

Pag-IBIG Fund
Corporate Headquarters
Petron MegaPlaza Building
358 Sen. Gil Puyat Ave., Makati City

Circular No. 460

TO: ALL CONCERNED

SUBJECT: GUIDELINES ON THE PAG-IBIG FUND'S IMPLEMENTATION OF INCREASE IN THE MAXIMUM FUND SALARY (MFS) EFFECTIVE FEBRUARY 2024

Pursuant to the approval of the Board of Trustees on its 2023-01 Regular Board Meeting held on 16 February 2023 regarding the Implementation of Increase in the Membership Savings in a Single Tranche or an Increase in the Maximum Fund Salary (MFS) in the year 2024, and the approval of the Senior Management Committee (SMC) held on 13 June 2023 on the Guidelines on the Pag-IBIG Fund's Implementation of Increase in the Monthly Membership Savings for 2024, the **Guidelines on the Pag-IBIG Fund's Implementation of Increase in the Maximum Fund Salary (MFS) Effective February 2024** is hereby issued:

A. OBJECTIVES

This Guidelines aims to:

1. Inculcate the culture of savings among Filipino workers;
2. Promote homeownership through mobilization of funds for sustainable shelter financing; and
3. Ensure uniform understanding and implementation of the increase in the Pag-IBIG Monthly Membership Savings rates.

B. COVERAGE

The increase in MFS shall be applicable to all Pag-IBIG I members under mandatory and voluntary coverage effective February 2024 onwards.

C. MONTHLY MEMBERSHIP SAVINGS

The contribution rate of all Pag-IBIG I members both mandatory and voluntary shall be as follows, unless otherwise specified:

Fund Salary	Contribution Rate	
	Employee	Employer (if any)
P1,500 and below	1.0%	2.0%
Over P1,500	2.0%	2.0%

"Fund Salary" 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 fund salary to be used in computing the employee and employer savings has been increased from Five Thousand Pesos (P5,000.00) to Ten Thousand Pesos (P10,000) taking into consideration financial calculations and rates of benefits in accordance with Section 7 of Republic Act No. 9679.

Employers shall remit two percent (2%) of the monthly Fund Salary 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.

1. MANDATORY COVERAGE

The monthly fund salary of the following members under the mandatory coverage shall be covered under the new rate, unless otherwise specified:

- 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;
 - 1.1.1. Private employees, whether permanent, temporary, or provisional who is not over sixty (60) years old;
 - 1.1.2. Filipino seafarers 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;
 - 1.1.3. Self-employed persons 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;
- 1.2. All employees covered 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;
- 1.5. Household workers or "Kasambahays" who fit the following definition:
 - 1.5.1. General Household Helper;
 - 1.5.2. Yaya (Nanny);

- 1.5.3. Cook;
- 1.5.4. Gardener;
- 1.5.5. Laundry Person; and
- 1.5.6. Any person who regularly perform domestic work in one household on an occupational basis (live-out arrangement).

The Mandatory Monthly Savings (MS) of Kasambahays, whose monthly Fund Salary is less than Five Thousand Pesos (P5,000) shall be based on the following rates, and shall be for the account of their employers.

<u>Fund Salary</u>	<u>Total MS Rate to be Shouldered by Employer</u>
P1,500 and below	3.0%
Over P1,500	4.0%

In case the Kasambahays' gross monthly Fund Salary is at least Five Thousand Pesos (P5,000), the Kasambahays and their Employers shall pay their corresponding proportionate share in the monthly Mandatory Savings.

<u>Fund Salary</u>	<u>MS rate to be Shouldered by Kasambahay</u>	<u>MS rate to be Shouldered by Employer</u>
P5,000 and above	2.0%	2.0%

- 1.6. Other Earning Groups including farmers, fisherfolks, market vendors, transport sector workers, other similar self-employed individuals, service providers, family drivers, and other persons who perform work occasionally or sporadically and not on an occupational or regular basis.

<u>Fund Salary</u>	<u>Contribution Rate</u>
At least P1,000 to P1,500	1.0%
Over P1,500	2.0%

2. VOLUNTARY COVERAGE

The monthly fund salary of the following members under the voluntary coverage shall be covered under the new rate, unless otherwise specified:

Individuals with 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 eligibility requirements in the event of availment of loans and other programs/benefits offered by the Fund.

- 2.1. Non-working spouses who devote their full time in 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:

Fifty Percent (50%) of
Working Spouse's Monthly
Fund Salary

Contribution Rate

P1,500 and below
Over P1,500

1.0%
2.0%

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

- 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. Members separated from employment, local or abroad, or ceased to be self-employed but would like to continue paying their personal contribution. Such members may be pensioners, investors, or any other individual with passive income or allowances; and
 - 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.
3. Members may contribute more than what is required herein, whereas the employers shall only be mandated to contribute what is required in accordance with Item C Sections 1 and 2 hereof, unless said employers agree to match their employee's increased contributions.
 4. In cases where employees have two (2) or more employers, they shall contribute monthly to the Fund a percentage of their Fund Salary per employer, which shall be matched by the latter in accordance with the rates specified in Item C Section 1 hereof.

D. REPEALING CLAUSE

Item D Membership Contribution of Pag-IBIG Fund Circular No. 274 or the Revised Guidelines on Pag-IBIG Fund Membership and all other previous issuances inconsistent herewith are hereby repealed, amended or modified accordingly.

E. MECHANISM ON RESOLUTION OF ISSUES

Any issue in the interpretation and implementation of this Guidelines shall, as much as possible, be resolved by the concerned officer. Matters that are not thereby satisfactorily resolved shall be escalated to the next higher approving authorities.

F. EFFECTIVITY

This Circular shall cover contributions for the period effective February 2024 onwards and shall take effect after its publication.


MARILENE C. ACOSTA
Chief Executive Officer

Makati City,
15 January 2024.