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Personal Finance · Book 3

Emergency Fund Guide

Build your safety net before the storm — how much, where to keep it, and how to rebuild it

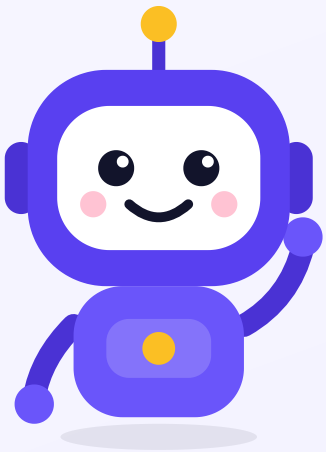
Total beginner · ages 13 and up

About 80 minutes

10 chapters with quizzes

Free

Rain or shine, payday or no payday — let's build a safety net that keeps you calm!



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Emergency Fund Guide

Build your safety net before the storm — how much, where to keep it, and how to rebuild it
Personal Finance, Book 3 · First edition, November 2026

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What you will learn

- What an emergency fund is, and what counts as a real emergency
- How to compute your survival budget and your emergency fund target
- How to build your fund step by step, even on a small income
- Where to keep it: safe, separate and easy to reach
- How SSS, PhilHealth and Pag-IBIG can help in emergencies — and their limits
- How to use your fund wisely, prepare for typhoons, and rebuild afterwards

This is **Book 3** of the **Personal Finance** series. Book 1 helped you make a budget. Book 2 helped you start saving. This book helps you build your most important savings goal: a safety net for when life goes wrong.

Our honest promise

An emergency fund won't stop bad things from happening. It gives you money and time to handle them calmly, without expensive loans. This book is general information, not financial, medical or legal advice. Government benefit rules change, so always confirm with SSS, PhilHealth or Pag-IBIG. All names and amounts in the examples are made up.

Age note

This series is for ages 13 and up. Students can build a small emergency fund for school and phone emergencies, and help their family plan for typhoons. SSS, PhilHealth and Pag-IBIG benefits are for members — usually people who work or pay contributions.

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What you need

Item	Why
Your budget from Book 1	To find your monthly basic costs
A separate savings account	To keep the fund away from daily spending
Your SSS, PhilHealth and Pag-IBIG numbers (if you have them)	To check what help you can get
A phone or notebook	To track your progress
About 15–20 minutes a day for 2 weeks	To set up your safety net

How to use this book

1. **Start with a small first target**
   Your first ₱5,000–₱10,000 matters more than a perfect plan.

2. **Use your own numbers**
   Replace every made-up amount with yours.

3. **Check your learning**
   Every chapter ends with key takeaways, 3 quiz questions with answers, and a practice task.

THE EMERGENCY FUND FORMULA IN ONE LINE

```
Monthly basic costs × number of months of safety = your emergency fund target
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EXTRA Free ToolsKo Tools for This Book

EXTRA Words to Know (Glossary)

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CHAPTER 1

Why You Need an Emergency Fund

In the Philippines, storms are not a question of "if" but "when." The same is true for money storms.

About **20 tropical cyclones** enter the Philippine Area of Responsibility every year, and 8 or 9 of them cross the country. Add sickness, job loss, accidents and surprise repairs, and almost every family faces at least one money emergency a year. The question is: will you pay for it with savings, or with an expensive loan?

New word: emergency fund

An **emergency fund** is money you keep only for real, unexpected problems — like losing your job, getting sick or repairing typhoon damage. Think of it as your personal **payong** (umbrella): you don't use it every day, but you're very glad to have it when the rain comes.

PICTURE 1 **Without and with an emergency fund**

NO EMERGENCY FUND

A storm becomes a crisis

- Borrow from 5-6 lenders or apps
- High interest for months
- Sell things at a loss
- Stress and family conflict

WITH AN EMERGENCY FUND

A storm stays a storm

- Pay from your own savings
- No interest, no debt
- Time to make good decisions
- Calm, then rebuild

The emergency is the same. What changes is whether it turns into months of debt.

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Emergency fund myths

PICTURE 2 **Emergency fund myths vs truths**

MYTH

What people think

- "I can just borrow if something happens."
- "My family will always help."
- "I have PhilHealth, so I'm covered."
- "I'll build one when I earn more."

TRUTH

What really works

- Loans cost interest and stress
- Family may be hit by the same storm
- Benefits help, but don't cover everything
- Start with ₱5,000 — now

Help from others is a blessing — but your own fund is the first line of protection.

The big idea of this book

Build your safety net before the storm. You can't buy an umbrella in the middle of a typhoon. You also can't build an emergency fund in the middle of an emergency.

A real-world example

Nestor, a security guard in Tacloban, saved ₱1,000 every payday for a year. When a typhoon damaged his roof, he paid ₱14,000 for repairs from his fund the same week. His neighbor borrowed the same amount from an online lending app and was still paying, with high fees, six months later.

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QUICK RECAP

About 20 tropical cyclones enter the Philippine Area of Responsibility each year, and money emergencies happen to almost everyone. An emergency fund is money kept only for real, unexpected problems. It turns emergencies into manageable events instead of months of debt. Big idea: build your safety net before the storm.

TRY IT NOW

Your emergency history

1. Write the last money emergency you or your family had.
2. Write how you paid for it (savings, loan, family, selling something).
3. Write how much it cost in total, including any interest.

Key takeaways

- Emergencies are “when,” not “if.”
- An emergency fund is your payong.
- Loans make emergencies last longer.
- Big idea: build it before the storm.

Quiz: 3 quick questions

1. About how many tropical cyclones enter the Philippine Area of Responsibility each year?

A About 20
B About 2
C About 200

2. What is an emergency fund for?

A Real, unexpected problems like job loss or sickness
B Sale items
C Vacations

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3. Why is borrowing a weak emergency plan?

A Interest and fees make the problem last longer

B Banks don't lend money

C It is always free

Answers

1. **A. About 20** — PAGASA reports an average of 20, with 8 or 9 crossing the country.
2. **A. Real, unexpected problems like job loss or sickness** — It's your safety net, not a spending account.
3. **A. Interest and fees make the problem last longer** — Debt turns one emergency into months of payments.

PRACTICE TASK

Your first ₱500

Open (or choose) a savings account just for emergencies and put in your first ₱500 — or ₱100 if money is tight. Name it "Emergency Fund." That is the start of your payong.

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CHAPTER 2

Beginner Basics: What Counts as an Emergency?

An emergency fund only works if you use it for real emergencies. That means knowing clearly what is — and isn't — an emergency.

The three-question test

1. **Is it unexpected?**
   Christmas is not a surprise. A broken motorcycle is.

2. **Is it necessary?**
   Medicine is necessary. A new phone model is not.

3. **Is it urgent?**
   A roof leak during rainy season is urgent. A home makeover is not.

All three "yes" answers

If the answer to all three questions is yes, it's probably a real emergency. If any answer is no, use a different savings goal (like a sinking fund from Book 1) or wait.

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PICTURE 3 **Is it an emergency? Traffic light**



Real emergency

Job loss; hospital or urgent medical costs; typhoon or flood damage; urgent repair of something you need to work (motorcycle, laptop); a family member's emergency you agreed to help with.

Think first

A broken appliance you can live without for a few weeks; travel for a family event; a phone with a cracked screen that still works.

Not an emergency

Sales and promos; Christmas gifts; birthdays; a new gadget model; vacations; lending to friends for wants.

Green: use the fund. Yellow: wait or use another savings goal. Red: never from the emergency fund.

Money words you will use

Word	What it means	Example
Survival budget	The money you need each month to cover basic needs only	Rent, food, transport, bills, medicine
Months of safety	How many months your fund can pay your survival budget	3 months, 6 months
Starter fund	A small first target to handle small emergencies	₱5,000–₱10,000
Liquid	Easy to turn into cash quickly	A savings account is liquid; land is not
Refill	Saving again to bring the fund back up after using it	Restart transfers next payday

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Three levels of safety

PICTURE 4 **Build your safety net in levels**



Each level protects you from bigger storms: small repairs first, then a lost month of income, then a long job search.

QUICK RECAP

Use the three-question test: unexpected, necessary and urgent. Real emergencies include job loss, medical costs, typhoon damage and urgent repairs of things you need to work. Sales, gifts and vacations are never emergencies. Build in levels: a starter fund of ₱5,000–₱10,000, then 1 month, then 3–6 months of basic costs.

TRY IT NOW

Sort these

1. Write 6 surprise expenses you or your family had in the past year.
2. Run each through the three-question test.
3. Mark each green, yellow or red.

Key takeaways

- Unexpected + necessary + urgent.
- Sales and gifts are never emergencies.
- Survival budget = basic needs only.
- Build in three levels.

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Quiz: 3 quick questions

1. Which is a real emergency?

A Flood damage to your home
B A 12.12 sale
C Christmas gifts

2. What is a survival budget?

A The money you need each month for basic needs only
B Your full monthly spending
C Money for vacations

3. What is a good first target?

A A starter fund of ₱5,000–₱10,000
B One year of salary
C Nothing until you earn more

Answers

1. **A. Flood damage to your home** — It is unexpected, necessary and urgent.
2. **A. The money you need each month for basic needs only** — It covers rent, food, transport, bills and medicine.
3. **A. A starter fund of ₱5,000–₱10,000** — Small first targets build the habit quickly.

PRACTICE TASK

Your emergency rules

Write the three-question test on a card or phone note, plus your own list of "never from the emergency fund" items. Keep it with your savings account details.

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CHAPTER 3 · LESSON 1

Compute Your Emergency Fund Target

Your emergency fund target is a real number, not a guess. You can find it in about 20 minutes.

PICTURE 5 **B-A-G-Y-O: the emergency fund recipe**

B

Basic costs first

List only must-pay monthly costs: ₱12,000.

A

Aim for a target

Starter ₱10,000 → 1 month
₱12,000 → 3 months
₱36,000.

G

Grow it automatically

₱1,500 every 15th and 30th, moved on payday.

Y

Your separate, safe place

A PDIC-insured savings account named "Emergency Fund."

O

Only for real emergencies

Use the three-question test. Refill after every use.

↓

PUT TOGETHER:

Basic costs × months of safety, saved automatically in a separate safe place, used only for real emergencies.

Named after the storms we know too well. Prepare for the bagyo before it comes.

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Step 1: Your survival budget

Basic cost	Monthly amount (example)
Rent or share for home	₱4,000
Food (simple meals at home)	₱4,500
Transport (to look for work, errands)	₱1,500
Electricity, water, load	₱1,200
Medicine and toiletries	₱800
Total survival budget	**₱12,000**

Made-up numbers. Only include costs you must pay even in a hard month. Leave out eating out, shopping and subscriptions.

Don’t forget fixed obligations

If you have loan payments, insurance premiums or a fixed family support amount you can’t stop, add them to your survival budget.

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Step 2: Choose your months of safety

Your situation	Suggested months
Stable job, single, no dependents	3 months
Stable job with dependents	4–6 months
One income in the whole family	6 months
Freelancer, seller, commission or daily earner	6–12 months
OFW or contract worker	6–12 months (contracts can end suddenly)
Student	A starter fund for phone, school and fare emergencies

These are common guides, not rules. More risk = more months.

Step 3: Multiply

Level	Calculation	Target
Starter fund	A fixed first goal	₱10,000
1 month	₱12,000 × 1	₱12,000
3 months	₱12,000 × 3	₱36,000
6 months	₱12,000 × 6	₱72,000

Big numbers are normal

₱36,000 or ₱72,000 can feel impossible. That's why we build in levels. Every level you finish already protects you from real problems.

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QUICK RECAP

B-A-G-Y-O: Basic costs first, Aim for a target, Grow it automatically, Your separate safe place, Only for real emergencies. Compute your survival budget (basic needs only, plus fixed obligations), choose your months of safety by how risky your income is, and multiply. Build in levels.

TRY IT NOW

Find your number

1. List your basic monthly costs and add them.
2. Choose your months of safety from the table.
3. Multiply to find your Level 2 and Level 3 targets.

Key takeaways

- Survival budget = basics only.
- Riskier income = more months.
- Target = basic costs × months.
- Big targets are built in levels.

Quiz: 3 quick questions

1. Your survival budget is ₱12,000. What is a 3-month target?

A ₱36,000
B ₱12,000
C ₱120,000

2. Who usually needs more months of safety?

A Freelancers and daily earners
B Nobody
C Only rich people

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3. Which belongs in a survival budget?

A Rent and simple food

B Streaming subscriptions

C Eating out

Answers

1. **A. ₱36,000** — ₱12,000 × 3 = ₱36,000.
2. **A. Freelancers and daily earners** — Irregular income needs a bigger cushion.
3. **A. Rent and simple food** — Only must-pay basics go in.

PRACTICE TASK

Your target card

Write a target card: survival budget, months of safety, Level 1, Level 2 and Level 3 targets. Use the ToolsKo Savings Goal Calculator to see how long each level takes.

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CHAPTER 4 · LESSON 2

Build Your Fund Step by Step

You don’t need a big income to build an emergency fund. You need a fixed amount, a schedule, and a few speed boosts.

How long will it take?

Save per cutoff	Per month	Starter ₱10,000	3 months (₱36,000)
₱500	₱1,000	10 months	36 months
₱1,000	₱2,000	5 months	18 months
₱1,500	₱3,000	About 3.5 months	12 months
₱2,500	₱5,000	2 months	About 7 months

Based on the ₱12,000 survival budget example. Interest is not included.

New word: milestone

A **milestone** is a smaller goal on the way to a big one — like the kilometer markers on a highway. Celebrating each milestone (₱5,000, ₱10,000, 1 month, 3 months) keeps you going.

Make it automatic

1. **Set the transfer for payday**
   Move your amount on the 15th and 30th, before spending (Book 2, Chapter 4).

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2 **Put it first in your budget**

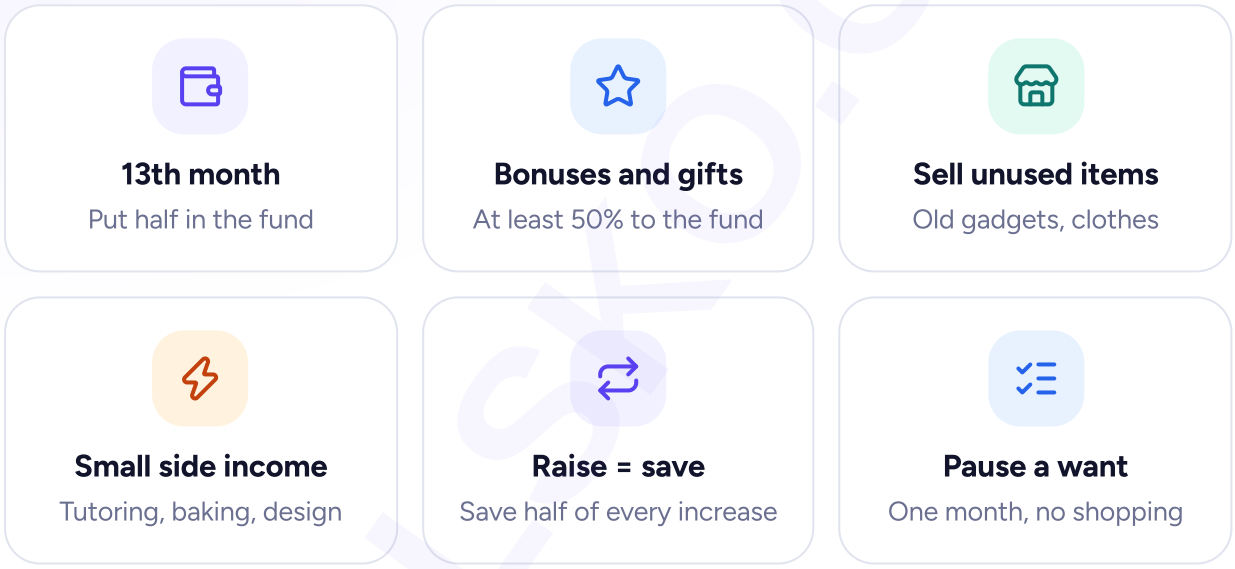
Until you reach Level 1, the emergency fund comes before other savings goals.

3 **Track it on a simple chart**

Color a bar every time you reach ₱1,000 more. Seeing progress helps.

Speed boosts

PICTURE 6 **Ways to grow your fund faster**



One good bonus can move you a whole level forward.

Example: Saving ₱3,000 a month, the 3-month target of ₱36,000 takes 12 months. Add ₱9,000 from your 13th month, and you reach it in about 9 months.

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What about debt?

Starter fund first, then debt, then the rest

If you have debts, keep paying the minimum on all of them and build a **starter fund** first. Without it, the next surprise creates new debt. Then focus on paying off expensive debt (Book 4), and finish your 3–6 months after.

Small is still safe

Even ₱5,000 can cover a clinic visit, a phone repair, a week of food after a typhoon, or fare home in an emergency. Don't wait for the "right" amount to start.

QUICK RECAP

Pick a fixed amount per cutoff and see how long each level takes. Celebrate milestones. Move savings automatically on payday and keep the emergency fund first until Level 1. Speed up with the 13th month, bonuses, selling unused items, side income and raises. If you have debt: starter fund first, then expensive debt, then 3–6 months.

TRY IT NOW

Plan your timeline

1. Choose your amount per cutoff.
2. Write the date you'll reach Level 1, 2 and 3.
3. Pick one speed boost to use this month.

Key takeaways

- Fixed amount + schedule = progress.
- Celebrate milestones.
- Windfalls move you a level forward.
- Starter fund before attacking debt.

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Quiz: 3 quick questions

1. Saving ₱1,000 per cutoff, how long to reach a ₱10,000 starter fund?

- A 5 months
- B 10 months
- C 1 month

2. You have debt. What should you build first?

- A A starter fund, while paying minimums
- B Nothing until all debt is gone
- C A 12-month fund

3. What is a milestone?

- A A smaller goal on the way to a big one
- B A kind of loan
- C A bank fee

Answers

1. **A. 5 months** — ₱1,000 × 2 cutoffs = ₱2,000 a month; ₱10,000 ÷ ₱2,000 = 5 months.
2. **A. A starter fund, while paying minimums** — It stops the next surprise from creating new debt.
3. **A. A smaller goal on the way to a big one** — Like kilometer markers on a highway.

PRACTICE TASK

Your fund chart

Draw a bar divided into ₱1,000 boxes up to your Level 1 target. Color one box every time you add ₱1,000. Put it where you'll see it every day.

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CHAPTER 5 · LESSON 3

Where to Keep Your Emergency Fund

An emergency fund must be safe, separate and easy to reach. Earning a little interest is nice, but it comes last.

The three rules

Rule	Why	Example
Safe	The money must still be there when you need it	PDIC-insured bank: up to ₱1,000,000 per depositor, per bank
Separate	So you don't spend it by accident	Not your payroll or spending account
Easy to reach	Emergencies don't wait for maturity dates	Can withdraw or transfer the same day

Use two layers

PICTURE 7 **A two-layer emergency fund**



During typhoons, power and ATMs can go down for days. A small cash layer covers the first days; the bank layer covers the rest.

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Place	For emergencies?	Why
Separate bank or digital bank savings	Yes — main layer	Safe (PDIC-insured), separate, same-day access
Small cash at home (waterproof pouch)	Yes — small amount only	Works when power, signal or ATMs are down
E-wallet balance	Small amount only	Fast for transfers, but not PDIC-insured
Time deposit	Not for the main fund	Locked; early withdrawal can cost you interest
Pag-IBIG MP2	No	Locked for 5 years; for long-term goals
Stocks, crypto, “investments”	No	The value can drop exactly when you need the money
Paluwagan	No	You can’t choose when you get the money

Don’t lock your safety net

An emergency fund that you can’t reach for months is not an emergency fund. Accept a lower interest rate in exchange for speed and safety.

Keep it boring

Your emergency fund’s job is to be there — not to grow fast. Growing money is the job of long-term goals and investing (Book 5).

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QUICK RECAP

Keep your emergency fund safe (PDIC-insured up to ₱1,000,000 per depositor, per bank), separate and easy to reach. Use two layers: a small cash and e-wallet layer for the first days, and a main layer in a separate bank savings account. Don't lock it in time deposits, MP2, stocks, crypto or paluwagan.

TRY IT NOW

Set up your layers

1. Open or choose a separate bank savings account for Layer 2.
2. Prepare a waterproof pouch for Layer 1 cash.
3. Write how fast you can withdraw from each.

Key takeaways

- Safe, separate, easy to reach.
- Two layers: quick cash + bank.
- Don't lock it or invest it.
- Boring is good.

Quiz: 3 quick questions

1. Which is the best main place for an emergency fund?

A. A separate PDIC-insured savings account
B. A 5-year MP2
C. Crypto

2. Why keep some cash at home?

A. Power, signal and ATMs can be down after typhoons
B. Banks are illegal
C. Cash earns more interest

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3. Why not invest your emergency fund in stocks?

A The value can drop when you need the money

B Stocks are always bad

C It is not allowed

Answers

1. **A. A separate PDIC-insured savings account** — Safe, separate and same-day access.
2. **A. Power, signal and ATMs can be down after typhoons** — Layer 1 covers the first days of a disaster.
3. **A. The value can drop when you need the money** — Emergency money must be stable.

PRACTICE TASK

The access test

Pretend an emergency happens tonight. Check: how fast can you get ₱2,000, ₱10,000 and your whole fund? Fix anything that takes too long.

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CHAPTER 6 · LESSON 4

Safety Nets Beyond Your Fund: SSS, PhilHealth and Pag-IBIG

Government programs can help in emergencies — if you know them before you need them. They work best together with your own fund.

What can help, and when

Program	What it gives	Main conditions
SSS sickness benefit	Daily cash: 90% of your average daily salary credit, up to 120 days a year	Can't work due to sickness or injury; enough posted contributions; notify your employer or SSS on time
SSS unemployment benefit	Half of your average monthly salary credit, for up to 2 months	Involuntary job loss (not resignation or dismissal for cause); at least 36 contributions, 12 in the last 18 months; not over 60; once every 3 years; file within 1 year
PhilHealth	Pays covered hospital costs; no balance billing in ward or basic accommodation for covered services	Active PhilHealth membership; accredited hospital
DOH zero balance billing	PhilHealth members in the basic or ward accommodation of DOH hospitals should pay nothing for their stay	DOH-run hospital; basic or ward accommodation
Pag-IBIG Calamity Loan	A low-interest loan (5.95% a year) of up to about 80% of your regular Pag-IBIG savings	Active member; your area is declared under a state of calamity

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Checked November 21, 2026. Rules change — confirm on the official SSS, PhilHealth, DOH and Pag-IBIG websites.

Example amounts

- **Sickness:** If your six highest monthly salary credits are ₱15,000 each, your daily sickness allowance is about ₱450 (₱15,000 × 6 ÷ 180 × 90%). Ten approved days = about ₱4,500.
- **Unemployment:** If your average monthly salary credit is ₱15,000, you could get about ₱7,500 a month for 2 months — about ₱15,000 in total.

Benefits help, but they are not enough

Benefits take time to process and rarely replace your full income. ₱15,000 from SSS won't cover a 4-month job search. That's why your own fund comes first, and benefits are extra help.

Get ready now

1. **Create your online accounts**
   Register for My.SSS and Virtual Pag-IBIG, and keep your PhilHealth number ready.
2. **Check your contributions**
   Make sure your employer's deductions are posted. Self-employed and voluntary members: pay on time.
3. **Enroll a bank account**
   Benefits are often paid to an enrolled bank or e-wallet account.
4. **Save copies of IDs**
   Keep digital copies of IDs and important documents in a safe place.

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Insurance, briefly

Health cards (HMO) from work, and simple life insurance if people depend on your income, can protect your emergency fund from very big costs. Read what is covered and what isn't before buying any policy.

Loans are the last layer

A Pag-IBIG or SSS loan is much cheaper than 5-6 lenders or online lending apps, but it is still debt. Use your fund first, then government benefits, then low-interest government loans — and avoid high-interest lenders.

QUICK RECAP

SSS sickness benefit pays 90% of your average daily salary credit for up to 120 days a year. SSS unemployment pays half your average monthly salary credit for up to 2 months for involuntary job loss, with conditions. PhilHealth pays covered hospital costs, with no balance billing in ward accommodation; DOH hospitals offer zero balance billing in basic or ward accommodation. Pag-IBIG Calamity Loans help in declared calamity areas. Benefits help but aren't enough — your fund comes first, loans come last.

TRY IT NOW

Check your safety nets

1. Log in to My.SSS (or register) and check your posted contributions.
2. Check your PhilHealth membership status.
3. Register for Virtual Pag-IBIG if you're a member.

Key takeaways

- Know benefits before you need them.
- SSS: sickness and involuntary job loss.
- PhilHealth: choose ward or basic to avoid extra bills.
- Your fund first, loans last.

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Quiz: 3 quick questions

1. How much is the SSS sickness benefit per day?

A 90% of your average daily salary credit
B 10% of your salary
C A fixed ₱100

2. You resigned to rest. Can you claim SSS unemployment benefit?

A No — it is for involuntary job loss
B Yes, always
C Only on holidays

3. Where does DOH zero balance billing apply?

A Basic or ward accommodation in DOH hospitals
B Any private room anywhere
C Only at pharmacies

Answers

1. **A. 90% of your average daily salary credit** — Up to 120 days a year.
2. **A. No — it is for involuntary job loss** — Resignation and dismissal for cause don't qualify.
3. **A. Basic or ward accommodation in DOH hospitals** — Choose basic or ward accommodation in a DOH hospital.

PRACTICE TASK

Your safety-net sheet

Write a one-page sheet: your SSS, PhilHealth and Pag-IBIG numbers (keep it private), how to log in, the nearest DOH hospital, and your company HR contact. Store it with your important documents.

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CHAPTER 7 · LESSON 5

Using, Refilling and Preparing for Typhoons

Using your fund for a real emergency is success. The next step is refilling it — and preparing so the next storm hurts less.

When an emergency happens

1. **Breathe and check the test**
   Unexpected, necessary, urgent? If yes, it's okay to use the fund.

2. **Use only what you need**
   Pay for the emergency, not upgrades. Ask for quotes; compare.

3. **Check benefits**
   Can SSS, PhilHealth, insurance or your employer cover part of it?

4. **Switch to your survival budget**
   If income stopped, cut spending to basics right away so the fund lasts longer.

5. **Write it down**
   What happened, how much you used, and what you learned.

Refill plan

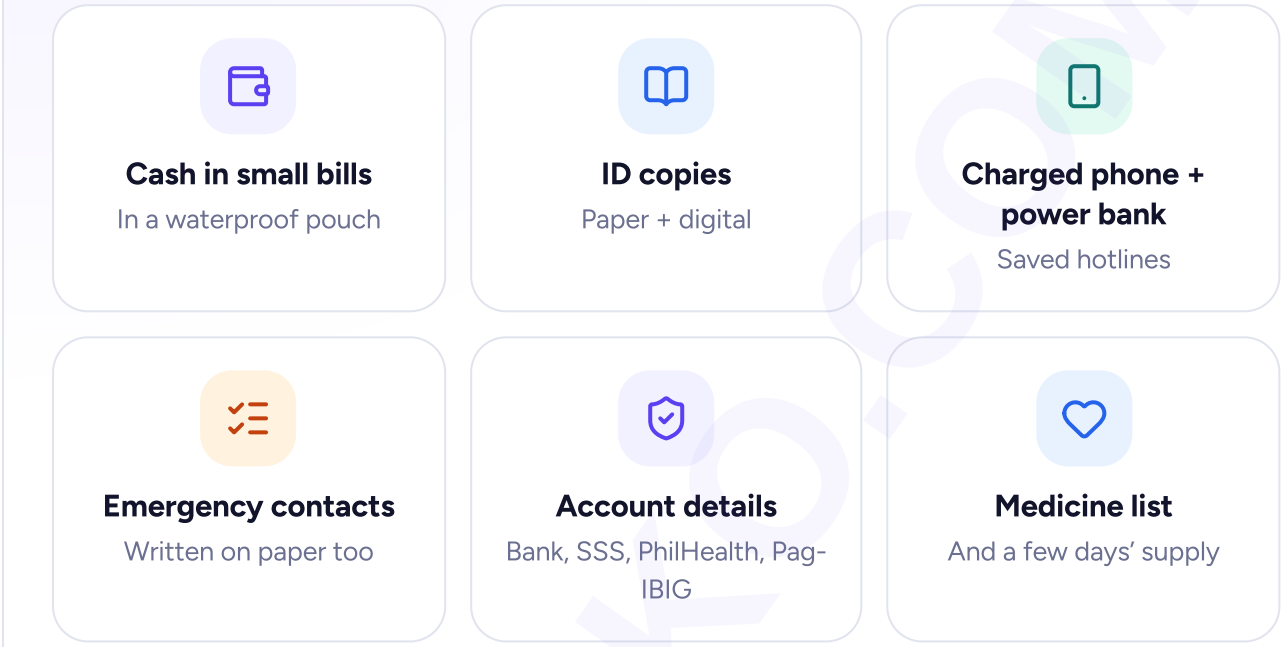
- **Restart transfers next payday.** Even half the usual amount is fine at first.
- **Pause other goals** (not your needs) until Level 1 is back.
- **Use the next windfall** — bonus, 13th month, tax refund — to refill faster.

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- **Don’t feel guilty.** The fund did its job.

Typhoon money kit

PICTURE 8 **Your typhoon money kit**



Put these in your go bag before the rainy season (the peak typhoon months are July to October).

Avoid emergency debt traps

5-6 lenders and many online lending apps charge very high interest and may use harassment to collect. Scammers also pose as relief programs or lenders after disasters. Use your fund, official government help, and licensed lenders only — and never pay “processing fees” to get a loan.

Talk about it as a family

Agree on who keeps the emergency cash, where the go bag is, and what counts as an emergency. In a crisis, a plan everyone already knows saves time and arguments.

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Each storm teaches something

After every emergency, ask: “What would have made this easier?” — more cash at home, more months saved, better insurance, copies of documents. Then add that to your plan.

QUICK RECAP

When an emergency happens: check the three-question test, use only what you need, check benefits, switch to your survival budget, and write it down. Refill by restarting transfers, pausing other goals and using windfalls. Prepare a typhoon money kit before July. Avoid 5-6 and high-interest loan apps. Plan together as a family and learn from each storm.

TRY IT NOW

Prepare your kit

1. Put small bills and ID copies in a waterproof pouch.
2. Write emergency contacts on paper.
3. Agree with your family where the go bag is kept.

Key takeaways

- Using the fund is success.
- Refill right away, without guilt.
- Prepare before typhoon season.
- Avoid high-interest emergency loans.

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Quiz: 3 quick questions

1. Your income stopped. What should you do first with spending?

A Switch to your survival budget
B Keep spending as usual
C Buy things before prices rise

2. When are the peak typhoon months in the Philippines?

A July to October
B January to March
C Only December

3. A lender asks for a "processing fee" before releasing a loan. What is it likely to be?

A A scam
B A normal bank rule
C A government benefit

Answers

1. **A. Switch to your survival budget** — Basics only makes the fund last longer.
2. **A. July to October** — PAGASA says most typhoons develop July to October.
3. **A. A scam** — Never pay fees upfront to get a loan.

PRACTICE TASK

Your emergency plan page

Write one page: what counts as an emergency, where the fund and go bag are, who decides, how to refill, and the hotlines to call. Share it with the people you live with.

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CHAPTER 8

Your 14-Day Emergency Fund Starter Plan

About 15–20 minutes a day for two weeks. By day 14, you'll have a target, a separate account, a schedule and a typhoon kit.

Start any day. If payday comes during these 14 days, use it for your first automatic transfer.

PICTURE 9 **The 14-day emergency fund plan**



Rules, number, place, backup help, and a plan your family knows.

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Day	Task (about 15–20 minutes)	Done?
1	Write the three-question test and your “never” list.	☐
2	List your basic monthly costs.	☐
3	Add them up: your survival budget.	☐
4	Choose your months of safety.	☐
5	Write your Level 1, 2 and 3 targets.	☐
6	Pick an amount per cutoff and write your timeline.	☐
7	Open or choose a separate savings account.	☐
8	Name it “Emergency Fund” and move your first amount.	☐
9	Schedule automatic transfers for payday.	☐
10	Check your SSS, PhilHealth and Pag-IBIG status online.	☐
11	Make your safety-net sheet (numbers, logins, hospital, HR).	☐
12	Prepare your typhoon money kit and Layer 1 cash.	☐
13	Talk with your family about the plan.	☐
14	Color your fund chart and celebrate — cheaply!	☐

Bonus exercises

1 **Practice a “money drill”**

Pretend your income stopped. Could you live on your survival budget for one week?

2 **Find the nearest DOH hospital**

Write its address and how to get there.

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3 **Estimate your SSS benefits**

Use the ToolsKo SSS Sickness and Unemployment Benefit calculators.

4 **Plan your 13th month**

Decide how much goes to the emergency fund this December.

Progress beats perfect

If your first target feels too big, cut it to ₱5,000. A small fund you finish is better than a big one you never start.

QUICK RECAP

Days 1–3: rules and survival budget. Days 4–6: targets and timeline. Days 7–9: separate account and autopilot. Days 10–12: safety nets and typhoon kit. Days 13–14: family plan and review.

TRY IT NOW

Start today

1. Copy the 14-day table.
2. Do Day 1 now.
3. Set a daily reminder.

Key takeaways

- Rules first.
- Know your number.
- Separate account on autopilot.
- A plan your family knows.

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Quiz: 3 quick questions

1. What do you do on day 3?

A Add up your survival budget
B Buy a new phone
C Close your accounts

2. What is a "money drill"?

A Practicing living on your survival budget for a week
B A tool for coins
C A bank promo

3. Your first target feels too big. What should you do?

A Cut it to ₱5,000 and finish it
B Give up
C Borrow the money

Answers

1. **A. Add up your survival budget** — Your survival budget is the base of your target.
2. **A. Practicing living on your survival budget for a week** — It tests if your plan works.
3. **A. Cut it to ₱5,000 and finish it** — Finished small goals build momentum.

PRACTICE TASK

Complete the 14 days

Follow the plan and tick each box. On day 14, write your survival budget, your targets, where your fund is, and when you expect to reach Level 1.

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CHAPTER 9

Common Emergency Fund Mistakes (and Easy Fixes)

Most emergency funds fail for the same few reasons. Avoid them and your safety net will hold.

Check your plan against this table.

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Mistake	Why it hurts	Easy fix
No fund at all	Every surprise becomes debt	Start a ₱5,000 starter fund now
Using it for wants	Gone when a real emergency comes	Three-question test; “never” list
Keeping it in the spending account	Spent little by little	Separate, named account
Locking it up	Can’t reach it in time	Easy-access savings, not MP2 or time deposits
Investing it	It may drop exactly when needed	Keep it boring and safe
All of it in an e-wallet	Not PDIC-insured	Main layer in a PDIC-insured bank
No cash at all	Stuck when ATMs and power are down	A small Layer 1 cash pouch
Never refilling	The next emergency finds an empty fund	Restart transfers next payday
Relying only on benefits	Slow and not enough	Your fund first, benefits second
Turning to 5-6 or loan apps	High interest and harassment	Fund, government help, licensed lenders only

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PICTURE 10 **Leaky vs strong safety net**

LEAKY UMBRELLA

Fails in the storm

- Used for sales and gifts
- Mixed with spending money
- Locked or invested
- Never refilled

STRONG UMBRELLA

Holds in the storm

- Only real emergencies
- Separate and PDIC-insured
- Easy to reach + small cash layer
- Refilled after every use

A strong emergency fund is simple: right size, right place, right rules.

The every-3-months check

Every 3 months ask: “Is my fund at my current target?”, “Did my basic costs go up?” (update the target if prices rose), and “Is my typhoon kit still ready?”

QUICK RECAP

Common mistakes: no fund, using it for wants, keeping it in the spending account, locking it up, investing it, keeping it all in an e-wallet, having no cash layer, never refilling, relying only on benefits, and turning to 5-6 or loan apps. Each has an easy fix. Check your fund every 3 months.

TRY IT NOW

Audit your safety net

1. Tick every mistake you make.
2. Fix two this week.
3. Put an every-3-months check in your calendar.

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Key takeaways

- Start small, start now.
- Separate, safe, reachable.
- Refill after every use.
- Update your target as prices rise.

Quiz: 3 quick questions

1. Why not keep your whole fund in an e-wallet?

A E-wallet balances are not PDIC-insured
B E-wallets are illegal
C They charge 50% fees

2. Prices went up a lot this year. What should you do?

A Update your survival budget and target
B Nothing
C Spend the fund before prices rise more

3. What should you do after using your fund?

A Restart transfers next payday
B Forget about it
C Take a loan to celebrate

Answers

1. **A. E-wallet balances are not PDIC-insured** — Keep the main layer in a PDIC-insured bank.
2. **A. Update your survival budget and target** — Your target should match today's costs.
3. **A. Restart transfers next payday** — Refilling keeps the safety net ready.

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PRACTICE TASK

Your emergency fund rules

Write 5 rules (for example, “Only real emergencies”, “Separate PDIC-insured account”, “₱3,000 cash pouch before July”, “Refill starting next payday”, “Check every 3 months”). Keep them with your safety-net sheet.

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CHAPTER 10

Real-Life Examples: Safety Nets That Held

These five example stories are based on common Filipino emergencies (names are made up). Look for the habits, not the income.

N

Nestor, 41
Security guard, Tacloban

THE PROBLEM

Typhoon damage to his roof in a city where storms are common.

WHAT NESTOR TYPED

```
Saved ₱1,000 every payday into a separate account and kept ₱3,000
in a waterproof pouch in his go bag.
```

THE RESULT

Bought food and water with the pouch cash while ATMs were down, and paid ₱14,000 for roof repairs from his fund — no loans.

Lesson: Two layers — cash and bank — handle the first days and the big costs.

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M

Mae, 30
BPO team lead, Pasig

THE PROBLEM

Her department was closed and she lost her job.

WHAT MAE TYPED

```
Switched to her ₱15,000 survival budget, used her 4-month fund, and filed for the SSS unemployment benefit with her DOLE certification.
```

THE RESULT

Found a new job in 3 months without borrowing. The SSS benefit helped refill part of her fund.

Lesson: A fund plus benefits buys you time to choose the right next job.

D

Dennis, 27
Freelance graphic artist, Iloilo

THE PROBLEM

Two big clients left in the same month.

WHAT DENNIS TYPED

```
Had built a 6-month fund because his income was irregular, kept in a separate digital bank account.
```

THE RESULT

Paid his bills calmly for 2 months while finding new clients, then refilled the fund with his next big project.

Lesson: Irregular income needs more months of safety.

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A

Aling Rosa, 58
Carinderia owner, Laguna

THE PROBLEM

Her husband needed to be hospitalized for a week.

WHAT ALING ROSA TYPED

```
Chose the ward in a DOH hospital where zero balance billing
applied to PhilHealth members, and used her emergency fund for
medicines bought outside, transport and lost store income.
```

THE RESULT

Came home with no hospital debt and reopened the carinderia the next week.

Lesson: Know your PhilHealth options — and keep a fund for the costs around the hospital bill.

P

Pia, 22
Fresh graduate, Quezon City

THE PROBLEM

Her phone — needed for work — was stolen during her first month on the job.

WHAT PIA TYPED

```
Had saved a ₱10,000 starter fund in her first five months (₱1,000
every cutoff), kept in a separate savings account.
```

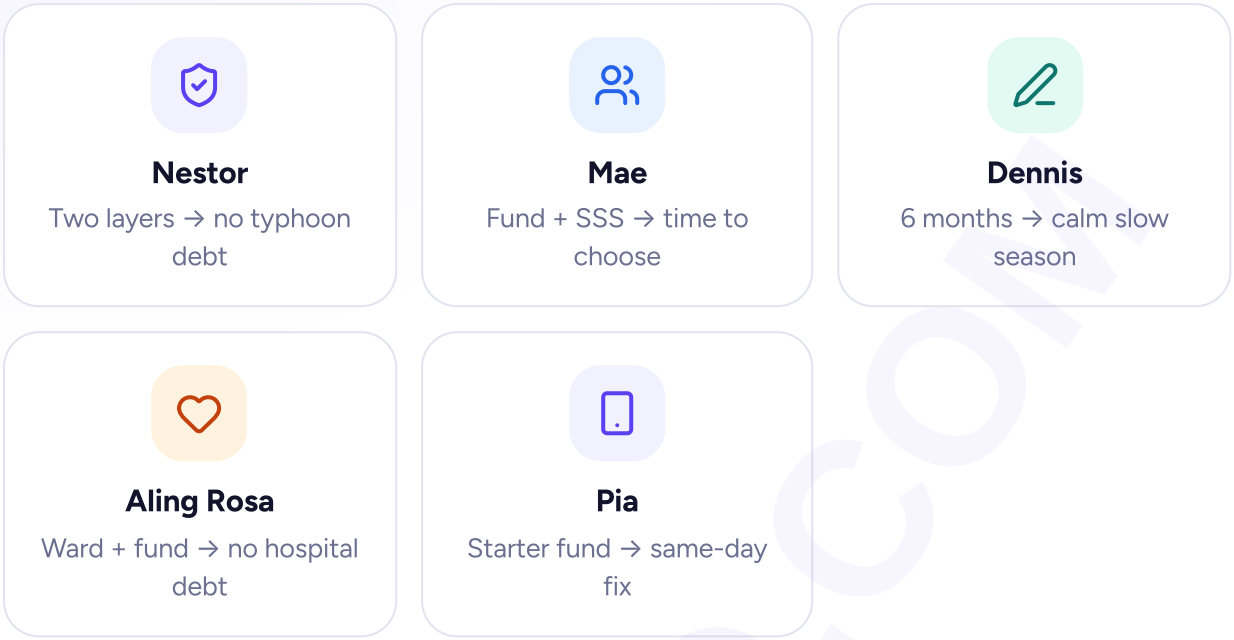
THE RESULT

Bought a simple replacement phone the same day and didn't miss work.

Lesson: Even a small starter fund turns a crisis into an inconvenience.

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PICTURE 11 **Five safety nets that held**



Different emergencies, same habits: a target, a separate safe place, extra help, and refilling.

What these stories have in common

They each prepared before the emergency, kept their fund separate and easy to reach, used benefits and smart choices to stretch it, avoided high-interest loans, and refilled afterwards.

QUICK RECAP

A two-layer fund handled a typhoon; a fund plus SSS bought time after a job loss; six months covered a freelancer's slow season; a DOH ward and a fund avoided hospital debt; and a small starter fund replaced a stolen work phone the same day.

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TRY IT NOW

Your safety-net story

1. Pick the story most like your situation.
2. Copy one habit from it this week.
3. Write how it went after 7 days.

Key takeaways

- Prepare before.
- Separate and reachable.
- Stretch it with benefits and smart choices.
- Refill after.

Quiz: 3 quick questions

1. How did Nestor buy food while ATMs were down?

A With cash from his waterproof pouch
B With an online loan
C He couldn't

2. Why did Dennis save 6 months instead of 3?

A His income was irregular
B He liked big numbers
C It was required by law

3. What did Aling Rosa use her fund for?

A Medicines outside the hospital, transport and lost income
B A vacation
C A new carinderia sign

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Answers

1. **A. With cash from his waterproof pouch** — Layer 1 cash covers the first days.
2. **A. His income was irregular** — Irregular income needs a bigger cushion.
3. **A. Medicines outside the hospital, transport and lost income** — A fund covers the costs around the hospital bill.

PRACTICE TASK

Your safety-net story card

Write your own story card: your survival budget, your target, where your fund is, your safety nets, and what you would do in your most likely emergency.

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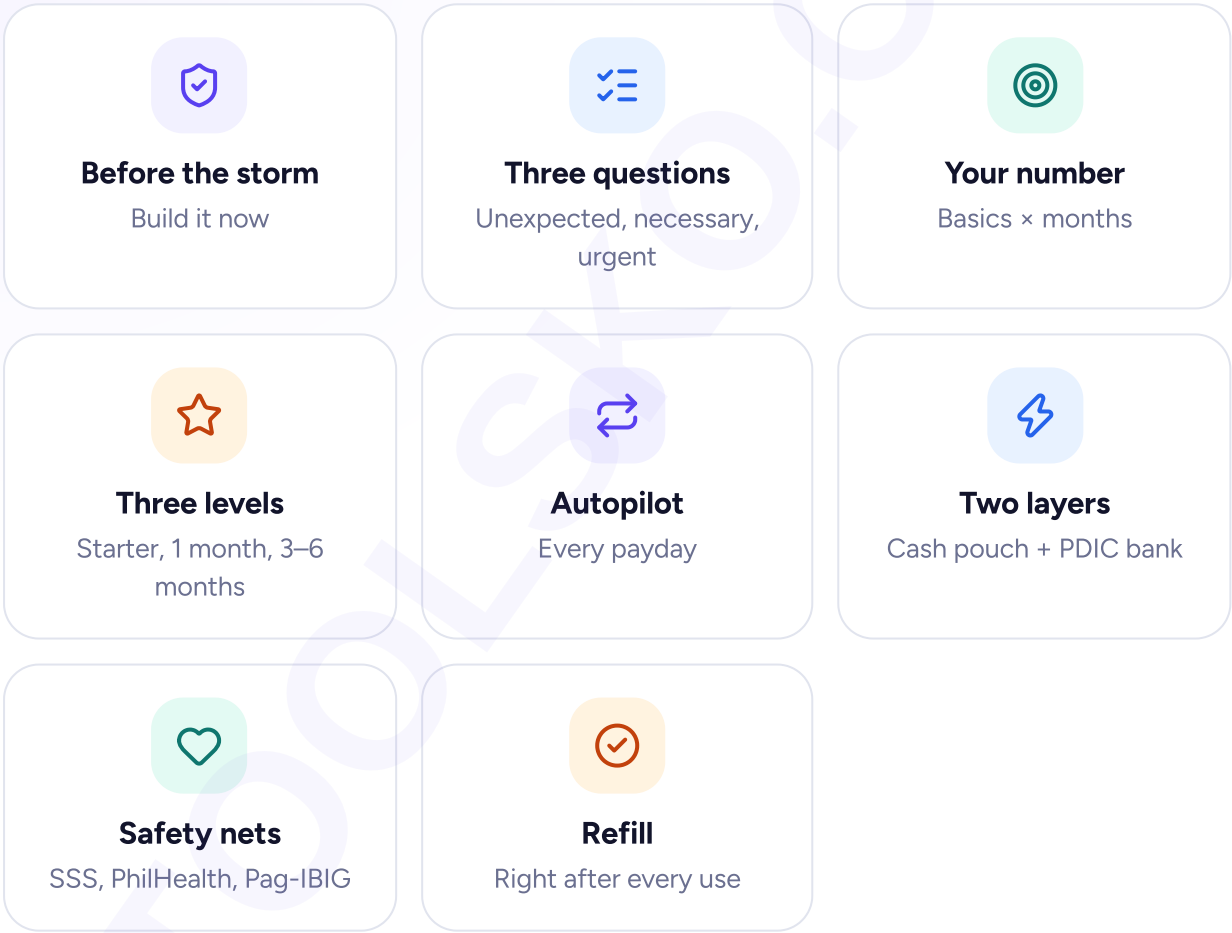
THE END

Quick Summary

Everything important, on one page.

The whole book on one page. Keep it with your safety-net sheet.

PICTURE 12 **Cheat sheet: emergency fund in 8 cards**



Eight habits that turn emergencies into inconveniences.

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Remember	In one line
The big rule	Build your safety net before the storm.
Recipe	B-A-G-Y-O: Basic costs, Aim for a target, Grow it automatically, Your separate safe place, Only real emergencies.
Target	Survival budget × months of safety (3 for stable, 6–12 for irregular income).
Place	Separate PDIC-insured savings + a small cash pouch; never locked or invested.
Safety nets	SSS sickness and unemployment, PhilHealth, DOH zero balance billing, Pag-IBIG Calamity Loan.
Avoid	5-6 lenders, high-interest loan apps and “processing fee” scams.
Always	Refill after every use; update the target every 3 months.

You can build your safety net now

You know what counts as an emergency, your target, how to build it, where to keep it, what help exists, and how to use and refill it. Start your first transfer on your next payday — and prepare your kit before the rainy season.

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WHAT'S NEXT

Your Next Learning Path

You finished Book 3. Here is where to go from here.

This is **Book 3** of the **Personal Finance** series. With a safety net in place, you're ready to get free of expensive debt:

PICTURE 13 **Your Personal Finance path**



Budget, save, build a safety net, get free of debt, then grow your money.

What to do next

Next step	Why
Finish the 14-day plan	A target, a separate account and a typhoon kit — ready before the next storm.
Reach Level 1	Your starter fund protects every other goal.
Book 4: Debt-Free Roadmap	Understand interest and pay off what you owe with a clear plan.
Review Books 1 and 2	Your budget and autopilot savings feed your emergency fund.
Check every 3 months	Update your target as prices change.

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One last tip

You can't control when the storms come. You can control whether you're ready. Start small, keep it separate, and refill it every time.

Free ToolsKo tools for this book

Put what you learned to work. These tools are free on toolsko.com, need no sign-up, and most work right in your browser.

Savings Goal Calculator
See how long it takes to reach each emergency fund level.
toolsko.com/savings-goal-calculator

SSS Sickness Benefit Calculator 2026
Estimate your daily sickness allowance.
toolsko.com/sss-sickness-benefit-calculator

SSS Unemployment Benefit Calculator
Estimate your benefit after involuntary job loss.
toolsko.com/sss-unemployment-benefit-calculator

SSS Contribution Calculator 2026
Check your contributions and salary credit.
toolsko.com/sss-contribution-calculator

PhilHealth Contribution Calculator 2026
Make sure your PhilHealth premiums are right.
toolsko.com/philhealth-contribution-calculator

Pag-IBIG Contribution Calculator 2026
Check your regular savings, the base of calamity loans.
toolsko.com/pag-ibig-contribution-calculator

13th Month Pay Calculator (PH)
Plan how much of your 13th month goes to the fund.
toolsko.com/13th-month-calculator

13th Month & Christmas Bonus Spending Plan
Split your bonus between the fund, gifts and fun.
toolsko.com/christmas-bonus-spending-plan

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Inflation Calculator
Update your target when prices rise.
toolsko.com/inflation-calculator ↗

Percentage Calculator
Work out how much of your pay goes to the fund.
toolsko.com/percentage-calculator ↗

Leave Letter Generator
Write a clear emergency or sick leave request quickly.
toolsko.com/leave-letter-generator ↗

Words to know

Emergency fund	Money kept only for real, unexpected problems.
Survival budget	The money you need each month for basic needs only.
Months of safety	How many months your fund can pay your survival budget.
Starter fund	A small first emergency fund, like ₱5,000–₱10,000.
Milestone	A smaller goal on the way to a big one.
Liquid	Easy to turn into cash quickly.
Two-layer fund	A small cash layer for the first days plus a main layer in a bank.
Refill	Saving again after using your fund.
Go bag	A ready bag with cash, IDs, medicine and essentials for disasters.

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SSS sickness benefit	Daily cash from SSS when you can't work due to sickness or injury.
SSS unemployment benefit	Cash from SSS for up to 2 months after involuntary job loss.
PhilHealth	The national health insurance program.
Zero balance billing	No hospital bill for PhilHealth members in basic or ward accommodation of DOH hospitals.
Pag-IBIG Calamity Loan	A low-interest loan for members in areas under a state of calamity.
State of calamity	An official declaration after a disaster that opens special help.
5-6 lending	Informal lending with very high interest (borrow ₱5, pay ₱6).

Where the facts come from

1. PAGASA: Tropical Cyclone Information (about 20 a year, 8–9 cross the country)
2. SSS: Sickness Benefit (90% of average daily salary credit)
3. SSS: Unemployment benefit qualifying conditions
4. SSS unemployment benefit: who qualifies and how much (GMA News)
5. PhilHealth Circular 2026-0005 FAQ: no balance billing in ward/basic accommodation
6. Zero balance billing only in basic wards of DOH hospitals (Daily Tribune)
7. Pag-IBIG Calamity Loan: up to 80% of savings at 5.95% (ABS-CBN)
8. PDIC ₱1 million maximum deposit insurance coverage (Metrobank notice)
9. Deposit insurance and e-wallets (Rappler)

SSS, PhilHealth and Pag-IBIG benefit rules, deposit insurance and typhoon figures were checked on November 21, 2026. Benefit rules and loan terms change — always confirm with the official agency

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before you file or decide. All names and peso amounts in the examples are made up. ToolsKo is not connected to any bank, hospital or government agency named in this book. This book is general information, not financial, medical, tax or legal advice. Written by ToolsKo Learn · toolsko.com/learn

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Book 3	**Emergency Fund Guide — this book**
Book 4	Debt-Free Roadmap
Book 5	Investing Basics

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