BASIS IN DETERMINING THE AMOUNT OF PREMIUM CONTRIBUTION OF EMPLOYED MEMBERS

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This order is being issued to clarify the basis for determining the amount of monthly premium contribution of members from the formal sector. Section 4 of Republic Act 7875 prescribes that contribution is "the amount paid by or in behalf of the member to the Program for coverage, based on salaries or wages in the case of formal sector employees....."

In determining the amount of premiums of members, contributions shall be based on the employees' salary or wage, which is the basic monthly compensation received for services rendered. This excludes sales commission, overtime pay, allowances, thirteenth month pay, bonuses and other gratuity which are not integrated into the basic pay.

Remittance of the monthly contribution of employer and employees shall be in accordance with the contribution schedule set by the Corporation.

Please be guided accordingly.

Adopted: 03 July 2003

(SGD.) FRANCISCO T. DUQUE III, MD, M.SC.
President and CEO

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