

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Seventeenth Congress
Third Regular Session

HOUSE BILL NO. 8559



Introduced by HON. RONALDO B. ZAMORA

EXPLANATORY NOTE

On June 23, 2016, former President Benigno “Noynoy” Aquino III signed into law Republic Act 10868, honoring and granting additional benefits and privileges to all Filipinos who reach the age of 100 years. Central to the implementation of RA 10868 is the grant of P100,000 in cash gift to all Filipino centenarians. The relevance of the cash grant can never be overemphasized. Filipinos who reach the age of 100 deserve all the respect and admiration that all of us can give them. Beyond this, they equally deserve, and most certainly require, government support for their upkeep.

But, like all of us, our centenarians remain highly susceptible to creeping inflation. The issue has become extremely relevant in recent months, when inflation rose, and continues to rise, to record levels, eroding the value of our hard-earned incomes including the cash grant to Filipino centenarians. For instance, when RA 10868 was enacted in June 2016, the value of P100,000 was already significantly less. Due to inflation, the P100,000 Centenarian grant was actually worth only P92,336 in June 2016.

Last October 2018, inflation crept to a near-decade high. This further eroded the real value of the P100,000 Centenarian grant to P83,472. By December 2018, assuming that inflation would slow down to about 6%, the P100,000 Centenarian grant would only have a true worth of P83,403.

And by the time the 17th Congress closes in June 2019, and assuming that inflation would further slowdown to 5% in said month, the real value of the P100,000 Centenarian grant would further slide to P81,566.

Erosion in the Value of P100,000 Due to Inflation (2012=100)		
	CPI	Real Value of P100,000
June 2012	100.0	100,000
June 2016	108.3	92,336.10
October 2018	119.8	83,472.45
December 2018 *	119.9	83,402.84
June 2019 *	122.6	81,566.07
* assumed CPI		Source of basic data: PSA

From the above table, one clearly sees that the P100,000 Centenarian grant is expected to lose as much as P10,770 in its real value by the time it reaches its third year of enactment (or from P92,336 in June 2016 to only P81,566 in June 2019).

This bill is filed to protect not just the real value of the P100,000 Centenarian grant, but ultimately, the welfare of the grant’s intended beneficiaries – Filipino centenarians. Every moment and everyday counts for all Filipinos reaching this age threshold. Congress should not allow inflation, a perennial fact of our lives, to diminish the value, both in quantitative and qualitative terms, of this very critical financial assistance to all Filipinos lucky enough to reach the ripe age of 100. Thus, this Representation recommends to amend RA 10868, and allow an automatic 3% annual adjustment of the Centenarian grant. Three percent (3%) is the median rate of the national government’s annual inflation rate target of 2-4%. While actual inflation, as data in recent months show, could exceed this level, a 3% annual adjustment would provide our Centenarians a comfortable hedge against rapid price increases.

If approved this year, for instance, the grant would be adjusted to P103,000 in 2019; and raised by 3% annually thereafter. This should keep the true value of the P100,000 grant not too distant from its real worth in 2016.

This proposal is not likely to create a significant dent on the national government's fiscal position, or create undue pressures on our macroeconomic goal of fiscal balance. According to data from the Community Program and Service Bureau (CPSB) of the Department of Social Welfare and Development (DSWD), only about 1,015 Centenarian Filipinos will be covered next year. The estimated additional funding requirement for FY 2019 would thus only be a measly P3.045 million. DSWD has no estimated coverage for 2020 and beyond. However, it would be safe to assume that the extra funding requirements to cover the regular annual 3% adjustment starting 2020 would not be too great as to cause DBM and DOF any headache.



RONALDO B. ZAMORA

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AN ACT
PROVIDING FOR AN AUTOMATIC ANNUAL ADJUSTMENT OF THE
CENTENARIAN GIFT, AMENDING FOR THE PURPOSE
REPUBLIC ACT 10868, OTHERWISE KNOWN AS
THE CENTENARIANS ACT OF 2016

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

SEC. 1. Section 2(b) of Republic Act 10868, An Act Honoring and Granting Additional Benefits and Privileges To Filipino Centenarians, and for Other Purposes, is hereby amended to read as follows:

*“(b) A Centenarian Gift in the amount of One Hundred [Thousand Pesos (P100,000)] **THREE THOUSAND PESOS (P103,000)**, which shall be adjusted annually by three percent (3%) beginning 2020: Provided, That the annual three percent (3%) adjustments shall be based on the previous year’s cumulative amount.”*

SEC. 2. Funding. – During the initial year of implementation of this Act, the requisite fund shall be sourced from the available funds of the Department of Social Welfare & Development (DSWD) and subsequently the amount necessary to implement the provisions of this Act shall be included in the General Appropriations Act.

SEC. 3. Implementing Rules and Regulations. – Within thirty (30) days from the effectivity of this Act, the Secretaries of the DSWD, the Department of the Interior and Local Government, the Department of Health, and the Executive Director of the Commission on Filipinos Overseas, shall promulgate the necessary guidelines for and shall take the lead in the effective implementation of this Act.

SEC. 4. Repealing Clause. – All laws, decrees, Executive Orders, rules and regulations inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SEC. 5. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation, which shall not be later than seven (7) days after the approval thereof.

Approved,