

[EXECUTIVE ORDER NO. 35, July 30, 1986]

AMENDING CERTAIN PROVISIONS OF PRESIDENTIAL DECREE NO. 1752, ENTITLED "AMENDING THE ACT CREATING THE HOME DEVELOPMENT MUTUAL FUND".

WHEREAS, the fund contributions to the Home Development Mutual Fund as mandated by Presidential Decree No. 1752 were suspended as a temporary measure for the purpose of studying how the burdens of lower income earners can be reduced and their benefits increased;

WHEREAS, after consultation with the affected sectors, it has become imperative to maintain the Fund and to expand and increase the benefits due to its members but with a lesser burden to the lower income groups;

WHEREAS, there is a need to further strengthen the powers of the Fund for the efficient and effective discharge of its functions in order to guarantee to its members all the benefits due them;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Section 5 of Presidential Decree No. 1752 is hereby amended to read as follows:

"Section 5. Fund Contributions. - Covered employees and employers shall contribute to the Fund based on the Monthly Fund Salary of covered employees as follows:

Employee earning not more than ₱1,500.00 per month - One percent (1%)

Employee earning more than ₱1,500.00 per month Two percent (2%)

All employees - Two percent (2%) of the Monthly Fund Salary of all covered employees.

For purposes of computing contributions, "Monthly Fund Salary" shall mean basic monthly pay plus Cost of Living Allowances (COLA); Provided, however, that the maximum Monthly Fund Salary to be used in computing employee and employer contributions shall not be more than ₱5,000.00. The employer shall not be entitled to deduct from the wages or remuneration of, or otherwise to recover from, the employee the employer's contribution."