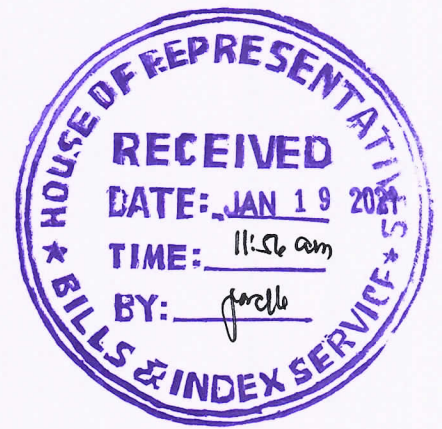




Republic of the Philippines
House of Representatives
Quezon City



EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8422

Introduced by REPRESENTATIVE ERIC L. OLIVAREZ

EXPLANATORY NOTE

Republic Act No. 11199 otherwise known as the Social Security Act of 2018 which prescribes a schedule of increasing SSS premium rates from twelve percent (12%) in 2019 to fifteen (15%) in 2025, among other things.

Then 2020 came and the world was havoc by the Covid-19 global pandemic which paralyzed nations and brought about massive economic downturns. Lockdowns had to be imposed by various countries - the Philippines included - to control the spread of the virus. Businesses closed down one by one and thousands of people were furloughed or, even worse, got laid off from their jobs permanently. Even at present, numerous establishments were not able to recover and closed shop permanently. As a result, many employees have lost their primary sources of income and are struggling to make ends meet.

This bill, which seeks to suspend the increase in Social Security System (SSS) contribution rate to thirteen percent (13%) for the year 2021, as provided for in RA 11199, is being proposed in light of the urgent and important considerations mentioned above. Right now, the most humane thing to do is to keep the SSS contribution rate at bay at least for the year 2021 to allow millions of Filipinos to recover first from the economic downturn

and financial hardships they suffered from last year due to this extraordinary crisis.

This Bill seeks to unload the people of additional financial burden, no matter how small, in order to help them get up and stand on their feet once more. In this regard, it can be said that this bill shares the very objective of the Bayanihan Acts 1 and 2 which were enacted in 2020 to provide partial economic relief and assistance to those who were affected by the Covid-19 pandemic.

In light of the foregoing, the enactment of this house measure is hereby earnestly sought.


ERIC OLIVAREZ



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1
2 **AN ACT SUSPENDING THE INCREASE IN THE SOCIAL SECURITY SYSTEM (SSS)**
3 **CONTRIBUTION RATES FOR THE YEAR 2021, AMENDING FOR THE PURPOSE**
4 **SECTION 4 OF REPUBLIC ACT (RA) NO. 11199, ENTITLED, "AN ACT**
5 **RATIONALIZING AND EXPANDING THE POWERS AND DUTIES OF THE**
6 **SOCIAL SECURITY COMMISSION TO ENSURE THE LONG-TERM VIABILITY**
7 **OF THE SOCIAL SECURITY SYSTEM, REPEALING FOR THE PURPOSE**
8 **REPUBLIC ACT NO. 1161, AS AMENDED BY REPUBLIC ACT NO. 8282,**
9 **OTHERWISE KNOWN AS THE "SOCIAL SECURITY ACT OF 1997"**

10 *Be it enacted in the Senate and the House of Representatives of the Republic of the*
11 *Philippines in Congress assembled:*

12 **Section 1. Amendment.** Paragraph (9), Section 4 of Republic Act No.
13 11199, entitled, "*An Act Rationalizing and Expanding the Powers and Duties*
14 *of the Social Security Commission to Ensure the Long-Term Viability of the*
15 *Social Security System, Repealing for the Purpose Republic Act No. 1161,*
16 *as Amended by Republic Act No. 8282, Otherwise Known as the "Social*
17 *Security Act Of 1997"*, is hereby amended to read as follows:

18 **"Sec 4. Powers and Duties of the Commission and SSS –**
19 **X X X**

(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	₱20,000
2020	12%	8%	4%	₱2,000	₱20,000
2021	~~13%~~	~~8.5%~~	~~4.5%~~	~~₱3,000~~	~~₱25,000~~
	12%	8%	4%	₱2,000	₱20,000
2022	13%	8.5%	4.5%	₱3,000	₱25,000
2023	14%	9.5%	4.5%	₱4,000	₱30,000
2024	14%	9.5%	4.5%	₱4,000	₱30,000
2025	15%	10%	5%	₱5,000	₱35,000

x x x ;”

Sec. 2. Appropriations. The shortfall in contributions collected by the Social Security System for the year 2021 as a result of this amendment shall be covered by the corporation’s reserve funds to the extent viable. In the case that the SSS reserve funds prove to be insufficient to cover the difference, the remaining amount shall be charged against the current budget of the Department of Finance.

Sec. 3. Separability Clause. If, for any reason, any part, section or provision of this Act is held invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be valid, and in force and effect.

Sec. 4. Repealing Clause. All laws, decrees, executive orders, proclamations, rules and regulations, and other issuances, or part or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

1 **Sec. 5. *Effectivity Clause.*** This Act shall take effect fifteen (15) days
2 after its publication in the Official Gazette or at least two (2) newspapers of
3 general circulation, whichever comes earlier.

4 **Approved.**