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

CIRCULAR NO. 411, September 21, 2018

Read online (full-text search, related cases, audio case brief): https://batas.org/library/31d5c90615e1/

Adopted: 21 September 2018

Date Filed: 26 September 2018
Pursuant to the approval of the Senior Management Committee in its meeting held last September 3, 2018, the Revised 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

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
1.3 Total assessed penalties (TAP). The TAP shall be the penalties
computed as of date of filing of application.

Imposition of penalties shall be suspended from the date of filing of application, provided that the employer should pay and remit the required contributions (EE + ER) of current employees for the current remittance period and every month thereafter.

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

2.1 Full Payment

A 70% discount on TAP shall be given to the employers for full settlement of the total unremitted monthly mandatory savings, deprived dividends and the remaining 30% of the TAP. Full payment shall be made within thirty (30) calendar days from the date of approval of the discount. Otherwise, said approval shall be forfeited.

Employers who signified their intent to pay in full but later on opted for a plan of payment shall be granted discount based on Item III.2.2 hereof provided they shall submit their plans of payment not later than the 25th day from the date of approval of application for penalty condonation. Otherwise, said approval shall be forfeited.

2.2 Plan of Payment.

2.2.1 Employers who adopted for plan of payment shall be granted discount on TAP based on the following settlement term:

Se ttl ement Term

Pena lty Di scount on TAP

1 year or l e s s

60%

Mor e t han 1 year to 2 years

50%

Mor e t han 2 years to 3 y ears

40%

Mor e t han 3 years to 4 years

30%

Mor e t han 4 years to 5 years

20%

2.2.2 The total unpaid balance shall be charged an interest of 0.50% per month until full settlement thereof.

2.2.3 Should the employer fail to pay any of the installment due under the approved plan of payment, all other penalties shall be re- imposed. Further, appropriate civil and/or criminal actions shall be filed against the delinquent employer.

2.2.4 Payment shall start exactly one month after the date of the approval of application for penalty condonation, which shall be the due date under the plan of payment.

2.2.5 The employer shall issue the corresponding number of post-dated checks (PDCs) to cover the approved plan of payment.

IV. PERIOD OF AVAILMENT

1. Eligible employers may avail of this program within one year from the effectivity of this Guidelines.

2. Only applications with complete documents shall be accepted and processed.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

V. MECHANISM ON RESOLUTION OF ISSUES

Any issue in the interpretation and implementation of this Guidelines shall, as much as possible, be resolved by the concerned officer. Matters that are not thereby satisfactory resolved shall be escalated to the next higher approving authority.

VI. EFFECTIVITY

This Circular takes effect after fifteen (15) days following the completion of its publication in the Official Gazette or in a newspaper of general circulation.

(SGD) ACMAD RIZALDY P. MOTI
Chief Executive Officer

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.