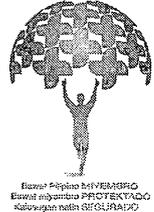


Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**

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**PHILHEALTH CIRCULAR**

No. 2016-0034

**TO : ALL EMPLOYERS IN THE GOVERNMENT AND PRIVATE SECTORS, PHILHEALTH OFFICES AND ALL OTHERS CONCERNED**

**SUBJECT : Compounded Computation of Interests and/or Surcharges on Delayed Employer Remittances**

**I. RATIONALE**

Republic Act 10606, otherwise known as the National Health Insurance Act of 2013, provides the Philippine Health Insurance Corporation the authority to impose interests and/or surcharges on delayed premium remittances. Section 16(v) of the Act states that “notwithstanding the provisions of any law to the contrary, to impose interest and/or surcharges of not exceeding three percent (3%) per month, as may be fixed by the Corporation, in case of any delay in the remittance of contributions which are due within the prescribed period by and employer, whether public or private. Xxx”.

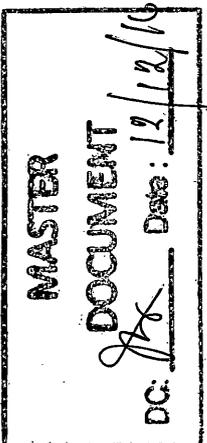
By virtue hereof and as authorized by the PhilHealth Board through PhilHealth Board Resolution No. 2132, s-2016 issued on July 26, 2016, the Corporation hereby imposes a compounded computation of interests and/or surcharges on delayed employer remittances starting the applicable month of October 2016 onwards.

**II. GENERAL GUIDELINES**

Interests and/or surcharges for late payments by employers both in the government and private sectors, except employers of Kasambahay, shall be computed as follows:

Interests and/or surcharges = Principal amount x 2% or Php200.00, whichever is higher, compounded monthly based on the number of months delayed.

1. The principal amount shall refer to any of the following, whichever is applicable:
  - a. The amount indicated in the Statement of Premium Account (SPA); or
  - b. The amount indicated in the PhilHealth Official Receipt (POR)/PhilHealth Agent’s Receipt (PAR), in case of multiple payments for one applicable period.
2. The number of months delayed is determined from the day immediately after the deadline to the actual date of payment or remittance, inclusive of Saturdays, Sundays and holidays.



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.
4. The amount payable indicated in the SPA shall pertain to the following:
  - a. The total premium due for the applicable month; **and**
  - b. The interests and/or surcharges incurred from the previous month/s' late payment of contributions.

To clarify the abovementioned provisions further, the following are hereby proffered as illustrations:

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) = <del>Php40.00</del> Php200.00
Mar 16 – Apr 15:	Php2,200 X 2% (or Php200, whichever is higher) = <del>Php44.00</del> Php200.00
Apr 16 – May 15:	Php2,400 X 2% (or Php200, whichever is higher) = <del>Php48.00</del> Php200.00
May 16 – May 25:	Php2,600 X 2% (or Php200, whichever is higher) = <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:	
Applicable period:	January 2017
Due date:	February 15, 2017
Premium paid:	Php2,000.00
Payment date:	April 15, 2017
Interest incurred:	
Feb 16 – Mar 15:	Php2,000 X 2% (or Php200, whichever is higher) = <del>Php40.00</del> Php200.00
Mar 16 – Apr 15:	Php2,200 X 2% (or Php200, whichever is higher) = <del>Php44.00</del> Php200.00
<b>Interest and/or surcharge incurred:</b>	<b>Php400.00</b>

MASTER DOCUMENT  
 Date: 12/12/16  
 DC:

For the applicable month of February 2017:

Applicable period: February 2017  
 Due date: March 15, 2017  
 Premium paid: Php2,000.00  
 Payment date: April 15, 2017  
 Interest incurred:  
     Mar 16 – Apr 15:      Php2,000 X 2% (or Php200, whichever is higher)  
                                   = ~~Php44.00~~ Php200.00  
**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:

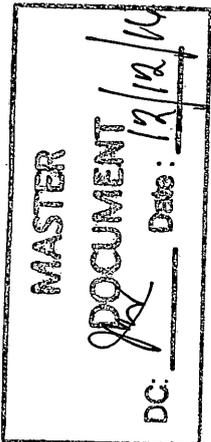
For the applicable month of January 2017:

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)



	= <del>Php10.00</del> Php200.00
Mar 16 – Apr 15:	Php700 X 2% (or Php200, whichever is higher)
	= <del>Php14.00</del> Php200.00
Interest and/or surcharge incurred:	Php400.00
<b>Total interest and/or surcharge incurred: Php1,000.00</b>	

**III. REPEALING CLAUSE**

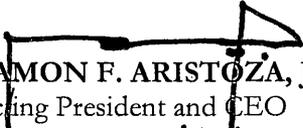
Provisions of PhilHealth Circular Nos. 004-2013 and 019-2015 relative to the formula on computing the applicable interests and/or surcharges on delayed employer remittances which are inconsistent with this Circular are hereby repealed or modified accordingly.

If any part, section or provision of this Circular is declared void or invalid by competent Courts, the other parts, sections or provisions hereof not affected thereby shall remain in full force and effect.

**IV. EFFECTIVITY**

The guidelines stated in this Circular shall be applied to late payments starting the applicable month of January 2017 onwards.

This Circular shall be published in any newspaper of general circulation and shall be deposited with the National Administrative Register at the University of the Philippines Law Center.

  
**RAMON F. ARISTOZA, JR.**  
 Acting President and CEO

Date signed: 12/9/16

