

S. No. 189 H. No. 9209 / 90 OG No. 33, 4831 (Aug. 15, 1994) ; 4 VLD 244 2d ; Journal 6/22/94 ; Malaya 6/22/94 ; Impl. Rules-Bulletin 8/1/94 ; Star 10/21/95 ; Inquirer 11/16/96

[REPUBLIC ACT NO. 7742, June 17, 1994]

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 Section 4 of Presidential Decree No. 1752, as amended, which was repealed by Executive Order No. 90, is hereby reinstated, with amendments, to read as follows: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