

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH (16th) CONGRESS
First Regular Session



House Bill No. 1449

Introduced by HON.ERIC L. OLIVAREZ

EXPLANATORY NOTE

On, 18 June 2010, Republic Act 9994 otherwise known as the "*Expanded Senior Citizen's Act Of 2010*" was enacted for the purpose of establishing programs and mechanisms to utilize the contribution of senior citizens in the Philippine Society and to provide subsidy and benefits to them and to their families in full regard of the senior citizens' welfare and in assuring that they experience the optimal quality of life they deserve.

However, considering the fast rising inflation of prices of commodities and services in the country, there is an imperative necessity to regularly adjust the fixed rates set in the abovementioned law to ensure that the benefits and subsidies being accorded to our senior citizens remain at par with and sufficient for their actual and varying needs so as not to defeat the very purpose of affording them such benefits in the first place.

As such, this bill pursues to amend Republic Act 9994, otherwise known as the "*Expanded Senior Citizen's Act of 2010*", for the purpose of further augmenting and increasing the benefits and subsidies for the senior citizens according to the change in the inflation rate and/or relative increase of

prices of general commodities and healthcare services in the country at the present time, in keeping with the constitutional policies of health development, social security and social justice as mentioned and cited in Republic Act 9994 itself.

This bill also reinforces our society's vigilance towards affording our senior citizens the best quality of life they ought to experience notwithstanding the undeniable changes they had to inevitably undergo, economic, social and/or physiological wise, as they reach the age of sixty (60) years (*i.e. mandatory retirement, deterioration of physical health that comes with old age, among many others*). Moreover, this bill also recognizes the duty of our government and of our society as a whole, to meet the specific needs created or entailed by these sudden changes and which are magnified by the economic factors such as the above-discussed inflation rate.

It light of the foregoing premises, the approval of this bill is highly recommended.

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1st District, Paranaque
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AN ACT
INCREASING THE SUBSIDY AND BENEFITS ACCORDED
TO SENIOR CITIZENS OF THE SENIOR CITIZEN'S ACT OF
2010 AND AMENDING SECTIONS 4 AND 5 THEREOF FOR
THAT PURPOSE.

SECTION 1. Section 4 of Republic Act No. 9994, otherwise known as "Expanded Senior Citizen's Act of 2010", amending Section 4 of Republic Act No. 7432, 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:

"(a) the grant of **twenty five percent (25%)** discount and exemption from the value -added tax (VAT), if applicable, on the sale of the following goods and services from all establishments, for the exclusive and **personal** use and enjoyment or availment of the senior citizen."

"(1) A. on the purchase of medicines, including the purchase of influenza and pneumococcal vaccines, and such other essential medical supplies, accessories and equipment to be determined by the Department of Health (DOH). **Provided that grocery items which are not covered by the doctor's**

prescription but are nonetheless necessary for the care-giving of the frail, bedridden and/or ailing senior citizen such as but not limited to milk, adult diapers, underpads, bed pans, alcohol, cotton, tissue, wet wipes and other similar items, shall be covered by the abovementioned discount.

B. A certification from the Barangay where the senior citizen is currently residing, to the effect that a household is indeed taking care of a frail, bedridden and/or ailing senior citizen may be required of the purchaser of the above-enumerated grocery items upon payment, before he/she can avail of the said discount, if only to ensure that the said purchaser is not misusing the abovementioned benefit for any other purpose than what has been described herein.

C. Any person who availed of the above-specified benefit for any purpose other than sustaining or taking care of a frail, bedridden and/or ailing senior citizen in his or her respective household or availing the said benefits for the purpose of hoarding of medical supplies and grocery items and reselling them to obtain profit and other personal gains shall be imposed a penalty of fine in the amount of Twenty Thousand Pesos (P20,000.00) or imprisonment of three (3) years or both at the discretion of the court.

D. The DOH shall establish guidelines and mechanism of compulsory rebates in the sharing of burden of discounts among retailers, manufacturers and distributors, taking into consideration their respective margins;"

"(2) on the professional fees of attending physician/s in all private hospitals, medical facilities, outpatient clinics and home health care services;

"(3) on the professional fees of licensed professional health providing home health care services as endorsed by private hospitals or employed through home health care employment agencies;

"(4) on medical and dental services, diagnostic and laboratory fees in all private hospitals, medical facilities, outpatient clinics, and home health care services, in accordance with the rules and regulations to be issued by the DOH, in coordination with the Philippine Health Insurance Corporation (PhilHealth);

"(5) in actual fare for land transportation travel in public utility buses (PUBs), public utility jeepneys (PUJs), taxis, Asian utility vehicles (AUVs), shuttle services and public railways, including

Light Rail Transit (LRT), Mass Rail Transit (MRT), and Philippine National Railways (PNR);

"(6) in actual transportation fare for domestic air transport services and sea shipping vessels and the like, based on the actual fare and advanced booking;

"(7) on the utilization of services in hotels and similar lodging establishments, restaurants and recreation centers;

"(8) on admission fees charged by theaters, cinema houses and concert halls, circuses, leisure and amusement; and

"(9) on funeral and burial services for the death of senior citizens;

"(b) exemption from the payment of individual income taxes of senior citizens who are considered to be minimum wage earners in accordance with Republic Act No. 9504;

"(c) the grant of a minimum of ten percent (10%) discount relative to the monthly utilization of water and electricity supplied by the public utilities: *Provided*, That the individual meters for the foregoing utilities are registered in the name of the senior citizen residing therein: *Provided, further*, That the monthly consumption does not exceed one hundred kilowatt hours (100 kWh) of electricity and thirty cubic meters (30 m³) of water: *Provided, furthermore*, That the privilege is granted per household regardless of the number of senior citizens residing therein;

"(d) exemption from training fees for socioeconomic programs;

"(e) free medical and dental services, diagnostic and laboratory fees such as, but not limited to, x-rays, computerized tomography scans and blood tests, in all government facilities, subject to the guidelines to be issued by the DOH in coordination with the PhilHealth;

"(f) the DOH shall administer free vaccination against the influenza virus and pneumococcal disease for indigent senior citizen patients;

"(g) educational assistance to senior citizens to pursue secondary, tertiary, post tertiary, vocational and technical education, as well as short-term courses for retooling in both public and private schools through provision of scholarships, grants, financial aids, subsidies and other incentives to qualified senior citizens, including support for books, learning materials,

and uniform allowances, to the extent feasible: *Provided*, That senior citizens shall meet minimum admission requirements;

"(h) to the extent practicable and feasible, the continuance of the same benefits and privileges given by the Government Service Insurance System (GSIS), the Social Security System (SSS) and the PAG-IBIG, as the case may be, as are enjoyed by those in actual service;

"(i) retirement benefits of retirees from both the government and the private sector shall be regularly reviewed to ensure their continuing responsiveness and sustainability, and to the extent practicable and feasible, shall be upgraded to be at par with the current scale enjoyed by those in actual service;

"(j) to the extent possible, the government may grant special discounts in special programs for senior citizens on purchase of basic commodities, subject to the guidelines to be issued for the purpose by the Department of Trade and Industry (DTI) and the Department of Agriculture (DA);

"(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 Five thousand pesos (Php5,000.00) 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.

"In the availment of the privileges mentioned above, the senior citizen, or his/her duly authorized representative, may submit as proof of his/her entitled thereto any of the following:

"(1) an identification card issued by the Office of the Senior Citizen Affairs (OSCA) of the place where the senior citizen resides: *Provided*, That the identification card issued by the particular OSCA shall be honored nationwide;

"(2) the passport of the senior citizen concerned; and

"(3) other documents that establish that the senior citizen is a citizen of the Republic and is at least sixty (60) years of age as further provided in the implementing rules and regulations.

"In the purchase of goods and services which are on promotional discount, the senior citizen can avail of the promotional discount or the discount provided herein, whichever is higher.

"The establishment may claim the discounts granted under subsections (a) and (c) of this section as tax deduction based on the cost of the goods sold or services rendered: Provided, That the cost of the discount shall be allowed as deduction from gross income for the same taxable year that the discount is granted: Provided, further, That the total amount of the claimed tax deduction net of VAT, if applicable, shall be included in their gross sales receipts for tax purposes and shall be subject to proper documentation and to the provisions of the National Internal Revenue Code (NIRC), as amended."

SECTION 2. Section 5 of RA 9994 amending Section 5 of the Republic Act 7432 as amended, is hereby further amended to read as follows:

"SEC. 5. *Government Assistance.* - The government shall provide the following:

"(a) Employment

"Senior citizens who have the capacity and desire to work, or be re-employed, shall be provided information and matching services to enable them to be productive members of society. Terms of employment shall conform with the provisions of the Labor Code, as amended, and other laws, rules and regulations.

"Private entities that will employ senior citizens as employees, upon the effectivity of this Act, shall be entitled to an additional deduction from their gross income, equivalent to fifteen percent (15%) of the total amount paid as salaries and wages to senior citizens, subject to the provision of Section 34 of the NIRC, as amended: Provided, however, That such employment shall continue for a period of at least six (6) months: Provided, further, That the annual income of the senior citizen does not exceed the latest poverty threshold as determined by the National Statistical Coordination Board (NSCB) of the National Economic and Development Authority (NEDA) for that year.

"The Department of Labor and Employment (DOLE), in coordination with other government agencies such as, but not limited to, the Technology and Livelihood Resource Center (TLRC) and the Department of Trade and Industry (DTI), shall **regularly** assess, design and implement training programs that will provide skills and welfare or livelihood support for senior citizens.

"(b) Education

"The Department of Education (DepED), the Technical Education and Skills Development Authority (TESDA) and the Commission on Higher Education (CHED), in consultation with nongovernmental organizations (NGOs) and people's organizations (POs) for senior citizens, shall institute programs that will ensure access to formal and nonformal education.

"(c) Health

"The DOH, in coordination with local government units (LGUs), NGOs and POs for senior citizens, shall institute a national health program and shall provide an integrated health service for senior citizens. It shall train community-based health workers among senior citizens and health personnel to specialize in the geriatric care and health problems of senior citizens.

"The national health program for senior citizens shall, among others, be harmonized with the National Prevention of Blindness Program of the DOH.

"Throughout the country, there shall be established a "senior citizens' ward" in every government hospital. This geriatric ward shall be for the exclusive use of senior citizens who are in need of hospital confinement by reason of their health conditions. However, when urgency of public necessity purposes so require, such geriatric ward may be used for emergency purposes, after which, such "senior citizens' ward" shall be reverted to its nature as geriatric ward.

"(d) Social Services

"At least fifty percent (50%) discount shall be granted on the consumption of electricity, water, and telephone by the senior citizens center and residential care/group homes that are government-run or non-stock, non-profit domestic corporation organized and operated primarily for the purpose of promoting the well-being of abandoned, neglected, unattached, or homeless senior citizens, subject to the guidelines formulated by the DSWD.

"(1) "self and social enhancement services" which provide senior citizens opportunities for socializing, organizing, creative expression, and self-improvement;

"(2) "after care and follow-up services" for citizens who are discharged from the homes or institutions for the aged, especially those who have problems of reintegration with family

and community, wherein both the senior citizens and their families are provided with counseling;

"(3) "neighborhood support services" wherein the community or family members provide care-giving services to their frail, sick, or bedridden senior citizens; and

"(4) "substitute family care " in the form of residential care or group homes for the abandoned, neglected, unattached or homeless senior citizens and those incapable of self-care.

"(e) Housing

"The national government shall include in its national shelter program the special housing needs of senior citizens, such as establishment of housing units for the elderly.

"(f) Access to Public Transport

"The Department of Transportation and Communications (DOTC) shall develop a program to assist senior citizens to fully gain access to public transport facilities.

"(g) Incentive for Foster Care

"The government shall provide incentives to individuals or nongovernmental institution caring for or establishing homes, residential communities or retirement villages solely for, senior citizens, as follows:

"(1) realty tax holiday for the first five (5) years starting from the first year of operation; and

"(2) priority in the construction or maintenance of provincial or municipal roads leading to the aforesaid home, residential community or retirement village.

"(h) Additional Government Assistance

"(1) Social Pension

"Indigent senior citizens shall be entitled to a monthly stipend amounting to **One Thousand pesos (Php1000.00)** to augment the daily subsistence and other medical needs of senior citizens, subject to a review every two (2) years by Congress, in consultation with the DSWD.

"(2) Mandatory PhilHealth Coverage

"All indigent senior citizens shall be covered by the national health insurance program of PhilHealth. The LGUs where the indigent senior citizens resides shall allocate the necessary funds to ensure the enrollment of their indigent senior citizens in accordance with the pertinent laws and regulations.

"(3) Social Safety Nets

"Social safety assistance intended to cushion the effects of economics shocks, disasters and calamities shall be available for senior citizens. The social safety assistance which shall include, but not limited to, food, medicines, and financial assistance for domicile repair, shall be sourced from the disaster/calamity funds of LGUs where the senior citizens reside, subject to the guidelines to be issued by the DSWD."

SECTION 3. All exemptions and discounts related to valued-added tax (VAT) in the rate of twenty percent (20%) as mentioned and prescribed in RA 9994 and its Implementing Rules shall be increased to twenty five percent (25%) accordingly.

SECTION 4. *Free Movie Passes.* - In addition to the benefits and subsidies already being granted by existing laws and rules and regulations to the senior citizens, they shall also be given the privilege to enter movie houses for free, without having to purchase or secure a movie ticket provided that they present their Senior Citizen's Identification Card.

SECTION 5. *Repealing Clause.* - All laws, executive orders, rules and regulations or any part thereof inconsistent herewith are deemed repealed or modified accordingly.

SECTION 5. *Separability Clause.* - If any part or provision of this Act shall be declared unconstitutional and invalid, such declaration shall not invalidate other parts thereof which shall remain in full force and effect.

SECTION 5. *Effectivity Clause.* - This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

APPROVED.