

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3000



Introduced by Hon. Mark O. Go

EXPLANATORY NOTE

Article XVI, Section 8 of the 1987 Constitution provides: “SEC. 8. The State shall, from time to time, review to upgrade the pensions and other benefits due to retirees of both the government and the private sectors.”

During the sixteenth Congress, both the Senate and the House of Representatives passed the grant of a P2,000 increase in the monthly pension of SSS members. However, the proposed measure was vetoed by then President Benigno Aquino III on the basis of a supposed substantial negative income of the SSS which would deplete its Internal Fund Reserve and shorten the institution’s actuarial life.

The following Congress, RA 11199 or the SSS Law of 2018 was enacted which increased SSS contribution rates biennially beginning at 12% in 2019 leading eventually to 15% in 2025 onwards. The statutory minimum and maximum salary credits which are the bases in computing the contribution of members were likewise increased. Furthermore, the law also mandated the compulsory coverage of all sea-based and land-based OFWs. These significant changes in the SSS Law secures the long-term financial viability of the SSS Fund. The said law also provided for the grant of an additional benefit allowance of P1,000 to all SSS pensioners. However, the minimum pension of members with at least ten (10) credited years of service remained at only P1,200, while those with at least twenty (20) credited years shall receive a minimum of only P2,400.

Meanwhile, the additional allowance of P1,000 pesos granted to pensioners, can no longer make up for the fast-rising prices of basic commodities. In June of 2022, inflation in

the Philippines shot to 5.1% from only 4.3% the previous year. In particular, the food and non-alcoholic beverage index rose to 5%, transport rose to 6.8%, while housing, water, electricity, gas, and other fuels rose to 5.9%.

As of July of 2021, there are around 2.9 million SSS pensioners, more than half of which are retirement pensioners, while the rest are death or disability pensioners. Senior citizens and persons with disabilities are among the most vulnerable members of the society. According to PSA data, around 800 thousand, or about 9.1% of senior citizens in the Philippines live below the poverty threshold. By region, the highest poverty incidence among senior citizens was in ARMM (now BARMM) at 41.7%, followed by Caraga at 30.3%, and Region VIII at 26.9%.

This bill seeks to grant an across-the-board P2,000 hike on the monthly pension under the SSS. In order to cushion the impact of the pension hike in the actuarial life of the SSS, the said increase shall be implemented in four tranches over four years from the effectivity of this measure. The across-the-board pension hike shall likewise result in the concomitant adjustment of the minimum pension prescribed in Section 12 of the new SSS Law.

Since the implementation of the P1,000 additional allowance to the pensioners, SSS has made inconsistent pronouncements on the possibility of implementing a supposed “second tranche” of a pension increase. These pronouncements caused mass confusion among pensioners who are left expecting in the midst of the continuous spike in the prices of basic goods and services. Furthermore, the concerns that led to the veto of the proposed pension hike in the sixteenth Congress have already been substantially addressed by the significant amendments introduced in the new SSS Law. The approval of this proposed measure will finally institutionalize the P2,000 pension hike, putting an end to the ongoing confusion and providing immediate relief to some of the most vulnerable of Filipinos.

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


MARKIO GO

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AN ACT
MANDATING A TWO THOUSAND PESO ACROSS-THE-BOARD INCREASE IN
MONTHLY PENSION WITH A CORRESPONDING ADJUSTMENT OF THE
MINIMUM MONTHLY PENSION UNDER THE SOCIAL SECURITY SYSTEM,
AMENDING FOR THE PURPOSE SECTION 12 OF REPUBLIC ACT NO. 11199,
OTHERWISE KNOWN AS THE “SOCIAL SECURITY SYSTEM ACT OF 2018”

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

SECTION 1. The Social Security Commission is hereby mandated to implement a two thousand peso (P2,000) across-the-board increase in the monthly pension under the Social Security System. The increase shall be implemented in four tranches as follows:

- i. First year of implementation – monthly pension increase of five hundred pesos (P500)
- ii. Second year of implementation – monthly pension increase of one thousand pesos (P1000)
- iii. Third year of implementation – monthly pension increase of one thousand five hundred pesos (P1,500)
- iv. Fourth year of implementation onwards – monthly pension increase of two thousand pesos (P2,000)

SEC. 2. Section 12 of Republic Act No. 11199 is hereby amended to read as follows:

“SEC. 12. *Monthly Pension.* – a) The monthly pension shall be the highest of the following amounts:

“(1) The sum of the following:

“(i) Three hundred pesos (P300); plus

“(ii) Twenty percent (20%) of the average monthly salary credit; plus

“(iii) Two percent (2%) of the average monthly salary credit for each credited year of service in excess of ten (10) years; or

“(2) Forty percent (40%) of the average monthly salary credit; or

“(3) One thousand pesos (P1,000): *Provided*, That monthly pension shall in no case be paid for an aggregate amount of less than sixty (60) months.

“(b) Notwithstanding the preceding paragraph, the minimum MONTHLY pension shall be [One] THREE thousand two hundred pesos [(P1,200)] (P3,200.00) for members with at least ten (10) credited years of service and [Two] FOUR thousand four hundred pesos [(P2,400)] (P4,400.00) for those with twenty (20) credited years of service: *Provided*, That the Commission, upon determination of actuarial soundness, may provide A HIGHER pension increase than amounts specified herein.

“(c) Additional Benefit Allowance. - Pursuant to Memorandum from the Executive Secretary dated 22 February 2017, by authority of the President of the Republic of the Philippines, an additional monthly benefit allowance amounting to One thousand pesos (₱1,000.00) shall be given to all retirement, death, and disability pensioners receiving monthly pensions in or after January two thousand seventeen (2017). The Commission may determine the grant of additional benefit allowance: *Provided*, That the actuarial soundness of the reserve fund shall be guaranteed. All other additional allowances to monthly pension subsequent to the Memorandum of the Executive Secretary dated February 22, 2017 shall be subject to the requirement of fund viability and sustainability as determined by the Commission based on the recommendations of the Office of the Chief Actuary guaranteeing the actuarial soundness of the grant of such allowances.”

SEC. 3. Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rules and regulations inconsistent with this Act is hereby repealed, modified, or amended accordingly.

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

Approved,

