

[PHILHEALTH CIRCULAR NO. 2018-0001, March 02, 2018]

CLARIFICATORY GUIDELINES ON THE COMPUTATION OF PREMIUM FOR THE MEMBERS UNDER THE FORMAL ECONOMY

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I. LEGAL BASES AND RATIONALE

Section 16 (Rates of Premium Contributions) of the Revised IRR of the National Health Insurance Act of 2013 specifically states that "members in the formal economy shall continue paying the monthly contributions to be shared equally by the employer and employee at a prescribed rate set by the Corporation not exceeding five percent (5%) of their respective monthly basic salaries." Salary is defined in Section 3(fff) of the same IRR as "the basic monthly compensation paid regularly for services rendered."

For purposes of further clarifying how premiums are computed for members under the formal economy, the monthly basic salary is hereby defined based on the following guidelines.

II. COVERAGE

This Circular covers all employed members in the Formal Economy and all employers in the government and private sectors.

III. GUIDELINES

The term Monthly Basic Salary (MBS) shall be understood to mean as the fixed basic rate of an employee which shall not include sales commission, overtime pay, allowances, thirteenth month pay, bonuses or other gratuity payments. Further to this, those deductions to the employee's pay occasioned by his/her undertime, tardiness, leave(s) without pay, absences, or other similar circumstances shall also be excluded in this computation.

For the monthly-paid and daily-paid employees, the MBS shall be computed based on the estimated Equivalent Monthly Rate (EMR) consistent with the 2010 Edition of the Department of Labor and Employment-Bureau of Working

Condition's Handbook on Worker's Statutory Monetary Benefits wherein the MBS is clarified as follows:

- A. For daily-wage workers with a six-day work week schedule, who do not work and are not considered paid on Sundays or rest days shall be