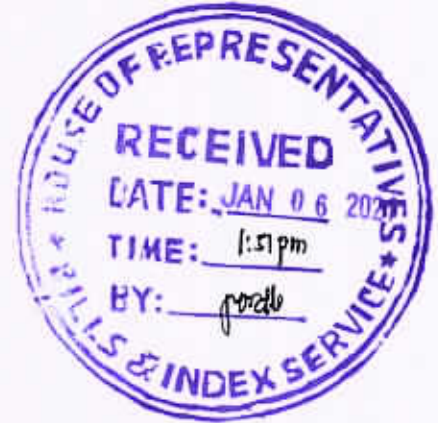


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
Second Regular Session



HOUSE BILL NO. 8313

Introduced by Honorable Mark O. Go

EXPLANATORY NOTE

Republic Act 11199, or the Social Security Act of 2018, was enacted to enhance the benefits enjoyed by SSS members and to ensure the fiscal viability of the institution. In order to introduce new benefits and increase the amount of existing benefits, the law mandated an incremental increase in the rate of contributions beginning 2019 until 2025. As provided in Section 4 of the said law, the total contribution rate in 2021 shall increase to 13% wherein the additional 1% increase will be borne by both the employer and the employee share alike.

Meanwhile, the Philippine economy was severely affected by the ongoing COVID-19 pandemic which began in early 2020. This resulted in the shutdown of several enterprises, and the retrenchment of millions of Filipino workers as shown in the country's unemployment rate of 8.7% in October 2020, which translates to around 3.8 million jobless Filipinos. And while the Philippines is only beginning to recover as the economy slowly reopens and jobs are slowly restored, Filipinos continue to struggle with overwhelming financial difficulty and economic uncertainty, and are therefore not in the position at the moment to bear any additional burden be it mandated by law.

In response to the economic difficulties confronting Filipinos during this time of pandemic, this bill seeks to provide relief to SSS members from being subjected to more financial strain. As the supposed increase is mandated by law, SSS is bound to implement the subject provisions. In this regard, this bill seeks to amend RA No. 11199 to defer the scheduled implementation of the increase as originally intended in the law. As per the latest projections of the government, the country expects a rebound in 2021 and an even bigger growth in 2022, assuming that the economy then will operate under looser

movement restrictions. It is expected that all forms of quarantine will be lifted only by 2022. At the moment, the country's fund managers are hoping that the economy will continue to recover once the "fear factor" is removed, that is when the consuming public regains confidence that they will no longer get sick. This expectancy is however threatened by the emergence of a new strain of the virus that is slowly creeping its way around the globe. NEDA meanwhile forecasts a return of the economy to pre-pandemic levels only by 2022. The road to full economic rehabilitation will be difficult and we have to remain prudent within these next two years so as not to disrupt the businesses' and the workers' slow but steady recovery. Providing Filipino workers and enterprises this proposed reprieve from an untimely increase in financial burden during these two years will allow them to bounce back as the country looks forward to better days ahead. This two-year deferral on the increase on contribution rates may be extended subject to any change or lack thereof in the prevailing socio-economic conditions in the country.

In view of the foregoing, the approval of this measure is earnestly sought.



MARK D. GO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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HOUSE BILL NO. 8313

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AN ACT
MANDATING A TWO-YEAR DEFERMENT IN THE IMPLEMENTATION OF
THE INCREASE ON CONTRIBUTION RATES OF MEMBERS OF THE SOCIAL
SECURITY SYSTEM AMENDING FOR THE PURPOSE REPUBLIC ACT NO.
11199, OTHERWISE KNOWN AS THE
SOCIAL SECURITY ACT OF 2018 AND FOR OTHER PURPOSES

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

SECTION 1. *Deferment of Contribution Rates.* - Section 4 of Republic Act No. 11199, otherwise known as the Social Security Act of 2018, is hereby amended to read as follows:

"Section 4. *Powers and Duties of the Commission and SSS* -

(a) The Commission. - For the attainment of its main objectives as set forth in Section 2 hereof, the Commission shall have the following powers and duties:

- (1) To formulate, adopt, amend and/or rescind such rules and regulations as may be necessary to carry out the provisions and purposes of this Act;
- (2) XXX
- (3) XXX
- (4) XXX

(5) XXX

(6) XXX

(7) XXX

(8) XXX

(9) To implement the rate of contributions as well as the minimum and maximum monthly salary credits in accordance with the following schedule effective January of the year of implementation as follows:

Year of Implementation	Contribution Rate	Share		Monthly Salary Credit	
		Employer	Employee	Minimum	Maximum
2019	12%	8%	4%	₱2,000.00	₱20,000.00
2020	12%	8%	4%	₱2,000.00	₱20,000.00
2021	~~[13%]~~ 12%	~~[8.5%]~~ 8%	~~[4.5%]~~ 4%	₱3,000.00	₱25,000.00
2022	~~[13%]~~ 12%	~~[8.5%]~~ 8%	~~[4.5%]~~ 4%	₱3,000.00	₱25,000.00
2023	~~[14%]~~ 13%	~~[9.5%]~~ 8.5%	~~[4.5%]~~ 4.5%	₱4,000.00	₱30,000.00
2024	~~[14%]~~ 13%	~~[9.5%]~~ 8.5%	~~[4.5%]~~ 4.5%	₱4,000.00	₱30,000.00
2025	~~[15%]~~ 14%	~~[10%]~~ 9.5%	~~[5%]~~ 4.5%	₱5,000.00	₱35,000.00

"Provided, That the domestic workers or "kasambahays" as defined under Republic Act No. 10361 or the Batas Kasambahay who are receiving a monthly income lower than minimum monthly salary credit prescribed under this Act shall pay contributions based on their actual monthly salary: Provided, further, That members, who are subject to compulsory coverage and receiving a monthly income lower than the minimum monthly salary credit or more than the maximum monthly salary credit, and their employers, shall pay the SSS contributions based on the current minimum monthly salary credit or the maximum monthly salary credit, respectively, as provided in this Act.

XXX XXX XXX

SEC. 2. *Extension of Deferment on Contribution Rates.* – The deferment on the implementation of the contribution rates may be extended upon the existence of a national emergency or a pandemic as declared by the President.

SEC. 3. *Repealing Clause.* - Republic Act No. 11199 or the Social Security Act of 2018 is hereby amended. All laws, presidential decrees, executive orders, rules and regulations, issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 4. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.