

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2909

Introduced by Hon. Winston "Winnie" T. Castelo

EXPLANATORY NOTE

These are hard times.

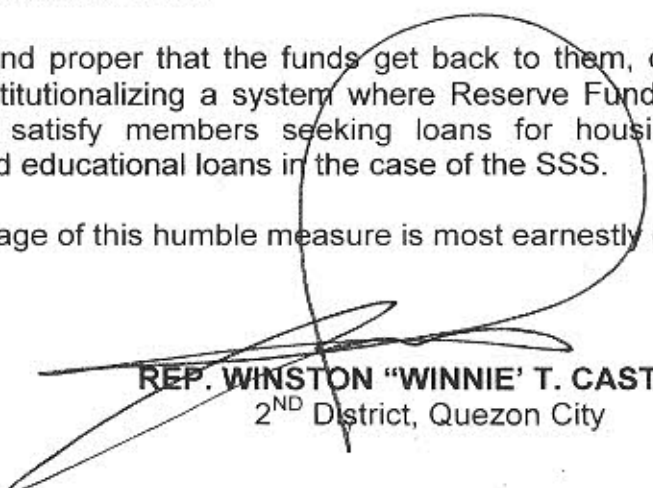
The cost of living is rising and the prices of basic commodities are skyrocketing.

Thus, there ought to be a scheme in the Social Security System whereby private employees could avail of two things, namely – shelter and cash – as a form of "safety net".

Certainly, the welfare and benefit of employees in the private sector have equal weights with those in the public sector since the funds that go into these insurance systems do come from them.

It is only fitting and proper that the funds get back to them, one way or other in the form of institutionalizing a system where Reserve Funds could be increased in order to satisfy members seeking loans for housing, salary, calamity, emergency and educational loans in the case of the SSS.

Henceforth, passage of this humble measure is most earnestly prayed.



REP. WINSTON "WINNIE" T. CASTELO
2ND District, Quezon City

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AN ACT
AMENDING SECTION 26 OF REPUBLIC ACT NO. 8282 OTHERWISE
KNOWN AS THE SOCIAL SECURITY ACT OF 1997 INCREASING THE
INVESTMENT FOR HOUSING PURPOSES AND SHORT AND MEDIUM TERM
LOANS FROM THE INVESTMENT RESERVE FUNDS OF THE SYSTEM

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

SECTION 1. Section 26 of Republic Act No. 8282 is hereby amended to read as follows:

"SEC. 26. Investment of Reserve Funds. – All revenues of the SSS that are not needed to meet the current administrative and operational expenses incidental to the carrying out of this Act shall be accumulated in a fund to be known as the "Reserve Fund". Such portions of the Reserve Fund as are not needed to meet the current benefit obligations thereof shall be known as the Investment Reserve Fund which the Commission shall manage and invest with the skill, care, prudence and diligence necessary under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matter would exercise in the conduct of an enterprise of a like character and with similar aims. Pursuant thereto, and in line with the basic principles of safety, good yield and liquidity, the Commission shall invest the funds to earn an annual income not less than the average rates of treasury bills or any other acceptable market yield indicator in any or all of the following:

"(a) xxxx	xxxx	xxxx;
"(b) xxxx	xxxx	xxxx;

"(c) xxxx	xxxx	xxxx;
"(d) xxxx	xxxx	xxxx;

"(e) In bonds, securities, promissory notes or other evidence of indebtedness of shelter agencies of the National Government or financial intermediaries to finance housing loans of members, and in long-term direct or individual or group housing loans giving priority to the low-income groups, up to a maximum of ninety percent (90%) of the appraised value of the properties to be mortgaged by the borrowers; and

"In short and medium term loans to members such as salary, educational, livelihood, marital, calamity and emergency loans; *Provided, That not less than fifteen percent (15%) nor more than forty five percent (45%) of the Investment Reserve Fund at any time shall be invested for housing purposes: Provided, further, That not more than fifteen percent (15%) of the Investment Reserve Fund shall be invested in short and medium term loans;*

"(f) xxxx	xxxx	xxxx;i
"(g) xxxx	xxxx	xxxxi
"(h) xxxx	xxxx	xxxx;
"(i) xxxx	xxxx	xxxx
"(j) xxxx	xxxx	xxxx;
"(k) xxxx	xxxx	xxxx;
"(l) xxxx	xxxx	xxxx; and
"(m)xxxx	xxxx	xxxx

"No portion of the Investment Reserve Fund or income thereof shall accrue to the general fund of the National Government or to any of its agencies or instrumentalities, including government-owned or controlled corporations, except as may be allowed under this Act: *Provided, that no portion of the Investment Reserve Fund shall be invested for any purpose or in any instrument, institution or industry over and above the prescribed cumulative ceilings as follows:*

- 40% in private securities
- 45% in housing
- 30% in real estate related investments
- 15% in short and medium-term members' loans
- 30% in government financial institutions and corporation
- 30% in infrastructure projects
- 15% in any particular industry
- 7.5% in foreign-currency denominated investments;

SEC. Separability Clause. – If any provision of this Act is declared invalid, the other provisions not affected thereby shall remain valid.

SEC. Repealing Clause. – All laws, proclamations, executive orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed, modified or amended accordingly.

SEC. 4. Effectivity Clause. – 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,