

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 2575



Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

EXPLANATORY NOTE

Under our present Social Security Law, it is the policy of the state to establish, develop, provide and perfect a sound and viable tax exempt social service suitable to the needs of the people throughout the country which shall provide to cover employee and their families protection against the hazards of disability, sickness, old age, and death, with a view to promoting their well-being in the spirit of social justice.

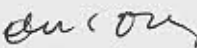
While the declared policy of the state in establishing the Social Security System (SSS) is indeed laudable and ideal, the sad reality is that no covered employee can survive decently in his retirement, period of disability or sickness by relying solely on the retirement, disability and sickness benefits and pensions due him from the Social Security System.

The Social Security System must therefore devise a means to increase the benefits that should accrue to its members. The system is in a very stable financial position and can very well afford to increase the benefits of its members. For instance, for the year 2011, the actual collections of SSS member contributions totaling P85.971 billion and yet it only paid in benefits a total of P82.760 million only. In the process it added another 314.673 million to Reserves. These figures demonstrate that the SSS can and should increase the benefits to its members to cushion the high cost of living and the escalating costs of prime commodities. The need for increased benefits to its members is therefore imperative and urgent.

The ideal would be to readjust upwards the monthly pension, retirement and disability benefits. This however, will require extensive

actuarial studies and revisions. In view, however, of the urgency of the need to increase the benefits to SSS members, this bill proposes to further amend the Social Security Law R.A. No. 1161, as amended, by requiring the Social Security System to declare dividends in such amounts as may be approved by the system to put the SSS members on equal footing with those of the Government Service Insurance System (GSIS) who have been regularly receiving dividends.

Considering the merits of this proposal, the support of my colleagues in this chamber is earnestly requested.


ERIC L. OLIVAREZ

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**AN ACT REQUIRING THE SOCIAL SECURITY SYSTEM
TO DECLARE DIVIDENDS, FURTHER AMENDING
REPUBLIC ACT 1161 ACCORDINGLY AND FOR OTHER
PURPOSES.**

Be it enacted by Congress in Session assembled:

Section 1. The Social Security Law (Republic Act 1161 as amended) shall be further amended by including sections Sec. 14-B which shall read as follows:

"Sec. 14-B Dividends - An annual dividend shall be granted to all covered members of the system whose coverage has been in force for at least one (1) year in accordance with a dividend allocation formula determined by the Commission."

Section 2. All other provisions of republic act as amended shall remain the same.

Section 3. Pertinent provisions of other laws and presidential issuances, executive orders, rules and regulations or parts thereof inconsistent with this act are hereby repealed or modified accordingly.

Section 4. This act shall take effect fifteen days after its publication in three (3) national newspaper of general circulation. The publication shall not be later than seven (7) days after the approval of this bill.

Approved,