



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **1939**



Introduced by Representative Midy N. Cua
Lone District, Quirino

**AN ACT GRANTING UNIVERSAL SOCIAL PENSION AND INTRODUCING A TIERED
SYSTEM OF SOCIAL PENSION FOR INDIGENT SENIOR CITIZENS, AMENDING FOR
THE PURPOSE REPUBLIC ACT NO. 7432, AS AMENDED, OTHERWISE KNOWN AS
THE "EXPANDED SENIOR CITIZENS ACT OF 2010"**

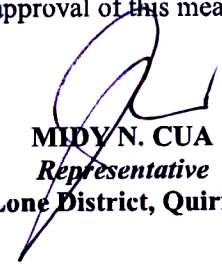
EXPLANATORY NOTE

Republic Act No. 7432 was enacted in 1992 to establish a program beneficial to senior citizens. Since then, several pieces of legislation have been enacted to expand the privileges and government assistance accorded to senior citizens. One of which is the social pension for indigent senior citizens introduced in Republic Act No. 9994, otherwise known as the "Expanded Senior Citizens Act of 2010." Previously, Congress passed Republic Act No. 11916, which increases the monthly social pension from five hundred pesos (PHP 500.00) to one thousand pesos (PHP 1,000.00). Furthermore, the law allows for a review, and when necessary, an adjustment of the monthly social pension every two (2) years. These measures improve on the provisions in Republic Act No. 9994, which required Congressional approval for any adjustment to the monthly social pension. Thus, the social pension remained at five hundred pesos (PHP 500.00) for over a decade and its value has been eroded by inflation.

In a 2020 research paper entitled "Are We Missing Out on the Demographic Dividend? Trends and Prospects," researchers from the Philippine Institute for Development Studies (PIDS) estimated the age profiles of consumption and labor income in the Philippines. Using 2015 data, the paper showed that the lifecycle deficit (i.e., when consumption exceeds labor income) of senior citizens increases as the senior citizen advances in age. This is brought about by a steep decline in labor income and a relatively flat level of consumption once an individual reaches retirement.

The proposed measure aims to build on the recent reforms on the social pension for indigent senior citizens. It introduces a universal social pension for the elderly, with the aim of narrowing the pension coverage gap. It also introduces a tiered system, granting increasing amounts to indigent senior citizens as they age. The proposed increases are set to improving the plight of seniors among the poor and vulnerable.

In recognition of the financial instability faced by indigent senior citizens, approval of this measure is earnestly sought.


MIDY N. CUA
Representative
Lone District, Quirino



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

Section 1. – Section 2 of Republic Act No. 7432, as amended is hereby further amended to read as follows:

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

(a) x x x

x x x

(i) *Pension Provider* refers to any government office or agency, or any private entity which provides pensions to entitled recipients on the basis of contributions, gratuity, or as mandated by any governing law or issuance, including the Social Security System (SSS), the Government Service Insurance System (GSIS), and the Pension and Gratuity Management Center (PGMC), **AMONG OTHERS**; and

(j) **UNIVERSAL Social Pension** refers to [the] **A NON-CONTRIBUTORY MONTHLY** monetary grant from the government to support the daily subsistence and medical needs of senior citizens [which shall not be less than One thousand pesos (P1,000.00) per month]”

Section 2. *Tiered Mandatory Social Pension.* – Section 5 of Republic Act No. 7432, as amended is hereby further amended to read as follows:

“SEC. 5. *Government Assistance.* The government shall provide the following:

(a) Employment

x x x;

(h) Additional Government Assistance

(1) [Mandatory] **UNIVERSAL Social Pension**

(A) Indigent senior citizens shall be entitled to a monthly stipend amounting to [not less than] **AT LEAST** One thousand pesos (P1,000.00) to augment the daily subsistence and other medical needs of senior citizens.

(B) SENIOR CITIZENS WHO ARE PREVIOUSLY NOT CONSIDERED AS INDIGENTS SHALL BE ENTITLED TO A MONTHLY STIPEND AMOUNTING TO AT LEAST FIVE HUNDRED PESOS (P500.00) UPON THE EFFECTIVITY OF THIS ACT: PROVIDED, THAT WITHIN FIVE (5) YEARS ALL SENIOR CITIZENS SHALL BE ENTITLED TO A UNIVERSAL SOCIAL PENSION EQUIVALENT TO A MONTHLY STIPEND OF AT LEAST ONE THOUSAND PESOS (P1,000.00) REGARDLESS OF ANY OTHER PENSION BENEFITS THEY MAY RECEIVE FROM OTHER PENSION PROVIDERS: PROVIDED, FURTHER, THAT ANY SENIOR CITIZEN MAY WAIVE THIS UNIVERSAL SOCIAL PENSION.

(C) SENIOR CITIZENS AGED SEVENTY-FIVE (75) TO EIGHTY-NINE (89) SHALL BE ENTITLED TO ONE HUNDRED AND TEN PERCENT (110%) OF THE APPLICABLE MONTHLY STIPEND AND INDIGENT SENIOR CITIZENS AGED NINETY (90) AND ABOVE SHALL BE ENTITLED TO ONE HUNDRED AND TWENTY PERCENT (120%) OF THE APPLICABLE MONTHLY STIPEND.”

[The DSWD shall, subject to the approval of the Department of Budget and Management (DBM), in consultation with other stakeholders, review and, when necessary, adjust the amount of the social pension every two (2) years after the effectivity of this Act, taking into account the present consumer price index as published by the PSA and relevant economic indicators, as reported and published by pertinent government agencies and authorities.] **“THE DSWD SHALL, IN CONSULTATION WITH THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM), AS WELL AS OTHER STAKEHOLDERS, REVIEW AND IF NECESSARY, ADJUST THE AMOUNT OF UNIVERSAL SOCIAL PENSION EVERY TWO (2) YEARS AFTER THE FULL IMPLEMENTATION OF THIS ACT, TAKING INTO ACCOUNT THE VARIOUS NEEDS OF SENIOR CITIZENS AND RELEVANT ECONOMIC INDICATORS, AS REPORTED AND PUBLISHED BY PERTINENT GOVERNMENT AGENCIES AND AUTHORITIES: PROVIDED, THAT THE SOCIAL PENSION SHALL NOT BE LESS THAN THE AMOUNT INITIALLY SPECIFIED IN THIS ACT. THE IMPLEMENTATION, DISTRIBUTION, AND MANAGEMENT OF THE SOCIAL PENSION SHALL BE TRANSFERRED FROM THE DSWD TO THE NATIONAL COMMISSION OF SENIOR CITIZENS (NCSC) WITHIN A PERIOD NOT EXCEEDING THREE (3) YEARS FROM THE EFFECTIVITY OF THIS ACT.**

x x x;”

Section 3. *Appropriations.* – The universal social pension for senior citizens shall be added to the regular appropriations of the DSWD in the general appropriations act, and thereafter, to the National Commission of Senior Citizens, upon full transfer of the implementation, distribution, and management of the social pension.

Section 4. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Chairperson of the National Commission of Senior Citizens shall formulate and adopt amendments to the existing rules and regulations implementing Republic Act No. 11916 to carry out the objectives of this Act, in consultation with other relevant agencies and stakeholders.

1 Section 5. *Separability Clause*. – If any provision of this Act is declared unconstitutional or invalid, all
2 other parts or provisions hereof not affected thereby shall continue to be in full force and effect
3

4 Section 6. *Repealing Clause*. – Republic Act No. 7432, as amended by Republic Act Nos. 9257 and
5 9994, otherwise known as the "Expanded Senior Citizens Act of 2010," and Republic Act No. 11916
6 are hereby amended. All other laws, ordinances, orders, rules, regulations and other issuances or parts
7 thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.
8

9 Section 7. *Effectivity*. – This Act shall take effect fifteen (15) days after its publication in the *Official*
10 *Gazette* or in a newspaper of general circulation.
11

12 Approved,