Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILLS NO. 962

Introduced by Honorable LORNA C. SILVERIO

EXPLANATORY NOTE

This Bill seeks to amend Section 22 of Republic Act No. 8282 otherwise known as "**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.**"

The amendment herein proposed is not to favor the capitalists but merely to acknowledge the present financial difficulties being experienced by many of our companies, both local and foreign.

Under Sec. 22 of RA 8282, every employer who failed to deduct and to remit such contributions provided for under RA 8282 shall pay a penalty of three (3%) percent per month from the date the contribution falls due until it is paid. This imposition is therefore equivalent to an annual penalty of thirty-six (36%) percent which is onerous to companies which are financially distressed.

Many of our companies are adversely affected by the present economic crises due to the weakness of our Philippine currency coupled with the threatening increase of oil prices.

Delays in the remittance of SSS contributions are not entirely due to lack of interest on the part of the employers but simply due to financial problems being encountered due to the economic crises.

The proposed decrease of the rate of penalty is primarily intended to balance the rights of the capitalists and labor as well as to encourage more investments in the country so that our problem on unemployment will be significantly addressed.

In view thereof, approval of the proposed Bill is earnestly sought.

LORNA C. SILVERIO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEETH CONGRESS
First Regular Congress

HOUSE BILL NO. 962

Introduced by Honorable LORNA C. SILVERIO

"AN ACT AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 8282 OTHERWISE KNOWN AS "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" BY LOWERING THE MONTHLY RATE OF PENALTY IMPOSED TO EMPLOYERS ON DELAYED REMITTANCE OF CONTRIBUTION FROM THREE (3%) PERCENT PER MONTH TO ONE -HALF (1/2%) PERCENT PER MONTH OR SIX (6%) PERCENT PER ANNUM"

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

SECTION 1. Section 22 of Republic Act No. 8282 is hereby amended to read as follows:

"SEC. 22. Remittance and Contributions. – The contribution imposed in the preceding section shall be remitted to the SSS within the first ten (10) days of each calendar month for which they are applicable or within such time as the Commission may prescribe. Every employer required to deduct and to remit such contributions shall be liable for their payment and if any contribution is not paid to the SSS as herein prescribed, he shall pay besides the contribution a penalty thereon of **ONE-HALF PERCENT (1/2%)** per month from the date the contribution falls due until paid. If deemed expedient and advisable by the Commission, the collection and remittance of contributions shall be

made quarterly or semi-annually in advance, the contributions by the employees to be advanced by their respective employers; *Provided,* That upon separation of an employee, any contribution so paid in advance but not due shall be credited or refunded to employer".

SECTION 2. This Act shall take effect immediately upon its approval thereof.