



Republic of the Philippines

PHILIPPINE HEALTH INSURANCE CORPORATION

Corporate Communications Office

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PHILHEALTH
CENTRAL RECORDS

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W/S 7/20/00

PHILHEALTH CIRCULAR

No. 023, series of 2000

TO : All National Health Insurance Program (NHIP) members, National Government Agencies, Local Government Units, Government-owned and/or Controlled Corporations, Self-governing Boards, State Colleges and Universities, Constitutional Offices, Private Sector Employers, Household Employers, Accredited Collecting Banks, Accredited Hospitals Regional Health Insurance Offices and All Concerned

SUBJECT : Clarification on the Imposition of Penalties for Delinquent Employers with Inadequate Payments

DATE : July 17, 2000

FOR purposes of clarifying the Corporation's policies on the imposition of penalty/interest charges for late premium payments as provided for in PhilHealth Circular No. 70, s-1999, the following guidelines are hereby issued:

1. Deadline of payments of premium contributions shall be on or before the 10th day of the month following the applicable month. Delayed payments shall automatically be charged a two (2) percent per month simple interest/penalty.
2. In case payments were made prior to the set deadline but were later found to be insufficient or underpaid, the balance or deficit amount shall be charged with the said penalty/interest.

Example:

ABC Corp. paid its NHIP contributions for the month of October 1999 on November 20, 1999. Since ABC Corp. exceeded the set deadline of payment which should be on the 10th of November 1999, it shall be charged with the two (2) percent simple interest /penalty per month.

Assuming that ABC Corp.'s contributions due for the month of October is P15,500.00, the penalty shall be computed as follows:

$$P15,500.00 \quad \times \quad \left[\frac{2\%}{30} \right] \quad \times \quad 10 \text{ days} \quad = \quad P103.33$$

(Nov. 11-20) Penalty/Interest Charge

Therefore,	P15,500.00	Principal	
	+ 103.33	Interest	
	P15,603.33	Total contributions due of ABC Corp.	
		for the month of October 1999	

If, however, ABC Corp. has paid its NHIP contributions prior to the set deadline but the amount paid is less than the required contributions, ABC Corp. shall only be charged with the interest on the deficit amount.

Assuming ABC Corp. has paid P9,500.00 on November 8, 1999 and has paid the remaining amount of P6,000.00 on November 28, 1999, the penalty/interest shall be computed as follows:

$$P6,000.00 \quad \times \quad \left[\frac{2\%}{30} \right] \quad \times \quad \begin{array}{l} 18 \text{ days} \\ (\text{Nov. 11-20}) \end{array} \quad = \quad \begin{array}{l} P72.00 \\ \text{Penalty/Interest Charge} \end{array}$$

Therefore,	P6,000.00	Principal
	+ 72.00	Interest
	<hr/>	
	P6,072.00	Total contributions due of ABC Corp. for the month of October 1999

Payment of insufficient amount of required premium contributions shall not affect a member's eligibility to avail of NHIP benefits. However, failure of employers to remit the required amount of contributions may subject them to the penal provisions of Section 44, Article X of R.A. 7875, or the National Health Insurance Act of 1995.

Please be guided accordingly.

ENRIQUE M. ZALAMEA
President and CEO

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