

**[ CIRCULAR NO. 2018-008, July 02, 2018 ]**

**AMENDMENT TO CIRCULAR NO. 2017-009 DATED 2 OCTOBER 2017 AND CIRCULAR NO. 2011-002 DATED 16 FEBRUARY 2011 (REVISED GUIDELINES IN THE INSTALLMENT PAYMENT SCHEME FOR EMPLOYERS UNDER SSC RESOLUTION NO. 976-S.2010 DATED 8 DECEMBER 2010) AND CREATION OF THE EMPLOYER DELINQUENCY SETTLEMENT REVIEW COMMITTEE**

*Adopted: 22 March 2018*

*Date Filed: 02 July 2018*

To address the number of pending requests of financially distressed or impaired employers for relief on the settlement of their due but unremitted contributions and penalties, the Social Security Commission (SSC) in its Resolution No. 156- s.2018 approved the following additional guidelines, to wit:

**I. Coverage**

All delinquent employers with contributions delinquency of at least one Hundred Thousand Pesos (P100,000.00) exclusive of penalty, with or without pending case before the Prosecutor's Office (Department of Justice), Courts and SSC, and with or without a subsisting approved settlement scheme, currently experiencing financial difficulties in complying with its statutory obligation to pay/remmit due contributions, including penalties imposed thereon for late payments/remittances, due to losses, mismanagement or those adversely affected by calamities such as natural or human-induced disasters, as evidenced by its current Audited Financial Statement.

**II. Additional Settlement Option**

In addition to the installment payment scheme indicated in Circular No. 2011-002, SSS offers another payment scheme in which delinquent employers who have paid in full the principal obligations/unremitted contributions shall be entitled to a one-year period, from payment date of the principal contribution, to defer payment of its penalty liabilities. All existing settlement schemes/guidelines currently enforced and implemented in connection to, but not inconsistent with these Guidelines, shall continue to be applied and availed of as a settlement option, with the procedures and requirements thereon followed.

**III. Procedures**

A. The employer shall secure an updated and consolidated Statement of Account (SOA) from the concerned Branch Office (BO)/Large Account Main Department (LAD) of its due but unpaid/unremitted contributions delinquencies, inclusive of the assessed penalties accruing therefrom.

B. The employer shall submit to the servicing BO/LAD a letter-request offering to pay in full the amount of principal contribution delinquency per SOA for settlement of its outstanding delinquencies. The actual full payment made on the principal obligation due per SOA shall be without prejudice to the difference in amount, if any, that may have in the meantime become due or accrued thereafter.

C. The principal contribution may be paid one time in full or within a reasonable period not to exceed ninety (90) days from the approval of the application and shall operate to stop further penalty accruals in case of full payment and provide the employer a period of one year from payment date within which to pay its subsisting penalty delinquencies per SOA, subject to the approved installment plan. However, if the payment is made within a period of ninety (90) days, the penalty of three percent (3%) per month shall continue to be imposed on the balance until the principal contribution is fully paid.

D. The payment of the total penalty delinquency due from the employer after the period of one year from payment date may be in full or on a staggered/installment basis in accordance with the provisions of Section 5 of Circular No. 2011-002 on the schedule of monthly installment, subject to approval from the concerned authority for a longer period based on meritorious grounds and in the mode and manner of payment through post- dated checks (PDCs) corresponding to the months covered by the installment.

E. A legal interest of six percent (6%) per annum shall be imposed on the subsisting penalty delinquency upon payment either in full or on installment after the one-year deferment period.

F. The foregoing settlement arrangement together with the other applicable terms and conditions under the Application for Installment Proposal (on Penalty) shall be processed by the Head, Accounts Management Section (AMS) of the servicing BO/LAD.

G. The foregoing settlement arrangement shall be approved by the approving authorities below with corresponding threshold amount:

1. BO/LAD Division Heads - P100,000.00 to P2,000,000.00
2. BO/LAD Group Heads - P2,000,000.01 to P5,000,000.00
3. BO/LAD Sector Heads - P5,000,000.01 and above

The threshold amount pertains only to the contribution delinquency excluding penalties and damages.

This provision expressly amends the first paragraph of Section 10 of Circular No. 2011-002.

H. No other documents in support of the letter-request and the approved application for installment shall be required of the employer except for a duly notarized Promissory Note/Undertaking and Collection Lists (SSS Form R3 or SSS Form ML2). The agent/representative of the employer must be duly authorized with a Special Power of Attorney (SPA) to bind the employer he/she represents and hold valid the agreement with SSS.