

AMENDING CERTAIN PROVISIONS OF PRESIDENTIAL DECREE NO. 1752, ENTITLED "AMENDING THE ACT CREATING THE HOME DEVELOPMENT MUTUAL FUND";

EXECUTIVE ORDER NO. 35, July 30, 1986

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WHEREAS, the fund contributions to the Home Development Mutual Fund as mandated by Presidential Decree No. 1752 were suspended as a temporary measure for the purpose of studying how the burdens of lower income earners can be reduced and their benefits increased;

WHEREAS, after consultation with the affected sectors, it has become imperative to maintain the Fund and to expand and increase the benefits due to its members but with a lesser burden to the lower income groups;

WHEREAS, there is a need to further strengthen the powers of the Fund for the efficient and effective discharge of its functions in order to guarantee to its members all the benefits due them;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Section 5 of Presidential Decree No. 1752 is hereby amended to read as follows:

"Section 5. Fund Contributions. - Covered employees and employers shall contribute to the Fund based on the Monthly Fund Salary of covered employees as follows:

Employee earning not more than P1,500.00 per month - One percent (1%)

Employee earning more than P1,500.00 per month Two percent (2%)

All employees - Two percent (2%) of the Monthly Fund Salary of all covered employees.

For purposes of computing contributions, "Monthly Fund Salary" shall mean basic monthly pay plus Cost of Living Allowances (COLA); Provided, however, that the maximum Monthly Fund Salary to be used in computing employee and employer contributions shall not be more than P5,000.00. The employer shall not be entitled to deduct from the wages or remuneration of, or otherwise to recover from, the employee the employer's contribution."

SECTION 2. Section 9 of Presidential Decree No. 1752 is hereby amended to read as follows:

"Section 9. Housing Features. - A member of good standing shall be eligible to apply for a housing loan, under such terms as may be authorized by the Board of Trustees, taking into account ability to pay. The Board of Trustees shall institute policies to ensure that lower-income members obtain such housing loans."

SECTION 3. Section 10(b) of Presidential Decree No. 1752 is hereby amended to read as follows:

"(b) To submit annually to the President of the Philippines not later than March 15 a report of its activities and the status of the Fund during the preceding year, including information and recommendations for the development and improvement thereof, and to furnish each member of the Fund a Statement of his Accumulated Fund Value at least once a year."

SECTION 4. Section 22 of Presidential Decree No. 1752 is hereby amended to read as follows:

"Section 22. Remittance of Contributions. - (a) It shall be the duty of every employer to set aside and remit the contribution required under this Act through the Social Security System and the Government Service Insurance System or in accordance with a mechanism determined by the Board of Trustees, as may be approved by the President of the Philippines. Every employer required to set aside and remit the contribution required under this Act through the Social Security System and the Government Service Insurance System or in accordance with a mechanism determined by the Board of Trustees, as may be approved by the President of the Philippines. Every employer required to set aside and remit such contributions as prescribed under this Act shall be liable for their payment, and non-payment shall further subject the employer to a penalty of three percent per month of the amounts payable from the date the contributions fall due until paid;

(b) Failure or refusal of the employer to pay or to remit the contributions herein prescribed shall not prejudiced the right of the covered employee to the benefits under this Act."

SECTION 5. Section 24 of Presidential Decree No. 1752 is hereby amended to read as follows:

"Section 24. Visitorial and Enforcement Powers. - (a) The Fund or its duly authorized representatives may at anytime inspect the premises, books of accounts and records of any person or entity covered by this Act, require it to submit reports regularly, and act on violations of any provision of this Act."

(b) Particular aspects of the Fund's administration may be subject to supervision, visitation or verification by appropriate agencies of the government as may be designated and authorized by the President of the Philippines."

SECTION 6. All orders, issuances, rules and regulations or any part thereof which are inconsistent with the provisions of this Executive Order are hereby repealed or modified accordingly.

SECTION 7. This Executive Order shall take effect August 1, 1986.

DONE in the City of Manila, this 30th day of July in the year of Our Lord, nineteen hundred and eighty-six.

CORAZON C. AQUINO
President of the Philippines

By the President:

JOKER P. ARROYO
Executive Secretary

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