

**[ EXECUTIVE ORDER NO. 35, July 30, 1986 ]**

**AMENDING CERTAIN PROVISIONS OF PRESIDENTIAL DECREE NO. 1752, ENTITLED "AMENDING THE ACT CREATING THE HOME DEVELOPMENT MUTUAL FUND".**

WHEREAS, the fund contributions to the Home Development Mutual Fund as mandated by Presidential Decree No. 1752 were suspended as a temporary measure for the purpose of studying how the burdens of lower income earners can be reduced and their benefits increased;

WHEREAS, after consultation with the affected sectors, it has become imperative to maintain the Fund and to expand and increase the benefits due to its members but with a lesser burden to the lower income groups;

WHEREAS, there is a need to further strengthen the powers of the Fund for the efficient and effective discharge of its functions in order to guarantee to its members all the benefits due them;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Section 5 of Presidential Decree No. 1752 is hereby amended to read as follows:

"Section 5. Fund Contributions. - Covered employees and employers shall contribute to the Fund based on the Monthly Fund Salary of covered employees as follows:

Employee earning not more than ₱1,500.00 per month - One percent (1%)

Employee earning more than ₱1,500.00 per month Two percent (2%)

All employees - Two percent (2%) of the Monthly Fund Salary of all covered employees.

For purposes of computing contributions, "Monthly Fund Salary" shall mean basic monthly pay plus Cost of Living Allowances (COLA); Provided, however, that the maximum Monthly Fund Salary to be used in computing employee and employer contributions shall not be more than ₱5,000.00. 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."