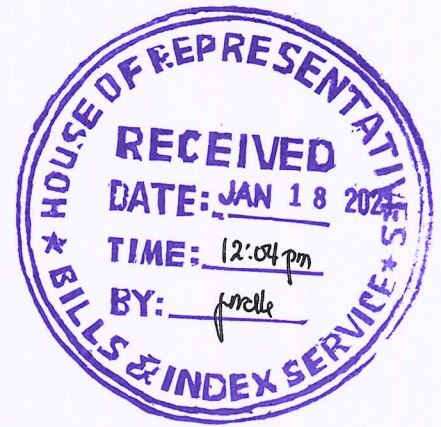


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. **8386**



Introduced by **RAYMOND DEMOCRITO C. MENDOZA**
Representative, Trade Union Congress Party

AN ACT
MANDATING THE SUSPENSION OF THE SCHEDULED INCREASE IN SOCIAL
SECURITY CONTRIBUTION RATE, AMENDING FOR THE PURPOSE SECTION 4
OF REPUBLIC ACT 11199, OTHERWISE KNOWN AS THE "SOCIAL SECURITY
ACT OF 2018," AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The COVID-19 pandemic has not only pushed the Philippine healthcare system to the brink of collapse but has also severely affected the Philippine economy and Filipino workers. According to the recent October 2020 Labor Force Survey, the country has an 8.7% unemployment rate, equivalent to 3.8 million unemployed Filipino workers. Though this is significant improvement from the record high unemployment rate of 17.6% tallied last April 2020 at the height of the nationwide lockdown, it is still almost double the 2.1% unemployment rate recorded by the same survey one year earlier in October 2019. Another recent survey from the Social Weather Stations last September 2020 also showed a record high hunger incidence of 30.7%, which translates to an estimated 7.6 million Filipino households who experienced hunger at least once during the height of the pandemic.

Workers who were able to remain employed also faced their own challenges. As a response to the economic crisis, companies implemented alternative work arrangements to preserve resources and sustain future operations once restrictions are relaxed and the global pandemic has subsided. Companies reduced workdays and forced employees on leaves, leaving workers to receive less compensation. Some companies chose to temporarily shut down, leaving workers without pay until operations resume. According to the Department of Labor and Employment (DOLE), around 3,023,601 workers were affected due to the implementation of these alternative work arrangements and temporary shutdowns.

Because of the negative effects of the pandemic to the Philippine economy, it is of utmost importance that it is ensured that companies can recover and that

workers are continuously able to provide for their families. This bill seeks to do just that by providing relief to Filipino workers and employers through the deferment of the mandated increase of social security contributions. The key towards economic recovery now is that money is put on the hands of Filipinos, both employer and workers, for them to survive.

Thus, the passage of this bill is earnestly sought.



RAYMOND DEMOCRITO C. MENDOZA
TUCP Partylist

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:

1 *Provided, further,* That members, who are subject to compulsory coverage
2 and receiving a monthly income lower than the minimum monthly salary
3 credit or more than the maximum monthly salary credit, and their
4 employers, shall pay the SSS contributions based on the current minimum
5 monthly salary credit or the maximum monthly salary credit, respectively,
6 as provided in this Act; *PROVIDED, FINALLY,* THAT IN THE EVENT OF A
7 PANDEMIC, ACT OF GOD, ACT OF NATURE, OR SIMILAR, ANALOGOUS
8 CATASTROPHIC EVENT, THE INCREASE IN CONTRIBUTION RATE
9 PROVIDED UNDER THIS SUBSECTION SHALL BE SUSPENDED, AND
10 THEREAFTER, THE MANDATED INCREASE SHALL BE IMPLEMENTED ON
11 THE YEAR FOLLOWING THE CESSATION OF THE PANDEMIC, ACT OF GOD,
12 ACT OF NATURE, OR SIMILAR, ANALOGOUS CATASTROPHIC EVENT, AND
13 ALL SUCCEEDING INCREASE IN CONTRIBUTION SHALL BE
14 IMPLEMENTED IN THE FOLLOWING YEARS ACCORDINGLY.

15
16 **SEC. 2. Continuity of SSS Benefits.** – Nothing in this Act shall be construed to
17 diminish any benefits, entitlements or privileges granted to members of the Social
18 Security System.

19
20 **SEC. 3. Implementing Rules and Regulations.** – The Social Security Commission
21 shall promulgate the necessary rules and regulations to implement this Act not
22 later than sixty (60) days after its effectivity.

23
24 **SEC. 4. Separability Clause.** – Any portion or provision of this Act that is declared
25 unconstitutional or invalid shall not have the effect of nullifying other portions or
26 provisions hereof as long as such remaining portions can still subsist and be given
27 effect in their entirety.

28
29 **SEC. 5. Repealing Clause.** – All laws, ordinances, rules, regulations, other
30 issuances, or parts thereof, which are inconsistent with this Act, are hereby
31 repealed or modified accordingly.

32
33 **SEC. 6. Effectivity.** – This Act shall take effect fifteen (15) days after its publication
34 in the Official Gazette or in a newspaper of general circulation.