

REPUBLIC OF THE PHILIPPINES }
CONGRESS OF THE PHILIPPINES }
 Second Regular Session

S. No. 189
H. No. 9209

REPUBLIC ACT NO. 7742

AN ACT AMENDING PRESIDENTIAL DECREE NO. 1752, AS
AMENDED

*Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:*

SECTION 1. Section 4 of Presidential Decree No. 1752, as amended, which was repealed by Executive Order No. 90, is hereby reinstated, with amendments, to read as follows:

"SEC. 4. *Fund Coverage.* – Coverage of the Fund shall be mandatory upon all employees covered by the Social Security System and the Government Service Insurance System, and their respective employers: *Provided, however,* That coverage of the employees whose Monthly Compensation is less than Four thousand pesos (P4,000) shall be voluntary: *Provided, further,* That upon membership with the Fund, their employers shall contribute an amount in accordance with Section 5 of this Act.

"Such coverage may be extended to other working groups, with or without employer contributions, as may be determined by the Board of Trustees."

SEC. 2. Section 5 of Presidential Decree No. 1752, as amended, is further amended to read as follows:

"SEC. 5. *Fund Contributions.* – Covered employees and employers shall contribute to the Fund based on the Monthly Compensation of covered employees as follows:

"Employees earning not more than One thousand five hundred pesos (P1,500) per month - one percent (1%).

"Employees earning more than one thousand Five hundred pesos (P1,500) per month - two percent (2%).

"All employers - two percent (2%) of the monthly compensation of all covered employees.

"For purposes of this Section, "Monthly Compensation" shall mean the basic monthly salary plus Cost of Living Allowance (COLA): *Provided, however,* That the maximum Monthly Compensation to be used in computing employee and employer contributions shall not be more than Five thousand pesos (P5,000). 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."

SEC. 3. Section 6 of Presidential Decree No. 1752, as amended, is hereby further amended to read as follows:

"SEC. 6. *Membership Term.* – Membership in the Fund shall be for a period of twenty (20) years, except when earlier terminated by reason of retirement, disability, insanity, death, departure from the country or other causes as may be provided for by the Board of Trustees: *Provided,* That those who become members of the Fund after the effectivity of this Act may withdraw the total accumulated value of their contributions to the Fund after the tenth or the fifteenth year of continuous membership: *Provided, further,* That said members have no outstanding housing loans with the Fund: *Provided, finally,* That this option may be exercised only once and shall not prejudice the member's continuing membership in the Fund.

"Resignation, lay-off or suspension from employment may not necessarily constitute a ground for membership termination, except for suspension of contributions."

SEC. 4. Section 10(c) of Presidential Decree No. 1752, as amended, is hereby amended to read as follows:

"(c) to invest not less than seventy percent (70%) of its investible fund to housing, in accordance with this Act."

SEC. 5. *Promulgation of Rules and Regulations.* – Within sixty (60) days from the approval of this Act, the Board of Trustees

of the Home Development Mutual Fund shall promulgate the rules and regulations necessary for the effective implementation of this Act.

SEC. 6. *Sunset Provision.* – Every three (3) years after the effectivity of this Act, the Congress shall conduct a "sunset review" of the Fund which shall entail a systematic evaluation of the Fund to determine whether or not the Fund's performance, impact or accomplishments with respect to its objectives or goals, the Fund merits continued existence. Such review shall be undertaken by the Committees of the Senate and the House of Representatives which have legislative jurisdiction over the Fund.

SEC. 7. *Repealing Clause.* – Section 10 (b), (c) and (d) of Executive Order No. 90 are hereby repealed and all laws, executive orders, rules or regulations, or any part thereof, inconsistent with any provision of this Act are hereby repealed or modified accordingly.

SEC. 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) national newspapers of general circulation, whichever comes first.

Approved, June 17, 1994.