



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

CIRCULAR LETTER

No. 2024 - 3
February 15, 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 HEALTH INSURANCE PREMIUM CONTRIBUTIONS TO THE PHILIPPINE HEALTH INSURANCE CORPORATION FOR FISCAL YEAR 2024

1.0 This Circular is issued to prescribe the guidelines for the adjustment in the employer (government) share of the Health Insurance Premium (HIP) contributions to the Philippine Health Insurance Corporation (PHIC) for FY 2024, as prescribed under **Republic Act (RA) No. 11223** or the Universal Health Care Act (UHCA) dated February 20, 2019.

The guidelines of the Department of Budget and Management (DBM) 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 to ensure that the budgetary implications of such proposal are duly considered.

2.0 Under **Section 10** of RA No. 11223, the monthly premium contributions shall be in accordance with the following schedule:

Year	Premium Rate	Income Floor	Income Ceiling
2019	2.75%	₱10,000.00	₱50,000.00
2020	3.00%	₱10,000.00	₱60,000.00

Year	Premium Rate	Income Floor	Income Ceiling
2021	3.50%	₱10,000.00	₱70,000.00
2022	4.00%	₱10,000.00	₱80,000.00
2023	4.50%	₱10,000.00	₱90,000.00
2024	5.00%	₱10,000.00	₱100,000.00
2025	5.00%	₱10,000.00	₱100,000.00

3.0 The above schedule of the HIP contributions to the PHIC is likewise stipulated in **PhilHealth Circular No. 2019-0009**¹ dated October 25, 2019.

Particularly, **Item V** thereof states that for Calendar Years 2024 to 2025, the following premium contribution table shall apply:

Year	Monthly Basic Salary (MBS)	Premium Rate	Monthly Premium
2024 to 2025	₱10,000.00	5.00%	₱500.00
	₱10,000.01 to ₱99,999.99		₱500.00 to ₱5,000.00
	₱100,000.00		₱5,000.00

4.0 The government premium contributions to be remitted to the PhilHealth shall always be duly covered with corresponding appropriations.

In this regard, the employer's share to the HIP contributions of the government employees in the national government agencies (NGAs) will come from the following sources of funding under the FY 2024 GAA:

- 4.1 **Agency Specific Budgets** — For the requirements based on the UHCA-scheduled rate of employer contributions to the PHIC; and
- 4.2 **Miscellaneous Personnel Benefits Fund (MPBF)** — For the additional amount required to adjust to 5.00% the employer share to the HIP contributions in accordance with the UHCA-scheduled rate, effective January 2024.

For **casual and contractual employees**, the corresponding requirements shall be charged against the agency lump sum appropriations included in the FY 2024 agency budgets.

¹ Premium Contribution Schedule in the National Health Insurance Program (NHIP) pursuant to RA No. 11223 known as the "Universal Health Care Act"

- 5.0 The amount earmarked for the employer counterpart contributions to the PhilHealth 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 to PHIC shall be covered by a **Special Budget Request** to be submitted by the agency 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.

- 6.0 Agencies/operating units shall directly remit to the PhilHealth the amounts corresponding to the employer's share of the monthly contributions.

Likewise, the employee's contribution to be deducted by the agency shall be consistent with PhilHealth Circular No. 2019-0009.

- 7.0 For **GOCCs**, the amounts required for the adjustment in the employer (government) share in the HIP 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:

- 7.1 Loans; and
- 7.2 Subsidy from the National Government for the GOCC's programs and projects.

- 8.0 The **LGUs** are likewise informed of the adjusted employer (government) share to the HIP contributions of government employees effective January 2024.

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

- 9.0 For purposes of computing the premium contribution in FY 2024, to be equally shared between the employee and the employer (government), the following shall be observed according to MBS:

9.1 For those with **MBS not exceeding P10,000.00 (income floor)**, the monthly premium is fixed at P500.00;

9.2 For those with **MBS exceeding P10,000.00 (income floor) but less than P100,000.00 (income ceiling)**, the prescribed rate of 5.00% is applied, as computed directly based on the Monthly Basic Salary (MBS); and

9.3 For those with **MBS of P100,000.00 (income ceiling) and above**, the monthly premium is fixed at P5,000.00.

The monthly premium shall be rounded off to the nearest hundredths. If there is an excess centavo when dividing the computed monthly premium between the personal and the employer shares, such excess shall be deducted from the employee's share to derive the monthly premium due.

10.0 This Circular shall take effect immediately.



AMENAH F. PANGANDAMAN
Secretary

