

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
Second Regular Session

**HOUSE BILL No. 8310**



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Introduced by BAYAN MUNA Rep. CARLOS ISAGANI T. ZARATE,  
FERDINAND R. GAITE and EUFEMIA C. CULLAMAT,  
ACT TEACHERS Party-List Representative FRANCE L. CASTRO,  
GABRIELA Women's Party Representative ARLENE D. BROSAS  
and KABATAAN Party-List Representative SARAH JANE I. ELAGO

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**AN ACT**  
**REMOVING THE AUTOMATIC INCREASE OF CONTRIBUTIONS OF THE**  
**SOCIAL SECURITY SYSTEM, AMENDING FOR THE PURPOSE SECTION 4 A.9**  
**OF REPUBLIC ACT NO. 11199, OTHERWISE KNOWN AS THE SOCIAL**  
**SECURITY ACT OF 2018**

**EXPLANATORY NOTE**

Since 2017, under the Duterte administration, the Philippines is already experiencing economic slowing down. The worsening economic situation was further accelerated down to recession when the coronavirus disease also struck the Philippines. For the second quarter of 2020, the gross domestic product (GDP) fell down to -16.9%, ranking the Philippines's economy situation the worse among Southeast Asian countries. During the third quarter, the Philippine Statistics Authority recorded -11.5% GDP growth rate.

Amidst the pandemic, where millions were left behind jobless during the various levels of community quarantines, Filipinos will now be facing another problem at the start of 2021: increased premium contributions of the Social Security System (SSS). Last December 23, 2020, Finance Secretary and Social Security Commission Chairman Carlos Dominguez III said that the contribution hike will still be implemented in 2021. As mandated by Section 4 a.9 of Republic Act No. 11199, otherwise known as the Social Security Act of 2018, the contribution rate will be increased from 12% in 2019 to 13% in 2021, 14% in 2023, and 15% in 2025. For 2021, the monthly salary credit will be increased to P2,000-P25,000. Meanwhile, the minimum monthly salary credit for kasambahay and overseas filipino workers members will remain at P1,000 and P8,000, respectively.

SSS Chairman Dominguez claims that any drop in collections may lead to cash flow and liquidity issues, which could endanger the System's ability to provide its members and their beneficiaries with benefits and loan privileges. It was also revealed that from January to October 2020 only totalled P169.73 billion, which was 5.4% lower from the P179.34 billion collected in the same

period in 2019. However, the SSS failed to present that it has a history of collection rate inefficiency, among other issues reported by the Commission on Audit.

Year	Total collected contributions <sup>a</sup>	Total members <sup>a</sup>	Paying members <sup>b</sup>	Employed <sup>c</sup>
2016	P144.36 B	34.889 M	14.165 M	40.815 M
2017	P159.72 B	34.979 M	14.287 M	40.335 M
2018	P181.92 B	36.736 M	16.540 M	41.143 M
2019		37.793 M	17.639 M	42.427 M <sup>e</sup>

- <sup>a</sup> – according to SSS Annual report
- <sup>b</sup> – according to the Commission on Audit
- <sup>c</sup> – according to the Philippine Statistics Authority
- <sup>d</sup> – as of September 2019 data of the SSS
- <sup>e</sup> – preliminary data of PSA

Moreover, the much-awaited release of the second tranche of the approved P2,000-increase of SSS pension is yet to be implemented. Amid the COVID-19 pandemic and economic recession, the pensioners direly need the last tranche of SSS pension increase. Yet, the Filipino people will be burdened with higher contribution rates even under the current Philippine situation and even without any substantial improvement in SSS's collection rate efficiency and other reforms.

Thus, this Bill seeks to amend the Section 4 a.9 of the RA 11199, otherwise known as the Social Security Act of 2018, which mandates the automatic increase of contribution rates. In this light, the passage of this bill is earnestly sought.

*Approved,*



**REP. CARLOS ISAGANI T. ZARATE**  
*Bayan Muna Partylist*




**REP. FERDINAND R. GAITE**  
*Bayan Muna Partylist*



**REP. EUFEMIA C. CULLAMAT**  
*Bayan Muna Partylist*



**REP. FRANCE L. CASTRO**  
*ACT Teachers Partylist*



**REP. ARLENE D. BROSAS**  
*GABRIELA Women's Party*



**REP. SARAH JANE I. ELAGO**  
*Kabataan Partylist*



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

**SECTION 1.** Section 10 of Republic Act No. 11199 shall be amended as follows:

*SEC. 4. Powers and Duties of the Commission of the Commission and SSS. –*

*(a) The Commission. –*

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**(9) TO IMPLEMENT THE RATE OF CONTRIBUTIONS AS WELL AS THE MINIMUM AND MAXIMUM MONTHLY SALARY CREDITS [IN ACCORDANCE WITH THE FOLLOWING SCHEDULE EFFECTIVE JANUARY OF THE YEAR OF IMPLEMENTATION AS FOLLOWS:**

Year of Implementation	Contribution Rate	Share		Monthly Salary Credit	
		Employer	Employee	Minimum	Maximum
2019	12%	8%	4%	P2,000.00	P20,000.00
2020	12%	8%	4%	P2,000.00	P20,000.00
2021	13%	8.5%	4.5%	P3,000.00	P25,000.00
2022	13%	8.5%	4.5%	P3,000.00	P25,000.00
2023	14%	9.5%	4.5%	P4,000.00	P30,000.00
2024	14%	9.5%	4.5%	P4,000.00	P30,000.00

2025	15%	10%	5%	P5,000.00	P35,000.00
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**SHALL BE FIXED AND ADJUSTED FROM TIME TO TIME THROUGH ENACTMENT OF CONGRESS, TAKING INTO CONSIDERATION ACTUARIAL CALCULATIONS, RATE OF BENEFITS, AND THE CAPACITY OF THE MAJORITY OF CONTRIBUTORS TO PAY.**

*Provided*, That the domestic workers or “kasabahays” as defined under Republic Act No. 10361 or the Batas Kasambahay who are receiving a monthly income lower than minimum monthly salary credit prescribed under this Act shall pay contributions based on their actual monthly salary: *Provided, further*, That members, who are subject to compulsory coverage and receiving a monthly income lower than the minimum monthly salary credit or more than the maximum salary credit, and their employers, shall pay the SSS contributions based on the current minimum salary credit or the maximum monthly salary credit, respectively, as provided in this Act.

The rate of penalty on unpaid loan amortizations shall be determined and fixed by the Commission from time to time through rules and regulations on the basis of applicable actuarial studies, rate of benefits, inflation, and other relevant socioeconomic data;

**SECTION 2. *Repealing Clause.*** – All laws, decrees, executive orders and other presidential issuance, which are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

**SECTION 3. *Effectivity.*** This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

*Approved,*