

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**TWENTIETH CONGRESS
First Regular Session**

HOUSE BILL NO. 188



INTRODUCED BY REPRESENTATIVE MILAGROS AQUINO - MAGSAYSAY

**AN ACT AMENDING REPUBLIC ACT NO. 9994 PROVISIONS, OTHERWISE
KNOWN AS THE “EXPANDED SENIOR CITIZENS ACT OF 2010”, PROVIDING FOR
ITS EXPANDED COVERAGE AND CLARIFYING AVAILMENT FOR BETTER
IMPLEMENTATION AND MAXIMIZED FUNCTIONALITY**

EXPLANATORY NOTE

This bill seeks to amend Republic Act (RA) No. 9994, otherwise known as the “Expanded Senior Citizens Act of 2010”, expanding its coverage and clarifying availment of its benefits and privileges, to ensure better implementation and maximize its functionality.

The original senior citizens law was passed in 1993 as Republic Act (RA) No. 7432 providing for the discount privileges and other free services which may be availed of by senior citizens below a certain income bracket. The intention was to recognize their contribution to Philippine society in their younger years, besides caring for our elderly. Ten (10) years later in 2003, RA 7432 was amended by Republic Act No. 9257, removing the financial status requirement, and extended the discount privileges to ALL senior citizens regardless of economic status, and clarifying under what conditions the benefits may be availed of. Unfortunately, there were still some difficulty in the implementation due to some gray areas which needed to be clarified further. Thus, seven (7) years later, in consideration of some additional benefits which the government sought to grant, and the genuine desire to ensure efficient implementation of the law, other relevant government agencies came together, and representatives from the private sector and business establishments were duly consulted and asked for their own inputs. This resulted in the more comprehensive RA 9994 passed in 2010, which included vital Social Protection provisions, particularly social safety nets like the social pension, healthcare coverage, and disaster management.

Nonetheless, it has been almost fifteen (15) years since the Senior Citizens Act was last amended, and there have been significant changes in the situation of our Filipino elderly, including their evolving needs as well as emerging trends in older persons care and interventions. There have

also been various implementing rules and supplemental guidelines that helped enforce RA 9994, but were not disseminated widely so as to inform the general public. This proposed amendment will now codify all these rules and guidelines for uniform application and common understanding amongst all stakeholders.

In view of the foregoing, the passage of this bill is earnestly recommended.


HON. MILAGROS AQUINO MAGSAYSAY

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

SECTION 1. Section 3 of Republic Act (RA) No. 9994 which amended Sec. 2. Definition of Terms of Republic Act No. 7432, as amended by RA 9257, is hereby further amended to read as follows:

“Section 2. Definition of Terms - For purposes of this Act, these terms are defined as follows:

(a) x x x

(b) x x x

(c) Lodging Establishments – refers to all facilities providing short-term accommodations, lodgings, or temporary shelter such as motels, appartelles, condotels, pension houses, inns, dormitories, including beach and mountain resorts, as well as all applicable amenities.; x x x

(d) x x x

(e) x x x

(f) x x x

(g) x x x

(h) x x x

(i) “Exclusive Use and Enjoyment” – pertains to the reasonable limitation or restriction imposed on the availment of the senior citizens’ privileges to avoid abuse and enjoyment of the benefit by non-seniors;

(j) MEMC – Refers to the “Most Expensive Meal Combination” of single order or solo meal packages being offered by the restaurant, and which shall be the basis of the computation of the Senior Citizens 20% discount and 12% VAT;

(k) Restaurants – refers to food establishments duly-licensed and with business permits issued by the local government units, offering to the general public regular and special meals or menu, fast food, cooked food and short orders either for Dine-in, take-out/take-home, delivery or drive-thru. Such eating-places may also serve beverages and drinks, and may be classified as Quick-Service Restaurants (QSR) or “fast-foods”, Casual Dining and Fine-Dining restaurants as defined below:

- (i) Quick-Service Restaurants or fast-food chains, refer to restaurants with multiple branches that have menu boards, where food item choices are listed. Customers place their orders with the cashier and pay right after order are taken.
- (ii) Casual and Fine-Dining Restaurants are restaurants where customers are seated first before their food orders are taken by waiters. They are served at their tables and pay only after they have consumed their meals.

(l) Double Discount – refers to another discounted rate or promotional offer separate and independent of the senior citizens’ discount which may not be availed of on top of the 20% senior citizens’ discount;

(m) Basic Necessities - As defined and listed in RA 7581, otherwise known as the “Price Act”, as amended to include bottled water, instant noodles and LPG, refer to fresh agricultural products or food items such as rice, corn, bread, fresh, dried and canned fish and other marine products, fresh pork, beef or poultry meat, fresh eggs, fresh milk and processed milk, fresh vegetables, rootcrops, coffee, sugar, cooking oil, salt, and non-food items like laundry soap, detergents, and drugs classified as essential by the DOH, and other commodities as may be classified by the Department of Agriculture (DA) and Department of Trade and Industry (DTI);

(n) Prime Commodities – As defined and listed in RA 7581 or the “Price Act” as amended to include bottled water, instant noodles, and LPG, refer to fresh agricultural products and food items like fresh fruits, flour, dried, processed and canned pork, beef, and poultry meat, dairy products not falling under basic necessities noodles, onions, garlic, and all drugs not classified as essential drugs by the DOH, and other commodities as may be classified by the Department of Agriculture (DA) and Department of Trade and Industry (DTI);

(o) Recreation Centers – refers to facilities that provide services for recreation and physical activity like ballroom dancing, yoga, badminton courts, bowling lanes, table or lawn tennis, workout gyms, and martial arts facilities;

SECTION 2. Section 4 of RA 9994 on Privileges for the Senior Citizens is hereby amended to read as follows:

“ x x x

(a) the grant of twenty percent (20%) and exemption from the Value-Added Tax (VAT), if applicable, on the sale of the following goods and services from all establishments x x x including purchases from online merchants or Third-Party online or mobile e-commerce platforms x x x

(1) on the purchase of medicines as listed in the formulary of essential drugs and medicines by the Food and Drug Administration (FDA), including the purchase of influenza and pneumococcal vaccines, and such other essential medical supplies, accessories and equipment as enumerated in Department of Health (DOH) Administrative Order No. 2012-007 such as medical devices composed of implants, supplies, kits, and other equipment, including the use of radiation devices, dental, and laboratory, hospital implement or apparatus, used/consumed during check-up or confinement of a senior citizen regardless of the number of days of stay.

All medical devices to be used at home, or for monitoring of a particular ailment or disease, or to aid the maintenance of a treatment shall also be covered by the 20% discount and 12% VAT exemption; this includes walking canes, crutches, adult diapers, wheelchairs, commode chair, bed pan, body support, fracture sock, medical support stockings, oxygen therapy unit (gauge, tank set), IV fluid and stand, forceps, swabs, urine bag, catheters, glucometers, insulin syringe and needle, thermometer, blood pressure apparatus, dialyzer, gloves, cotton, gauze, dressing, masks, among others.

Further, discounted drugs and medicines shall apply to both generic and branded medicines, including vitamins and minerals as may be prescribed by a physician for a senior citizen, and organic or herbal medicines certified by the FDA with known therapeutic value, and in whatever form such as oral medication in tablet, capsule, syrup or suspension form, and non-oral medicines such as ointments, salves, and eyedrops and eardrops; Provided, that the senior citizen availing of such discount and VAT-exemption privilege is able to show a valid OSCA-issued Senior Citizens ID card or any other proof of entitlement as authorized under Section 7 herein, with no need of a Purchase Booklet; x x x “

(2) x x x

(3) x x x

(4) on medical and dental services, diagnostic and laboratory fees in all private hospitals, medical facilities, outpatient clinics, and home health care services, in accordance with the rules and regulations to be issued by the DOH, in coordination with the Philippine Health Insurance Corporation (PhilHealth); Provided, that a

hospital bed in a private hospital is deemed medically necessary to diagnose and treat an illness or injury shall be granted 20% discount. The available room and board accommodation deemed as medically necessary shall be granted 20% discount. All existing privileges that are currently part of a hospital bed shall also accrue to the senior citizen. The computation shall be the total bill less the 20% SC discount, with the remaining 80% of the fees/charges that the SC is expected to shoulder charged to the applicable Philhealth coverage;

(5) in actual fare for land transportation travel on public utility buses (PUBs), public utility jeepneys (PUJs), taxis, Asian Utility Vehicles (AUVs), shuttle services, Transport Network Vehicle Service (TNVS) and public railways, such as the Light Rail Transit (LRT), Mass Rail Transit (MRT), the Philippine National Railway (PNR), and such other public railway system that may be established hereafter; In addition, the discount shall also apply to land travel incidentals such as toll fees and parking fees;

(6) on actual transportation fare for domestic air transport services and sea shipping vessels and the like, based on the actual fare and advanced booking; Provided, the discount not only applies to actual fare on the “carriage of passengers”, but also to air and sea travel incidentals like airport terminal fees, port or pier fees, nor travel taxes;

(7) on the utilization of services in hotels and lodging establishments, restaurants, and recreation centers; x x x

Provided, the discounted and VAT-exempt purchase of food, drinks, dessert and other consumable items served by the restaurants offered for the consumption of the general public whether for dine-in, take out/take-home, drive-thru or delivery shall be for the “exclusive use and enjoyment” of seniors or for their “personal consumption” only. For this purpose, unless the restaurant or food establishment only offers group meals or “food for sharing”, senior citizens are enjoined to avail of the Single Order or Solo Meal packages to the amount of the “Most Expensive Meal Combination” (MEMC) to facilitate the availment and easy computation of the discount and VAT exemption. As such, the senior citizens discount shall not apply to whole cakes, except if it’s the senior citizens’ own birthday cake, whole pizza pies, or big buckets/boxes of fried chicken, and will be computed only based on single/individual share. In the same manner, for restaurants or food establishments which only serve “group” meals or “food for sharing”, the equivalent share or portion only of an individual senior citizens with a valid senior citizens ID or any other proof of entitlement as provided under Section 7 herein, shall enjoy the 20% discount and 12% VAT exemption. Such computation shall be as follows:

Total Billing Amount

Number of Customers - Less 20% Discount X 12% VAT

(8) x x x

(9) on funeral and burial services for the death of senior citizens which covers the purchase of the casket or urn, embalming, cremation costs, pick-up of the body from the morgue, transport for burial at his/her hometown, but excluding obituary publication and the cost of the memorial lot; Provided, the discount that covers "Other RELATED Services" applies to gravesite excavation or digging services; x x x "

SECTION 3. Section 4 (c) on the grant of special discount on water and electricity utilities is hereby amended to read as follows:

" x x x

(c) the grant of a minimum of five (5%) discount relative to monthly utilization of water and electricity supplied by public utilities, Provided that the individual meters for the foregoing utilities are registered in the name of the senior citizen residing therein; Provided, that the monthly consumption does not exceed ***one hundred fifty (150) kilowatt hours of electricity and fifty (50) cubic meters of water***; Provided further, that the privilege is granted per household regardless of the number of senior citizens residing therein, and that the registered senior citizen continues to live within the household address; x x x "

SECTION 4. Section 4 (j) on the grant of special discounts in special programs for senior citizens on the purchase of basic necessities is hereby amended to read as follows:

" x x x

(j) to the extent possible, the government may grant special discounts in special programs for senior citizens on the purchase of basic necessities and prime commodities as listed in Republic Act No. 7581, otherwise known as The Price Act, and subject to the guidelines to be issued for the purpose by the Department of Trade and Industry (DTI) and the Department of Agriculture (DA); Provided, that said discount privilege shall be ***availed of on a weekly basis in the amount of Two Thousand (2000.00) Pesos*** as the estimated personal consumption and exclusive use and enjoyment of an individual senior citizen; Provided further, that the senior citizen availing of the above-mentioned benefit is able to show his/her OSCA-issued Senior Citizens ID card or any other alternative proof of entitlement as authorized under Section 7 of this Act, without need of a Purchase Booklet; x x x "

SECTION 5. Taxation Matters/Treatment – Business establishments granting the 20% senior citizens discount on goods and services mentioned under Section 4 of RA 9994 may claim them as TAX CREDITS on the cost of goods sold or services rendered: Provided, that the cost of the discount shall be allowed as a tax credit from gross income in the same taxable year that the discount is granted; Provided further, that the total amount of the claimed tax credit net of VAT, if applicable, shall be included in their gross sales receipts for tax purposes and shall be subject to proper documentation and relevant provisions of the Tax Reform for Acceleration and Inclusion (TRAIN) Law.

In addition, Section (4) (b) of RA 9994 is likewise amended to read as follows:

“x x x (b) exemption from the payment of individual income taxes of senior citizens who are considered minimum wage earners with P250,000.00 or below income in accordance with RA 10963, otherwise known as the TRAIN law; x x x “

SECTION 6. No Double Discount Policy - In the purchase of goods and services which are on promotional discount, the senior citizen can avail of the promotional discount or the discount provided herein, whichever is higher; Provided said promotional offer is duly-registered and granted a special permit by the Department of Trade and Industry's Fair Trade Enforcement Bureau (DTI-FTEB).

In cases where the senior citizen is also a Person with Disability(PWD) entitled to a 20% discount under his/her valid PWD identification card (ID), the senior citizen shall use either his/her PWD ID Card or his/her OSCA-issued Senior Citizen ID card or any other authorized alternative proof of entitlement as provided under Section 7 of this Act, to avail of the 20% discount.

SECTION 7. Computation of the 20% discount and VAT Exemption - The grant of the 20% discount and exemption from the 12% VAT shall be computed in accordance with BIR Reenue Regulations No. 7-2010. First determine the VAT-exempt sale from the selling price, and then deduct the 20% discount from the VAT-exempt sale to come up with the amount due, as below:

Example: Selling Price: P1,000.00

VAT Rate: 12%

Formula:

$\text{VAT Exempt Sales} = \text{Selling Price} \div 1.12$

Computation: $P1,000.00 \div 1.12 = P892.86$

$\text{Senior Citizen Discount} = \text{VAT Exempt Sale} \times 20\%$

Computation:

$P892.86 \times 0.20 = P178.57$

Formula:

$\text{Amount Collectible} = \text{VAT Exempt Sale} - \text{Senior Citizen Discount}$

Computation:

$P892.86 - P178.57 = P714.29$

Amount Due from SC: P714.29

Or

Sample 2: Selling Price: P100

$P100 - 12\% = 88$ (VAT-exempt amount)

$P88 - 20\% = 17.6$ (discount due)

$P88 - 17.6 = 70.4$

Amount Due from SC: P70.4

SECTION 8. Availment of the Benefits/Proof of Entitlement – The above-mentioned discount and VAT-exemption privileges shall be availed of by senior citizens for their *exclusive use and enjoyment only*, limited to their individual benefit and/or personal consumption, and NOT to be abused nor extended to NON-senior citizens, in accordance with the original intention of this law.

- a) In the availment of the privileges mentioned above, the senior citizen or a duly authorized representative where applicable, may submit as proof of entitlement thereof ANY of the following:
 - (1) the senior citizens Identification (ID) Card issued by the Office of Senior Citizens Affairs (OSCA) of the place where the senior citizen resides;
 - (2) the Philippine passport of the senior citizen; and
 - (3) other documents issued by the Philippine government that establish the Filipino citizenship and age of at least sixty (60) years of the senior citizen claiming the benefit, such as Land Transportation Office (LTO)-issued driver's license, GSIS/SSS/UMID cards, Profession Regulatory Commission (PRC) license, Commission on Election (COMELEC) voter's ID, postal ID, or PhilSys National ID.
- b) The same benefits and privileges shall be made available to Filipinos who hold foreign passports but are registered as dual citizens and Filipinos who have re-acquired their Filipino citizenship thru Republic Act No. 9225 or the Citizenship Retention and Re-acquisition Act of 2003.
- c) The Senior Citizens' Identification (ID) Card, which is the primary documentary proof of entitlement to benefits and privileges under RA 9994, shall be issued by the respective OSCA of the LGU where the senior resides, only to individuals who are proven:
 - (1) Filipino citizens by birth from parental nationality and ancestry, by naturalization, or under a legal Dual Citizenship; and
 - (2) Are at least sixty (60) years old at the time of application for the SC ID card.

SECTION 9. Section 6 of RA 9994 on the Selection and Appointment of Office for Senior Citizens Affairs (OSCA) Head, is hereby amended to read as follows:

“x x x There shall be established in all cities and municipalities an OSCA to be headed by a senior citizen who shall be appointed by the mayor in his/her ministerial duty, after having been chosen from a list of three (3) nominees recommended by a general assembly of DSWD-accredited or LGU-registered senior citizens organizations of the city or municipality, a democratic process which shall strictly be observed.

The OSCA Head shall be appointed to serve the interest of the senior citizens for a term of three (3) years without reappointment or successive terms, except authorized extensions for a limited period, if exigency so requires. The OSCA Head shall serve his/her full three (3) year term, which

shall not be co-terminous with the mayor. An OSCA Head may not be removed or replaced except for reasons of death, permanent disability, or ineffective performance of his duties to the detriment of fellow senior citizens. X x x “

SECTION 10. Section 6 of RA 9994 on the Functions of the Office of Senior Citizens Affairs (OSCA) is hereby amended to read as follows:

“ x x x The OSCA shall have the following functions:

- (a) x x x
- (b) x x x
- (c) x x x
- (d) To serve as a general information and liaison center for senior citizens and all relevant programs, services and activities for them;
- (e) To monitor compliance of the provisions of this Act, particularly the grant of the special discounts and privileges by ensuring the posting of proper notices and signages by business establishments, as well as receive initial reports and complaints for violations of RA 9994, especially on the non-grant of the senior citizens discount; Said posting of proper notices and signages shall be made a requirement for the issuance and renewal of business permits and other licenses, and shall be strictly coordinated with the LGU’s appropriate departments and/or offices;
- (f) X x x
- (g) To assist the senior citizens in asserting their rights under RA 9994 by receiving complaints against any individual, establishment, business entity, institution, or agency refusing to comply with the privileges under RA 9994 and resolving said concerns at the LGU level with the support and assistance of the Mayor; The OSCA may utilize a Complaints Form template/checklist citing the specific violation or provision not honored, what kind/category of business, including its official business name, and possible guidelines or regulations issued by the relevant government agency having oversight over the business or industry. The OSCA Head may convene a Hearing Board comprised of representatives from local senior citizens associations and the appropriate government agencies which have jurisdiction over such transactions. If the complaint remains unresolved, the OSCA Head may seek the assistance of the City Legal Officer, and refer the matter to the Prosecutor’s Office or the Department of Justice (DOJ) for the filing of an actual case in the regional or municipal trial courts. x x x “

SECTION 11. Section 7 of RA 9994 amending the previous SEC. 10 on Penalties is hereby amended to read as follows:

“Sec.10. Penalties – Any person, natural or juridical, who refuses to honor the senior citizens identification card and other recognized proof of entitlement to the benefits and privileges provided herein, or violates any of the provisions of this Act, the following penalties:

- (a) For the first violation, a fine of not less than one hundred thousand pesos (P100,000.00) but not more than one hundred fifty thousand (P150,000.00), and an imprisonment of not less than two (2) years but not more than six (6) years, and at the court's discretion, the establishment may also face temporary closure for a period deemed appropriate by the authorities;
- (b) For the subsequent violation, a fine of not less than two hundred thousand pesos (P200,000.00) but not more than three hundred thousand pesos (P300,000.00), and imprisonment of not less than six (6) years but not more than eight (8) years, and at the court's discretion, said business entity may also be banned from doing business for a period determined by the authorities; and
- (c) Any person who abuses the privileges granted herein shall be punished with imprisonment of not less than six (6) months and a fine of not less than one hundred thousand pesos (P100,000.00) but not more than two hundred thousand pesos (P200,000.00). x x x “

SECTION 12. Section 9 of RA 9994 on the Implementing Rules and Regulations is hereby to read as follows:

“ x x x Within ninety (90) days from the approval of this Act, the National Commission on Senior Citizens, and all relevant government agencies and other stakeholders comprising its Inter-Agency Advisory Body, shall formulate and adopt amendments to the existing rules and regulations implementing RA 9994. x x x “

SECTION 13. Separability Clause – If any portion or provision of this Act is declared invalid or unconstitutional, other provisions not affected thereby shall continue to be in full force and effect.

SECTION 14. Repealing Clause – All laws, decrees, executive orders, rules or regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

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

Approved