

**[ CIRCULAR NO. 404, May 29, 2018 ]**

**GUIDELINES ON PENALTY CONDONATION FOR EMPLOYERS WHO DEDUCTED MONTHLY SAVINGS (MS) BUT FAILED TO REMIT**

*Adopted: 24 May 2018  
Date Filed: 29 May 2018*

Pursuant to the approval of the Pag-IBIG Fund Board of Trustees in its 2018-02 meeting held last March 13, 2018, the Guidelines on Penalty Condonation for Employers Who Deducted Monthly Savings (MS) But Failed to Remit are hereby issued:

**I. OBJECTIVES**

This program aims to achieve the following objectives:

1. To ensure registration of unregistered employers with the Fund; and
2. To compel employers to settle their provident obligations.

**II. COVERAGE**

This Guidelines shall apply to the following:

1. All unregistered and delinquent registered employers who deducted monthly savings (MS) from their employees but failed to remit the same to the Fund.
2. All employers who have pending applications for plan of payment resulting from enforcement efforts of the Fund who were not qualified to apply under Circular 387.

**III. PAYMENT OF PROVIDENT OBLIGATION**

1. The employer shall pay the following provident obligations:

- 1.1 Total unremitted monthly mandatory savings. This shall include the employer counterpart and employee contribution;
- 1.2 Deprived dividends; and computed as of payment date of provident obligation.

1.3 Total assessed penalties (TAP). The TAP shall be the penalties computed as of payment date of provident obligation.

2. The employer shall be granted specific discount on the TAP based on the following payment options:

- 2.1 Full Payment

A 70% discount on TAP shall be given to the employers for full settlement