

IGP Country Profile 2019

Philippines

Prepared by:

The Insular Life Assurance Company, Ltd.



Preface

This Country Profile has been prepared by **The Insular Life Assurance Co., Ltd.** For the International Group Program (IGP).

The International Group Program (IGP) is a network of major life insurance companies (Network Partners) operating throughout the world, who work together to meet the group insurance and pension needs of international corporations and their affiliates, branches, and subsidiaries.

Since 1967, the International Group Program has been an industry leader in the field of international benefits management, serving more multinational companies than any other network. IGP is represented in around 70 countries throughout the world and is known for the flexibility and quality of service we provide to our clients.

Working closely with our headquarters' staff in Boston, our regional offices in Brussels, Singapore and Tokyo, as well as our Regional Coordinator in Mexico, IGP Network Partners offer corporate clients the advantages of experienced local insurance management coupled with the resources of a professionally trained staff that specializes in international employee benefits.

IGP is part of John Hancock Life Insurance Company (U.S.A.), the U.S. operation of Manulife Financial Corporation, a leading financial services group based in Toronto, Canada. Manulife offers its clients a diverse range of financial protection products and wealth management services. Both Manulife Financial and John Hancock are internationally recognized brands that have stood for financial strength and integrity for more than a century.

The information contained in the IGP Country Profiles is considered proprietary and any material extracted from a profile must be attributed to IGP.

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Your Local Link to IGP in the Philippines: Insular Life

The Insular Life Assurance Co., Ltd. The IGP Network Partner in the Philippines

Established on November 25, 1910, Insular Life Assurance Company, Ltd. is the Philippines' most trusted mutual insurance company. Backed by more than 100 years of experience, InLife expertly offers financial advice and protection plans to Filipino families so they can make confident decisions for themselves and their loved ones.

The Company recognizes that financial priorities of Filipinos change over time, and the challenges of a digital world. That is why Insular Life is committed to be better, and remain committed to serving the Filipinos, as it spreads the benefits of life insurance to every family, leading them to a lifetime for good.

To meet the changing needs of the market, Insular Life offers a superior product line that includes protection, education, health and investment for every Filipino. Being the pioneer in group insurance business in the Country, InLife also offers a wide array of group insurance and employee benefit solutions for businesses and organizations. Insular Life is here for good, and this promise starts with the changes it makes today. Today, it is InLife. It leads every Filipino to "A Lifetime for Good."

Insular Life has successfully ended the year 2018 with these numbers that matter:

135.1 Billion	Consolidated Assets
39.1 Billion	Net Worth
3.0 Billion	Consolidated Net Income
8.2 Billion	Gross Benefits & Claims Paid
54.4 Billion	Legal Policy Reserves
356.1 Billion	Business in Force

The Company takes pride in being a 2-Time Reader's Digest Trusted Brand Gold Awardee for the Life Insurance Category. The Trusted Brand Gold Award is given to companies that score significantly high in the following criteria: Trustworthiness and Credibility, Quality, Value, Understanding of Customers' Needs, Innovation, and Social Responsibility. In the Life Insurance Category, Insular Life received the highest rating averages in all six criteria, especially in Trustworthiness, Quality, and Social Responsibility, at 4.4, 4.4, and 4.3, respectively, out of the perfect score of 5.

Insurance Asia Awards conferred Insular Life as a 2-Time Domestic Life Insurer of the Year (Philippines), along with recognition as the Digital Insurance Initiative of the Year (Philippines).

While insurance remains its core business, Insular Life has diversified into allied financial services, with its subsidiaries and affiliates as follows:

- **Insular Health Care, Inc.** is one of the top ten Health Maintenance Organizations in the country in terms of capitalization, comprehensive health care plans, and service delivery.
- **Mapfre-Insular Corporation** is also an Insular Life subsidiary, merged with Mapfre Corporation's local non-life insurance subsidiary, Mapfre Asian Insurance Corporation, to form the Mapfre- Insular Insurance Corporation in 2005. MAPFRE INSULAR is a non-life insurance company offering general insurance for optimum financial protection and risk management.



Your Local Link to IGP in the Philippines: Insular Life

- **Union Bank of the Philippines** is a publicly-listed universal bank with superior technology, unique branch sales and service culture, and centralized backroom operations.

Equally significant is Insular Life's contribution to social development through various corporate social responsibility programs under the Insular Life Foundation, Inc. Over a thousand deserving scholars have received college and vocational education through the company's scholarship programs since 1962. The company's more recent outreach projects include supporting the Department of Education's Adopt-a-School program.

Insular Life has been an IGP Network Partner since 1967.

Key Products

Life

- Life
- Accidental Death and Disability
- Total and Permanent Disability Rider
- Credit Life Insurance
- Dependent Life
- Group Universal Life
- Life Cover for Retirees
- Optional Supplemental Life

Medical

- In-Patient
- Basic Medical
- Major Medical
- Out-Patient Medical
- Dental

Retirement Plan

- Managed Funds

Others

- Term Life Policy with Benefits Paid in US Dollars
- Credit Life Policy with Benefits Paid in US Dollars

For more information, please visit Insular Life at <http://www.insularlife.com.ph>

Social Security Benefits and Customary Private Employee Benefits

Introduction:

The Social Security Law, an Act that created a Social Security System (SSS) providing sickness, unemployment, retirement, disability, and death benefits for employees, was passed on June 18, 1954, but was not implemented until September 1, 1957. Since its enactment, the law has undergone several amendments.

The SSS is mandated by law (under Republic Act 1161, as amended by Republic Act 8282 also known as the Social Security Act of 1997) to promote the welfare of its members and their families. It is tasked to implement meaningful programs so that all private sector workers, including those in the informal sector, are covered with the prompt, convenient, and reliable social protection that they deserve, not just now but also in the future. As a social insurance scheme, certain membership types in SSS are mandatory, while others are voluntary. Contributions are shared between the employee and employer, while self-employed and voluntary members pay fully for their premiums

Who are the persons required by law to be covered by the SSS?

- **A private sector employee**, whether permanent, temporary, or provisional, who is not over 60 years old;
- **A household helper** who is not over 60 years old;
- **An underground or surface mine worker** who is not over 50 years old;
- **A Filipino seafarer** upon actual deployment by the manning agency and the foreign principal;
- **An employee of foreign government or organization** based in the Philippines, which entered into an administrative agreement with the SSS;
- **A public utility driver and operator**;
- **A self-employed person who is not over 60 years old** and has no employer other than himself/herself, and derives income of at least P1,000 a month from his/her physical and mental efforts from a trade, business, or occupation;
- **A farmer, fisherman, or a worker in the informal sector (IS)**; an IS member being defined as one whose income is irregular or seasonal and who may be registered as a self-employed member under the SSS AlkanSSSyA Program

Who are considered as voluntary members?

- **Overseas Filipino worker (OFW)**: A Filipino who is not over 60 years old and has been recruited in the Philippines by a foreign-based employer for employment abroad, has a source of income in a foreign country, and/or resides permanently in a foreign country.
- **Non-working spouse (NWS) of an SSS member**: A person who is not over 60 years old, legally married to a currently-employed and actively-paying SSS member, devotes full time in the management of household and family affairs (unless he/she is engaged in other vocation or employment that is subject for mandatory SSS coverage), and has never been an SSS member.
- **Separated member**: A member who is separated from employment or who ceased being self-employed, an OFW, or a non-working spouse, but still intends to continue paying SSS contributions on his/her own account.

Why should you be a member of the SSS?

As an SSS member can depend on the SSS to provide financial support and assistance (whether in the form of cash allowances, pensions, or loans) in times of emergencies or life's contingencies. It is important, however, that a member regularly and actively pays his/her contributions so that he/she can be assured of the benefits and loan programs being offered by the SSS.



Social Security Benefits and Customary Private Employee Benefits

Contributions:

Employee Contribution:

As of the last day of the calendar month when an employee's compulsory coverage takes effect and every month thereafter during his or her employment, the employer shall deduct from the employee's salary an amount based on the schedule below.

Employer Contribution:

EMPLOYED				
Range of Compensation	Monthly Salary Credit	SS CONTRIBUTION		
		ER	EE	TOTAL
Below 2,250	2,000	160.00	80.00	240.00
2,250-2,749.99	2,500	200.00	100.00	300.00
2,750-3,249.99	3,000	240.00	120.00	360.00
3,250-3,749.99	3,500	280.00	140.00	420.00
3,750-4,249.99	4,000	320.00	160.00	480.00
4,250-4,749.99	4,500	360.00	180.00	540.00
4,750-5,249.99	5,000	400.00	200.00	600.00
5,250-5,749.99	5,500	440.00	220.00	660.00
5,750-6,249.99	6,000	480.00	240.00	720.00
6,250-7,749.99	6,500	520.00	260.00	780.00
6,750-7,249.99	7,000	560.00	280.00	840.00
7,250-7,749.99	7,500	600.00	300.00	900.00
7,750-8,249.99	8,000	640.00	320.00	960.00
8,250-8,749.99	8,500	680.00	340.00	1,020.00
8,750-9,249.99	9,000	720.00	360.00	1,080.00
9,250-9,749.99	9,500	760.00	380.00	1,140.00
9,750-10,249.99	10,000	800.00	400.00	1,200.00
10,250-10,749.99	10,500	840.00	420.00	1,260.00
10,750-11,249.99	11,000	880.00	440.00	1,320.00
11,250-11,749.99	11,500	920.00	460.00	1,380.00
11,750-12,249.99	12,000	960.00	480.00	1,440.00
12,250-12,749.99	12,500	1,000.00	500.00	1,500.00
12,750-13,249.99	13,000	1,040.00	520.00	1,560.00
13,250-13,749.99	13,500	1,080.00	540.00	1,620.00
13,750-14,249.99	14,000	1,120.00	560.00	1,680.00
14,250-14,749.99	14,500	1,160.00	580.00	1,740.00
14,750-15,249.99	15,000	1,200.00	600.00	1,800.00
15,250-15,749.99	15,500	1,240.00	620.00	1,860.00
15,750-16,249.99	16,000	1,280.00	640.00	1,920.00
16,250-16,749.99	16,500	1,320.00	660.00	1,980.00
16,750-17,249.99	17,000	1,360.00	680.00	2,040.00
17,250-17,749.99	17,500	1,400.00	700.00	2,100.00
17,750-18,249.99	18,000	1,440.00	720.00	2,160.00
18,250-18,749.99	18,500	1,480.00	740.00	2,220.00
18,750-19,249.99	19,000	1,520.00	760.00	2,280.00
19,250-19,749.99	19,500	1,560.00	780.00	2,340.00
19,750 and above	20,000	1,600.00	800.00	2,400.00

Social Security Benefits and Customary Private Employee Benefits

Contributions of the Self-Employed and Voluntary:

The tabulated schedule for the Social Security monthly contributions of the self-employed and voluntary members is shown in Philippines Pesos (PHP) as follows:

Range of Compensation	Monthly Salary Credit	SS Contribution
Below 2,250	2,000	240.00
2,250-2,749.99	2,500	300.00
2,750-3,249.99	3,000	360.00
3,250-3,749.99	3,500	420.00
3,750-4,249.99	4,000	480.00
4,250-4,749.99	4,500	540.00
4,750-5,249.99	5,000	600.00
5,250-5,749.99	5,500	660.00
5,750-6,249.99	6,000	720.00
6,250-6,749.99	6,500	780.00
6,750-7,249.99	7,000	840.00
7,250-7,749.99	7,500	900.00
7,750-8,249.99	8,000	960.00
8,250-8,749.99	8,500	1,020.00
8,750-9,249.99	9,000	1,080.00
9,250-9,749.99	9,500	1,140.00
9,750-10,249.99	10,000	1,200.00
10,250-10,749.99	10,500	1,260.00
10,750-11,249.99	11,000	1,320.00
11,250-11,749.99	11,500	1,380.00
11,750-12,249.99	12,000	1,440.00
12,250-12,749.99	12,500	1,500.00
12,750-13,249.99	13,000	1,560.00
13,250-13,749.99	13,500	1,620.00
13,750-14,249.99	14,000	1,680.00
14,250-14,749.99	14,500	1,740.00
14,750-15,249.99	15,000	1,800.00
15,250-15,749.99	15,500	1,860.00
15,750-16,249.99	16,000	1,920.00
16,250-16,749.99	16,500	1,980.00
16,750-17,249.99	17,000	2,040.00
17,250-17,749.99	17,500	2,100.00
17,750-18,249.99	18,000	2,160.00
18,250-18,749.99	18,500	2,220.00
18,750-19,249.99	19,000	2,280.00
19,250-19,749.99	19,500	2,340.00
19,750 and above	20,000	2,400.00

Self-employed and voluntary members pay the 11% of the monthly salary credit (MSC) based on the monthly earnings declared at the time of registration.

For overseas/foreign workers, the minimum monthly salary credit is PHP 5,000.

For non-working spouses, the contribution is based on 50% of the working spouse's last monthly salary credit but not lower than PHP 1,000.

Social Security Benefits and Customary Private Employee Benefits

Government Contribution:

The government contribution is appropriated annually by the legislature to meet the estimated expenses of the system for the ensuing year. In addition, the legislative body will appropriate from time to time such sum as may be needed to assure the maintenance of an adequate working balance of funds, as disclosed by periodic actuarial studies.

Benefit Definitions:

Monthly Pension:

A Sample Basic Monthly Employee Pension is computed as follows:

For example, Senior Citizen John is earning PHP 30,000 and has contributed to the SSS for 40 years. According to the new SSS contribution table effective April 2019, his AMSC is PHP 20,000. Here's what his SSS pension computation will look like.

Monthly Pension (MP) = PHP 300 + (20% of AMSC) + [2% of AMSC x 30 years (40 years – 10)] + PHP 1,000

MP = PHP 300 + (0.20 x 20,000) + (0.02 x 20,000 x 30) + PHP 1,000

MP = PHP 300 + PHP 4,000 + PHP 12,000 + PHP 1,000

Monthly SSS Pension = PHP 17,300*

How much should you contribute to the SSS?

The monthly SSS contributions are based on an employee's compensation level, which is set according to the Schedule of Contributions (please see Table on Contributions).

If employed, the current SSS contribution rate is 11% of the monthly salary credit (MSC) not exceeding PHP 16,000, and this is being shared by the employee and the employer at 3.63% and 7.37%, respectively.

If self-employed or a voluntary member, one must pay the full 11% of the MSC, based on the monthly earnings that is declared at the time of registration.

If you are an OFW, the minimum MSC is pegged at PHP 5,000.

If a non-working spouse, contribution will be based on 50% of the working spouse's last posted MSC, but in no case shall it be lower than PHP 1,000.

If a household helper is receiving a monthly salary of less than PHP 5,000, then payment of the entire SSS contribution shall be shouldered by the household employer. However, if the monthly salary is at PHP 5,000 and above, then the employer shall deduct from the salary the proportionate share in the monthly contributions, as provided by the law.

Credited Years of Service (CYS):

For a member covered prior to January 1985: 1985 minus the calendar year of coverage, plus the number of calendar years in which six or more contributions have been paid from January 1985 up to the calendar year containing the semester prior to the contingency.

For a member covered on or after January 1985: the number of calendar years in which six or more contributions have been paid, from the year of coverage up to the calendar year containing the semester prior to the contingency.

Dependent's Pension:

PHP 250 or 10% of the monthly pension for each dependent child, whichever is greater, up to five children beginning with the youngest and without substitution. Pension ceases if the dependent child reaches age 21, marries, becomes employed or becomes deceased.

In general, employee benefit plans are common and widely accepted as part of the total compensation scheme of private employers. They complement the existing social insurance programs. Private plans provide the whole range of fringe benefits from life insurance and medical benefits to retirement pay. Most plans are formal in nature and are systematically funded.

The most common medium of providing health and medical benefits is through group insurance. Retirement plans, on the other hand, are either insured or trusteed.

GROUP LIFE BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
<p>Benefits</p> <p>Upon the death of an active covered employee who has paid at least 36 monthly contributions prior to the semester of death, primary beneficiaries shall be entitled to a minimum monthly pension of PHP 1,000 if the member had less than 10 Credited Years of Service, PHP 1,200 with at least 10 Credited Years of Service, and PHP 2,400 with more than 20 Credited Years of Service.</p> <p>If the member has not paid the required 36 monthly contributions, his or her primary or secondary beneficiaries shall be entitled to a lump sum benefit, equal to the monthly pension times the number of monthly contributions paid, or twelve times the monthly pension, whichever is higher.</p> <p>In the absence of primary beneficiaries, the secondary beneficiaries will receive a lump sum amount equivalent to 36 times the monthly pension, if the member had paid at least 36 monthly contributions prior to the semester of death.</p> <p>The deceased member's beneficiaries are also entitled to a 13th monthly pension payable every December and the funeral grant benefit.</p> <p>Effective April 2017, all retirees, survivors and permanent disability pensioners will receive an additional benefit of PHP 1,000 to their monthly pension. The additional benefit also covers all future pensioners of the SSS.</p>	<p>Group Life Insurance</p> <p>The coverage varies from one to four times annual salary, the most common being two times annual salary. There is a double indemnity in the case of accidental death.</p> <p>Since the lump sum death benefit under Social Security is limited to certain conditions, many employers have reviewed their group life plans. Some plans provide optional life insurance coverage, either on a contributory or employee-pay-all basis, equivalent to the basic life coverage.</p> <p>Financing Practices:</p> <p>The majority of group life plans are employer-financed. In contributory plans, employee contributions are usually a fixed amount per PHP 1,000 of coverage, with the employer contributing the balance of the total premium rate in effect for the current policy year.</p> <p>Some of the more common supplementary benefits attached to group life policies are:</p> <ul style="list-style-type: none"> • Accidental death and disability benefits • Waiver of premium due to disability • Permanent and total disability income benefits • Dependents' life insurance providing nominal coverages for an employee's spouse and children
<p>Funeral Benefit</p> <p>A funeral grant equivalent to PHP 20,000 shall be paid to help defray the cost of funeral expenses upon the death of a member, including permanent totally disabled member or retiree.</p>	

DISABILITY BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
<p>Permanent Disability Benefits</p> <p>Upon the permanent disability of an employee who has paid at least 36 monthly contributions prior to the semester of disability, he or she shall be entitled to the monthly pension.</p> <p>The lowest monthly pension is PHP 1,000 for members with less than 10 CYS; PHP 1,200 for those with at least 10 CYS and PHP 2,400 for those with at least 20 CYS.</p> <p>If the disability occurs before 36 monthly contributions have been paid, he or she shall be entitled to a lump sum benefit equal to the monthly pension times the number of monthly contributions paid or twelve times the monthly pension, whichever is higher.</p> <p>An employee who 1) received a lump sum benefit and is 2) re-employed or has resumed self-employment not earlier than one year from the date of his or her disability shall again be subject to compulsory coverage and shall be considered a new member.</p> <p>The monthly pension and dependents' pension shall be suspended upon re-employment or resumption of self-employment or the recovery of the disabled member from his or her permanent total disability or his or her failure to present himself/herself for examination at least once a year upon notice by Social Security.</p> <p>Upon the death of the permanent total disability pensioner, primary beneficiaries as of the date of disability shall be entitled to receive the pensioner's monthly pension, provided the pensioner dies within 60 months from the start of his or her monthly pension. Secondary beneficiaries shall be entitled to a lump sum benefit equal to the total monthly pensions corresponding to the balance of the five-year guaranteed period, excluding the dependent's pension.</p> <p>The following shall be deemed permanent and total disabilities:</p> <ul style="list-style-type: none"> • Complete loss of sight in both eyes • Loss of two limbs at or above the ankle or wrist • Permanent complete paralysis of two limbs • Incurable brain injury • Such cases as determined and approved by Social Security <p>If the disability is permanent partial, and such disability occurs before 36 months of contributions have been paid, the benefit shall be a percentage of the lump sum benefit described above with due regard to the degree of disability as the Commission may determine.</p>	<p>Group Disability Benefits</p> <p>Disability benefits can be provided as supplementary benefits attached to group life policies:</p> <ul style="list-style-type: none"> • Accidental death and disability benefits • Waiver of premium due to disability • Permanent and total disability income benefits • Dependents' life insurance providing nominal coverages for an employee's spouse and children

If the disability is permanent partial, and such disability occurs after 36 months of contributions have been paid, the benefit shall be the monthly pension for permanent total disability, payable for no longer than the period designated in the following schedule:

<u>Complete and Permanent Loss of Use</u>	<u>Number of Months</u>
One thumb	10
One index finger	8
One middle finger	6
One ring finger	5
One little finger	3
One big toe	6
One hand	39
One arm	50
One foot	31
One leg	46
One ear	10
Both ears	20
Hearing in one ear	10
Hearing in both ears	50
Sight in one eye	25

In addition to the monthly pension, a supplemental allowance of PHP 500 is paid to the total or partial disability pensioner.

Sickness and Maternity Benefits

A covered employee, who meets all the following conditions, shall be entitled to a daily sickness benefit equivalent to 90% of his or her average daily salary credit:

- Has paid at least three-monthly contributions within the 12-month period immediately before the semester of sickness or injury;
- Is unable to work due to sickness or injury and is thus confined either in the hospital or at home for at least four days;
- Has exhausted all current company sick leave with full pay for the current year;
- Has notified his or her employer of the sickness or injury within five calendar days after the start of his or her confinement unless such confinement is in a hospital or the employee became sick or was injured while working or within the premises of the employer.

If a member is a separated, voluntary or self-employed member, he or she shall directly notify Social Security of his or her confinement within five calendar days after the start thereof unless such confinement is in a hospital.

A female employee who has paid at least three-monthly contributions in a 12-month period immediately preceding the semester of childbirth or miscarriage shall be paid a daily maternity benefit equivalent to 100% of her average salary credit for 60 days or 78 days in case of Cesarean delivery subject to the following:



Social Security Benefits and Customary Private Employee Benefits

- | | |
|--|--|
| <ul style="list-style-type: none">• The employee notifies her employer of her pregnancy and probable date of delivery and,• The maternity benefits provided shall be paid only for the first four deliveries or miscarriages. | |
|--|--|

SURVIVORS' BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
<p>Dependents' Benefits</p> <p>Death</p> <ul style="list-style-type: none"> • If the deceased member had at least 36 monthly contributions prior to death, the primary beneficiary is entitled to a monthly pension. If the deceased had less than 36 contributions, a lump sum is provided to primary beneficiaries. • Secondary/designated beneficiaries (and legal heirs) would receive a lump sum, regardless of the number of contributions made by the deceased. • Monthly Death Pension is paid to the primary beneficiary. In addition, every December the primary beneficiary is entitled to receive an additional 1/13th Monthly Pension. • A lump sum is paid to member's secondary beneficiary (i.e. parents) in the event there is no primary beneficiary. Should member have no parents, a lump sum is paid to either a designated beneficiary or to the member's legal heir. • Member's dependent minor children (to a maximum of five children from youngest upward (no substitution is allowed) receive a Dependent's Pension equal to 10% of member's Monthly Pension or PHP 250 whichever is greater. • Monthly Death Pension depends upon the member's Credible Years of Service (CYS); <ul style="list-style-type: none"> • PHP 1,000 < 10 CYS • PHP 1,200 at least 10 CYS • PPH 2,400 at least 20 CYS <p>Disability</p> <ul style="list-style-type: none"> • In the event member is totally disabled, a Dependent's Pension is payable equal to 10% of member's basic monthly pension or PHP 250, whichever is greater. Member's dependent minor children (to a maximum of five children, from youngest upwards) can receive a Dependent's Pension. No substitution is allowed. Beginning in January of 2017, an additional PHP 1,000 is payable. <p>Retirement</p> <ul style="list-style-type: none"> • Dependent minor children receive a Dependent's Pension of 10% of member's basic monthly pension or PHP 250, whichever is greater; (maximum of five children, from youngest upwards, no substitution is allowed). 	<p>Dependents' Benefits</p> <p>Dependents' benefits are commonly provided as supplementary benefits attached to a group life policy with nominal coverages for an employee's spouse and children.</p>

MEDICAL BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
<p>National Health Insurance Program (NHIP)</p> <p>Medical benefits in the Philippines are provided by the National Health Insurance Program (NHIP).</p> <p>This program is administered by the Philippine Health Insurance Corporation (PhilHealth), a government owned and controlled corporation.</p> <p>Please see the section on the National Health Insurance Program (NHIP) for more information.</p>	<p>Group Medical Insurance</p> <p>Benefit Schedules:</p> <p>Group Medical Insurance plans fall under two general categories: basic hospitalization plans and major medical insurance plans. They are usually integrated with the National Health Insurance Program. The basic hospitalization plan provides reimbursements for specific medical expenses up to the maximum amounts defined in the policy, such as the following:</p> <ul style="list-style-type: none"> • Daily Room and Board: PHP 100/day, maximum 31 days • Special Hospital Services: Maximum of PHP 3,000 • Surgical Fees: Maximum of PHP 4,500 depending on gravity of procedure • Doctor's Calls: PHP 100/day <p>A Major Medical Plan, on the other hand, provides payment of a percentage of the covered medical expenses in excess of a specified deductible amount, up to a specified maximum. "Inner Limits" are usually imposed on certain expenses such as room and board, and professional charges.</p> <p>A recent development in medical benefits is the so-called prepaid health service plan. This type of plan is usually offered by the provider of the services, such as a clinic or a hospital. For a fixed retainer fee per employee, the hospital will provide certain services such as hospital accommodations, drugs and medicines, physician's and surgeon's services, etc. Unlike insured plans, where the employee has a free choice of hospital and/or doctors, the employee's choice is limited only to those facilities available at the specific hospital or clinic.</p> <p>Private medical plans are usually coordinated with the National Health Insurance Program. Some are integrated; i.e., the private plan benefits are inclusive of NHIP. Others are superimposed on NHIP and come into play only after NHIP payments. A number of private plans are "Independent" of NHIP, especially those that were union-negotiated prior to NHIP. This practice, however, is not practical because of the possibility of "double" payments.</p> <p>Financing</p> <p>Most of the existing health insurance plans are paid for entirely by the employer, in so far as employee coverage is concerned. Dependent coverage is either partially or totally employee-financed.</p>

RETIREMENT BENEFITS	
Social Security Benefits	Customary Private Employee Benefits
<p>Retirement Benefits</p> <p>Upon the death of a pensioner, primary beneficiaries shall be entitled to receive 100% of the monthly pension plus the dependent's pension for each child. If the pensioner has no primary beneficiaries and dies within 60 months from the commencement of his or her monthly pension, secondary beneficiaries shall be entitled to a lump sum benefit equal to the total monthly pensions corresponding to the balance of the five-year guaranteed period, excluding the dependent's pension.</p> <p>The monthly pension of an employee after reaching age 60 shall be the higher of either:</p> <ul style="list-style-type: none"> • The monthly pension computed at the earliest time the employee could have retired had he or she been separated from employment or ceased to be self-employed plus all adjustments thereto; or • The monthly pension computed at the time when he or she actually retires. <p>A member who retires more than once shall be entitled to the higher of:</p> <ul style="list-style-type: none"> • The monthly pension computed for the first retirement claim; or • The re-computed monthly pension for the new claim. 	<p>Retirement Benefits</p> <p>A lump sum benefit is the most common retirement benefit. In fixed-benefit type plans, the amount is usually one final month's salary per year of pensionable service. On the other hand, fixed-contribution type plans (such as provident funds) stipulate payment of the accumulated contributions and earnings at retirement. A majority of these plans give a retiring employee the option to receive his or her benefit in monthly installments, either for life or for a fixed period. However, this option is seldom exercised.</p> <p>Company retirement plans do not provide widow's or orphans' pensions.</p> <p>Financing Practices:</p> <ul style="list-style-type: none"> • The majority of retirement plans are non-contributory. Integration with Social Security is seldom done, although many plans reserve the right of the employer to apply plan benefits towards the payment of legally required benefits such as the separation pay. • The funding of private pension plans is generally made through either a trust or an insurance policy, usually a Deposit Administration Contract. Most trustee plans engage the services of a bank. • Retirement fund investments are not subject to any restrictions other than the general prohibition against overseas investment imposed by the Central Bank on all investors. There is a marked trend toward equity and real estate investment.
<p>Eligibility</p> <p>A covered employee who has paid at least 120 monthly contributions prior to the semester of retirement and who 1) has reached age 60 and is already separated from employment or has ceased to be self-employed 2) has reached age 65, shall be entitled to the monthly pension.</p> <p>A covered employee who is age 60 at retirement and does not qualify for pension benefits under (1) above, shall be entitled to a lump sum benefit equal to the total contributions paid by him or her and on his or her behalf, plus interest, provided that he or she is separated from employment and is not continuing to make contributions to Social Security on his or her own.</p> <p>The monthly pension shall be suspended upon the re-employment or resumption of self-employment of a retired employee who is less than 65 years old.</p>	<p>Eligibility</p> <p>The normal retirement age is 60, to coincide with Social Security. Early retirement provisions are relatively liberal — full benefits are payable after 10 years and as early as age 50.</p> <p>Although there are no legal requirements for vesting, private plans invariably have vesting provisions. New or recently revised plans typically commence vesting between 5 and 10 years of service and are fully vested by 20 years.</p> <p>Full vesting also occurs upon an employee's death, disability, or involuntary separation. Other than this, pre-retirement disability and survivors' benefits are uncommon. They are usually provided for by separate group insurance plans.</p>

SSS Flexi-Fund Program

This program is a voluntary provident fund that provides a mechanism for the OFW (Overseas Filipino Workers) to save more for the future, complementing the benefits under the regular SSS programs. This means the program is added on top of existing SSS-OFW membership benefits.

This is open only to OFWs who fall under the following categories:

- Recruited in the Philippines by a foreign-based employer for employment abroad
- Having a source of income in a foreign country
- Residing permanently in a foreign country

An OFW can pay his or her contribution to the fund anytime, provided that at the time of payment the maximum required monthly contribution is paid to the regular Social Security program. Any amount paid in excess of the required maximum monthly contribution to the regular Social Security program shall be applied to the fund. An OFW may continue paying the contribution under this fund even after the termination of his or her overseas employment, as long as the OFW continues to pay the required maximum monthly contribution to the regular Social Security program. Payments shall cease upon filing of a final claim under the regular SSS program.

Benefits under the SSS-Flexi Fund's program shall include the following:

- A member who has reached 60 years of age is entitled to a retirement benefit.
- Upon the death of a pensioner (e.g., retirement, disability, or early withdrawal pensioner), the beneficiary shall receive a lump sum benefit equivalent to the cash value of the remaining pension.
- A member may withdraw his or her contributions to the fund (including interest) anytime.



Employees' Compensation and State Insurance Fund

Background:

Through the State Insurance Fund (SIF), the government promoted and developed a tax-exempt employees' compensation program, whereby employees and their dependents may promptly secure adequate income benefits, and medical and related benefits in the event of a work-related disability.

Coverage:

Coverage in the SIF is compulsory for all employers and their employees under age 60, as well as for employees over 60 years old who are paying contributions to qualify for retirement or life insurance benefits administered by the Social Security System or Government Service Insurance System (GSIS). All employees in industrial, commercial, and agricultural establishments, religious, charitable, and educational institutions and in government (except for elected officials) are covered.

Liability:

The SIF shall be liable for compensation to employees or their dependents in the event of a work-related disability or death, except when the disability or death results from the employee's intoxication, willful intention to injure or kill themselves or another, gross negligence, or other act prohibited by law. Unless otherwise provided, the liability of SIF shall be exclusive and in place of all other liabilities of the employer to the employee, his or her dependents, or anyone else entitled to receive damages on behalf of the employee or his or her dependents.

When the disability or death is caused by circumstances creating a legal liability against a third party, the disabled employee or the dependents (in case of death) shall be paid under SIF. In accordance with general law, the System shall be subrogated to the rights of the disabled employee or the dependents. Where the System recovers from such third-party damages in excess of those paid or allowed under SIF, such excess shall be delivered to the disabled employee or other entitled persons, after deducting the cost of the System's proceedings and expenses.

Medical Benefits:

Immediately after an employee becomes ill or sustains an injury, he or she shall be provided with the necessary medical services and appliances during the subsequent period of disability. All fees, excluding professional fees and other charges for hospital services, medical care, and appliances shall not be higher than those prevailing in wards of hospitals for similar services to injured or sick persons in general. Professional fees shall only be appreciably higher than those prescribed under the National Health Insurance Program (NHIP).

As soon as practical, the System shall establish a continuing program for the rehabilitation of injured and handicapped employees. Rehabilitation services shall consist of medical, surgical or hospital treatment, including appliances if an individual has been handicapped by the injury.

Disability Benefits:

Any employee who sustains an injury or contracts a sickness resulting in temporary total disability is paid an income benefit equivalent to 90% of their average daily salary credit.

The average daily salary credit is determined by adding the six highest months of covered earnings in the 12 months before the six-month period (January-June, April-September, July-December, or October-March) in which the illness or injury began divided by 180.

The benefit is not paid for longer than 120 days for the same disability, unless the injury or sickness requires more extensive treatment that lasts beyond 120 days, but not to exceed 240 days from the onset of the disability; in which case, the individual is paid a benefit for temporary total disability during the extended period.

Employees' Compensation and State Insurance Fund

Any employee who becomes ill or sustains an injury resulting in permanent total disability shall, for each month until death, be paid an amount equivalent to his or her monthly income benefit plus 10% thereof for each dependent child up to a maximum of five, beginning with the youngest and without substitution.

The monthly pension is 115% of the insured's monthly old-age pension or PHP 2,000, whichever is greater.

The benefit shall be suspended if the employee is gainfully employed, recovers from permanent total disability, or fails to be examined at least once a year upon notice by the SSS or fails to submit a quarterly medical report certified by his or her attending physician. A permanent total or partial disability member is also given a supplemental allowance of PHP 575 a month in addition to the monthly income benefit.

A member who suffers partial or total disability with at least one monthly contribution paid to the SSS prior to the semester of contingency is qualified.

Partial permanent disabilities pertain to complete and permanent loss or use of any of the following body parts:

one thumb	one big toe
one index finger	one hand
one middle finger	one arm
one ring finger	one foot
one little finger	one leg
hearing of one ear	one ear
hearing of both ears	both ears
sight of one eye	

The following cases fall under total permanent disability:

1. complete loss of sight of both eyes;
2. loss of two limbs at or above the ankles or wrists;
3. permanent complete paralysis of two limbs;
4. brain injury resulting to incurable imbecility or insanity; and
5. such cases as determined and approved by the SSS.

The minimum monthly income benefit is PHP 2,000. However, if the period of permanent partial disability pension is less than a year, the benefit may be paid in lump sum.

Death Benefits:

Upon the death of a covered employee, the primary beneficiaries shall be paid an amount equivalent to his or her monthly income benefit plus 10% thereof for each dependent child up to a maximum of five, beginning with the youngest and without substitution. The monthly income benefit is guaranteed for five years. If the employee has no primary beneficiaries, his or her secondary beneficiaries shall be entitled to the monthly benefit, but not to exceed 60 months. The minimum monthly income for the death benefit is PHP 2,000.

Upon the death of a covered employee, who is totally and permanently disabled, primary beneficiaries shall be paid 100% of the monthly income benefit, and dependents shall be paid the dependent's pension, provided that the employee's marriage is valid at the time of disability. If the employee has no primary beneficiaries, his or her secondary beneficiaries shall be paid the remaining balance of the five-year guaranteed period, excluding the dependent's pension.

A funeral benefit of PHP 10,000 shall be paid upon the death of a covered employee or permanently disabled pensioner.



Employees' Compensation and State Insurance Fund

Funding:

Contributions are paid entirely by the employer as follows:

PHP 30 pesos for monthly earnings of PHP 15,750
PHP 10 pesos for monthly earnings below PHP 15,750

The maximum earnings used in the funding contribution formula are PHP 15,750. When a covered employee dies, becomes disabled or is separated from employment, the employer's obligation to pay the monthly contributions shall cease at the end of the month of contingency and during such months that the employee is not receiving a salary.

Background:

The National Health Insurance Program (formerly Medicare) or NHIP was instituted in 1995 by virtue of the Republic Act 7875, popularly known as the National Health Insurance Act of 1995. Being the country's largest and premiere social health insurance program, the NHIP aims to effectively provide accessible, affordable, acceptable, and adequate health care services for all Filipinos from all walks of life.

The said law also mandates the Philippine Health Insurance Corporation (PhilHealth), a government owned and controlled corporation, to administer and manage a sustainable program that will not only ensure better benefits at an affordable cost, but also extend quality and relevant health care services to a broader membership base that will lead to universal coverage.

Coverage:

The program currently covers the following members and their qualified dependents:

- All those employed in the government sector, including all uniformed members of the Armed Forces, the National Police, the Bureau of Jail Management and Penology, as well as the Bureau of Fire Protection under the Department of Interior and Local Government.
- All those employed in the private sector
- Overseas Filipino Workers under the Overseas Workers Welfare Administration (OWWA)
- Individually paying members (self-employed and voluntary)
- Retirees and pensioners
- Qualified indigent members under the NHIP Indigent Component, otherwise known as the "Medicare para sa Masa"

The following may be declared as dependents and may share the 45 days' allowance apart from the member's 45 days' allowance each year:

- Legitimate spouse who is currently not a member.
- Children (whether legitimate, illegitimate and legitimated or adopted), below 21 years old, unmarried, and unemployed. Child-dependents who are age 21 or older but are suffering from any illness or disease, congenital or acquired even after reaching the age of 21, are automatically covered.
- Parents who are 60 years old and above, not qualified as lifetime members, and wholly dependent on the member for support.

Benefits:

In 1999, PhilHealth made an unprecedented move by implementing two rounds of benefit increases that led to the much-awaited equalization of medical care benefits for all members in the government, private, and indigent sectors. On December 1, 1999, a unified benefit package was finally introduced as part of PhilHealth's commitment to its mandate. The benefit limits under this package were again increased effective 2009.

In July 2013, President Aquino signed into law revisions to the National Health Insurance Act to extend coverage to nearly 95 million Filipinos, especially the poor, disabled and underprivileged. Services will be provided free of charge to this population, and funds will come from "sin tax" revenues generated from sales of cigarettes and alcohol.

<u>Benefit Items</u>	<u>HOSPITAL CATEGORY</u>		
	<u>Primary</u>	<u>Secondary</u>	<u>Tertiary</u>
1. Room and board not exceeding 45 days per year for each member and another 45 days to be shared by his or her dependents.	300	400	500
2. Drugs and medicines per single period of confinement	2,700	3,360	4,200
3. X-ray, laboratory, etc. per single period of confinement	1,600	2,240	3,200
4. Professional fees per single period of confinement shall not exceed:			
a. General Practitioner Maximum per confinement	300 1,200	300 1,200	300 1,200
b. Specialist Maximum per confinement	500 2,000	500 2,000	500 2,000
5. Operating Room	500	RVU 30 and below = 750	RVU 30 and below = 1,200
6. Surgeon		RVU x PCF 40 = PF1	
7. Anesthesiologist		40% of Surgeon's Fee	

Note: All amounts shown are in Philippine Pesos (PHP).
 RUV = Relative Unit Value
 PCF = Peso Conversion Factor

Funding

Premium contributions for the Employed Sector since 2013 equal 2.5% of basic monthly salary. Salary floor shall start at PHP 7,000 and end with a ceiling of PHP 35,000. Contributions are split 50/50 between employee and employer.

<u>Monthly Salary Range</u>	<u>Salary Base</u>	<u>Monthly Contribution</u>	<u>Employer Share</u>	<u>Employee Share</u>
7,999.99 and Below	7,000.00	175.00	87.50	87.50
8,000.00 to 8,999.99	8,000.00	200.00	100.00	100.00
9,000.00 to 9,999.99	9,000.00	225.00	112.50	112.50
10,000.00 to 10,999.99	10,000.00	250.00	125.00	125.00
11,000.00 to 11,999.99	11,000.00	275.00	137.50	137.50
12,000.00 to 12,999.99	12,000.00	300.00	150.00	150.00
13,000.00 to 13,999.99	13,000.00	325.00	162.50	162.50
14,000.00 to 14,999.99	14,000.00	350.00	175.00	175.00
15,000.00 to 15,999.99	15,000.00	375.00	187.50	187.50
16,000.00 to 16,999.99	16,000.00	400.00	200.00	200.00
17,000.00 to 17,999.99	17,000.00	425.00	212.50	212.50
18,000.00 to 18,999.99	18,000.00	450.00	225.00	225.00
19,000.00 to 19,999.99	19,000.00	475.00	237.50	237.50
20,000.00 to 20,999.99	20,000.00	500.00	250.00	250.00
21,000.00 to 21,999.99	21,000.00	525.00	262.50	262.50
22,000.00 to 22,999.99	22,000.00	550.00	275.00	275.00
23,000.00 to 23,999.99	23,000.00	575.00	287.50	287.50
24,000.00 to 24,999.99	24,000.00	600.00	300.00	300.00
25,000.00 to 25,999.99	25,000.00	625.00	312.50	312.50
26,000.00 to 26,999.99	26,000.00	650.00	325.00	325.00
27,000.00 to 27,999.99	27,000.00	675.00	337.50	337.50
28,000.00 to 28,999.99	28,000.00	700.00	350.00	350.00
29,000.00 to 29,999.99	29,000.00	725.00	362.50	362.50
30,000.00 to 30,999.99	30,000.00	750.00	375.00	375.00
31,000.00 to 31,999.99	31,000.00	775.00	387.50	387.50
32,000.00 to 32,999.99	32,000.00	800.00	400.00	400.00
33,000.00 to 33,999.99	33,000.00	825.00	412.50	412.50
34,000.00 to 34,999.99	34,000.00	850.00	425.00	425.00
35,000.00 and Above	35,000.00	875.00	437.50	437.50

Effective 2013, monthly contributions of individually paying members are fixed at PHP 150.00/month and may be payable on a quarterly, semi-annual, and annual basis.

Excluded Personal Health Services:

Currently, PhilHealth does not pay for the following services and procedures:

- Non-prescription drugs and devices
- Out-patient psychotherapy and counseling for mental disorders
- Drug and alcohol abuse or dependency treatment
- Cosmetic surgery
- Home and rehabilitation services
- Optometric services
- Normal obstetrical delivery
- Other cost-ineffective procedures that shall be defined by PhilHealth

Entitlement to Benefits:

A beneficiary shall be entitled to benefits if he or she meets the following conditions:

- Within the immediate six months prior to the month of confinement, at least three monthly contributions of a paying member must have been paid in full. For Overseas Filipino Workers, he or she must have enrolled and paid the required annual contributions, or in the case of indigent members, hold a valid NHIP card.
- The member/dependent is confined (inpatient case) in an accredited hospital for no less than 24 hours due to an illness or injury requiring hospitalization. Coverage is also granted when undergoing minor surgical procedures (done in an operating room complex) or when receiving chemotherapy, radiotherapy, hemodialysis and cataract extraction even on an out-patient basis.
- The 45 days' room and board allowance for the calendar year has not been consumed.
- He or she is not currently subject to legal penalties as provided for in Section 44 of the National Health Insurance Act and as may hereinafter be provided by these rules.

Benefits of Pensioners:

Retirees and pensioners are entitled to lifetime coverage for free provided that they have paid at least 120 monthly contributions to the NHIP. Moreover, they must have reached the age of 60 upon retirement, except for those who have retired because of total permanent disability. This also includes a deceased pensioner's survivor.

In the case of partial disability pensioners, their free NHIP coverage is only good for the duration of their partial disability pension.

Home Development Mutual Fund (PAG-IBIG)

Background:

The Home Development Mutual Fund (HDMF), also referred to as the Pag-IBIG Fund, was established in 1979 and has the following objectives:

- Promote self-reliance and self-determination among workers through membership in an integrated nationwide savings system, with the contributory support of employers;
- Invest the savings of its members, fully taking into consideration the profitability and safety of the funds as a means of providing benefits for members upon termination of their membership in the Fund;
- Promote home ownership through the establishment of an affordable and adequate housing credit system for its members; and
- Provide small and short-term loans and other benefits for its members.

Information on the Pag-IBIG Fund can be found on: <http://www.pagibigfund.gov.ph>

Contributions:

Mandatory contributions were suspended in January 1987, with contributions continuing on a voluntary basis. Effective January 1, 1995, membership in the Fund is again mandatory for all employees covered by the Social Security System and the Government Service Insurance System, and their respective employers. However, coverage of employees whose monthly earnings are less than PHP 4,000 is voluntary. Membership to the fund is also open to:

- Self-employed workers such as professionals and businessmen
- Overseas contract workers (OCWs)
- Residents and immigrants in the US and Canada
- Informal income groups such as cooperative members
- Leaders and members of religious groups
- Non-working members, local or abroad, with passive income or allowances
- Public officials or employees not covered by GSIS
- Non-working spouses

Other aspects of this new ruling include the following:

- Employees must contribute 2% of monthly compensation, (or 1% if earning PHP 1,500 per month or less); additional contributions may also be made.
- Employers are mandated to match their employees' monthly contributions with an amount equivalent to 2% of the monthly compensation of each covered employee.
- For self-employed members, the monthly contribution is equivalent to 2% of their monthly gross earnings.
- As of October 1995, waiver or suspension of coverage for employers/employee groups requires that both retirement and housing plans of companies be superior to that of Pag-IBIG in all aspects.
- Employers are eligible to apply for a Home Development Fund exemption. In order to do so, they must have had (as of January 1995) a retirement or housing fund that offered at least as much as the Home Development Fund does in terms of vesting, contributions, benefits, and eligibility.

Home Development Mutual Fund (PAG-IBIG)

- Under the Pag-IBIG Overseas Program (POP), OCWs with monthly compensation of:
 - USD 1,000 or less shall contribute USD 20 or its peso equivalent monthly.
 - Over USD 1,000, monthly contribution of USD 40 or its peso equivalent.
 - CAD 1,500 or less, monthly contribution of CAD 30 or its peso equivalent.
 - Over CAD 1,500 monthly contribution of CAD 60 or its peso equivalent.

There is also provision for employers to apply for an exemption if they are in financial difficulty.

Membership in the Fund shall be for a period of 20 years, except when terminated and, at any time, upon the occurrence of any of the following:

- Membership maturity
- Death
- Retirement
- Total disability or insanity
- Permanent departure from the country
- Termination of employment for health reasons, as provided by law

Note: Occurrences other than the above shall not constitute termination of membership except as may otherwise be provided by the Board.

Those who become members of the Fund after the effective date of this Act may withdraw the total accumulated value of their contributions to the Fund after 10 of the 15 years of continuous membership, provided that said members have no outstanding loans. This option may be exercised only once and shall not prejudice the member's continuing membership in the Fund.

Resignation, lay-off or suspension from employment may not necessarily constitute grounds for membership termination, except for suspension of contributions.

Benefits:

Upon termination of membership, in accordance with the rules on termination, a member is entitled to receive his or her total accumulated value in the Fund. In the event of a member's death, heirs/beneficiaries shall receive the member's total accumulated value in the Fund.

In the event of a member's death, heirs/beneficiaries shall receive, in addition to the member's total accumulated value in the Fund, a death benefit amount of PHP 6,000.

Fixed dividends equal to 7.5% per annum shall be distributed to all members who have no outstanding home loans. The dividend may be paid in cash or in the form of credit towards a member's total accumulated value. Variable dividends from the surplus earnings of the Fund may be distributed, upon approval of the Board, to members from time to time.

The Government of the Republic of the Philippines guarantees the payment of the total accumulated value to members of the Fund when it is due.

The Fund and all its assets, collections, receivables and increments, as well as distributions therefore, shall be exempt from payment of any and all forms of taxes, assessments, and other charges.

The Pag-IBIG I is offered to members, who have at least 24 months' contributions, are not older than 65 years at date of accepting the loan and not be more than 70 years at loan maturity, have the legal capacity to encumber real property under the laws of the Philippines. Further, the member must have no outstanding Pag-IBIG housing loan or multi-purpose loan in arrears, and have no Pag-IBIG housing loan that was foreclosed, cancelled or in default. The maximum loan is PHP 6,000,000, for well-qualified borrowers.

Home Development Mutual Fund (PAG-IBIG)

There is also a new program which allows daily wage earners to qualify for affordable loans through subsidized interest rates. Workers who are housemaids, delivery drivers, and other typically low-wage earners can qualify for a loan up to PHP 400,000, provided monthly income is at least PHP 12,000.

Typically interest rates offered by Pag-IBIG are lower than those offered by banks. Interest rates vary but currently range from 7.98% for a three-year loan to 12.0% for 30-year loan.

The Pag-IBIG Overseas Program (POP) aims to provide Filipino overseas workers/immigrants the opportunity to save for their future while giving them the chance to obtain housing loans as well.

Short-Term Loan Programs:

The Multi-Purpose Loan (MPL) Program provides immediate assistance to Pag-IBIG members who have at least 24 monthly membership contributions that they can use to finance medical, educational, livelihood, minor home improvement, purchase of appliances and furniture, and other related needs.

A loan equivalent to 60% of the member's total accumulated value is extended to members with 24 to 59 months of contributions; 70% with 60-119 months of contributions, and 80% for 120 or more months of contributions. Interest is charged at prevailing rates. In addition, members cannot have an existing Pag-IBIG Housing Loan in default or have an existing MPL or Calamity Loan in default.

MPLs are payable in two years through salary deduction. Direct payment is also allowed in case a member is separated from their employer. MPLs may be renewed upon the anniversary date of the loan. The outstanding balance, together with any accrued interests, penalties and charges, shall be deducted from the proceeds of the new loan.

Calamity Loan Program offers financial assistance to Pag-IBIG members residing in calamity stricken areas as declared by the Office of the President or the Sangguniang Bayan. The qualifying conditions are the same as those for the MPL Program.

Funds under the Calamity Loan Program are available 90 days after the declaration of state of calamity. The actual loan amount will be based on the lowest of the following: desire amount, loan entitlement and capacity to pay.

The Labor Code of the Philippines provides the following employee benefits:

Involuntary Separation:

An employee shall be entitled to one month's salary for every year of service, with a minimum of one month, in case of termination of employment due to the installation of labor-saving devices or redundancy.

An employee shall be entitled to one-half month's salary for every year of service in case of termination of employment due to retrenchment, initiated by the employer to prevent losses or other similar causes, or where the employee suffers from a disease.

Retirement:

Effective January 7, 1993, the following rules in retirement apply:

Coverage:

All employees in the private sector, regardless of their position, designation or status, and irrespective of the method by which their wages are paid, are covered under these rules.

Exemptions:

Employees of the National Government and its political subdivisions, including Government-owned/controlled corporations, if they are covered by the Civil Service Law and its regulations.

Employees of retail, service, and agricultural establishments or operations regularly employing no more than ten employees.

Retirement Age:

Any employee, upon reaching the age of 60 or more, but not beyond age 65, which is hereby declared the compulsory retirement age, who has at least five years of service in the company, may retire.

An underground mining employee, upon reaching age 50 or more, but not beyond age 60, which is hereby declared the compulsory retirement age for underground mining workers, who has served at least five years as an underground mining worker, may retire.

Retirement Benefits:

An employee, who retires after this Act is effective, is entitled to retirement pay equal to at least one-half month's salary for every year of service, a fraction of at least six months being considered as one whole year.

Exemption from Tax:

The retirement pay provided in the Act may be exempted from tax if the following requirements set by the Bureau of Internal Revenue (BIR) are met.

Pensions, retirement, and separation pay constitute compensation subject to withholding, except the retirement benefits received by officials and employees of private firms under a private benefit plan maintained by the employer, if the following requirements are met:

- The benefit plan was approved by the Bureau of Internal Revenue (BIR); and
- The retiring official or employee has been in the service of the same employer for at least ten years, is no less than fifty years of age at the time of retirement and has not previously availed of the privilege under the retirement benefit plan of the same or another employer.

Extra Monthly Salary:

Employers are required to pay all employees a 13th monthly salary no later than December 24th of each year.

Type of Insurance	Contributions	Benefits
Retirement Benefits	<p><i>Employer:</i></p> <p>Employer contributions to Social Security are tax-deductible under certain conditions such as eligibility of benefits, discrimination and forfeiture</p>	<p>The taxability of retirement benefits is covered by Republic Act 4917 and RA 7641.</p> <p>RA 4917 provides that retirement benefits of employees of private firms shall not be subject to attachment, levy, execution or any tax whatsoever. This applies when the employer has a Reasonable Private Benefit Plan (RPBP). On the other hand, RA 7641 amended Section 287 of the Labor Code; which provides for a retirement pay to qualified private-sector employees in the absence of any retirement plan. In order for a retirement benefit to be qualified as nontaxable, the conditions under RA 4917 and RA 7641, whichever is applicable, should be met.</p> <p>Under RA 4917, a retirement benefit shall be nontaxable if the employee has been in the service of the same employer for at least 10 years, is not less than 50 years old, and that such benefit is availed only once. On the other hand, a retirement benefit shall be nontaxable under RA 7641 if there is a Collective Bargaining Agreement granting retirement benefits to the employees; or, if there is no CBA, the employee must have rendered at least five years of service, and that he/she must be at least 60 years old.</p>
	<p><i>Employee:</i></p> <p>Employee contributions are not tax-deductible with the exception of medical insurance premiums</p>	
Death Benefit	<p><i>Employer:</i></p> <p>Employer contributions to Social Security are tax-deductible under certain conditions such as eligibility of benefits, discrimination and forfeiture</p>	<p>The proceeds of life insurance policies paid to the heirs or beneficiaries upon the death of the insured, whether in a single sum or otherwise is excluded from gross income and not subject to Philippine Income Tax. If the amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income.</p> <p>Section 32 (B) of the National Internal Revenue Code in part provides: “(B) Exclusions from Gross Income. — The following items shall not be included in gross income and shall be exempt from taxation under this title:</p> <p>Life Insurance. — The proceeds of life insurance policies paid to the heirs or beneficiaries upon the death of the insured, whether in a single sum or otherwise, but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income.”</p>
	<p><i>Employee:</i></p> <p>Employee contributions are not tax-deductible with the exception of medical insurance premiums</p>	

Disability Benefits	<p><i>Employer:</i></p> <p>Employer contributions to Social Security are tax-deductible under certain conditions such as eligibility of benefits, discrimination and forfeiture</p>	<p>Under Tax code of the Philippines, separation fees and benefits in the Philippines are exempted from income tax, and consequently, withholding taxes on compensation for separations from employment because of death, sickness or other physical disability or any other causes beyond employee's control.</p>
	<p><i>Employee:</i></p> <p>Employee contributions are not tax-deductible with the exception of medical insurance premiums</p>	
Medical Benefits	<p><i>Employer:</i></p> <p>Employer contributions to Social Security are tax-deductible under certain conditions such as eligibility of benefits, discrimination and forfeiture</p>	<p>Revenue Memorandum Circular (RMC) 50-2018—subsequent to the issuance of RR 8-2018 implementing the Income Tax Provisions of the Tax Reform for Acceleration and Inclusion (TRAIN) Act—clarifies the tax treatment of premiums on health cards borne by the employer for rank-and-file employees as well as those holding managerial or supervisory posts.</p> <p>The RMC said premiums on health cards paid by the employer for all employees, whether rank and file or managerial/supervisory, under a group insurance, shall be included as part of “other benefits” which are subject to the P90,000 threshold. On the other hand, premiums on health cards paid by the employer for selected employees holding managerial or supervisory functions not part of a group insurance are considered fringe benefits subject to fringe benefits tax of 35 percent. This is still consistent with Section 2.33 (B) (10) of RR 3-98.</p> <p>This would mean that the “other benefits” defined in Section 2.78.1(B)(11) of RR 2-98 shall now include the premiums on health cards paid by the employer under a group insurance along with the Christmas bonus, productivity incentives, loyalty award, gift in cash or in kind, and other benefits of similar nature actually received by officials and employees of both government and private offices.</p>
	<p><i>Employee:</i></p> <p>Employee contributions are not tax-deductible with the exception of medical insurance premiums</p>	

Range of Employee Benefit Amounts:

<u>Type of Benefit</u>	<u>Level of Benefit</u>	
	<u>Low</u>	<u>High</u>
A. Life Insurance		
Based on Rank:	PHP 30,000	PHP 11,000,000
Based on Salary:	24 times Basic Monthly Salary Up to PHP 50,000	48 times Basic Monthly Salary up to PHP 30,000,000
Accidental Death and Dismemberment:	Equal to the amount of life insurance	
Total and Permanent Disability:*	Equal to the amount of life insurance	
B. Hospitalization Insurance		
<u>Basic Plan</u>		
Daily Room & Board: Maximum 31 days	PHP 200	PHP 1,500
Special Hospital Services 100% of eligible expenses Maximum of:	PHP 2,000	PHP 100,000
Surgeon's Fee According to Schedule of Operations, Maximum of:	PHP 10,000	PHP 700,000
Anesthesiologist's Fee:	30% of Surgeon's fee	35% of Surgeon's fee
Doctor's Daily Visit: Maximum 45 days	PHP 200	PHP 1,500

* Included in only a few plans

Sample Employee Benefit Plans

<u>Maternity Benefits</u> (In lieu of all other benefits)	<u>Level of Benefit</u>	
	<u>Low</u>	<u>High</u>
Normal Delivery	PHP 2,000	PHP 20,000
Cesarean	4,000	30,000
Miscarriage/Abortion	1,000	14,000
Home Delivery	1,000	4,000
Tubal Ligation	1,500	6,000
Vasectomy	1,000	2,100
 <u>Major Medical Plan</u>		
Cash Deductible	PHP 100	PHP 100,000
Maximum Benefit/Disability	PHP 40,000	PHP 1,400,000
Coinsurance	80% / 20%	80% / 20%
 <u>Inner Limits:</u>		
Daily Room & Board	150	1,200
Special Hospital Services	All eligible expenses	
Surgeon's Fee per Schedule of Operations, Maximum of:	PHP 5,000	PHP 300,000
Anesthesiologist's Fee	30% of Surgeon's fee	35% of Surgeon's fee
Doctor's Daily Visit	PHP 175	PHP 1,000
Nurse's Fee	PHP 125	PHP 600
Ambulance	PHP 200	PHP 1,200
 <u>Out-Patient Benefit*</u>		
Maximum amount per employee per year	PHP 230	PHP 12,000

* Included in only a few plans

Industry-Specific Sample Employee Benefit Plans

Pharmaceutical Company (50 employees)

Basic Life:

All employees – 24 times the basic monthly salary up to a maximum of PHP 6,000,000 on any one life.

Total & Permanent Disability Benefit:

All employees – 24 times the basic monthly salary up to a maximum of PHP 6,000,000 on any one life.

Basic Benefits:

	<u>Schedule A</u>	<u>Schedule B</u>	<u>Schedule C</u>
Room & Board Maximum 30 days	PHP 400/day	PHP 500/day	PHP 600/day
Special Hospital Services Maximum	7,000	8,000	9,000
Surgical Fee Maximum	8,000	9,000	10,000
Anesthesiologist's Fee	2,800	3,150	3,500
Doctor's Visit, Max 30 days	400/day	500/day	600/day

Maternity Benefits Maximum of the Following:*

Normal Delivery	3,000	4,000	4,000
Cesarean Section	5,000	7,000	8,000
Miscarriage/Abortion	2,000	3,000	3,000
Home Delivery	2,000	2,000	2,000
Tubal Ligation	2,500	3,000	3,000
Vasectomy	2,000	2,000	2,000

Major Medical Benefits:

Maximum per Disability	60,000	85,000	90,000
Deductible Corridor	100	100	100
Co-Insurance	10%	10%	10%

Inner Limits:

Room & Board	600/day	700/day	800/day
Special Hospital Services	as charged	as charged	as charged
Surgical & Anesthesiologist Fees Maximum	40,000	50,000	60,000
Doctor's Visit	600/day	700/day	800/day

* In lieu of all other benefits

Consumer Products Manufacturing (358 employees)

Basic Life: All employees – 24 times the basic monthly salary, minimum of PHP 25,000 and maximum of PHP 8,000,000.

Basic Benefits:

Room & Board Maximum 60 days	PHP 600/day
Special Hospital Services Maximum	PHP 12,000
Surgical Fee Maximum	PHP 18,000
Doctor's Visit, Max 60 days	PHP 600/day
Specialist's Fee	PHP 5,000 maximum (max of 5 specialists divided equally)

Maternity Benefits — Maximum of the Following: *

Normal Delivery	PHP 11,250
Cesarean Section/ Ectopic Pregnancy	PHP 23,750
Miscarriage/Abortion	PHP 7,500
Home Delivery	PHP 3,750

Professional Fees for
Minor Surgeries:

Cauterization of Warts Circumcision Excision of Cyst	PHP 4,000
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Major Medical Benefits:

Maximum Benefit	PHP 250,000
Deductible Corridor	PHP 100
Co-Insurance	20%

Inner Limits:

Room & Board Maximum 60 days	400/day
Surgical Fee	PHP 125,000
Anesthesiologist's Fee	35% of Surgeon's Fee, maximum PHP 43,75
Doctor's Daily Visit Maximum 60 days	PHP 400/day

* In lieu of all other benefits

Publishing Company (8 employees)

<u>Basic Life:</u>	All employees – 39 times the basic monthly salary, maximum of PHP 9,000,000 on any one life.
Accidental Death & Disability Benefit:	Same as for Basic Life
Total & Permanent Disability Benefit:	Same as for Basic Life
<u>Basic Benefits:</u>	
Room & Board Maximum 31 days	PHP 1,000/day
Special Hospital Services Maximum	PHP 20,000
Surgical Fee Maximum	PHP 50,000
Doctor's Visit, Max 31 days	PHP 1,000/day
<u>Major Medical Benefits:</u>	
Maximum Benefit	PHP 150,000
Deductible Corridor	PHP 200
Co-Insurance	20%
<u>Inner Limits:</u>	
Room & Board Maximum 31 days	PHP 500/day
Special Hospital Services	as charged
Surgical Fee	as charged
Doctor's Daily Visit Maximum 31 days	PHP 500/day

Garment Manufacturing (335 employees)

<u>Basic Life:</u>	All employees – 24 times annual salary up to a maximum coverage of PHP 10,000,000 on any one life.
Accidental Death & Dismemberment Benefit:	All employees – 24 times monthly salary up to a maximum coverage of PHP 10,000,000.
Total & Permanent coverage of PHP 10,000,000.	All employees – 24 times monthly salary up to a maximum disability Benefit:

Employees and Dependents

<u>Basic Benefits:</u> <u>(in PHP)</u>	<u>Group I</u>	<u>Group II</u>	<u>Group III & IV</u>	<u>Group V</u>	<u>Group VI</u>
Room & Board Max 45 days	8,000/day	1,000/day	700/day	700/day	500/day
Special Hospital Services Max	as charged	6,000	6,000	6,000	4,500
Surgical Fee Max	as charged	30,000	30,000	30,000	20,000
Doctor's Visit Max of 45 days	8,000/day	1,000/day	600/day	400/day	400/day
Specialist's Fee, Max 1 specialist Max of 45 days	8,000/day	600/day	600/day	400/day	400/day
Maximum Benefit	100,000/disability				

Maternity Benefits Maximum of the Following:

	<u>Group I</u>	<u>Group II</u>	<u>Group III & IV</u>	<u>Group V</u>	<u>Group VI</u>
Normal Delivery	20,000	10,000	10,000	10,000	10,000
Miscarriage/Abortion	14,000	7,000	7,000	7,000	7,000
Cesarean Section	30,000	15,000	15,000	15,000	15,000



Sample Employee Benefit Plans

<u>Major Medical Benefits:</u>	<u>Group I</u>	<u>Group II</u>	<u>Group III</u>
Max per Disability	1,000,000	150,000	150,000
Co-Insurance	20%	20%	20%
<u>Inner Limits:</u>			
Room & Board Max 45 days	6,000/day	750/day	500/day
Surgical Fee Max	as charged	70,000	70,000
Anesthesiologist Fee	as charged	30,000	30,000
Special Hospital Services	←-----	as charged	-----→
Doctor's Daily Visit Max 45 days	6,000/day	500/day	500/day
Specialist Fee Max 1 specialist Max 45 days	6,000/day	600/day	600/day
<u>Major Medical Benefits:</u>			
Max per Disability	100,000	55,000	50,000
Co-Insurance	20%	20%	20%
<u>Inner Limits:</u>			
Room & Board Max 45 days	500/day	500/day	225/day
Surgical Fee Max	50,000	35,000	25,000
Anesthesiologist Fee	20,000	10,000	7,50
Special Hospital Services	←-----	as charged	-----→
Doctor's Daily Visit Max 45 days	500/day	600/day	400/day
Specialist Fee Max 1 specialist Max 45 days	600/day	400/day	400/day

Finance Company (90 employees)

<u>Basic Life:</u>	Class A	PHP 200,000
	Class B	300,000
	Class C	500,000
	Class D	700,000
	Class E	1,000,000

Accidental Death & Dismemberment Benefit: Same as above for Basic Life

Total & Permanent Disability Benefit: Same as above for Basic Life

<u>Basic Benefits:</u>	<u>Class 1</u>	<u>Class 2</u>
Room & Board Maximum 31 days	PHP 500/day	PHP 700/day
Special Hospital Services Maximum	PHP 12,000	PHP 15,000
Surgical Fee Maximum	PHP 25,000	PHP 30,000
Doctor's Daily Visit Maximum 31 days	PHP 500/day	PHP 700/day

<u>Major Medical Benefits:</u>		
Maximum per Disability	PHP 100,000	PHP 150,000
Deductible Corridor	PHP 200	PHP 200
Co-Insurance	20%	20%

<u>Inner Limits:</u>		
Room & Board Maximum 31 days	PHP 800/day	PHP 1,000/day
Surgical Fee	PHP 16,000	PHP 20,000
Doctor's Daily Visit Maximum 31 days	PHP 800/day	PHP 1,000/day

Useful Links

Demographic information

[CIA World Factbook](https://www.cia.gov/library/publications/the-world-factbook/)

<https://www.cia.gov/library/publications/the-world-factbook/>

Macro-Economic indicators

[CIA World Factbook](https://www.cia.gov/library/publications/the-world-factbook/)

<https://www.cia.gov/library/publications/the-world-factbook/>

For more information on
Insular Life, please visit:

<http://www.insularlife.com.ph>

Information available in English.

Philippines Social Security System

<http://www.sss.gov.ph/>



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