

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Fifteenth Congress
First Regular Session

HOUSE BILL NO. 2865

Introduced by Honorable Danilo Ramon S. Fernandez

EXPLANATORY NOTE

This bill seeks to provide social security protection to workers and employees in the government and private sector against unemployment or involuntary separation from employment regardless of their employment status.

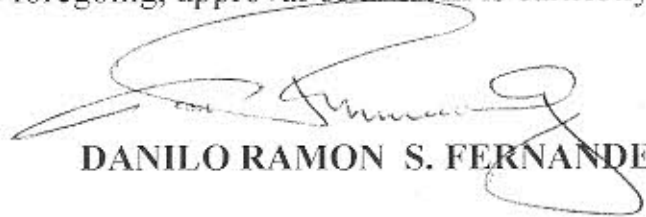
Every year, a considerable number of Filipino workers and employees lose their jobs due to various reasons beyond their control. Workers lose their jobs because the establishments they work in have retrenched or worse, closed shop. Employees in government offices that are reorganized or are abolished find themselves without work and without any source of livelihood.

Social security provisions within the framework of our social and labor laws provide protection for workers against certain contingencies in the course of their employment. The Government Service Insurance System (GSIS) and the Social Security System (SSS), the two major public institutions administering insurance-based and contributory social security programs in the country, provide workers social security protection against the hazards of old age, disability, death, sickness, maternity and other contingencies resulting in loss of income or financial burden.

Notably, social security protection against unemployment or involuntary separation from employment is not included in the social security program of the SSS for workers from the private sector. For employees in the government service only those permanent employees who are involuntary separated from the service due to the abolition of their office or position resulting from reorganization and had been paying integrated contributions to the GSIS for at least one (1) year prior to separation are covered against unemployment under the GSIS social security program.

The social security programs of the GSIS and SSS must be enhanced by mandating the protection of all workers and employees against unemployment and involuntary separation from employment regardless of their employment status to provide workers and employees who are laid-off, terminated or separated from employment a minimal livelihood until they regain employment or restore their income earning capacity.

In view of the foregoing, approval of this bill is earnestly encouraged.



DANILO RAMON S. FERNANDEZ

Republic of the Philippines
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Fifteenth Congress
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HOUSE BILL NO. 2365

Introduced by Honorable Danilo Ramon S. Fernandez

AN ACT

PROVIDING FOR UNEMPLOYMENT BENEFITS FOR EMPLOYEES INVOLUNTARILY SEPARATED FROM THEIR EMPLOYMENT AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. This Act shall be known as the “*Workers’ Unemployment Protection Act.*”

SEC. 2. It is the policy of the State to afford full protection to labor and promote full employment and equality of employment opportunities for all. Pursuant to this policy, the country’s social security systems are hereby mandated to provide all workers unemployment benefits for their protection against involuntary separation.

SEC. 3. Any employee, employed in the public or private sector, who is involuntarily separated from employment, shall, regardless of employment status, be entitled to unemployment benefits: *Provided*, That the employee had contributed to either the Government Service Insurance System (GSIS) or Social Security System (SSS) for at least six (6) months prior to separation from employment: *Provided, further*, That the employee was willing and able to work at the time of separation

from employment: *Provided, lastly*, That the employee was not discharged, after due notice and hearing, for grave misconduct or for other similar causes.

SEC. 4. For the purpose of providing the funds needed for the payment of unemployment benefits, the employers' mandatory share in the monthly social security premiums of their employees, to the GSIS, for those in the public sector, or to the SSS, for those in the private sector, is hereby increased by an amount equivalent to one-half percent (0.5%) of each of their employees' monthly compensation.

For purposes of this Act, "*compensation*" means all actual remuneration for employment including the cost-of-living allowance.

These amount of increase shall be included in the mandatory monthly social security premium contributions of employees which their employers remit to the GSIS or SSS.

SEC. 5. Qualified involuntarily separated employees shall be paid unemployment benefits in the form of monthly cash allowances equivalent to fifty percent (50%) of their average monthly compensation in accordance with the following schedules:

Length of Service	Duration of Benefits
6 months but less than 1 year	1 month
1 year or more but less than 3 years	2 months
3 years or more but less than 6 years	3 months
6 years or more but less than 9 years	4 months
9 years or more but less than 11 years	5 months

11 years or more but less than 15 years	6 months
15 years or more	7 months plus one (1) month for every year in excess of 15 years

The average monthly compensation is the amount arrived at after dividing the aggregate amount of compensation the employees received during the last 36 months preceding their unemployment by 36, or if the employees had less than 36 months of employment, the amount arrived at after dividing the aggregate amount of compensation received during their employment by the number of months they were employed.

Employees who avail of the unemployment benefits may likewise claim other social security benefits to which they qualify: *Provided*, That all accumulated unemployment benefits paid to employees by the GSIS or SSS shall be deducted from their retirement or separation benefits.

SEC. 6. The GSIS and the SSS shall issue the rules and regulations necessary to implement the provisions of this Act.

SEC. 7. Any person who violates any provision of this Act shall, upon conviction, suffer the penalty of imprisonment for a period of not less than one (1) year but not more than five (5) years, or pay a fine of not less than Five thousand pesos (P5,000.00) but not more than Fifty thousand pesos (P50,000.00), or both.

If the violation is committed by a corporation, trust, firm, partnership, association or any other juridical person, the penalty shall be imposed upon the

officer or officers of such corporation, trust, firm, partnership, association or entity.

SEC. 8. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, modified or amended accordingly.

SEC. 9. This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,