

# TAMANG SAGOT

## PhilHealth Circular No. 2016-0034

### Compounded Computation of Interests and/or Surcharges on Delayed Employer Remittances

---

#### Who are affected by this Circular?

Employers both in the government and private sectors, except employers of Kasambahay

#### What are the salient features of this Circular?

1. Late payments for premium shall be computed with interests and/or surcharges.
2. The formula shall be:  
$$\text{Interests and/or surcharges} = \text{Principal amount} \times 2\% \text{ or } \text{Php}200.00, \text{ whichever is higher, compounded monthly based on the number of months delayed}$$
3. A fraction of a month shall be computed as one whole month delayed; i.e. premium contribution delayed for 1 day shall already be considered a delay for one month.

#### What does “compounded monthly based on the number of months delayed” mean?

It means that any computed interest on the first month shall be included and shall be made part of the principal amount for computation of applicable interest for the second month and so on.

#### Example 1:

Employer A, with premium due every 15<sup>th</sup> of the month following the applicable month, pays the premium for the applicable month of January 2017 on May 25, 2017. The interest shall then be computed as:

|                                            |                                                                                   |
|--------------------------------------------|-----------------------------------------------------------------------------------|
| Applicable period:                         | January 2017                                                                      |
| Due date:                                  | February 15, 2017                                                                 |
| Premium paid:                              | Php2,000.00                                                                       |
| Payment date:                              | May 25, 2017                                                                      |
| Interest incurred:                         |                                                                                   |
| Feb 16 – Mar 15:                           | Php2,000 X 2% (or Php200, whichever is higher)<br>= <del>Php40.00</del> Php200.00 |
| Mar 16 – Apr 15:                           | Php2,200 X 2% (or Php200, whichever is higher)<br>= <del>Php44.00</del> Php200.00 |
| Apr 16 – May 15:                           | Php2,400 X 2% (or Php200, whichever is higher)<br>= <del>Php48.00</del> Php200.00 |
| May 16 – May 25:                           | Php2,600 X 2% (or Php200, whichever is higher)<br>= <del>Php52.00</del> Php200.00 |
| <b>Interest and/or surcharge incurred:</b> | <b>Php800.00</b>                                                                  |

Example 2:

Employer B, with premium due every 15<sup>th</sup> of the month following the applicable month, remits the premium for the applicable months of January to March 2017 on April 15, 2017. The interests and/or surcharges for the delayed premiums paid shall be computed per applicable month to wit:

For the applicable month of January 2017:

Due date: February 15, 2017

Premium paid: Php2,000.00

Payment date: April 15, 2017

Interest incurred:

Feb 16 – Mar 15:  $\text{Php}2,000 \times 2\%$  (or  $\text{Php}200$ , whichever is higher)  
= ~~Php40.00~~  $\text{Php}200.00$

Mar 16 – Apr 15:  $\text{Php}2,200 \times 2\%$  (or  $\text{Php}200$ , whichever is higher)  
= ~~Php44.00~~  $\text{Php}200.00$

**Interest and/or surcharge incurred: Php400.00**

For the applicable month of February 2017:

Due date: March 15, 2017

Premium paid: Php2,000.00

Payment date: April 15, 2017

Interest incurred:

Mar 16 – Apr 15:  $\text{Php}2,000 \times 2\%$  (or  $\text{Php}200$ , whichever is higher)  
= ~~Php44.00~~  $\text{Php}200.00$

**Interest and/or surcharge incurred: Php200.00**

For the applicable month of March 2017:

Applicable period: March 2017

Due date: April 15, 2017

Premium paid: Php2,000.00

Payment date: April 15, 2017

No. of months delayed: 0 month

Example 3:

Employer C's premium is due every 15<sup>th</sup> of the month following the applicable month. However, multiple payments were made for the applicable month of January 2017 on February 18, 2017 (Php500.00), March 20, 2017 (Php1,000.00), and April 15, 2017 (Php500.00). The interests shall then be computed on a per-transaction basis to wit:

For the applicable month of January 2017:

Applicable period: January 2017

Due date: February 15, 2017

Premium paid: Php500.00

Payment date: February 18, 2017

Interest incurred:

Feb 16 – Mar 15:           Php500 X 2% (or Php200, whichever is higher)  
                                          = ~~Php10.00~~ Php200.00  
Interest and/or surcharge incurred:        Php200.00

Premium paid:                                Php1,000.00  
Payment date:                                March 20, 2017  
Interest incurred:

Feb 16 – Mar 15:   Php1,000 X 2% (or Php200, whichever is higher)  
                                          = ~~Php20.00~~ Php200.00  
Mar 16 – Mar 20:   Php1,200 X 2% (or Php200, whichever is higher)  
                                          = ~~Php24.00~~ Php200.00  
Interest and/or surcharge incurred:        Php400.00

Premium paid:                                Php500.00  
Payment date:                                April 15, 2017  
Interest incurred:

Feb 16 – Mar 15:   Php500 X 2% (or Php200, whichever is higher)  
                                          = ~~Php10.00~~ Php200.00  
Mar 16 – Apr 15:   Php700 X 2% (or Php200, whichever is higher)  
                                          = ~~Php14.00~~ Php200.00  
Interest and/or surcharge incurred:        Php400.00

**Total interest and/or surcharge incurred:        Php1,000.00**

#### **When will this Circular take effect?**

The Circular shall take effect starting the premium payments for applicable month of January 2017 onwards.