

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SIXTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL No. 4405**



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

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**AN ACT INCREASING PENALTIES FOR EMPLOYERS WHICH FAILS TO  
REMIT SSS CONTRIBUTIONS OF THEIR EMPLOYEES AMENDING  
PARAGRAPH (h), SECTION 28 OF REPUBLIC ACT 8282, AS AMENDED  
OTHERWISE KNOWN AS THE "SOCIAL SECURITY LAW" FOR THAT  
PURPOSE**

**EXPLANATORY NOTE**

In line with the constitutional mandate to protect the rights of workers and promote their welfare, the Social Security Law penalizes employers for failure or refusal to pay or remit contributions to the Social Security System with a fine and imprisonment. Despite this penal sanction though, many employers continue to violate this provision to the detriment of workers who are not only denied the benefits that may be availed of but also the funds deducted from their already meager wages. Some employers, especially big companies with a large number of employees, have no qualms about violating the said provision of the law because they could just opt for the payment of the negligible fines presently imposed therein or opt for condonation or amnesty from government.

To address the problem of non-remittance by delinquent employers, that is estimated to have reached 164,111 employers in the first month of 2010 and amounted to P94-billion of receivables from unpaid contributions to the SSS, the RA 9903 or the Social Security Condonation Law of 2009 was passed in January 2010. The said Condonation Law should serve as a reprieve for employers to settle their delinquent status. The Social Security System (SSS) filed charges against more than 1,400 delinquent companies in 2012 for various violations.

Meanwhile, thousands of SSS pensioners suffer from the very inhumanly low pension of about P1,200 per month which is surely inadequate to meet the current cost of living. These uncollected contributions should be used in funding increase in the pension of many SSS members, including OFWs, currently reeling from intense economic crisis.

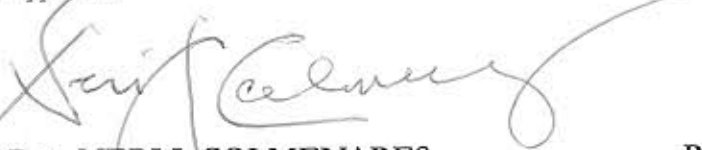
Because it is the millions of employees who are the most affected by this fraud, the government should ensure to protect the rights of the employees who were regularly deducted their SSS

contributions but are being denied their benefits and privileges because of their employers' failure to remit their contributions.

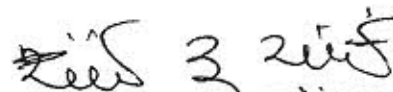
Thus, to deter unscrupulous employers from further violating the law, this bill seeks to increase the penalty for committing the infraction that is inimical to the welfare of workers by increasing the penalty of employers who fail to remit the funds they deducted from their employees and imposing steeper fines for such a violation. The Bill also aims to help the victim-employees by commanding that half of any fine imposed on these unscrupulous employers should be given to the aggrieved employee.

We ask for your support and immediate approval and that this Bill be immediately referred to the *Committee on Government Enterprises and Privatization* for appropriate action.

*Approved,*



Rep. NERI J. COLMENARES  
*Bayan Muna Party-List*



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

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PURPOSE**

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

**SECTION 1.** Paragraph (h) of Section 28 of Republic Act No. 8282, as amended, is hereby further amended to read as follows:

"Sec. 28. Penal Clause. -

"(h) Any employer who, after deducting the monthly contributions or loan amortizations from his employee's compensation, fails to remit the said deduction to the SSS within thirty (30) days from the date they became due, shall be presumed to have misappropriated such contributions or loan amortizations and shall suffer [the penalties provided in Article Three hundred fifteen of the Revised Penal Code.] A FINE OF TWENTY FIVE THOUSAND PESOS (P25,000.00) AND AN ADDITIONAL TWENTY THOUSAND PESOS (P20,000.00) FOR EVERY TEN THOUSAND PESOS WITHHELD AND IMPRISONMENT FOR NO LESS THAN EIGHT YEARS (8) NOR MORE THAN FOURTEEN (14) YEARS. HALF OF THE AMOUNT PAID AS FINE SHALL BE GIVEN TO THE EMPLOYEE WHOSE CONTRIBUTION WAS NOT REMITTED IN ADDITION TO ANY CIVIL DAMAGES THAT SAID EMPLOYEE MAY BE ENTITLED TO.

**SEC. 2. 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. 3. Effectivity Clause.** This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

*Approved,*