

[CIRCULAR NO. 407, July 11, 2018]

AMENDED GUIDELINES FOR MODIFIED PAG-IBIG II (MP2) MEMBERSHIP PROGRAM

*Adopted: 09 July 2018
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Pursuant to the approval of the Pag-IBIG Fund Board of Trustees on its 2018-03 Board Meeting held last 19 April 2018, the Amended Guidelines for Modified Pag-IBIG II (MP2) Membership Program are hereby issued.

A. OBJECTIVES

These Guidelines aim:

- 1. To provide flexibility and convenience to the member in managing his/her savings with the Fund.**
2. To allow members of a shorter savings scheme with a yield higher than the existing Pag-IBIG Membership.

B. MEMBERSHIP COVERAGE

Membership under the Modified Pag-IBIG II (MP2) Program shall be voluntary upon the following:

1. All Pag-IBIG I members, **regardless of their monthly Income;** and
- 2. Former Pag-IBIG I members with other source of monthly income and/or Pensioners, regardless of age, with at least 24 monthly savings prior to retirement.**

Pensioners shall refer to a person who has retired and are receiving pension under the following:

- **Republic Act (RA) 8282 (Social Security Act of 1997);**
- **RA 8291 (The Government Service Insurance System Act of 1997);**
- **RA 660 (Magic 87);**
- **RA 1616 (Gratuity Benefit);**
- **RA 7699 (Portability Law);**
- **Presidential Decree (PD) 1146 (Pension of Cash Payment);**
- **PD 1650 (Amending Sec. 3 and 5 of PD No. 1638 entitled "Establishing a New System of Retirement and Separation**

for Military Personnel of the Armed Forces of the Philippines and for Other Purposes);

- RA 8551 (Philippines National Police Reform and Reorganization Act of 1998);**
- RA 9263 (Bureau of Fire Protection and Bureau of Jail**
- Management and Penology Professionalization Act of 2004);**
- RA 9993 (Philippine Coast Guard Law of 2009); and**
- RA 9946 (An Act Granting Additional Retirement, Survivorship, and Other Benefits to Members of the Judiciary, Amending for the Purpose Republic Act No. 910, As Amended, Providing Funds Therefor and for Other Purposes).**

C. MONTHLY MEMBERSHIP SAVINGS

The member may contribute a minimum of Five Hundred Pesos (P500.00), which shall be recorded as of payment date. **However, should a member make a one-time contribution that exceeds Five Hundred Thousand Pesos (P500, 000.00), he/she shall be required to make such payment via personal or manager's check.**

D. DIVIDENDS

1. All MP2 accounts opened under this Amended Guidelines, shall be entitled to flexible dividend rates higher than that of Pag-IBIG I, which shall be declared after the net income has been computed and approved by the Board of Trustees.

2. At point of application under the new Amended Guidelines, the member may opt to have an annual dividend payout or compounding of dividends;

3. MP2 savings and its dividends are government-guaranteed.

4. MP2 savings not claimed upon its maturity shall cease to earn dividends provided under the MP2 Program. Instead, its subsequent dividends shall be based on the rates declared for Pag-IBIG I for the next two (2) years. Thereafter, the same shall be reclassified as payable accounts.

E. PRE-TERMINATION OF MP2 SAVINGS

1. Pre-termination or withdrawal of MP2 savings by Pag-IBIG I members, prior to maturity, shall be allowed under any of the following circumstances:

- 1.1 Total disability or insanity;**
- 1.2 Separation from service by reason of health;**
- 1.3 Death of the member or any of his/her immediate family member;**
- 1.4 Retirement;**
- 1.5 Permanent departure from the country;**