

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

SEVENTEENTH CONGRESS
Second Regular Session

House Bill No. **7053**



**Introduced by Representatives Alfredo "Albee" B. Benitez,
Karlo Alexei B. Nograles, Rosanna "Ria" Vergara and
Rodante D. Marcoleta**

EXPLANATORY NOTE

This bill seeks to exclude the services performed by employees of religious corporations or entities from employment services covered by Social Security System (SSS) Law, amending for the purpose Republic Act (RA) No. 8282, otherwise known as the "Social Security Act of 1997."

The Social Security Act was enacted to develop, promote and maintain a sound and viable social security system suitable to the needs of the people throughout the Philippines. The sole purpose of the law is to promote social justice and provide meaningful protection to members and their beneficiaries against the hazards of disability, sickness, maternity, old age, death and other contingencies resulting in loss of income or financial burden. However, employees covered by SSS must contribute to the SSS for the social security benefits in accordance with the schedule provided by it. Monthly employee's contribution is currently based on at the maximum salary bracket of ₱16,000.00.

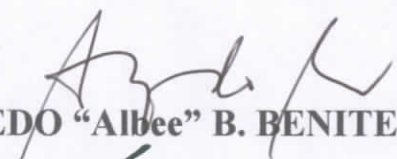
SSS covers permanent private-sector employees and their families who have worked continuously in a company for more than six months. The Social Security Act is predicated on the existence of an employer-employee relationship of more or less permanent nature.

Under Section 8, paragraph (j) of RA 8282, there are services which are not considered "employment" for purposes of SSS coverage such as: 1) employment that are purely casual and not for the purpose of occupation or business of the employer; 2) service performed in connection with alien vessels by an employee if he is employed when such vessel is outside the Philippines; 3) service performed in the employ of Philippine Government or instrumentality

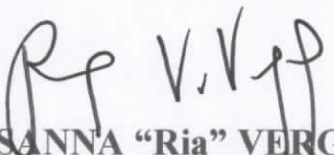
or agency; 4) service performed in the employ of a foreign government or international organization; and 5) such other services performed by temporary and other employees which may be excluded by regulation of the SSS.

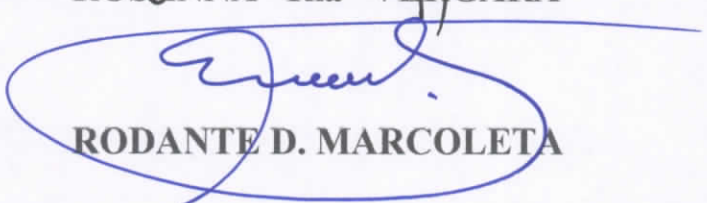
This bill seeks to exclude the services performed by the employees called to serve the manpower complement of entities or corporations organized and operated exclusively for religious purposes. Motivated by their deep religious conviction, they render services not in the context of livelihood or economic gain but in furtherance of their religious adherence, spiritual upliftment and fellowship. The remuneration that they regularly receive does not equate within the range of a salary paid to "regular employees." In particular, those who dedicated themselves into evangelical, missionary or propagation tasks, have no fixed working hours. Similarly, those who serve in various support offices work full time and receive mere financial assistance with free housing and medical assistance. Requiring them to pay SSS contributions will not serve the purpose.

In view of the foregoing, immediate approval if this bill is earnestly sought.


ALFREDO "Albee" B. BENITEZ


KARLO ALEXEI B. NOGRALES


ROSANNA "Ria" VERGARA


RODANTE D. MARCOLETA

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AN ACT
EXCLUDING THE SERVICES PERFORMED BY EMPLOYEES OF
RELIGIOUS ENTITIES FROM EMPLOYMENT SERVICES COVERED
BY SOCIAL SECURITY SYSTEM LAW, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 8282 OTHERWISE KNOWN AS THE
"SOCIAL SECURITY ACT OF 1997"

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

SECTION 1. Section 8 of Republic Act No. 8282, is hereby further
amended to read as follows:

"SEC. 8. *Terms Defined.* – For the purposes of this Act, the
following terms shall, unless the context indicates otherwise, have the
following meanings:

"(a) xxx	xxx	xxxxxxx;
"(b) xxx	xxx	xxxxxxx;
"xxxxxxx	xxx	xxxxxxx.

(j) *Employment* - Any service performed by an employee for his employer, except -

“(1) Employment purely casual and not for the purpose of occupation or business of the employer;

“(2) Service performed on or in connection with an alien vessel by an employee if he is employed when such vessel is outside the Philippines;

“(3) Service performed in the employ of the Philippine Government or instrumentality or agency thereof;

“(4) Service performed in the employ of a foreign government or international organization, or their wholly-owned instrumentality: *Provided, however,* That this exemption notwithstanding, any foreign government, international organization or their wholly-owned instrumentality employing workers in the Philippines or employing Filipinos outside of the Philippines, may enter into an agreement with the Philippine Government for the inclusion of such employees in the SSS except those already covered by their respective civil service retirement systems: *Provided, further,* That the terms of such agreement shall conform with the provisions of this Act on coverage and amount of payment of contributions and benefits: *Provided, finally,* That the

provisions of this Act shall be supplementary to any such agreement;

(4-A) SERVICE PERFORMED IN THE EMPLOY OF A FOUNDATION, ASSOCIATION OR CORPORATION, ORGANIZED AND OPERATED EXCLUSIVELY FOR RELIGIOUS PURPOSES: *PROVIDED*, THAT THE EMPLOYEES OF THE SAID FOUNDATION, ASSOCIATION OR CORPORATION VOLUNTARILY PERFORM THEIR DUTIES FULLY, DIRECTLY, AND SOLELY FOR RELIGIOUS ACTIVITIES AND NO PART OF ANY NET EARNINGS OF WHICH INURES TO THE BENEFIT OF ANY PRIVATE INDIVIDUAL: *PROVIDED*, *FURTHER*, THAT SAID EMPLOYEES ARE ACTIVE AND DEVOTED MEMBERS OF THESE RELIGIOUS ENTITIES: *PROVIDED*, *FINALLY*, THAT THESE ENTITIES PROVIDE SAID EMPLOYEES WITH DECENT HOUSING AND BASIC MEDICAL SERVICES, ASIDE FROM THE MODEST FINANCIAL ALLOWANCES THEY RECEIVE TO SUPPORT THEMSELVES AND/OR THEIR FAMILIES; [and]

“(5) Such other services performed by temporary and other employees which may be excluded by regulation of the

Commission. Employees of bona fide independent contractors shall not be deemed employees of the employer engaging the services of said contractors.”

SEC. 2. ***Repealing Clause.*** – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the provisions of 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 the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,