



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA

CIRCULAR LETTER

No. 2017 - 3
January 3, 2017

TO : All Heads of Departments, Agencies, Bureaus and Offices of the National Government, including State Universities and Colleges (SUCs), Constitutional Offices, Government-Owned or Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs); Local Government Units (LGUs); and all Others Concerned

SUBJECT : Government Share on the Health Insurance Premium (HIP) Contributions of Government Employees to the Philippine Health Insurance Corporation (PhilHealth) Effective FY 2017

- 1.0 This Circular is issued to prescribe policy and procedures to be adopted for the employer (government)/employee share in the HIP contributions for employees of national government agencies including SUCs, Constitutional Offices, GOCCs, GFIs and LGUs.
- 2.0 Government premium contributions to be remitted to the PhilHealth shall always be duly covered with corresponding appropriations.
- 3.0 Any increase in Government contribution to PhilHealth shall only be authorized after due consultation/notification between DBM and PhilHealth and the inclusion of the required amounts in the GAA. Said consultation must be made during the budget preparation period when the budgets of the departments/agencies are being deliberated.
- 4.0 Agencies are reminded that the employee's personal share, to be collected for remittance to PhilHealth, shall always correspond to the government share, as provided in the budget.
- 5.0 Unpaid contributions resulting from increases in premium rates prescribed in PhilHealth circulars without the consultation/notification herein described, cannot be considered a government liability.
- 6.0 Under the FY 2017 General Appropriations Act (GAA), the funding requirements for the government share on the HIP contributions of government employees are provided through the following:
 - 6.1 **Agency Specific Budgets** – For the requirements based on authorized rates as specified under DBM Circular Letter No. 2012-12 (*Employer [Government] Share in the Premium Contribution to Philhealth*) dated June 29, 2012; and

- 6.2 **Miscellaneous Personnel Benefits Fund (MPBF)** – For the amount required to adjust the employer share in HIP contributions **effective January 1, 2017**, based on the revised rates per Item B of PhilHealth Circular No. 01, s. 2005 where the maximum contribution was pegged at P375.00 per month/employee.
- 7.0 The amount corresponding to the existing rates of government contributions to PhilHealth are provided under the agency-specific budgets and included in the comprehensive release of allotments through the GAA as Allotment Order (GAAAO).
- 8.0 For regular, as well as casual and contractual employees, the rates under Item B of PhilHealth Circular No.1, s. 2005, as shown in Annex A attached hereto, the DBM shall release to the national government agencies concerned, the **computed difference** between the employer share and the rates already provided in agency specific budgets under the FY 2017 GAA, chargeable against the 2017 MPBF.
- 9.0 Agencies/operating units shall directly remit to PhilHealth the amounts corresponding to the employer share of the HIP contributions in accordance with the schedule provided under Annex A hereof. Likewise, the employee's contribution to be deducted by the agency from the employee's salary should be consistent with the same schedule.
- 10.0 This Circular shall take effect immediately.


BENJAMIN E. DIOKNO

Secretary 

Department of Budget
and Management



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Annex A of Circular Letter 2017- 3
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Monthly Salary Bracket	Monthly Salary Range	Salary Base (SB)	Total Monthly Contribution (TMC) =2.5% of SB	Employee Share (EeS) =50% of TMC	Employer Share (ErS) =50% of TMC
1	4,999.99 and below	4,000.00	100.00	50.00	50.00
2	5,000.00 to 5,999.99	5,000.00	125.00	62.50	62.50
3	6,000.00 to 6,999.99	6,000.00	150.00	75.00	75.00
4	7,000.00 to 7,999.99	7,000.00	175.00	87.50	87.50
5	8,000.00 to 8,999.99	8,000.00	200.00	100.00	100.00
6	9,000.00 to 9,999.99	9,000.00	225.00	112.50	112.50
7	10,000.00 to 10,999.99	10,000.00	250.00	125.00	125.00
8	11,000.00 to 11,999.99	11,000.00	275.00	137.50	137.50
9	12,000.00 to 12,999.99	12,000.00	300.00	150.00	150.00
10	13,000.00 to 13,999.99	13,000.00	325.00	162.50	162.50
11	14,000.00 to 14,999.99	14,000.00	350.00	175.00	175.00
12	15,000.00 to 15,999.99	15,000.00	375.00	187.50	187.50
13	16,000.00 to 16,999.99	16,000.00	400.00	200.00	200.00
14	17,000.00 to 17,999.99	17,000.00	425.00	212.50	212.50
15	18,000.00 to 18,999.99	18,000.00	450.00	225.00	225.00
16	19,000.00 to 19,999.99	19,000.00	475.00	237.50	237.50
17	20,000.00 to 20,999.99	20,000.00	500.00	250.00	250.00
18	21,000.00 to 21,999.99	21,000.00	525.00	262.50	262.50
19	22,000.00 to 22,999.99	22,000.00	550.00	275.00	275.00
20	23,000.00 to 23,999.99	23,000.00	575.00	287.50	287.50
21	24,000.00 to 24,999.99	24,000.00	600.00	300.00	300.00
22	25,000.00 to 25,999.99	25,000.00	625.00	312.50	312.50
23	26,000.00 to 26,999.99	26,000.00	650.00	325.00	325.00
24	27,000.00 to 27,999.99	27,000.00	675.00	337.50	337.50
25	28,000.00 to 28,999.99	28,000.00	700.00	350.00	350.00
26	29,000.00 to 29,999.99	29,000.00	725.00	362.50	362.50
27	30,000.00 and up	30,000.00	750.00	375.00	375.00