

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **1544**



Introduced by **Hon. GABRIEL LUIS R. QUISUMBING**

EXPLANATORY NOTE

The Philippines is heavily affected by the prevailing global financial crisis with the closure of business enterprises due to reduced capital flows and shrinking exports caused by depressed consumption in the world economy. Mass lay-offs are happening left and right, here and abroad.

The State needs to address the plight of displaced workers in this time of economic crisis, which shows no sign of easing up in the near future.

Social Security is a government program whereby economic assistance is provided to persons faced with disability or illness, work injury, maternity, old age, and even death. Various income maintenance programs are designed to improve the recipient's welfare through public services. In other countries, like the United States, Australia, United Kingdom and Germany, economic assistance is also extended to people who are confronted with income losses due to unemployment.

This bill seeks to amend RA 8282, other wise known as the Social Security Law, to expand the benefits under the social security system so as to provide for unemployment or involuntary separation benefits to its member contributors. The unemployment insurance provision is proposed to give temporary economic support to those who were separated from work due to reorganization or otherwise laid-off due to retrenchment or other similar business decision.

Hence, approval of this bill is earnestly sought.


Hon. GABRIEL LUIS R. QUISUMBING

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AN ACT EXPANDING THE BENEFITS OF THE SOCIAL SECURITY SYSTEM SO AS TO PROVIDE FOR UNEMPLOYMENT OR INVOLUNTARY SEPARATION BENEFITS THEREBY AMENDING FOR THIS PURPOSE, REPUBLIC ACT NO. 8282, AS AMENDED, OTHERWISE KNOWN AS THE SOCIAL SECURITY LAW

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

SECTION 1. There shall be added a new section after Section 12-B of Republic Act No. 8282, to be known as Section 12-C, to read as follows:

"Section 12-C. Unemployment or Involuntary Separation Benefits. - Unemployment benefits in the form of monthly cash payments equivalent to fifty percent (50%) of the average monthly compensation shall be paid to a permanent or regular employee who is involuntarily separated from the service due to the abolition of his office or position usually resulting from reorganization or otherwise laid off from work due to retrenchment or other similar business decision: *Provided*, That he has been paying integrated contributions for at least six (6) months year prior to separation. Unemployment benefits shall be paid in accordance with the following schedules:

<u>Contributions Made</u>	<u>Benefit Duration</u>
<u>6 months but less than 2 years</u>	<u>2 months</u>
<u>2 or more years but less than 5 years</u>	<u>3 months</u>
<u>5 or more years but less than 8 years</u>	<u>4 months</u>
<u>8 or more years but less than 10 years</u>	<u>5 months</u>
<u>10 or more years but less than 14 years</u>	<u>6 months</u>

a) The first payment shall be equivalent to two (2) monthly benefits. *Provided*, That a seven-day (7) waiting period shall be imposed on succeeding monthly payments.

b) All accumulated unemployment benefits paid to the employee during his entire membership with the SSS shall be deducted from voluntary separation benefits.

SECTION 2. Implementing Rules and Regulations – The Social Security System (SSS) shall promulgate the rules and regulations for the effective implementation of this Act within sixty (30) days from approval hereof.

SECTION 3. *Repealing Clause.* All laws, decrees, ordinances, administrative orders, rules and regulations, or any part thereof, which are inconsistent with this Act are hereby repealed or amended accordingly.

SECTION 4. *Separability Clause.* Should any provision of this Act be subsequently declared unconstitutional, the other provisions not so declared shall remain in full force and effect.

SECTION 5. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation in Filipino and English.

Approved,