

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1036

HOUSE OF REPRESENTATIVES

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Introduced by: Hon. Angelina "Helen" D.L. Tan, M.D.

AN ACT MANDATING A TWO THOUSAND PESO (P2,000) ACROSS-THE-BOARD INCREASE IN THE MONTHLY PENSION WITH CORRESPONDING ADJUSTMENT OF THE MINIMUM MONTHLY PENSION UNDER THE SOCIAL SECURITY SYSTEM, AMENDING FOR THE PURPOSE SECTION 12 OF REPUBLIC ACT NO. 1161, AS AMENDED, OTHERWISE KNOWN AS THE "SOCIAL SECURITY ACT OF 1997"

EXPLANATORY NOTE

The 1987 Philippine Constitution provides that "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all (The 1987 Philippine Constitution, Article II, Section 9).

The Social Security System (SSS) was established to provide 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 member and their beneficiaries against the hazards of disability, sickness, maternity, old age, death, and other contingencies resulting in loss of income or financial burden" (Republic Act No. 1161 as amended by Republic Act No. 8282, Section 2).

In protecting and promoting the well-being of employees and their families, the Social Security Law provides benefits which, among others, include monthly pensions of retirees. Under Section 12 of Republic Act No. 1161 enacted in 1954, the minimum monthly pension or annuity was twenty-five pesos "...if the employee has paid his contributions for at least ten years and has rendered to an employer at least three years of continuous service immediately prior to his retirement..."

The law was amended several times with respect to the amount of the monthly pension, among others, in obvious realization that it should as much as possible be adequate for pensioners to face a rising cost of living.

The current pension system is insufficient to address the needs of our SSS pensioners due to the inflationary costs of basic goods. Hence, this bill seeks to provide an across-the-board two thousand pesos increase in the monthly pension with corresponding adjustment of the minimum monthly pension system so that the needs of the SSS pensioners are better met.

In view of the foregoing, early passage of this measure is urgently sought.


ANGELINA "HELEN" D.L. TAN, M.D.
4th District, Quezon

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

SECTION 1. Any provision of law to the contrary notwithstanding, the Social Security Commission is hereby mandated to implement a Two thousand peso (P2,000) across-the-board increase in the monthly pension under the Social Security System.

SEC 2. Section 12 of Republic Act No. 1161, as amended by Republic Act No. 8282, is hereby further amended to read as follows:

"SEC. 12. *Monthly pension.* - (a) The monthly pension shall be the highest of the following amounts:

(1) The sum of the following:

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

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

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

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

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

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

SEC. 3. Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation inconsistent with this Act is hereby repealed, modified, or amended accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,