

VISAYAS STATE COLLEGE OF AGRICULTURE
Baybay, Leyte

OFFICE OF THE PRESIDENT

February 20, 1995

MEMORANDUM NO. 25
Series of 1995

T O: All VISCA Employees

SUBJECT: Membership in the Home Development Mutual Fund

Quoted herewith are important provisions of the Implementing Rules and Regulations of RA No. 7742 for the information and guidance of all concerned:

"Rule IV - Membership

SECTION 1. Coverage.

Membership in 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 (P4,000.00) shall be voluntary; Provided further, that upon membership with the Fund, their employer shall contribute an amount in accordance with Section 1 of Rule VI hereof.

SECTION 2. Effectivity of Coverage.

Subject to the provisions of the preceding section, for employees covered by the GSIS or SSS who are not yet members of the Fund prior to the effectivity of Republic Act No. 7742 as well as for those who suspended their membership under the provisions of Executive Order No. 90 and their respective employers, mandatory coverage shall take effect on the date of effectivity of Republic Act No. 7742; Provided, that implementation thereof shall start on January 1, 1995.

Thereafter, mandatory coverage of the employer shall take effect on the first day of his business operation, and that of the employee on the date of his employment.

"Rule VI - Contributions

SECTION 1. Rate of Contributions.

The rate of contributions of members of the Fund shall be as follows:

- a. Employees earning not more than One Thousand Five Hundred Pesos (P1,500.00) per month - one (1%) percent;
- b. Employees earning more than One Thousand Five Hundred Pesos (P1,500.00) per month - two (2%) percent;
- c. Employers - two (2%) percent of the Monthly Compensation of the contributing member.

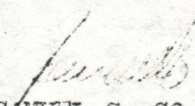
For purposes of computing contributions of (a) and (b), "Monthly Compensation" shall mean basic salary plus cost of Living Allowances (COLA); provided, however, that the maximum Monthly Compensation to be used in computing employee and employer contributions shall not be more than Five Thousand (P5,000.00) Pesos.

A member may, however, be allowed to contribute more than what is required herein should he so desire. The employer, however, shall only be mandated to contribute what is required under sub-section "c" hereof unless the employer agrees to match the employee's increased contribution.

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."

The VISCA Accounting Division is hereby instructed to faithfully implement these rules and the other rules and regulations of RA No. 7742. Likewise, employees not within the "mandatory coverage" but will opt to be covered by the Fund shall arrange with the Accounting Division for this purpose.

Please be guided accordingly.


SAMUEL S. GO
President