

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Fifteenth Congress
First Regular Session

HOUSE BILL No. 4593

INTRODUCED BY REPRESENTATIVE MARC DOUGLAS C. CAGAS IV

AN ACT PROVIDING FOR THE INCREASE IN THE MONTHLY PENSIONS
UNDER THE SOCIAL SECURITY SYSTEM, AMENDING FOR THIS PURPOSE
SECTION 12 OF R.A. 1161, OTHERWISE KNOWN AS THE SOCIAL SECURITY LAW,
AS AMENDED, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

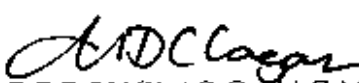
The current state of both global and local economies has subjected all the peoples of the world to a continuing escalation in the prices of all the basic necessities required for everyday living. Added to this, the present unrest in the Middle East region has caused untold speculators to drive the price of oil and its related products in a continuous uptrend.

All told, there is an ever pressing need to increase the income of all our people to meet their present day expenses.

Bearing this in mind, there is a push for an increase in our workers wages. But let us not forget our elders who have funded the previous expenses of our generation and now already retired. Many of them subsist on the meager pensions provided for by an old law which is sorely in need of updating.

By increasing their pension benefits thru this law, we not only provide for a better existence on their part, but we likewise show them our gratitude for their past services, as well as comply with the social justice provision of our Constitution.

The earnest approval of this legislative measure is therefore requested.


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

Congress assembled:

SECTION 1. Section 12 of Republic Act No. 1161, as amended by Republic Act No. 8282, otherwise known as the Social Security Law, is hereby further amended to read as follows:

"Sec. 12. *Monthly Pension.* - (a) The monthly pension shall be the highest of the following amounts:

(1) The sum of the following:

- (i) Three hundred pesos (P300.00); plus
- (ii) Twenty percent (20%) of the average monthly salary credit; plus
- (iii) Two percent (2%) of the average monthly salary credit for each credited year of service in excess of ten (10) years; or

(2) Forth percent (40%) of the average monthly salary credit; or

(3) One thousand pesos (P1,000.00): *Provided*, That the monthly pension shall in no case be paid for an aggregate amount of less than sixty (60) months.

(b) Notwithstanding the preceding paragraph, the minimum MONTHLY pension shall be [One thousand two hundred pesos (P1,200.00)] TWO THOUSAND FIVE HUNDRED PESOS (P2,500.00) for members with at least ten (10) credited years of service and [Two thousand four hundred pesos (P2,400.00)] FIVE THOUSAND PESOS (P5,000.00) for those with twenty (20) credited years of service]. THE AFORESAID MINIMUM MONTHLY PENSION SHALL THEREAFTER BE ANUALLY INCREASED BY THE AMOUNT OF FIVE HUNDRED PESOS (P500.00) PER MONTH UNTIL THE MINIMUM MONTHLY PENSION SHALL REACH THE AMOUNTS OF FIVE

THOUSAND PESOS (P5,000.00) AND SEVEN THOUSAND FIVE HUNDRED PESOS (P7,500.00), RESPECTIVELY.

THE COMMISSION SHALL LIKEWISE EQUITABLY ADJUST THE MONTHLY PENSIONS OF OTHER ENTITLED MEMBERS OR THEIR BENEFICIARIES WHOSE MONTHLY PENSIONS ARE HIGHER THAN THE PREVIOUS MINIMUM PENSION TO PRESERVE THE INTEGRITY AND GRADATION OF THE PENSION PROGRAM.

(C) THE NEWLY PRESCRIBED MINIMUM MONTHLY PENSIONS AND THEIR SUBSEQUENT ANNUAL INCREASES SHALL APPLY TO ALL MEMBERS OR THEIR BENEFICIARIES REGARDLESS OF THE EFFECTIVITY OF THEIR RETIREMENT."

SECTION 3. *Repealing Clause.* - All laws, executive orders, executive issuances, rules and regulations or part thereof inconsistent or contrary to the provisions of this Act, are hereby repealed or amended accordingly.

SECTION 4. *Separability Clause.* In case any provision of this Act is declared unconstitutional or invalid, the other provisions hereof which are not affected thereby shall continue in full force and effect.

SECTION 5. *Effectivity.* — This Act shall take effect thirty (30) days after its publication in two (2) national newspapers of general circulation.


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