAL DOCUMENTS. THE PROCESSING OF PENALTY CONDONATION SHALL COMMENCE ONLY UPON SUBMISSION OF COMPLETE DOCUMENTS.
2. IN ALL INSTANCES WHEREIN PHOTOCOPIES ARE SUBMITTED, THE ORIGINAL DOCUMENT MUST BE PRESENTED FOR AUTHENTICATION.

BASIC REQUIREMENTS

1. Application for Penalty Condonation (For Employers who Deducted Monthly Savings (MS) but Failed to Remit) (HQP-PFF-318)
2. Membership Savings Remittance Form (MSRF, HQP-PFF-053) in softcopy
3. Payroll for applicable period or SSS R-3 (Photocopy)
4. If filing thru Authorized Representative, submit the following:
 - a) For Sole Proprietorship and Partnership
 - Special Power of Attorney (SPA)
 - b) For Corporation
 - Notarized Board Resolution/Secretary's Certificate designating the Representative to transact/negotiate with the Fund and to execute/sign documents submitted
 - c) Photocopy of at least one (1) valid ID card with photo and signature of Authorized Representative.

ADDITIONAL REQUIREMENTS

For Unregistered Employer

1. Employer's Data Form (EDF, HQP-PFF-002) reflecting Pag-IBIG Employer ID No./Registration Tracking Number (RTN)
2. Certified true copy of applicable proof of business existence:
 - Business Permit/Mayor's Permit
 - Department of Trade and Industry (DTI) Certificate of Registration (For Sole Proprietorship)
 - Securities and Exchange Commission (SEC) Certificate of Partnership/Incorporation (For Partnership/Corporation/Foreign-Owned Corporation/Trade Association)
 - Cooperative Development Authority (CDA) Certificate (For Cooperative)