

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2948

Introduced by Representative MARLYN PRIMICIAS-AGABAS

EXPLANATORY NOTE

It is the declared policy of the State to 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. Furthermore, the State shall provide social justice in all phases of national development and that the State values the dignity of every human person and guarantees full respect for human rights.

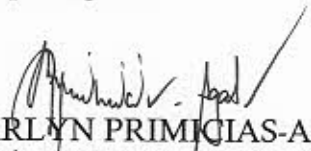
Article XII, Section 11 of the 1987 Constitution provides that the State shall adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. There shall be priority for the needs of the under-privileged, sick, elderly, disabled, women, and children. The State shall endeavor to provide free medical care to paupers.

In line with the declared policies and constitutional mandate, Republic Act No. 9994, otherwise known as the Expanded Senior Citizens Act of 2010, amending Republic Act No. 7432, otherwise known as An Act to Maximize the Contribution of Senior Citizens to Nation Building, Grant Benefits and Special Privileges and for Other Purposes, was enacted to grant additional benefits and special privileges in recognition of the important place our senior citizens hold and role they play in the society.

To further enhance such special privileges, it is proposed that the interest income from any currency bank deposit and yield or any other monetary benefit from deposit substitutes and from trust funds and similar arrangements of senior citizens be exempted from the twenty percent (20%) final withholding tax.

This proposed measure is intended to encourage our senior citizens to save their income or pension in banks and other financial institutions, ensuring that their hard-earned life savings and retirement benefits are not reduced by taxes thereby creating financial stability as they enjoy and go through the sunset stage of life. However, the proposed measure provides for a cap of two hundred fifty thousand pesos (Php 250,000.00) to prevent abuses of the special privilege.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


MARLYN PRIMICIAS-AGABAS
6th District, Pangasinan

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HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
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HOUSE BILL NO. **2948**

Introduced by Representative MARLYN PRIMICIAS-AGABAS

AN ACT
EXEMPTING THE BANK DEPOSITS OF SENIOR CITIZENS FROM THE
TWENTY PERCENT (20%) FINAL WITHHOLDING TAX ON INTEREST
INCOME, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9994,
OTHERWISE KNOWN AS THE EXPANDED SENIOR CITIZENS ACT OF
2010

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

SECTION 1. Section 4 of Republic Act No. 9994, otherwise known as the Expanded Senior Citizens Act of 2010, is hereby amended to read as follows:

"Section 4. Section 4 of Republic Act No. 7432, as amended by Republic Act No. 9257, otherwise known as the "Expanded Senior Citizens Act of 2003", is hereby further amended to read as follows:

"SEC. 4. Privileges for the Senior Citizens. -

The senior citizens shall be entitled to the following:

X X X

"(k) provision of express lanes for senior citizens in all commercial and government establishments; in the absence thereof, priority shall be given to them; (and)

"(l) death benefit assistance of a minimum of Two thousand pesos (Php2, 000.00) shall be given to the nearest surviving relative of a deceased senior citizen which amount shall be subject to adjustments due to inflation in accordance with the guidelines to be issued by the DSWD; and

(m) exemption from the payment of the twenty percent (20%) final withholding tax on interest from any savings account bank deposit or trust fund and similar arrangements; *Provided* however that the aggregate exemption as herein provided should not exceed two hundred fifty thousand pesos (Php 250,000.00) for each senior citizen.

X X X"

SECTION 2. The senior citizen, in applying for the exemption, shall present to the manager of the bank or financial institution in which he or she is a depositor

his or her senior citizen's identification card issued by the Office of the Senior Citizen Affairs (OSCA) of the place where the senior citizen resides.

Furthermore, where the senior citizen has two or more accounts in two or more banks or financial institutions, he or she shall submit a notarized certification disclosing such fact to the manager of the bank or financial institution.

SECTION 3. In cases falling in the immediately preceding paragraph where the senior citizen has two or more accounts in two or more banks or financial institutions, the banks or financial institutions concerned shall coordinate with each other for purposes of the tax exemption privilege as herein provided.

SECTION 4. *Implementing Rules and Regulations.* - Within sixty (60) days from the effectivity of this Act, the Secretary of the DSWD shall formulate rules and regulations to carry out the provisions of this Act, in consultation with the Department of Finance and five (5) NGOs or POs for the senior citizens duly accredited by the DSWD.

SECTION 5. *Separability Clause.* - If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or provision not otherwise affected shall remain valid and subsisting.

SECTION 6. *Repealing Clause.* - All laws, acts, ordinances, executive orders, proclamations and administrative regulations, or parts thereof which are inconsistent herewith are hereby repealed or modified accordingly.

SECTION 7. *Effectivity.* - This act shall take effect immediately after its publication in two newspapers of general circulation.

Approved,