

HOME DEVELOPMENT MUTUAL FUND

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

HDMF Circular No. 275

TO: ALL CONCERNED

SUBJECT: **IMPLEMENTING GUIDELINES ON EMPLOYER REGISTRATION,
CONTRIBUTION, AND REMITTANCE UNDER RA 9679**

Pursuant to Republic Act No. 9679 and its Implementing Rules and Regulations, the **Implementing Guidelines on Employer Registration, Contribution, and Remittance under RA 9679** are hereby issued:

A. OBJECTIVES

These guidelines are being issued to:

1. Provide comprehensive policies regarding the registration of employers with the Fund, their contribution, and the remittance of the same to the Fund; and
2. Facilitate the registration of employers who were not subject to mandatory coverage prior to RA 9679.

B. COVERAGE

1. Coverage under the Fund shall be mandatory for the following:
 - 1.1. Employers of employees compulsorily covered by the SSS, including employers whose coverage is waived or suspended, upon expiration of said waiver or suspension.
 - 1.2. The Government, its national and local offices, political subdivisions, branches, agencies or instrumentalities, government-owned and controlled corporations (GOCCs), including the Armed Forces of the Philippines, Bureau of Fire Protection, the Bureau of Jail Management and Penology, and the Philippine National Police.
2. Effective Date of Mandatory Coverage
 - 2.1. For private employers, mandatory coverage shall take effect on the first day of their business operations;
 - 2.2. For employers who are not subject to mandatory coverage prior to RA 9679, mandatory coverage shall take effect on January 1, 2010.
 - 2.3. For employers with existing suspension or waiver of Fund coverage, mandatory coverage shall take effect immediately after the expiration of their respective suspension or waiver of coverage.

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. REGISTRATION

1. All new employers shall first register with the Pag-IBIG branch with jurisdiction over them prior to the start of their business operation.
2. All employers who were not subject to mandatory coverage prior to RA 9679 shall register with the Fund before January 1, 2010, unless a different date is set by the Board by resolution.
3. Employers who have been issued with a Certificate of Employer Registration are deemed as already registered with the Fund. However, they shall ensure that their employees who were not covered by the Fund prior to RA 9679 shall register with the Fund.
4. Employers shall submit to the Fund all data and information that may be required in relation to their respective businesses and employees within thirty (30) days from the start of their business operations. In addition, said employers shall ensure that their newly-hired employees are registered with the Fund within thirty (30) days from the start of their employment.
5. In case of any change in the employer's name, the New DTI Registration/Amended DTI Registration or Articles of Incorporation/Amended Articles of Incorporation shall be presented.

D. COUNTERPART CONTRIBUTION

1. Employers shall remit two percent (2%) of the monthly compensation of the covered employee as counterpart contribution. They shall not deduct, directly or indirectly, from the compensation of their employees, or otherwise recover from them, the employer's counterpart contribution.
2. In case an employee increases his/her monthly membership contribution, his/her employer shall have the option to match said increase or to contribute only what is required herein.
3. 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 employer counterpart in their annual appropriations.

E. REMITTANCE OF CONTRIBUTIONS AND EMPLOYEES' LOAN AMORTIZATIONS

1. The employer shall act as agent both of the Fund and the employee. Said employer shall collect, through salary deduction, the monthly contributions of his/her employees and remit the same to the Fund together with the employer counterpart.
2. If a member-borrower consents in writing to pay his/her Pag-IBIG housing, short-term, or any other loan amortization through salary deduction, the employer shall be duty-bound to implement the same and shall continue to do so until the loan is fully paid or until the employee separates from the said employer, whichever comes first.
3. The employer shall indicate on the employee's pay slips all deductions for all contributions, including loan amortization payments, deducted from said employee's compensation or issue corresponding receipts for said purpose.
4. Employers shall remit the required monthly employer and employee contributions to the nearest Pag-IBIG branch or its authorized collecting banks, together with the duly accomplished Membership Contribution Remittance Form (MCRF), in accordance with the following remittance schedule:

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

Failure or refusal of the employer to pay or to remit the contributions herein prescribed shall not prejudice the right of the covered member to the benefits under the Fund. Such employer 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.

5. In cases where an employee is suspended from work or is on leave without pay, the duty of the employer to deduct and remit contributions and monthly amortization payments, if any, from the member shall be suspended. Said employer shall not be required to pay the counterpart contribution for the duration of the employee's absence. The employer's obligation to pay and remit the monthly contribution, including the counterpart obligation, shall resume upon the employee's resumption of duty.
6. The duty of the employer to deduct and remit monthly contributions and monthly amortization payments, as well as to pay the employer counterpart, shall cease upon the employee's death, resignation, or separation from the employer.
7. The employer shall inform the Fund of its newly-hired employees and other incidences that may affect an employee's Fund membership such as, but not limited to:
 - 7.1. Leave without pay;
 - 7.2. Suspension;
 - 7.3. Resignation;

7.4. Involuntary separation from employment; and

7.5. Death.

Said incidences shall be reported within thirty (30) days from the first day of occurrence or effectivity.

F. VISITORIAL AND ENFORCEMENT POWERS

1. For the proper determination of an employer's compliance with the provisions stated herein, the Fund or its duly authorized representatives may, at any time, inspect the premises, books of accounts, records of any person or entity covered, require it to submit reports regularly and act on violations of any provision of RA 9679.
2. Visited employers found to be unregistered with the Fund shall be given fifteen (15) calendar days from visitation date to register and comply with any recommendation the Fund may give. The Fund shall prepare the Employer Compliance Report to monitor their compliance.
3. If an employer fails to register and/or comply with the Fund's recommendation/s within the specified period, he/she shall receive a demand letter. Non-compliance after another fifteen (15) calendar days from receipt of the demand letter shall render the employer delinquent and shall be subject to the sanctions provided herein.

G. SANCTIONS FOR EMPLOYER'S NON-COMPLIANCE

1. Non-compliance with these guidelines shall include, but are not limited to, the following:
 - 1.1. Failure to register with the Fund or update employer and employee records within the period specified herein; and
 - 1.2. Failure and/or refusal to collect and/or remit the correct amount due within the time set by the Fund.
2. Refusal or failure without lawful cause or with fraudulent intent to comply with the above provisions, particularly with respect to the registration of employees, collection and remittance of employee contributions as well as the required employer counterpart, or the correct amount due, within the time set herein, shall constitute an offense punishable by a fine of not less than, but not more than twice, the amount involved or imprisonment of not more than six (6) years; or both such fine and imprisonment at the discretion of the court. These shall be apart from the civil liabilities and/or obligations of the offender or delinquent employer.
3. When the offender is a corporation, the penalty shall be imposed upon the members of the governing board and the President or General Manager without prejudice to the prosecution of related offenses under the Revised Penal Code and other laws, revocation and denial of operating rights and privileges in the Philippines and deportation when the offender is a foreigner.
4. In case of government instrumentalities, agencies, or corporations, the officer or employee responsible for any or all of the following shall be punishable by a fine

of not less than but not more than twice the amount involved and imprisonment of not more than six (6) years:

- 4.1. Failure to include in the annual budget the amount corresponding to the employer's counterpart contributions;
 - 4.2. Failure or refusal to deduct the monthly contributions of the employee from his/her salary;
 - 4.3. Failure, refusal, or delay in the remittance of the employee contribution, the employer counterpart or both by more than thirty (30) days from the time such amount becomes due and demandable.
5. An employer who previously deducted contributions and/or amortization payments from employees but did not remit the same to the Fund shall be liable for the payment of said contributions and/or payments, including all applicable interests and penalties, as well as the dividends that the contributions could have earned had they been remitted on time.
 6. If the employer did not collect from employees during the time of his/her delinquency, said employer shall be liable for the payment of the counterpart contributions for that period. However, said contributions shall be treated as a single contribution for the month in which the payment was made in favor of the concerned members.
 7. The right to institute the necessary action against the employer may be commenced within twenty (20) years from the time the delinquency is known or the assessment is made by the Fund, or from the time the benefit accrues, as the case may be.

H. AMENDMENTS

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

I. REPEALING CLAUSE

All rules and regulations, policies, orders, and issuances contrary to or inconsistent with these guidelines are hereby repealed or modified accordingly.

J. EFFECTIVITY

These guidelines take effect immediately.


JAIME A. FABIANA
Chief Executive Officer

Makati City
January 22, 2010