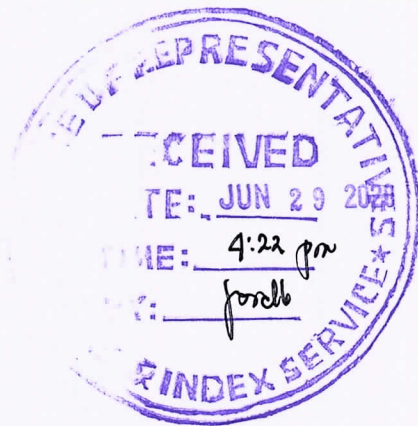


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **7039**



Introduced by **HON. JOY MYRA S. TAMBUNTING**

EXPLANATORY NOTE

The Social Security Act of 2018 was a welcome development in improving the social safety net in our country. It introduced unemployment insurance to our laws. However, the language of the law has allowed the SSS to unduly limit the beneficiaries of the unemployment insurance. The current Implementing Rules and Regulations of the SSS Act of 2018 makes the following exclusions:

- It excludes an employee who was dismissed or was allegedly dismissed for just causes.
 - o The language of the Implementing Rules and Regulations of the SSS Act of 2018 is clear with how only those who were dismissed under the authorized causes provided for in Articles 298 to 299 of the Labor Code are eligible to receive unemployment benefits. However, this qualification is not provided for in the text of the law itself. Additionally, the title of Section 14-B reads "Unemployment Insurance or Involuntary Separation Benefits". If indeed it was the intention of the drafters of the law to limit the provision of this benefit to those who were involuntarily separated from employment, the drafters could have simply used the term "Involuntary Separation Benefits" and could have omitted the term "Unemployment Insurance". The writers of the IRR of this law may have overstepped their boundaries and inadvertently amended the law by creating a classification and/or distinction which is not in the actual text of the law itself. In addition, the rule in the IRR which limits those eligible to the unemployment benefit to only those who have been dismissed due to authorized causes unduly disenfranchise a great number of SSS members from benefitting from their contributions. This would be a violation of their right to equal protection under the law because they contributed to the SSS yet they are not able to reap the benefits.
 - o An employee also does not have any control on an allegation made by their employer as regards the cause for their dismissal. The employee may have been illegally dismissed yet they will not be able to make a claim for unemployment insurance as their employer will put up a defense that the employee was dismissed for a just cause. Given the current IRR of the SSS Act of 2018, an employee who filed a case before the DOLE will not be able to claim unemployment insurance if the employer alleges a just cause in dismissing the employee, no matter how

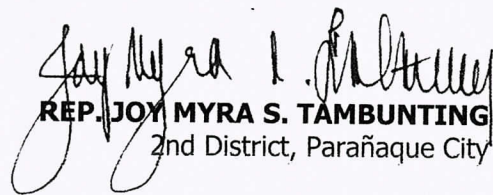
unfounded the claim of a just cause may be. The application of this rule will clearly prejudice the employee in his/her time of need.

- It excludes an employee who resigned and voluntarily terminated the employment relationship for valid causes.
 - o The Labor Code provides how an employee may resign and the just causes for which he may resign without notice. Under Rule 27 of the IRR, it is clear only those employees who were involuntarily separated from employment may avail of the employment benefits. The exclusion of those who resigned for a just cause from the unemployment benefit is a violation of their right to equal protection. These employees, like the employees in the first scenario, also contributed to the SSS and, as a result must be allowed to reap the benefits of their contribution at the time they need it most. It must be noted the just causes provided for in the Labor Code are very serious as they constitute violations of the employer against the rights of their workers. It is incomprehensible why the IRR would exclude such workers whose rights have already been violated by the employer.

Though many of these problems were brought about by the IRR, it is clear that the text of the SSS Act of 2018 gives leeway to the SSS to construe the law passed by Congress in such way. It is thus imperative upon Congress to amend the said law for the creation of a larger social safety net. Workers must not be disqualified from unemployment insurance due to the illegal actions of their employers. This amendment is also timely given the need of many of our countrymen for greater social security during the time of COVID-19.

Additionally, the requirements that "an employee who is unemployed can only claim unemployment benefits once every three years" and "that in case of concurrence of two or more compensable contingencies, only the highest benefit shall be paid, subject to the rules and regulations that the Commission may prescribe" must be removed from the law. Given the current pandemic, it is clear SSS members must have the ability to avail of more benefits from the SSS within a shorter span of time. SSS members must not be made to wait for 3 years to avail of additional benefits.

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.


REP. JOY MYRA S. TAMBUNTING
2nd District, Parañaque City

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HOUSE BILL NO. **7039**

Introduced by **HON. JOY MYRA S. TAMBUNTING**

**AN ACT AMENDING SECTION 14-B OF REPUBLIC ACT NO. 11199, OTHERWISE
KNOWN AS THE SOCIAL SECURITY ACT OF 2018**

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

SECTION 1. Section 14-B of Republic Act No. 11199 is hereby amended to read as follows:

"Section 14-B. *Unemployment Insurance [or Involuntary Separation Benefits]*. – A member who is not over sixty (60) years of age who has paid at least thirty-six (36) months contributions twelve (12) months of which should be in the eighteen-month period immediately preceding the [involuntary] unemployment [or separation] shall be paid benefits in the form of monthly cash payments equivalent to fifty percent (50%) of the average monthly salary credit for a maximum of two (2) months[: *Provided*, that an employee who is involuntarily unemployed can only claim unemployment benefits once every three (3) years: *Provided, further*, That in case of concurrence of two or more compensable contingencies, only the highest benefit shall be paid, subject to the rules and regulations that the Commission may prescribe]."

SECTION 2. Implementation. - The Social Security Commission shall amend the implementing rules and regulations of Republic Act No. 11199 accordingly.

SECTION 3. Separability Clause - If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 4. Repealing Clause - All laws, presidential decrees, executive orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

SECTION 5. Effectivity - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,