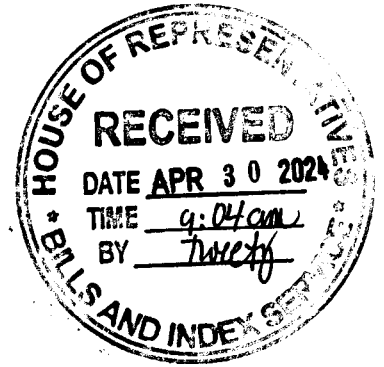




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress

Second Regular Session
House Bill No. **10286**



Introduced by:

HON. MARISSA "DEL MAR" MAGSINO
OFW PARTY LIST

EXPLANATORY NOTE

Getting laid off from work involuntarily is undoubtedly a traumatic experience since one has to deal with the challenges that come with the sudden loss of income and there are bills to pay and other financial responsibilities to meet.

There is *involuntary separation* of a worker if the termination of employment is due to any of the following reasons: installation of labor-saving devices; redundancy; retrenchment or downsizing; closure or cessation of operation; and disease/illness of the employee whose continued employment is prohibited by law or is prejudicial to his or her co-employees' health. Moreover, Presidential Decree No. 442 or the Labor Code of the Philippines also provides grounds for involuntary separation, including serious insult by the employer or his representative on the honor and person of the employee; inhuman and unbearable treatment accorded the employee by the employer or his/her representative; and commission of a crime or offense by the employer or his/her representative against the person of the employee or any of the immediate members of his/ her family.

Under Republic Act No. 11199 or the 'Social Security Act of 2018', workers in the private sector who are involuntarily separated from their employment now have a reprieve through unemployment benefits that can help ease their financial burden while looking for a new job. Also called the 'Unemployment Insurance or Involuntary Separation Benefit', it is a cash benefit granted to covered employees consisting of an amount that is equivalent to 50% of the member's average monthly salary credit (AMSC) for a maximum of two (2) months. The benefit is granted thru a one-time payment, and the claim must be filed within a year from the date of involuntary separation.

To qualify, a member should not be over 60 years old at the time of involuntary separation and has paid at least 36 monthly contributions, 12 months of which should be in the 18-month period immediately preceding the month of involuntary separation. An employee shall not be qualified to receive the benefit if he/she has been involuntarily separated from employment due to the following: serious misconduct; willful disobedience to lawful orders; gross and habitual neglect of duties; fraud or willful breach of trust/loss of confidence; commission of a crime or offense; or analogous cases like abandonment, gross inefficiency, disloyalty/ conflict of interest/ dishonesty.

This bill seeks to expand the involuntary separation benefit from fifty percent (50%) to seventy five percent (75%) of the qualified member's AMSC to account for the impact of extraordinary inflation that has hit the country in recent years and from the time of the enactment of the law in (RA 11199) in 2018. Under the prevailing economic conditions in the country, involuntary separation from employment is even more financially pressing.

In particular, this bill aims to benefit workers in the private sector who fall in the lower echelons of the economic ladder and those with peculiar circumstances, including Overseas Filipino Workers (OFWs), solo parents as defined in law, *kasambahays*, and similar covered groups, whenever they unfortunately find themselves struck by involuntary separation from employment. Since they are included in the coverage of RA 11199, they will benefit from the proposed expansion, which is hoped to be an additional safety net for these vulnerable sectors.

The proposed measure is well-aligned and consistent with the constitutional mandates of the State to promote social justice, to protect the rights of workers, advance their welfare and enhance their resiliency, especially in times of difficulties.

For the foregoing reasons, the immediate consideration and approval of this bill is earnestly urged.


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AN ACT
EXPANDING THE INVOLUNTARY SEPARATION BENEFIT, AMENDING FOR THE
PURPOSE SECTION 14-B OF REPUBLIC ACT NO. 11199, OTHERWISE KNOWN AS
THE "SOCIAL SECURITY ACT OF 2018"

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

Section 1. Section 14-B of Republic Act No. 11199 is hereby amended to read as follows:

"Section 14-B. ~~Unemployment Insurance or Involuntary Separation Benefits~~
INVOLUNTARY UNEMPLOYMENT INSURANCE OR SEPARATION BENEFITS, -
A member who is not over sixty (60) years of age who has paid at least thirty-six (36) months contributions, twelve (12) months of which should be in the eighteen-month period immediately preceding the involuntary unemployment or separation, shall be paid benefits in the form of monthly cash payments equivalent to ~~[fifty]~~ **SEVENTY FIVE** percent ~~[(50%)]~~ **(75%)** of the average monthly salary credit for a maximum of two (2) months: *Provided, That, an employee who is involuntarily unemployed can only claim unemployment benefits once every three (3) years; Provided further, That in case of concurrence of two or more compensable contingencies, only the highest benefit shall be paid, subject to the rules and regulations that the Commission may prescribe.*

Section 2. *Implementing Rules and Regulations* – Within sixty (60) days from the effectivity of this Act, the Social Security Commission shall promulgate the rules and regulations necessary for the effective implementation of this Act.

Section 3. *Repealing Clause* – All laws, presidential decrees, executive orders, rules and regulations, other issuances, and parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed and modified accordingly.

Section 4. *Effectivity Clause* – This Act shall take effect fifteen (15) days after publication in the Official Gazette or in any newspaper of general circulation.

Approved.