

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 3351



Introduced by **REP. JUAN MIGUEL F. ZUBIRI**

EXPLANATORY NOTE

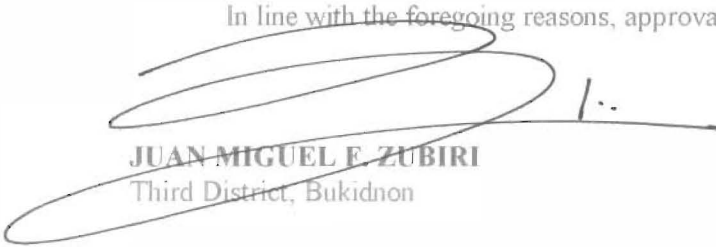
Economic instability is one of the reasons why basic social services have to be assured for our people. It is with providing efficient basic social services that the government is most helpful in providing a cushion in absorbing the wrecking effects of an unstable economy. Where prices go up and income goes down, the poor and even the average person cannot afford to divide his little income to additional expenses when they are left with no other option where to generate additional source of income even though in the form of loans and other benefits that will answer for their basic needs.

Such a cushion is one function that the Social Security System (SSS) provides. However, certain provisions in the law creating it make it hard for the true benefits offered by the SSS accessible. Under its charter, the SSS requires delinquent payers to pay 3 per cent per month on their unpaid principal. This is equivalent to 36 per cent per annum or five times the normal interest charges by local banks. In the face of economic crisis, many companies have unpaid delinquent accounts for the past three years. With the high interest and penalties imposed by the SSS, obligations of these delinquent companies ballooned to more than double resulting to a 72 per cent of all companies in the country having unpaid accounts; with 49 per cent of these located in the National Capital Region.

With the present policy of the SSS in not accepting installments for payments of account without first settling the interest and penalties from companies, SSS members are unable to avail of their benefit such as loans without their employers settling their accounts

Having a condonation on payment of interest and penalty during the time of President Aquino in 1987 and President Ramos, the same is again called for so that accounts will be settled enabling SSS members to avail of their benefits.

In line with the foregoing reasons, approval of this bill is earnestly requested.



JUAN MIGUEL F. ZUBIRI
Third District, Bukidnon

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 3351

Introduced by **REP. JUAN MIGUEL F. ZUBIRI**

AN ACT
AUTHORIZING THE CONDONATION OF PENALTIES ON DELINQUENT SOCIAL
SECURITY CONTRIBUTIONS AND FOR OTHER PURPOSES

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

SECTION 1. Notwithstanding the provisions of Sec. 30 of Republic Act No. 1161, as amended by Republic Act No. 8282, any employer who is delinquent or has not remitted all contributions due and payable to the Social Security System (SSS) may, without incurring the prescribed penalty:

- a) Remit all such delinquent contributions within a period of twelve (12) months from effectivity of this Act; or
- b) Submit in writing a proposal to pay in installment such delinquent contribution within a period of six (6) months from the effectivity of this Act.

Provided: That the employers shall submit together with his remittance or installment proposal the corresponding correction list.

SECTION 2. In the event an employer chooses to submit an installment proposal, the SSS may give due course and approve the same, subject to the implementing rules and regulations as the Social Security Commission shall prescribe. Provided, that the employer shall remit, upon the submission of the installment proposal, a down payment of not less than five percent (5%) of its total contribution delinquency; Provided further, that the employer shall remit the balance thereof in equal monthly installments within a period not exceeding thirty six (36) months from the date of approval of the proposal, and Provided finally, that such delinquent contributions covered in the installment plan shall bear an interest of not more than twelve percent (12%) per annum.

SECTION 3. The penalty provided under Section 22(a) of Republic Act No. shall be condoned by virtue of this Act when and until all the delinquent contributions are remitted by the employer to the SSS. Provided, that in case the employer fails to remit in full the required delinquent contributions, or defaults in payment of any installment in the approved proposal, within the availment period as provided in this Act, the penalties are deemed reimposed from the time the contributions first became due until the delinquent account is paid in full. The revised penalty shall be not more than twelve percent (12%) per annum.

SECTION 4. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved.