



SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

16 OCT 11 P5:23

SENATE
S. No. 1198

BY:

Introduced by **Senator Richard "Dick" J. Gordon**

**AN ACT
AMENDING REPUBLIC ACT NO. 8282 ENTITLED "AN ACT FURTHER
STRENGTHENING THE SOCIAL SECURITY SYSTEM THEREBY AMENDING FOR
THIS PURPOSE, REPUBLIC ACT NO. 1161, AS AMENDED, OTHERWISE KNOWN
AS THE SOCIAL SECURITY LAW" AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Republic Act (R.A.) No. 8282 or the Social Security Act of 1997 recognizes the policy of the State "to establish, develop, promote and perfect a sound and viable tax-exempt social security system suitable to the needs of the people throughout the Philippines which shall promote social justice and provide meaningful protection to members and their families against the hazards of disability, sickness, maternity, old age, death and other contingencies resulting in loss of income or financial burden."¹ As of January 2016, there are about 33 million members of the Social Security System (SSS) and 2.15 million retirees² receiving their pensions upon retirement.

Aside from the locally employed workers who retired, it cannot be denied that the 2.4 million overseas Filipino workers (OFWs) are also experiencing the same predicament. Just this year, about 800,000 documented OFWs living and working in Saudi Arabia were badly affected by mass lay-off due to financial difficulties of major Saudi trading and construction companies.³ Thousands more are also affected by the economic downturn in the Middle East caused by terrorism, armed hostilities, and steep declines in the global prices of oil.⁴ In keeping with the Constitutional mandate to review to upgrade the pensions and other benefits due to retirees of both the government and the private sectors,⁵ it is imperative to review employment benefits and increase the existing amount of pensions.

This bill amends the current SSS Law to provide more benefits to make it more responsive to the basic necessities of the SSS members by: (a) providing a two-thousand peso (P2,000.00) across-the-board increase in the monthly pension with corresponding adjustment of the minimum monthly pension to its existing members; (b) extending the social security protection to the OFWs and their beneficiaries; and (c) providing unemployment benefits to those eligible unemployed members.

RICHARD "DICK" J. GORDON
Senator

¹ Sec. 1 of Republic Act No. 8282, An Act Further Strengthening the Social Security System Thereby Amending for this purpose, Republic Act No. 1161, as amended, otherwise known as the Social Security Law
² <http://www.philstar.com/headlines/2016/01/18/1543834/sss-collection-efficiency-not-enough-fund-proposed-pension-hike>
³ Manila alerted about 2nd wave of layoff. Retrieved from <http://www.arabnews.com/node/959311/saudi-arabia>
⁴ <http://www.rappler.com/move-ph/balikbayan/139749-ofw-joint-crisis-management-team>
⁵ Section 8, Article XVI of the 1987 Constitution



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17

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19
20 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
21 *Congress assembled:*
22

23
24 **SECTION 1.** Section 2 of Republic Act No. 1161, as amended by Republic
25 Act 8282, otherwise known as the "Social Security Law", is hereby *further* amended
26 to read as follows: †

27 "SEC. 2. *Declaration of Policy.* – It is the policy of the Republic of the
28 Philippines to establish, develop, promote and perfect a sound and viable tax-
29 exempt social security service suitable to the needs of the people throughout
30 the Philippines which shall promote social justice and provide meaningful
31 protection to members and their beneficiaries against the hazard of disability,
32 sickness, maternity, old age, death, and other contingencies resulting in loss
33 of income or financial burden. Towards this end, the State shall endeavor to
34 extend social security protection to workers INCLUDING OVERSEAS
35 FILIPINO WORKERS and their beneficiaries."
36

37 **SEC. 2.** Section 3 of Republic Act No. 1161, as amended by Republic Act
38 8282, is hereby *further* amended to read as follows:
39

40 "SEC. 3. *Social Security System.* - (a) To carry out the purposes of
41 this Act, the Social Security System, hereinafter referred to as 'SSS', a

1 corporate body, with principal place of business in Metro Manila, Philippines is
2 hereby created. The SSS shall be directed and controlled by a Social Security
3 Commission, hereinafter referred to as 'Commission', composed of the
4 Secretary of Labor and Employment or his duly designated undersecretary,
5 the SSS president and seven (7) appointive members, three (3) of whom shall
6 represent the workers' group at least one of whom shall be a woman AND
7 ONE (1) REPRESENTATIVE OF THE OVERSEAS FILIPINO WORKERS;
8 three (3), the employers' group, at least one (1) of whom shall be a woman;
9 and one (1), the general public whose representative shall have adequate
10 knowledge and experience regarding social security, to be appointed by the
11 President of the Philippines. x x x x"
12

13 **SEC. 3.** Section 9(c) of Republic Act No. 1161, as amended by Republic Act
14 8282, is hereby *further* amended to read as follows:
15

16 "SEC. 9. *Coverage.* - (a) x x x
17

18 "(c) OVERSEAS FILIPINO WORKERS OR Filipinos recruited by
19 foreign based employers for employment abroad may be covered by
20 the SSS on a voluntary basis."
21

22 **SEC. 4.** Section 12 of Republic Act No. 1161, as amended by Republic Act
23 No. 8282, is hereby further amended to read as follows:
24

25 "SEC. 12. *Monthly Pension.* -
26

27 (a) The monthly pension shall be the highest of the following amounts:
28

29 "(1) The sum of the following:
30

31 "(i) Three hundred pesos (P300); plus
32

33 "(ii) Twenty percent (20%) of the average monthly salary
credit; plus
34

35 "(iii) Two percent (2%) of the average monthly salary
credit for each credited year of service in excess of ten
(10) years; or
36

37 "(2) Forty percent (40%) of the average monthly salary credit; or
38

1 “(3) One thousand pesos (P1,000): *Provided*, That the monthly
2 pension shall in no case be paid for an aggregate amount less
3 than sixty (60) months.

4 “(b) Notwithstanding the preceding paragraph, the minimum MONTHLY
5 pension shall be [One thousand two hundred pesos (P1,200)] THREE
6 THOUSAND TWO HUNDRED PESOS (P3,200) for members with at
7 least ten (10) credited years of service and [Two thousand four
8 hundred pesos (P2,400)] FOUR THOUSAND FOUR HUNDRED
9 PESOS (P4,400) for those with twenty (20) credited years of service.”

10 **SEC. 5.** A new Section 19 is hereby added in Republic Act No. 8282 to read,
11 as follows:

12 “SEC. 19. UNEMPLOYMENT BENEFIT. A MEMBER OF THE
13 SYSTEM SHALL BE ELIGIBLE TO RECEIVE A MONTHLY
14 UNEMPLOYMENT BENEFIT UPON FULFILLMENT OF THE FOLLOWING
15 UNEMPLOYMENT CONDITIONS:

- 16 1. REGISTRATION AND PAYMENT OF MONTHLY
17 CONTRIBUTION FOR AT LEAST SEVEN (7) YEARS PRIOR
18 TO THE CLAIM OF UNEMPLOYMENT;
- 19 2. UNEMPLOYED MEMBER MUST ACTIVELY BE LOOKING
20 FOR EMPLOYMENT FOR AT LEAST THIRTY (30) DAYS
21 PRIOR TO THE FILING OF THE CLAIM;
- 22 3. CERTIFICATION FROM ANY CONCERNED GOVERNMENT
23 AGENCY THAT MEMBER HAS REQUESTED ASSISTANCE IN
24 SEEKING EMPLOYMENT DATED AT LEAST THIRTY (30)
25 DAYS PRIOR TO THE FILING OF THE CLAIM; AND
- 26 4. PROOF OF LAST SALARY RECEIVED OR EMPLOYMENT
27 CONTRACT BEARING INCLUSIVE DATES OF
28 EMPLOYMENT.

29
30 AN OVERSEAS FILIPINO WORKER SHALL BE ELIGIBLE TO
31 RECEIVE A MONTHLY BENEFIT UPON FULFILLMENT OF THE
32 FOLLOWING CONDITIONS:

- 1 1. REGISTRATION AND PAYMENT OF MONTHLY
2 CONTRIBUTION FOR AT LEAST SEVEN (7) YEARS PRIOR
3 TO THE CLAIM OF UNEMPLOYMENT;
- 4 2. RETURNING OFW MUST BE ACTIVELY LOOKING FOR
5 EMPLOYMENT FOR AT LEAST THIRTY (30) DAYS PRIOR TO
6 THE CLAIM;
- 7 3. PROOF OF REGULAR DEPLOYMENT (POEA
8 PROCESSING OF CONTRACT), OVERSEAS WORKERS
9 WELFARE ADMINISTRATION (OWWA) MEMBERSHIP, AND
10 OTHER SIMILAR DOCUMENTS;
- 11 4. THE MOST RECENT EMPLOYMENT CONTRACT BEARING
12 INCLUSIVE DATES OF EMPLOYMENT, PRIOR TO
13 UNEMPLOYMENT;
- 14 5. PROOF OF REMITTANCE OF THE OFW WHILE WORKING
15 OVERSEAS; AND
- 16 6. CERTIFICATION FROM ANY CONCERNED GOVERNMENT
17 AGENCY THAT MEMBER HAS REQUESTED ASSISTANCE IN
18 SEEKING EMPLOYMENT DATED AT LEAST THIRTY (30) DAYS
19 PRIOR TO THE FILING OF THE CLAIM THE MONTHLY
20 EMPLOYMENT BENEFIT SHALL BE GIVEN TO A QUALIFIED
21 MEMBER FOR A MAXIMUM PERIOD OF TWELVE (12) MONTHS OR
22 UNTIL UNEMPLOYMENT CEASES WHICHEVER COMES FIRST;
23 PROVIDED THAT, THIS BENEFIT SHALL ONLY BE AVAILED OF
24 ONCE EVERY SEVEN (7) YEARS.

25 FOR OVERSEAS FILIPINO WORKERS, THE NATIONAL
26 GOVERNMENT SHALL AUTOMATICALLY APPROPRIATE
27 ANNUALLY AN AMOUNT EQUIVALENT TO TEN PERCENT OF ONE
28 PERCENT (.1%) OF THE TOTAL OFW REMITTANCE OF THE
29 IMMEDIATE PRECEDING YEAR.
30

31 **SEC. 6.** The following sections of Republic Act No. 8282 are renumbered, as
32 follows:

- 33 a) Sec. 12-B. Retirement Benefits to Sec. 13;
- 34 b) Sec. 13-A. Permanent Disability Benefits to Sec. 14;

- 1 c) Sec. 13-B. Funeral Benefit to Sec. 15;
2 d) Sec. 13. Death Benefit to Sec. 16;
3 e) Sec. 14. Sickness Benefit to Sec. 17;
4 f) Sec. 14-A. Maternity Leave Benefit to Sec. 18;
5 g) Sec. 15. Non-Transferability of Benefits to Sec. 20.
6 h) All succeeding sections after Non-Transferability of Benefits shall be
7 adjusted and renumbered accordingly.
8

9 **SEC. 7. Separability Clause.** – If any portion or provision of this Act is
10 declared unconstitutional, the remainder of this Act or any provision not affected
11 thereby shall remain in force and effect.
12

13 **SEC. 8. Repealing Clause.** – All laws, decrees, orders, rules and regulations
14 or other issuances or parts thereof inconsistent with the provisions of this Act are
15 hereby repealed or modified accordingly.
16

17 **SEC. 9. Effectivity.** – This Act shall take effect after fifteen (15) days following
18 the completion of its publication either in the Official Gazette or in a newspaper of
19 general circulation in the Philippines.
20

21 *Approved,*
22