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PHILIPPINES HIKES SOCIAL SECURITY CONTRIBUTION RATE

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25 Feb 2019

A new [law](#) aimed at bolstering Filipino social security arrangements includes phased increases to pension contributions and monthly salary credits used to calculate an employee's contribution payments.

The law provides:

- **Increased pension contributions.** From January 2019, the employers' contribution rate will increase to 12% from 11%. The rate will increase every other year until capping at 15% in 2025.
- **Increased monthly credits.** From January 2019, the minimum and maximum monthly credits used to calculate an employee's contribution rate will increase every other year, starting at PHP 2,000 and PHP 20,000, respectively (up from PHP 1,000 and PHP 16,000). The rates will cap at PHP 5,000 and PHP 35,000 in 2025.
- **Sanctions for nonpayment of contributions by employers.** Sanctions for the nonpayment of contributions will increase to 2% per month instead of 3% from the due date of the contribution payment.

RELATED RESOURCES

- [Republic Act 11199](#) (Philippine Government, 18 Feb 2019)

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