



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
Second Regular Session



HOUSE BILL NO. 4903

Introduced by Honorable MARK A. VILLAR

EXPLANATORY NOTE

The Social Security System recently announced a five percent across-the-board pension increase for its 1.9 million retired members effective June, 2014. However, the said increase is too small to meet skyrocketing expenses.

Indeed, a large number of SSS pensioners have been experiencing difficulties owing to the continuing escalation of the cost of living in the country. Sadly, the amount that these retirees receive as their monthly pension is rendered inadequate to meet even the barest of their needs.

Under the 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.

In view of the social justice thrust of our Constitution, this bill seeks to increase the current SSS pension rates until no retiree should receive no less than P7,000 a month thus making it more responsive to the basic necessities of SSS pensioners.

In light of the foregoing, immediate passage of this bill is earnestly sought.

MARK A. VILLAR



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AN ACT
INCREASING PENSIONS UNDER THE SOCIAL SECURITY SYSTEM,
AMENDING FOR THE PURPOSE SECTION 12 OF R.A. 1161, AS AMENDED

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. 2 8282, otherwise known, as the Social Security Act 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 (P300.00); 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 (P1,000.00): 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 (P1,200.00) for members with at least ten (10) credited years of service and Two thousand four hundred pesos (P2,400.00) for those with twenty (20) credited years of service] FOUR THOUSAND PESOS (P4,000.00). THE FOUR THOUSAND PESOS MONTHLY PENSION BENEFIT SHALL BE INCREASED ANNUALLY BY FIVE HUNDRED PESOS (P500.00) PER MONTH UNTIL THE MINIMUM MONTHLY PENSION SHALL REACH SEVEN THOUSAND PESOS (P7,000.00) PER MONTH.

THE COMMISSION SHALL EQUITABLY ADJUST THE MONTHLY PENSIONS OF OTHER ENTITLED MEMBERS OR BENEFICIARIES WHOSE MONTHLY PENSIONS ARE HIGHER THAN THE MINIMUM MONTHLY PENSION TO PRESERVE THE INTEGRITY OF THE PENSION PROGRAM.

SEC. 2. THE NEW MONTHLY PENSION AND ITS ANNUAL INCREMENT PROVIDED HEREIN SHALL APPLY TO ALL BENEFICIARIES REGARDLESS OF THE EFFECTIVITY OF THEIR RETIREMENT.

SEC. 3. This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved,