

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

SIXTEENTH CONGRESS
Second Regular Session

House Bill No. **5756**



Introduced by Rep. Gina P. de Venecia and Rep. Rufus B. Rodriguez

EXPLANATORY NOTE

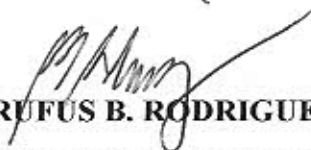
Filipinos are known to be one of the most skilful and talented workers in the world. In fact, our services are sought after by most of the employers, even abroad. Our dedication, perseverance and trustworthiness is incomparable, which is why many Filipinos have made it to the top of their careers. Yet most importantly, aside from the success stories of famous Filipinos, are the lives of silent, everyday heroes—the workers.

Our workers are the most vital resources of the country. They constitute 41% (40.1 Million) of the total population with Labor Force Participation Rate (LFPR) of 63.8%. Their taxes go a long way—in infrastructure, health, education, agriculture, industry and many more; hence, their contributions are inevitable to the development of our country. Therefore, as recognition to their participation in nation-building, it is important that the rights of our workers are protected and that all their contributions are maximized and reciprocated. With the existence of social security insurance systems such as the GSIS and SSS, our workers are provided with sound benefit plans which are supposed to be advantageous to the worker.

Consequently, because of the competitiveness of the labor sector and the availability of posts, workers tend to transfer from the private to public enterprises and vice versa. Hence, their accounts from either GSIS or SSS are transferred, in a way “ladderized”, subject to the limitations stated under the Portability Law. However, the portability law has yet to clarify and resolve certain issues which arise from transferring one account to the other.

In view of the foregoing, this bill aims at enhancing the guidelines of transferring an account from one social security insurance system to another thereby amending Republic Act 7699 otherwise known as the Portability Law.


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4TH District, Pangasinan


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AN ACT

ENHANCING THE GUIDELINES OF TRANSFERRING AN ACCOUNT FROM ONE SOCIAL SECURITY INSURANCE SYSTEM TO ANOTHER AMENDING FOR THE PURPOSE REPUBLIC ACT 7699 OTHERWISE KNOWN AS THE PORTABILITY LAW

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

Section 1. Declaration of Policy. It is hereby declared the policy of the State to ensure that the rights of our workers are protected and that all their contributions during their productive years are maximized and reciprocated through setting up schemes, under Social Security Insurance Systems, that are fair and beneficial to the workers. In view hereof, the State shall therefore:

- a. Enhance the implementation of the Portability law by reviewing and amending the guidelines of transferring an account from one system to another;
- b. Ensure that all the existing laws always stand in favour of the workers.

Sec. 2. Section 3 of the Republic Act 7699 is hereby amended to read as follows:

“Sec. 3. Provisions of any general or special law or rules and regulations to the contrary notwithstanding, a covered worker who transfers employment from one sector to another or is employed in both sectors shall have his/HER creditable services or contributions in both Systems credited to his/HER service or contribution record in each of the Systems and shall be totalized for purposes of old-age, disability, survivorship and other benefits in case the covered member does not qualify for such benefits in either or both

Systems without totalization [: Provided, however, That overlapping periods of membership shall be credited only once for purposes of totalization].

IF AN EMPLOYEE HAS SIMULTANEOUSLY BEEN EMPLOYED TO BOTH PRIVATE AND GOVERNMENT ENTITIES AND HAS CONTRIBUTED TO BOTH SSS AND GSIS AT THE SAME TIME, HIS/HER CREDITABLE SERVICES OR CONTRIBUTIONS DURING THE OVERLAPPING PERIOD OF MEMBERSHIP SHALL BE ADDED AND TOTALIZED IN ORDER TO QUALIFY FOR A BENEFIT FROM EITHER OF THE TWO SYSTEMS. THE COMPUTATION THEREOF SHALL BE BASED FROM THE TOTAL CREDITABLE SERVICES OR CONTRIBUTIONS HE/SHE HAS RENDERED.

IF AN EMPLOYEE HAS ALREADY SATISFIED THE REQUIREMENTS SET BY ONE SYSTEM TO AVAIL OF A RETIREMENT PLAN PRIOR TO TRANSFERRING TO ANOTHER, HIS/HER PREVIOUS SERVICES SHALL BE INCLUDED IN THE COMPUTATION OF SERVICE. IF AFTER COMPUTATION, THE EMPLOYEE HAS QUALIFIED FOR BOTH SYSTEMS, HE/SHE SHALL BE GIVEN OPTION TO CHOOSE WHICHEVER BENEFIT HE/SHE INTENDS TO AVAIL. PROVIDED, HOWEVER, THAT A MEMBER HAS NOT CLAIMED ANY OF THE CORRESPONDING BENEFITS HE/SHE IS ENTITLED TO FROM THE TIME HE/SHE HAS QUALIFIED FOR THE BENEFIT FROM EITHER OF THE TWO SYSTEMS. PROVIDED, FURTHER, THAT AN EMPLOYEE WHO IS ALREADY BEYOND THE MANDATORY REQUIREMENT AGE OF SIXTY FIVE (65) BUT HAS NOT OBTAINED THE REQUIRED NUMBER OF CREDITABLE SERVICES FOR RETIREMENT PURPOSES SHALL HAVE THE OPTION TO CONTINUE HIS/HER ACCOUNT IN EITHER OF THE SYSTEMS BY PAYING BOTH LIFE AND RETIREMENT PREMIUMS.”

Sec. 3. Section 4 of the Republic Act 7699 is hereby amended to read as follows:

“Sec. 4. All contributions paid by such member personally, and those that were paid by his/HER employers to both Systems shall be considered in the processing of benefits which he/SHE can claim from either or both

Systems: Provided, however, That the amount of benefits to be paid by one System shall be in proportion to the number of contributions actually remitted to that System.

Sec. 4. *Implementing Agencies.* The Department of Labor and Employment for the private sector and the Civil Service Commission for the government sector, together with the SSS and the GSIS shall, within ninety (90) days from the effectivity of this Act, promulgate the rules and regulations necessary to implement the provisions hereof: Provided, That any conflict in the interpretation of the law and the implementing rules and regulations shall be resolved in favor of the workers.

Sec. 5. *Repealing Clause.* All laws, decrees, orders, rules and regulations, or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 6. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,