

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 3851



Introduced by **BAYAN MUNA**
Representatives **NERI J. COLMENARES** and **CARLOS ISAGANI T. ZARATE**

**AN ACT INCREASING PENSIONS AND OTHER BENEFITS
UNDER THE SOCIAL SECURITY SYSTEM,
AMENDING FOR THE PURPOSE SECTION 12 OF R.A. 1161, AS AMENDED,
OTHERWISE KNOWN AS THE SOCIAL SECURITY LAW**

EXPLANATORY NOTE

A large number of SSS pensioners have further suffered difficulties owing to the continuing escalation of the cost of living in the country, which is due, in large part, to the downturn of the global economy. The amount that these retirees receive as their monthly pension is rendered sadly inadequate to meet even the barest of their needs.

Under the new Social Security Act, otherwise known as Republic Act No. 8262, SSS members with at least 10 credited years of service are provided a monthly pension of P1,200.00, while those with 20 credited years are given P2,400.00. Those who retired under the old SSS Law, R.A. 1161, are even more hard pressed because their monthly pension pays much less.

During the 15th Congress, House Bill 4365 was filed by Bayan Muna Party-List that sought to increase the minimum SSS pension to P7,000. Bayan Muna launched a nationwide campaign to gather support for the said bill to be enacted into law. Thousands of SSS pensioners and senior citizens, as well as Local Government Units from all over the country, responded through petitions, resolutions, letters, and telephone calls/messages which only reflected that there was indeed a clamor for higher SSS pension rate. After a series of congressional hearings with consultations with Senior Citizens and the SSS management in between, however, Congress was able to pass on third reading HB 6748 adding only P1,000 - P2,000 to the current minimum SSS Pension. The effort was also not enough to push the Senate and the Executive Department to enact the bill.

While also pushing for an increase in the SSS pension, the authors believe that there was no need for a corresponding increase in the SSS premium to the pension increases because data

gathered state that SSS is capable of doing so. However, the premiums were inevitably increased by the President, and without a corresponding increase in the pension rate.

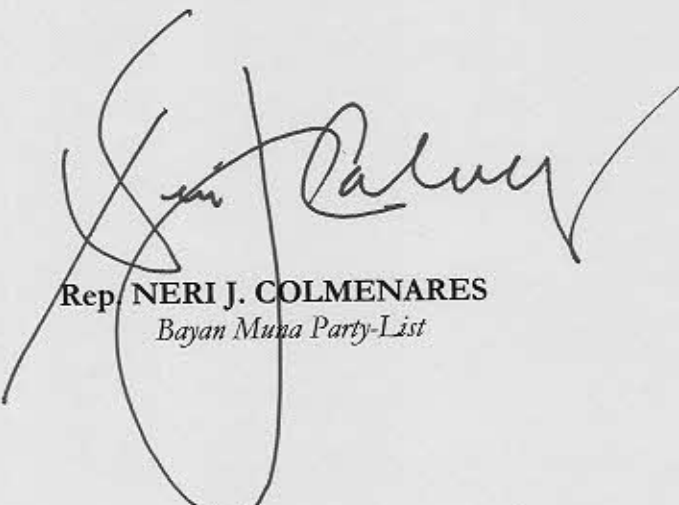
It was also provided in Section 12-B of Republic Act No. 8262, otherwise known as the Social Security Law, as amended, that the SSS pensioner "shall have the option to receive his first eighteen (18) monthly pensions in lump sum discounted at a preferential rate of interest to be determined by the SSS." This provision, when availed by the members upon retirement, deprives them of their monthly pension for eighteen (18) succeeding months.

The above provision is inconsistent with the commitment of the law to provide monthly pension to retirees, who worked hard and tirelessly and having separated a portion of their salary to be contributed to the SSS so that when they retire they shall have monthly pension that they can use to meet their needs, especially medical and other health needs.

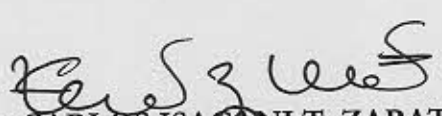
It is the intention of this bill to augment the pension of our esteemed senior citizens who are members of the SSS and contributed to the fund's growth through their contributions. It is necessary to provide additional benefit such as a six-month equivalent of their monthly pension to be availed right after retirement which shall not be deducted from their monthly pension.

Having no other source of income, our senior citizen retirees depend only on their pension to support their basic necessities, most especially medical and health needs. Giving them an additional benefit upon retirement will help our retirees start a new life without ever worrying where to get income for the succeeding months.

Our bill increasing the SSS pension is the approved House Bill 6748 re-filed that seeks to increase the current SSS pension rate to make it more responsive to the basic necessities of SSS pensioners. Immediate passage of this bill is earnestly sought for the benefit of SSS pensioners who are mostly Senior Citizens with no other sources of income to support their, and their family's, ever increasing needs.



Rep. NERI J. COLMENARES
Bayan Muna Party-List



Rep. CARLOS ISAGANI T. ZARATE
Bayan Muna Party-List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 3851

Introduced by BAYAN MUNA
Representatives NERI J. COLMENARES and CARLOS ISAGANI T. ZARATE

**AN ACT INCREASING PENSIONS AND OTHER BENEFITS
UNDER THE SOCIAL SECURITY SYSTEM,
AMENDING FOR THE PURPOSE SECTION 12 OF R.A. 1161, AS AMENDED,
OTHERWISE KNOWN AS THE SOCIAL SECURITY LAW**

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, 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); 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) Forty percent (40%) of the average monthly salary credit; or

“(3) One thousand pesos (P1,000): *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)] **FIVE THOUSAND PESOS (P5,000.00)** for members with at least ten (10) credited years of service. [and Two thousand four hundred pesos (P2,400) for those with twenty (20) credited years of service].

“THE NEW INCREASE SHALL BE GIVEN IN TWO EQUAL INSTALLMENTS AND MUST BE COMPLETED IN THREE (3) YEARS AFTER THE EFFECTIVITY OF THIS ACT.

“THE COMMISSION SHALL EQUITABLY AND PROPORTIONATELY ADJUST THE MONTHLY PENSION OF OTHER ENTITLED MEMBERS OR BENEFICIARIES TO PRESERVE THE INTEGRITY AND FAIRNESS OF THE PENSION PROGRAM.”

SECTION 2. Section 12-B(a) of Republic Act No. 1161, as amended by Republic Act No. 8282, is hereby further amended to read as follows:

“SEC. 12-B. *Retirement Benefits.* –

(a) A member who has paid at least one hundred twenty (120) monthly contributions prior to the semester of retirement and who (1) has reached the age of sixty (60) years and is already separated from employment or has ceased to be self-employed or (2) has reached the age of sixty-five (65) years, shall be entitled for as long as he lives to the monthly pension[: Provided, That he shall have the option to receive his first eighteen (18) monthly pensions in lump sum discounted at a preferential rate of interest to be determined by the SSS.]”

“THE MEMBER SHALL ALSO BE ENTITLED TO AN EQUIVALENT OF SIX (6) MONTHLY PENSIONS IN LUMP SUM, WHICH HE SHALL RECEIVE IN ADDITION TO HIS FIRST MONTHLY PENSION.”

SEC. 3. *Separability Clause.* – Should any provision of this Act or any part thereof be declared invalid, the other provisions, so far as they are separable from the invalid ones, shall remain in force and effect.

SEC. 4. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation inconsistent with this Act is hereby repealed, modified or amended accordingly.

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

Approved,