

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2294



Introduced by:
HONORABLE KHYMER ADAN T. OLASO
Representative, 1st District, Zamboanga City

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 OTIHER PURPOSES," AS AMENDED

EXPLANATORY NOTE

This bill which seeks to grant universal social pension to all senior citizens was approved on 3rd and final reading by the Senate and the House of Representatives during the 18th Congress.

Respect and care for the elders, particularly the grandparents, are enshrined in traditional Philippine society. Their wise counsel, honed by their years of experiences, are an indispensable guide for the youngsters of the family. In recognition of their role as invaluable and venerable members of the extended Filipino family system, the State is mandated by the Constitution to promote their welfare though "just programs of social security."

Article XV Section 4 of the 1987 Philippine Constitution provides that:

"SECTION 4. The family has the duty to care for its elderly members, but the State may also do so through just programs of social security."

Hence, the Social Pension Program which was first implemented in 2011 by virtue of Republic Act No. 9994 or the Expanded Senior Citizens Act of 2010 was enacted to cover those who are not enrolled in other pension schemes under the Social Security System (SSS) or the Government Service Insurance System (GSIS). From 134,000 beneficiaries in 2011, the social pension program expanded to 2.8 million or 33% indigent senior citizens in 2017. Despite the coverage of these schemes combined, there is an estimated 3 million or 38% of senior citizens with no pension at all.

In a review conducted by the Coalition of Services of the Elderly (COSE) and HelpAge International, the social pension for indigent seniors has significantly increased the income and expenditure of the elderly population but it remains limited.

They identified 2 main issues limit the impact of the social pension:

- a. the means-tested nature of the scheme excludes - by design - a large proportion of vulnerable older people whose incomes are too meager to contribute to social security earlier in their lives, but who fail to meet the strict eligibility criteria for the current social pension. Targeting errors also mean many of the very poorest older people are left out. A key finding of the research is that there are major issues to be addressed in the process of

targeting and validation of older people. A common observation by both implementers and older people was that many older people recipients appear not to be the poorest, while many of the poorest miss out. One major issue identified is that the *Listahanan* database - which is based on household data - does not adequately measure issues related to the vulnerability of individual older people. The increasing role of LGUs in the targeting process is unlikely to resolve issues of accuracy, and may create additional challenges. One is that the highly subjective nature of decision making can leave space for *clientelism* and corruption in the targeting process. Another issue is that LGUs struggle to mobilize the necessary human resources to undertake the time intensive process, which can lead to older people being enrolled without adequate validation.

- b. the benefit level of PhP 500 is low relative to both Filipino and international benchmarks, providing a limited level of income security. The benefit of PhP 500 amounts to less than half (41%) of the 2014 food poverty line (PhP 1,225 per month) and just 28% of the national poverty line (PhP 1,756). The inadequacy of the benefit is exacerbated by the fact it is not indexed to inflation. With rises in prices over the last 5 years, the real value of the social pension benefit has depreciated from the PhP 500 when RA 9994 was passed to approximately PhP 415 - a 17% reduction in the real value of the benefit.

Older persons have contributed immensely to the nation in all manner of ways throughout their lives: by paying taxes, by contributing to the growth of the economy and by raising future generations of Filipinos. Thus, this bill seeks to amend the social pension provision of RA 9994 and expand the coverage of social pension to all senior citizens while indexing the current benefit amount to inflation on the premise that the increase in social pension of senior citizens will enhance their capacity to meet daily subsistence and medical requirements.

Among the key features of this bill are:

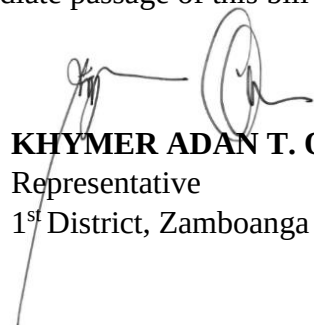
1. It defines the terms “social pension” and “pension provider” as follows:

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 but not limited to the Social Security System (SSS), the Government Service Insurance System (GSIS), and the Pension and Gratuity Management Center (PGMC)

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

2. It provides additional financial assistance to indigent senior citizens, in the form of a monthly stipend amounting to One thousand pesos (P1,000.00) to help indigent senior citizens defray the cost of daily subsistence and other medical needs
3. It mandates the DSWD, in consultation with the Department of Budget and Management, as well as other stakeholders, to review and when necessary, increase the amount of social pension every two (2) years after the effectivity of this Act, taking into account the various needs of senior citizens and relevant economic indicators

In view of the approval on 3rd reading of this bill by the Senate and House of Representatives during the 18th Congress, the immediate passage of this bill is earnestly sought.



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Be it enacted by the senate and House of Representatives 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) x x x;

x x x;

“(h) x x x;

“(I) PENSION PROVIDER REFERS TO ANY GOVERNMENT OFFTCE 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 THA 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 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 amount paid as salaries and wages to senior citizens, subject to the provision 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 Development Authority (NEDA)] **PHILIPPINE STATISTICS AUTHORITY (PSA)** for that year.

x x x

“(h) Additional Government Assistance

“(i) **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 ON 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 citizens 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 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, orders, issuances, and rules and regulations or parts thereof 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.