

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session



HOUSE BILL No. 551

Introduced by
ACT Teachers Party-List Rep. FRANCE L. CASTRO,
GABRIELA Women's Party Rep. ARLENE D. BROSAS,
and **KABATAAN Party-List Rep. RAOUL DANNIEL A. MANUEL**

AN ACT
INCREASING THE SOCIAL PENSION OF INDIGENT SENIOR CITIZENS
AND APPROPRIATING FUNDS THEREFOR, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 7432 ENTITLED, "AN ACT TO MAXIMIZE THE
CONTRIBUTION OF SENIOR CITIZENS TO NATION BUILDING, GRANT
BENEFITS AND SPECIAL PRIVILEGES AND FOR OTHER PURPOSES,"
AS AMENDED

EXPLANATORY NOTE

More than ninety percent of our population continues to work hard for a living.

Under the term of President Duterte, the Philippines experienced the worst economic situation since 1945. Based on the report of the Philippine Statistics Authority, the Philippine gross domestic product (GDP) contracted by 16.9% during the second quarter of 2020, which is even lower than the -7.3% GDP growth rate posted in 1984 and 1985. Moreover, even before the onslaught of the COVID-19 pandemic, the Philippine GDP is already slowing down. From 7.1% in 2016, it went down to 6.1% in 2019 and pummeled down to -9.5% in 2020.

According to the independent think-tank IBON, the Philippines has the 5.7% unemployment rate as of April 2022, second highest in Southeast Asia following Indonesia with 5.8% as of February 2022. Even though the Philippine economy posted 7.1% year-on-year gross domestic product (GDP) growth in the third quarter of 2021, the

Filipino people are not feeling the effects of the economic recovery. Based on their observations, informal work became more prevalent as employment dropped significantly.

The prospects for the majority of Filipinos can only worsen with slowing growth and the ongoing COVID-19 pandemic. Additional taxes and very low wages have further decreased the income of the poorest sectors of the society. What is worse though is that one sector heavily affected by this situation are our senior citizens or the elderly.

There is therefore a felt need to provide our senior citizens additional and better benefits than what are presently provided under present laws, especially now that with old age their health starts to fail, yet they could no longer or they are hard put to provide for themselves.

The proportion of the older population is rising worldwide. The same is happening in the Philippines where from 3.7 million or 5.4% of the population in 1995, the senior citizen population has increased to 5.8 million or 6.5% of the population as of 2010. Now based on Department of Social Welfare and Development (DSWD) data there are around 3 million indigent senior citizens in the country and the benefits they are getting are quite dismal.

Based on the study of Coalition of the Services of the Elderly (COSE), only 17% of senior citizens receive social pension at P500, while the majority or 54% do not receive any pension at all. Even among those who are receiving pension (SSS, GSIS and others), for SSS pensioners in particular, a third or 34% receive less than P2,000/month while more than half or 52% receive less than P3,000.

According to the Philippine Statistics Authority, poverty incidence among Filipino families in the first semester of 2021 was estimated at 18%. But these figures are based on a very low poverty threshold set by the government which was P12,082/month for a family of five, or P80.53/day or P2,416/month/person. Even this very low poverty threshold shows how inadequate the present social pension is.

Especially amid the COVID-19 pandemic, economic crisis and international oil crisis, the pension received by our senior citizens should be sufficient to cover their expenses for rising prices of food, medicines and other basic necessities. Under this legislative measure, the current social pension amounting to P500 per month will be increased to P1,000 per month. Moreover, this Bill expands the coverage by removing the discriminatory provision under the Expanded Senior Citizens Act of 2010, which requires the senior citizens to be "frail, sickly or with disability" for them to be able to receive social pension.

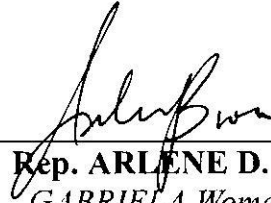
In response to the clamor of indigent senior citizens, the Bayan Muna filed House Bill 3934 during the 17th Congress, which was approved at the committee level. Then, it was refiled by Bayan Muna Representatives Ferdinand R. Gaite, Carlos Isagani T. Zarate and Eufemia C. Cullamat as House Bill No. 241 in the 18th Congress. The House of Representatives passed the legislative measure, as substituted by House Bill 9459, on third reading last August 2, 2021.

The immediate passage of this Bill, thus, is earnestly sought.

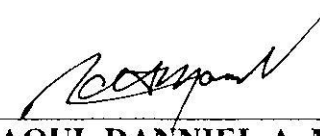
Approved,



Rep. FRANCE L. CASTRO
ACT Teachers Party-List



Rep. ARLENE D. BROSAS
GABRIELA Women's Party



Rep. RAOUL DANNIEL A. MANUEL
KABATAAN Party-List

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PURPOSE REPUBLIC ACT NO. 7432 ENTITLED, "AN ACT TO MAXIMIZE THE
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BENEFITS AND SPECIAL PRIVILEGES AND FOR OTHER PURPOSES,"
AS AMENDED

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

SECTION 1. Section 2 of Republic Act No. 7432, as amended, is hereby further amended to read as follows:

Sec. 2. *Definition of Terms.* – For purposes of this Act, these terms are defined as follows:

(a) xxx;

x x x

(h) Indigent senior citizen, refers to any elderly who is [frail, sickly or with disability, and] without pension or permanent source of income, compensation or financial assistance from his/her relatives to support

his/her basic needs, as determined by the Department of Social Welfare and development (DSWD) in consultation with the [National Coordinating and Monitoring Board] **NATIONAL COMMISSION OF SENIOR CITIZENS (NCSC). THEREAFTER, THE DETERMINATION OF QUALIFIED INDIGENT ELDERLY SHALL BE TRANSFERRED FULLY FROM THE DSWD TO THE NCSC WITHIN A PERIOD NOT EXCEEDING THREE (3) YEARS FROM THE EFFECTIVITY OF THIS ACT;**

I) PENSION PROVIDER REFERS TO ANY GOVERNMENT OFFICE OR AGENCY, OR ANY PRIVATE ENTITY WHICH PROVIDES PENSIONS TO ENTITLED RECIPIENTS ON THE BASIS OF CONTRIBUTIONS, GRATUITY, OR AS MANDATED BY ANY GOVERNING LAW OR ISSUANCE, INCLUDING THE SOCIAL SECURITY SYSTEM (SSS), THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), AND THE PENSION AND GRATUITY MANAGEMENT CENTER (PGMC);

J) SOCIAL PENSION REFERS TO THE MONETARY GRANT FROM THE GOVERNMENT TO SUPPORT THE DAILY SUBSISTENCE AND MEDICAL NEEDS OF SENIOR CITIZENS WHICH SHALL NOT BE LESS THAN ONE THOUSAND PESOS (PHP 1,000.00) PER MONTH.

SEC. 2. Section 5 of the Republic Act No. 7432, as amended, is hereby further amended to read as follows:

SEC. 5. Government Assistance. – The government shall provide the following:

(a) Employment

X X X

Private entities that will employ senior citizens as employees, upon the effectivity of this Act, shall be entitled to an additional deduction from their gross income, equivalent to fifteen percent (15%) of the total amounts paid as salaries and wages to senior citizens, subject to the provisions of Section 34 of the NIRC, as amended: Provided, however, That such employment shall continue for a period of at least six (6) months: Provided, further, That the annual income of the senior citizen does not exceed the latest poverty threshold as [determined] **PUBLISHED** by the [National Statistical Coordination Board (NSCB) of the National Economic and Developmental

Authority (NEDA)] **PHILIPPINE STATISTICS AUTHORITY (PSA)**
for that year.

x x x

(h) Additional Government Assistance

(1) **MANDATORY** Social Pension

Indigent senior citizens shall be entitled to a monthly stipend amounting to [Five hundred] **NOT LESS THAN ONE THOUSAND** pesos [(Php500)] **(PhP1,000.00)** to augment the daily subsistence and other medical needs of senior citizens[, subject to a review every two (2) years by Congress, in consultation with the DSWD].

THE DSWD SHALL, SUBJECT TO THE APPROVAL OF THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM), IN CONSULTATION WITH OTHER STAKEHOLDERS, REVIEW AND, WHEN NECESSARY, ADJUST THE AMOUNT OF SOCIAL PENSION EVERY TWO (2) YEARS AFTER THE EFFECTIVITY OF THIS ACT, TAKING INTO ACCOUNT THE PRESENT CONSUMER PRICE INDEX AS PUBLISHED BY THE PSA AND RELEVANT ECONOMIC INDICATORS, AS REPORTED AND PUBLISHED BY PERTINENT GOVERNMENT AGENCIES AND AUTHORITIES.

THE IMPLEMENTATION, DISTRIBUTION, AND MANAGEMENT OF THE SOCIAL PENSION SHALL BE TRANSFERRED FROM THE DSWD TO THE NATIONAL COMMISSION OF SENIOR CITIZENS (NCSC) WITHIN A PERIOD NOT EXCEEDING THREE (3) YEARS FROM THE EFFECTIVITY OF THIS ACT.

(2) x x x

(3) Social Safety Nets

Social safety assistance intended to cushion the effects of economic shocks, disasters, and calamities shall be available for senior citizens. The social safety assistance which shall include[, but not limited to,] food, medicines, and financial assistance for domicile repair, shall be sourced from the disaster/calamity funds of LGUs where the senior citizen reside, subject to the guidelines to be issued by the [DSWD] NCSC.

SEC. 3. *Implementing Rules and Regulations.* – Within thirty (30) days from the effectivity of this Act, the NCSC shall, in consultation with the DSWD, DBM and other concerned government agencies, as well as non-governmental organizations and people's organizations of senior citizens duly accredited by the DSWD, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 4. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the DSWD. Thereafter such amount necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 5. *Repealing Clause.* – All laws, decrees, executive orders, or rules and regulations, contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 6. *Separability Clause.* – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 7. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,