



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CIRCULAR LETTER

No. 2024 - 2
February 01, 2024

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), Local Government Units (LGUs), and All Others Concerned

SUBJECT : **ADJUSTMENT IN THE EMPLOYER (GOVERNMENT) SHARE IN THE PREMIUM CONTRIBUTIONS TO THE HOME DEVELOPMENT MUTUAL FUND (PAG-IBIG FUND) EFFECTIVE FEBRUARY 2024**

1.0 This Circular is issued to prescribe the guidelines for the adjustment in the employer (government) share of Pag-IBIG premium contributions beginning February 2024, as prescribed under **Pag-IBIG Fund Circular No. 460**¹ dated January 15, 2024.

Said DBM guidelines are issued in accordance with **Section 55 of the General Provisions under the FY 2024 General Appropriations Act (GAA)**, which provides that any proposed increase in government and employee contributions may only be implemented after consultation by the agency concerned with the DBM in order for the budgetary implications of such proposal to be duly considered.

2.0 Under Pag-IBIG Fund Circular No. 460, the maximum fund salary to be used in computing the employee and employer savings was increased from ₱5,000 to ₱10,000 per month.

¹ Guidelines on the Pag-IBIG Fund's Implementation of Increase in the Maximum Fund Salary (MFS) Effective February 2024

Section C of said Pag-IBIG Circular (*Monthly Membership Savings*) further specifies that, unless otherwise noted, the contribution rate of all Pag-IBIG I members, both mandatory and voluntary, shall be as follows:

<u>Contribution Rate</u>		
<u>Fund Salary</u>	<u>Employee</u>	<u>Employer (if any)</u>
₱1,500 and below	1.0%	2.0%
Over ₱1,500	2.0%	2.0%

3.0 Government premium contributions to be remitted to the Pag-IBIG Fund shall always be duly covered with corresponding appropriations.

The employer's share of government employees to the Pag-IBIG contributions in the national government agencies (NGAs) will come from the following sources of funding under the FY 2024 GAA:

3.1 **Agency Specific Budgets** — For the requirements based on authorized rates under Pag-IBIG Fund Circular No. 274 dated January 7, 2010; and

3.2 **Miscellaneous Personnel Benefits Fund (MPBF)** — For the additional amount required to adjust the employer share in contributions, equivalent to P200 per month per employee, in accordance with Pag-IBIG Fund Circular No. 460, **effective February 2024**.

4.0 The amount earmarked for the employer counterpart contributions to the Pag-IBIG Fund for the NGAs under the agency-specific budgets are covered by GAA as Allotment Order (GAAAO).

On the other hand, the funding requirement for the incremental cost of the employer (government) share in the Pag-IBIG contribution shall be covered by a Special Budget Request to be submitted to the DBM.

The DBM shall release to the NGAs concerned the computed difference between the adjusted employer share and the rates already provided in the agency-specific budgets under the FY 2024 GAA, chargeable against the FY 2024 MPBF.

5.0 Agencies/operating units shall directly remit to the Pag-IBIG Fund the amounts corresponding to the employer share of the monthly contributions.

Likewise, the employee's contribution to be deducted by the agency shall be consistent with Pag-IBIG Fund Circular No. 460.

6.0 For GOCCs, the amounts required for the adjustment in the employer (government) share in the Pag-IBIG contributions of government employees shall be charged against their respective approved Corporate Operating Budgets under the Personnel Services expense.

GOCCs are prohibited to source the payment for the purpose from the following:

6.1 Loans; and

6.2 Subsidy from the National Government for the GOCC's programs and projects.

7.0 The LGUs are likewise informed of the adjusted employer (government) share to the Pag-IBIG contributions of government employees effective February 2024 onwards.

Accordingly, for FY 2024, the same may be included in the annual/supplemental budget for the purpose, subject to the provisions of Republic Act No. 7160 or the Local Government Code of 1991, and other existing budgeting rules and regulations.

8.0 This Circular shall take effect immediately.


AMENAH F. PANGANDAMAN
Secretary

