

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. **7487**



Introduced by

Senior Citizens Party-List Representative RODOLFO "OMPONG" M. ORDANES

EXPLANATORY NOTE

The Senior Citizen Discount Act of 2010 provides a fixed 20% discount on goods and services to senior citizens in the Philippines. While this policy has been instrumental in providing support to the elderly population, a graduated senior citizen discount system based on age could provide more targeted assistance to elderly citizens in need.

The proposed graduated senior citizen discount system would provide greater discounts to elderly citizens based on their age. For example, citizens aged 60-69 would receive a 20% discount, while citizens aged 70-79 years would receive a 25% discount, with the discounts increasing in increments of 5% every ten years and which will be capped at 35% once they reach the age of 90 years old. This policy recognizes that elderly citizens who are older are more likely to have greater financial needs and require more assistance.

Evidence from various studies shows that older senior citizens have greater financial needs than younger senior citizens. According to a 2020 study by a senior citizen organization, it found that 89% of elderly citizens struggle to afford basic needs such as food and healthcare. This is particularly true for elderly citizens who live alone, have chronic illnesses, or have disabilities. As they age, their medical and healthcare expenses tend to increase, and their income decreases.

Another study conducted by the Philippine Institute for Development Studies in 2018 found that older senior citizens are more likely to be living in poverty than younger senior citizens. The study showed that 36% of senior citizens aged 75 years and above were living below the poverty line, compared to 29% of senior citizens aged 60-74. This is because older senior

citizens may have less income-generating opportunities and may have already exhausted their savings.

Furthermore, the COVID-19 pandemic has exacerbated the financial challenges faced by older senior citizens. According to the Philippine Statistics Authority, the unemployment rate among senior citizens increased from 2.3% in 2019 to 6.3% in 2020. The closure of businesses and the decrease in economic activity have affected the income of elderly citizens who are still employed.

Evidence shows that older senior citizens have greater financial needs than younger senior citizens, and therefore, a graduated senior citizen discount system based on age would be more beneficial in providing targeted assistance to those who need it the most. A graduated senior citizen discount system will go a long way in promoting the financial security and well-being of elderly citizens in the Philippines and ensuring that the privileges provided to senior citizens remain dynamic for them.

This bill seeks to reformulate the senior citizen discounts we provide to senior citizens by restructuring it to become more dynamic to the needs of our senior citizens by increasing the discounts available to those senior citizens who are older and in need for the discounts the most.

Therefore, in view of the foregoing, the immediate passage of this bill is earnestly sought.



RODOLFO "OMPONG" M. ORDANES

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AN ACT

GRADUATING THE SENIOR CITIZEN DISCOUNTS AVAILABLE TO SENIOR CITIZENS, AMENDING FOR THE PURPOSE REPUBLIC ACT (RA) NO. 9994, OTHERWISE KNOWN AS "AN ACT GRANTING ADDITIONAL BENEFITS AND PRIVILEGES TO SENIOR CITIZENS, FURTHER AMENDING RA NO. 7432, AS AMENDED, OTHERWISE KNOWN AS "AN ACT TO MAXIMIZE THE CONTRIBUTION OF SENIOR CITIZENS TO NATIONAL BUILDING, GRANT BENEFITS, AND SPECIAL PRIVILEGES AND FOR OTHER PURPOSES"

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

SECTION 1. Short Title. – This Act shall be known as the "Graduated Senior Citizens Act".

SEC 2. Section 4 (a) of Republic Act No. 9994, as amended, to read as follows:

- (a) The grant of twenty percent (20%) discount and exemption from the value - added tax (VAT), if applicable, on the sale of the following goods and services from all establishments, for the exclusive use and enjoyment or availment of the senior citizen. **PROVIDED THAT, THE DISCOUNTS GRANTED SHALL BE GRADUATED AS FOLLOWS, SENIOR CITIZENS AGED 60-69 YEARS SHALL RECEIVE A 20% DISCOUNT, SENIOR CITIZENS AGED 70-79 YEARS SHALL RECEIVE A 25% DISCOUNT, SENIOR CITIZENS AGED 80-**

89 YEARS SHALL RECEIVE A 30% DISCOUNT, AND THOSE AGED 90 YEARS AND ABOVE SHALL RECEIVE A 35% DISCOUNT:

SEC 3. *Suppletory Application.* – For purposes of this Act, the Revised Penal Code, and other applicable laws, shall have suppletory application.

SEC. 4. *Separability Clause.* – If any provision of this Act shall be declared unconstitutional or invalid, such declaration shall not invalidate other parts thereof which shall remain in full force and effect.

SEC 5. *Repealing Clause.* – All laws, decrees, executive orders, rules, and regulations, or parts thereof which are inconsistent with this Act are hereby repealed, amended, or modified accordingly.

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

Approved,