

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 1032



INTRODUCED BY REPRESENTATIVE MILAGROS AQUINO - MAGSAYSAY

EXPLANATORY NOTE

This bill seeks to create agricultural pension fund and establish a social security benefits system for farmers and fisherfolk, and provide funds to protect the welfare and interest of ageing and elderly agricultural workers.

The Philippines is primarily an agricultural country despite the plan to make it an industrialized country. The Philippine Gross Domestic Product (GDP) posted growth of **7.6 per cent** in the third quarter of 2022, exceeding the median analyst forecast of 6.3 per cent. Major economic sectors posted positive growth in the third quarter, including agriculture, forestry and fishing at 2.2 per cent, industry at 7.7 per cent, and services at 9.1 per cent. The value of production in agriculture and fisheries at constant 2018 prices in the first quarter of 2023 was registered at Php 428.69 billion, which indicates an annual growth of 2.1 percent. Expansions in the value of livestock and poultry production were noted, with annual increases in the value of production of crops, livestock, poultry, and fisheries in the recent quarters. (Philippine Statistics Authority, Value of Production in Philippine Agriculture and Fisheries, 1st Quarter 2023 Report)

Agriculture continues to be a main driver of the Philippine economy, and as such, Filipino farmers and fisherfolk are admittedly crucial in the country's development and sustainability. However, they remain to be the poorest sectors in the Philippines. Agricultural workers laboring their whole lives also suffer from the uncertainty of economic security and financial stability in their later years as they age.

The Social Protection framework to which the Philippines subscribes requires the development of policies and programs which shall reduce poverty and vulnerability to risks, and enhance the social status and rights of marginalized sectors like the senior citizens, including protecting against the sudden loss of income and improving capacity to manage risks. The senior citizens sector ranked seventh among the basic sectors which has the highest poverty incidence and magnitude of poor. And for ageing Filipino workers in the agriculture sector, the risk and

vulnerability is compounded without assured social security benefits after working as farmers and fisherfolk for most of their lives.

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

A handwritten signature in black ink, appearing to read 'Milagros', with a stylized flourish at the end.

HON. MILAGROS AQUINO-MAGSAYSAY

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**AN ACT CREATING AN AGRICULTURAL PENSION FUND, ENSURING SOCIAL
SECURITY BENEFITS FOR FARMERS AND FISHERFOLK,
AND PROVIDING FUNDS THEREFORE**

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

SECTION 1. Short Title – This Act shall be known as the “*Agricultural Pension Fund Act of 2025*”.

SECTION 2. Declaration of Policy – It shall be the declared policy of the State to protect and promote the welfare and interest of Filipino senior citizens, and ensure a decent and dignified standard of living and quality of life by providing accessible programs and affordable services.

The 1987 Constitution, Article II, Section IX, mandates: “*The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.*” In addition, Article II, Section X declares: “*The State shall promote social justice in all phases of national development.*” Moreover, Article Section IV provides: “*The family has the duty to care for its elderly members, but the State may also do so through just programs of social security.*”

SECTION 3. Definition of Terms – As used in this Act, the following terms shall mean:

a. “Agricultural Workers” - refer to farmers and fisherfolk engaged in the cultivation of the soil, planting of crops, growing of fruit trees, raising of livestock, poultry, or fish, including the harvesting and marketing of such farm products, and other farm activities and practices.

b. "Artisanal fisherfolk" - Refers to municipal, small scale or subsistence fishermen who use fishing gear which do not require boats or which only require boats below three (3) tons;

c. "Basic sectors" - Refer to the disadvantaged sectors of Philippine society, namely: farmer-peasant, artisanal fisherfolk, workers in the formal sector and migrant workers, workers in the informal sector, indigenous peoples and cultural communities, women, differently-abled persons, senior citizens, victims of calamities and disasters, youth and students, children, and urban poor;

d. "Cooperative" - Refers to a duly registered association of at least fifteen (15) persons, majority of which are poor, having a common bond of interest, who voluntarily join together to achieve a lawful common social and economic end. It is organized by the members who equitably contribute the required share capital and accept a fair share of the risks and benefits of their undertaking in accordance with the universally accepted corporate principles and practices;

e. "Collateral-free arrangement" - A financial arrangement wherein a loan is contracted by the debtor without the conventional loan security of a real estate or chattel mortgage in favor of the creditor. In lieu of these conventional securities, alternative arrangements to secure the loans and ensure repayment are offered and accepted;

f. Enhanced Social Protection refers to the following benefits:

- i. Pension Benefit – This can be availed of by poor agricultural workers who have given one hundred and twenty (120) monthly contributions; and
- ii. Other benefits – These refer to health, disability, maternity, calamity, death, and other benefits as maybe determined by the SSS.

g. "Group character loan" - A loan contracted by a member and guaranteed by a group of persons for its repayment. The creditor can collect from any of the members of the group which guaranteed the said loan, without prejudice to the right of reimbursement of the member or members of the group who had advanced the payment in favor of the actual debtor;

h. "Micro-enterprise" - Any economic enterprise with a capital of One hundred fifty thousand pesos (P150,000) and below. This amount is subject to periodic determination of the Department of Trade and Industry to reflect economic changes;

i. "Microfinance" - A credit and savings mobilization program exclusively for the poor to improve the asset base of households and expand the access to savings of the poor. It involves the use of viable alternative credit schemes and savings programs including the extension of small loans, simplified loan application procedures, group character loans, collateral-free arrangements, alternative loan repayments, minimum requirements for savings, and small denominated savers' instruments;

j. "Poor" - Refers to individuals and families whose income fall below the poverty threshold as defined by the National Economic and Development Authority and/or cannot afford in a sustained

manner to provide their minimum basic needs of food, health, education, housing and other essential amenities of life;

k. "Poverty alleviation" - Refers to the reduction of absolute poverty and relative poverty;

l. "Absolute poverty" - Refers to the condition of the household below the food threshold level;

m. "Relative poverty" - Refers to the gap between the rich and the poor;

n. "Retirement" - refers to termination of one's working life, specifically at age 60 years old of agricultural workers.

o. "Social reform" - Refers to the continuing process of addressing the basic inequities in Filipino society through a systematic, unified and coordinated delivery of socioeconomic programs or packages;

p. "Small Savers Instrument (SSI)" - Refers to an evidence of indebtedness of the Government of the Republic of the Philippines which shall be in small denominations and sold at a discount from its redemption value, payable to bearer and redeemable on demand according to a schedule printed on the instrument, with a discount lower than the full stated rate if not held to maturity. The resources generated under this scheme shall be used primarily for micro-credit for the poor. SSIs are not eligible as legal reserve of banks and legal reserves prescribed of insurance companies operating in the Philippines;

SECTION 4. Creation of the Agricultural Pension Fund and Agricultural Workers Social Security Program – The Agricultural Pension Fund is hereby established to provide social security or pension benefits to agricultural workers, particularly farmers and fisherfolk. This fund will serve as the contribution from both national and local government units (LGUs) which shall be given only upon payment of the monthly contribution of the poor farmer or fisherfolk, subject to the schedule of payments prepared and prescribed by the Social Security System (SSS).

SECTION 5. Full Government Support for Extremely Poor Agricultural Workers. Farmers and fisherfolk who are identified to be extremely poor will avail of the full subsidy from the national and local governments until such time that upon regular assessment by their LGU under the supervision of the PSA, they have been found to be non-extremely poor. Non-extremely poor agricultural workers will give personal contribution with counterpart subsidy from the national and local governments set forth in Section 4 of this Act.

SECTION 6. Additional Government Support for Agricultural Workers in Advanced Age.- Poor farmers and fisherfolk who are over 55 years old at the time of the effectivity of this Act, who would like to be part of the Agricultural Pension Fund shall contribute only up to the time they reach 60 years old and the rest of the contribution shall be subsidized by the government to complete the minimum contribution of 120 months.

SECTION 7. Eligibility and Selection of Beneficiaries. - The poor agricultural workers will be identified by their respective LGUs based on the data collection at the LGU level. The data collection of LGUs will be supervised by the Philippine Statistics Authority (PSA) in accordance with Republic Act No. 11315, otherwise known as the Community-Based Monitoring System (CBMS) Act.

Every three (3) years after the selection of eligible beneficiaries, the LGUs will conduct a revalidation of the list of beneficiaries to ensure that all poor and extremely poor agricultural workers are covered by this program.

Until such time that the CBMS of every LGU has been fully implemented, the identification of target poor agricultural workers will be undertaken with the use of the Registry of Basic Sector in Agriculture (RBSA) and Fisherfolk Registry (FishR) of the Department of Agriculture, and the Listahanan of the Department of Social Welfare and Development. To minimize exclusion error, the LGUs of agricultural workers will ensure that the RBSA and FishR are able to include poor and extremely poor farmers and fisherfolk.

Beneficiaries of any similar government program such as the Pantawid Pamilyang Pilipino Program (4Ps) and the Expanded Senior Citizens Pension Program are disqualified from this enhanced social protection program. However, farmers and fisherfolk who are no longer 4Ps beneficiaries but remain poor shall be covered.

SECTION 8. Rate and Schedule of Premium Payments – The rate of premium or contribution shall be determined by the Supervisory Board under the Social Security Commission of the SSS. The Board must ensure that the premium or contribution to be paid by the subsistence farmers, agrarian reform beneficiaries, agricultural workers and fisherfolk must be reasonably affordable to them. In addition, a flexible contribution payment schedule aligned with seasonal earnings and harvest season is adopted and implemented.

SECTION 9. Benefits and Entitlements – The Agricultural Pension Fund shall provide the following benefits and entitlements, such as, but shall not be limited to:

- a. Retirement Benefits – Upon maturity of the scheme, an individual shall be entitled to receive a minimum guaranteed monthly pension of Two Thousand pesos (P2,000.00) upon reaching 65 years old;
- b. Death Benefits – In the case of an eligible pensioner's death, his/her designated beneficiary shall receive a lump sum amount of not less than Eighteen Thousand Pesos (P18,000.00) for every year of contribution;
- c. Disability Benefits – A individual enrolled or registered under the Agricultural Pension Fund, who is not delinquent or otherwise disqualified, becomes disabled before reaching the age of 65 years old, may avail of the following options:

- i. The spouse or legal guardian may continue with the scheme in their behalf or pay the remaining balance in lump sum to qualify for retirement benefits; or,
 - ii. The can exit the Scheme and receive their contribution share deposited so far, along with any interest earned. The interest amount shall be higher than the savings bank interest rate or interest earned by the Pension Fund.
- d. In case the individual decides to leave the program, he/she will still enjoy the following benefits:
 - i. If the pensioner exits the Scheme before 10 years from the date of the commencement but before they turn 65 years old, they will only get their contribution share with savings bank rate payable thereon;
 - ii. If pensioner exits the Scheme after 10 years from the date of commencement but before reaching 65 years old, they will get their contribution share and accumulated interest at a rate higher than the savings bank interest rate or the interest earned by the Pension Fund;
 - iii. If the individual dies before the completion of the Scheme but having made regular contributions, and the spouse who continued the account wants to exit the Scheme, the spouse may receive the total contribution share made in the name of the pensioner along with accumulated interest.

SECTION 10. Implementing Agencies – The Social Security System (SSS) shall be the Administrator of the Agricultural Pension Fund, in consultation and coordination with the Philippine Crop Insurance Corporation (PCIC) under the Department of Agriculture (DA) to ensure proper consideration of the nuances of agricultural production and income generation. The SSS shall manage the Agricultural Pension Fund as a separate and distinct fund from the SSS Investment Reserve Fund, and have the following responsibilities in relation to the Agricultural Pension Fund:

- a) Create a pension plan for agricultural pensioners that shall become the basis for the allocation of benefits to pensioners;
- b) Determine the criteria for eligibility, in coordination with relevant government agencies;
- c) Manage and invest the Agricultural Pension Fund properly to ensure sustainability and increased capacity to provide benefits;
- d) Prepare an annual financial report;
- e) Device systems and procedures for the timely imputation of aggregate government contributions based on latest poverty statistics and other economic considerations; and
- f) Perform other duties and functions towards an efficient and effective implementation of this Act.

SECTION 11. Monitoring – An effective and appropriate monitoring and evaluation mechanism shall be established by the SSS in partnership with the Department of Finance (DOF), Department of Agriculture (DA), and the Local Government Units (LGUs) to ensure proper implementation and identification of future improvements.

For the year of its enactment and each year thereafter, the Supervisory Board for the Agricultural Pension Fund shall submit an annual report to both Houses of Congress of its accomplishments. A review of the viability of the program shall be made by both Houses of Congress and other concerned agencies after three (3) years of its implementation.

SECTION 12. Joint Congressional Oversight Committee.– A Joint Congressional Oversight Committee, hereafter referred to as the Agricultural Pension Oversight Committee, is hereby constituted. The Oversight Committee shall set the overall framework to review the implementation of this Act. It shall also determine the inherent weaknesses in the law and recommend the necessary remedial legislation or executive measures.

The Oversight Committee is composed of fourteen (14) members, with the chairpersons of the Committee on Poverty Alleviation of the House of Representatives, and the Committee on Social Justice, Welfare and Rural Development of the Senate as co-chairpersons; and six (6) members from each House, to be designated by the Speaker of the House of Representatives and the Senate President, respectively. The review of the implementation of this Act must include a systematic evaluation of its impact, accomplishments of the program, and performance of its implementing agencies. The Oversight Committee shall conduct the review every three (3) years reckoned from the effectivity of this Act, or whenever deemed necessary by a majority of the members of the Oversight Committee.

SECTION 13. Appropriation/Source. – The amount needed for the implementation of this Act shall be charged to the current year's appropriations of the Social Security System. Thereafter, such amount as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

The income class of cities and municipalities shall be considered in the determination of the contribution of the LGUs to the Agricultural Pension Fund. Poor agricultural workers in fourth, fifth and sixth class cities and municipalities shall receive a bigger counterpart contribution from the national government than the LGUs.

SECTION 14. Implementing Rules and Regulations - Within six (6) months from the effectivity of this Act, the President and Chief Executive Officer of the Social Security System shall, in coordination with the Department of Agriculture, Department of Agrarian Reform, Philippine Statistics Authority, and the Department of the Interior and Local Government with the participation of the league of cities, municipalities, and provinces, and relevant stakeholders, including select organizations of farmers and fisherfolk, promulgate the rules and regulations necessary for the effective implementation of this Act, including mechanisms for grievance procedure and resolution of inclusion and exclusion errors.

SECTION 15. 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 16. 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 17. Effectivity – This Act shall take effect fifteen (15) days after publication in the Official Gazette or in newspaper of general circulation.

Approved