AMENDED GUIDELINES FOR MODIFIED PAG-IBIG II (MP2) MEMBERSHIP PROGRAM

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Pursuant to the approval of the Pag-IBIG Fund Board of Trustees on its 2018-03 Board Meeting held last 19 April 2018, the Amended Guidelines for Modified Pag-IBIG II (MP2) Membership Program are hereby issued.

A. OBJECTIVES

These Guidelines aim:

1. To provide flexibility and convenience to the member in managing his/her savings with the Fund.

2. To allow members of a shorter savings scheme with a yield higher than the existing Pag-IBIG Membership.

B. MEMBERSHIP COVERAGE

Membership under the Modified Pag-IBIG II (MP2) Program shall be voluntary upon the following:

1. All Pag-IBIG I members, regardless of their monthly Income; and

2. Former Pag-IBIG I members with other source of monthly income and/or Pensioners, regardless of age, with at least 24 monthly savings prior to retirement.

Pensioners shall refer to a person who has retired and are receiving pension under the following:

- Republic Act (RA) 8282 (Social Security Act of 1997);

- RA 8291 (The Government Service Insurance System Act of 1997);

- RA 660 (Magic 87);

- RA 1616 (Gratuity Benefit);

- RA 7699 (Portability Law);

- Presidential Decree (PD) 1146 (Pension of Cash Payment);

- PD 1650 (Amending Sec. 3 and 5 of PD No. 1638 entitled “Establishing a New System of Retirement and Separation for Military Personnel of the Armed Forces of the Philippines and for Other Purposes);

- RA 8551 (Philippines National Police Reform and Reorganization Act of 1998);

- RA 9263 (Bureau of Fire Protection and Bureau of Jail

- Management and Penology Professionalization Act of 2004);

- RA 9993 (Philippine Coast Guard Law of 2009); and

- RA 9946 (An Act Granting Additional Retirement, Survivorship, and Other Benefits to Members of the Judiciary, Amending for the Purpose Republic Act No. 910, As Amended, Providing Funds Therefor and for Other Purposes).

C. MONTHLY MEMBERSHIP SAVINGS

The member may contribute a minimum of Five Hundred Pesos (P500.00), which shall be recorded as of payment date. However, should a member make a one-time contribution that exceeds Five Hundred Thousand Pesos (P500, 000.00), he/she shall be required to make such payment via personal or manager's check.

D. DIVIDENDS

1. All MP2 accounts opened under this Amended Guidelines, shall be entitled to flexible dividend rates higher that that of Pag-IBIG I, which shall be declared after the net income has been computed and approved by the Board of Trustees.

2. At point of application under the new Amended Guidelines, the member may opt to have an annual dividend payout or compounding of dividends;

3. MP2 savings and its dividends are government-guaranteed.

4. MP2 savings not claimed upon its maturity shall cease to earn dividends provided under the MP2 Program. Instead, its subsequent dividends shall be based on the rates declared for Pag-IBIG I for the next two (2) years. Thereafter, the same shall be reclassified as payable accounts.

E. PRE-TERMINATION OF MP2 SAVINGS

1. Pre-termination or withdrawal of MP2 savings by Pag-IBIG I members, prior to maturity, shall be allowed under any of the following circumstances:

1.1 Total disability or insanity;
1.2 Separation from service by reason of health;
1.3 Death of the member of or any of his/her immediate family member;
1.4 Retirement;
1.5 Permanent departure from the country;
1.6 Distressed member due to unemployment limited to layoff and/or closure of company;
1.7 Critical illness of the member or any of his immediate family member, as certified by a licensed physician under one of the following categories, subject to the approval of the DCEO- Member Services Cluster:

1.7.1 Cancer;
1.7.2 Organ failure
1.7.3 Heart-related illness;
1.7.4 Stroke;
1.7.5 Neuromuscular-related illness;

1.8 Repatriation of OFW member from host country; and
1.9 Other meritorious grounds as may be approved by the Board.

2. Pre-termination or withdrawal of MP2 savings by Pensioners, prior to maturity, shall be allowed under any of the following circumstances:

2.1 Total disability or insanity;

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2.2 Death of the member or of any of his/her immediate family member;
2.3 Permanent departure from the country;
2.4 Critical illness of the member of any of his immediate family member, as certified by a licensed physician under one of the following categories, subject to the approval of the DCEO- Member Services Cluster:
2.4.1 Cancer;

2.4.2 Organ failure;

2.4.3 Heart-related illness;

2.4.4 Stroke; and

2.4.5 Neuromuscular-related illness;

2.5 Other meritorious grounds as may be approved for by the Board.

3. A member who opts for compounding of dividends and later decides to pre-terminate his/her MP2 membership for reasons other than those stated in item E.1 and E.2 hereof, shall only be entitled to 50% of the total dividend earned as penalty for the pre-termination of MP2 savings.

4. A member who opts for annual dividend payout and later pre- terminates his/her MP2 membership for reasons other than the grounds specified in Item E.1 and E.2 hereof, shall only receive his/her contributions.

F. RELEASE OF MP2 SAVINGS AND DIVIDENDS

1. The member under the Modified Pag-IBIG II who opts for compounding of dividends, shall be entitled to receive his/her Total Accumulated Value (TAV) under this program at the end of the five (5) year membership term. The TAV shall comprise of his contributions and its corresponding dividends.

2. A member who prefers for annual dividend payout shall receive the annual dividends which shall be credited to the member's saving or checking account from the Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP) and other banks as may be accredited by the Fund. However, his/her contributions shall be released at the end of the five (5) year membership term.

3. For members who opt for annual dividend pay-out but have no Philippine bank account, especially in the case of overseas members, the said dividends shall be treated as Accounts Payable, which can be withdrawn anytime.

4. For an MP2 member who enrolled under Circular No. 276 and decides to have an annual dividend payout, the member shall pre- terminate his/her existing MP2 account and enroll under these Guidelines.

G. RENEWAL

Upon maturity, should the member decide to continue his/her availment of MP2 program, there is a need for the member to apply for a new MP2 account.

H. OTHER PROVISIONS

1. Multiple MP2 accounts shall be allowed provided the member registers each account separately.

2. The MP2 Program shall be solely a savings scheme. Hence, members under the program shall not be entitled to avail of any of the Fund's lending programs unless he/she is also an active member under the Pag-IBIG I and satisfies the eligibility criteria set by the Fund.

3. The Immediate Family Member as cited in Item IV.1 (Other Provisions) of the Guidelines on the Additional

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Grounds for Membership Termination of Pag-IBIG I Membership, includes any of the following:

3.1 Spouse
3.2 Parents
3.3 Children
3.4 Siblings
3.5 Grandparents
3.6 Grandchildren
3.7 Legally adopted children shall only be included insofar as applications for withdrawal of savings of their adoptive mothers or adoptive fathers.

I. MECHANISM ON RESOLUTION OF ISSUES

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

J. REPEALING CLAUSE

Any other memoranda, rules, regulations and other issuances contrary to or inconsistent with the provisions of this Guidelines are hereby repealed, amended or modified accordingly.

K. 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

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