



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 3590



Introduced by Representative Lordan G. Suan

AN ACT
ENHANCING THE BENEFITS AND PRIVILEGES GRANTED TO
SENIOR CITIZENS AMENDING FOR THIS PURPOSE REPUBLIC
ACT NO. 7432, OTHERWISE KNOWN AS “AN ACT TO MAXIMIZE
THE CONTRIBUTION OF SENIOR CITIZENS TO NATION
BUILDING, GRANT BENEFITS AND SPECIAL PRIVILEGES, AND
FOR OTHER PURPOSES”, AS AMENDED, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

Republic Act 7432, otherwise known as “An Act to Maximize the Contribution of Senior Citizens to Nation Building, Grant Benefits and Special Privileges and for Other Purposes”, was enacted in 1992, and has since undergone numerous amendments to strengthen the law and adapt it to the changing needs of the time. Although our senior citizens have been benefiting from the benefits and privileges afforded by the law, there is still some uncertainty about how the 20% discount and VAT exemption are calculated exactly. Furthermore, many are unsure whether goods and services are eligible for discounts and exemptions.

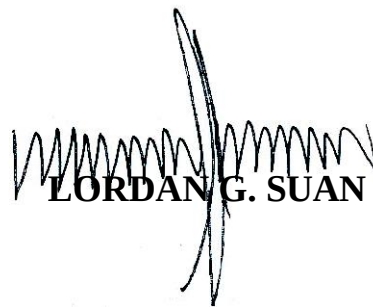
This measure intends to improve the existing law by resolving long-standing implementation issues while also maximizing the benefits intended by the statute. This measure aims to ensure that our senior citizens can fully enjoy their benefits and privileges.

- a. Grant the 20% discount and VAT exemption, if applicable, to promotional discount fares on domestic sea and air transport services;
- b. Grant the 20% discount and VAT exemption, if applicable, to

promotional discount rates in hotels, lodging houses, restaurants, and recreation centers, including rates through third-party service providers;

- c. Grant a 20% discount on water and electricity bills;
- d. Ensure that the 20% discount and VAT exemption shall be fully enjoyed by the senior citizens on the purchase of basic and prime commodities, including those at promotional discounted prices;
- e. Extend the senior citizen discount to toll fees; and
- f. Ensure that the social pension is released every two months or earlier.

In view of the foregoing, the immediate approval of this bill is earnestly sought.



LORDAN G. SUAR



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

1 **SECTION 1.** Section 4 of Republic Act No. 7432, as amended, is
2 hereby further amended to read as follows:

3 "Section 4. *Privileges of Senior Citizens.*- The senior Citizen shall
4 be entitled to the following:

5
6 (a) x x x;

7 (5) in actual fare for land transportation travel in public utility
8 buses (PUBs), public utility jeepneys (PUJs), taxis, Asian
9 utility vehicles (AUVs), shuttle services, and public railways,

including Light Rail Transit (LRT), Mass Rail Transit (MRT), and Philippine National Railways (PNR), and tolls fees in skyways and expressways;

(6) in the regular or promotional discount on transportation fares for domestic air transport services and sea shipping vessels, including advanced booking;

(7) in regular or promotional discount rates on the utilization of services in hotels and similar lodging establishments, restaurants, and recreation centers, including rates through third-party service providers;

(b) x x x;

(c) the grant of a twenty per cent (20%) discount and exemption from the value-added tax (VAT), if applicable, relative to the monthly utilization of water and electricity supplied by public utilities;

x x x;

(i) x x x;

(j) the grant of twenty per cent (20%) on the purchase of basic and prime commodities and exemption from value-added tax (VAT);*Provided*, that in the purchase of basic and prime commodities on promotional discount, the privilege granted to a senior citizen shall be computed to equal the twenty per cent (20%) discount and a deduction of the value-added tax (VAT). For basic and prime commodities on promotional discounts of

1 above twenty per cent (20%) of the regular price, the privilege of
2 VAT exemption shall only apply. *Provided, further*, that the total
3 amount of said purchase shall not exceed the amount of Two
4 Thousand Pesos (Php 2,000.00) per calendar week without
5 carryover of the unused amount;

6 (l) x x x.

7 x x x.

8 [DELETE] “In the purchase of goods and services which
9 are on promotional discount, the senior citizen can avail of the
10 promotional discount or the discount provided herein,
11 whichever is higher.”

12 x x x.

13 **SECTION 2.** Section 5 of Republic Act No. 7432, as amended, is
14 hereby further amended to read as follows:

15
16 (l) Mandatory Social Pension

17 Indigent senior citizens shall be entitled to a monthly
18 stipend amounting to not less than One Thousand Pesos
19 (Php1,000.00) to augment the daily subsistence and other
20 medical needs of senior citizens. The monthly stipend shall be
21 released every other month or earlier.

22 x x x.

23 **SECTION 3.** *Implementing Rules and Regulations.* Within thirty (30) days
24 from the effectivity of this Act, the Department of Social Welfare and
25 Development (DSWD), in coordination with the Department of Trade and

1 Industry (DTI), Department of Agriculture (DA), Department of
2 Transportation (DOTR), Department of Tourism (DOT), Department of
3 Finance (DOF), National Commission on Senior Citizens, and other
4 stakeholders, shall formulate the necessary rules and regulations for the
5 effective implementation of this Act.

6 **SECTION 4. *Appropriations.*** The amount necessary for the implementation of
7 this Act shall be included in the General Appropriations Act.

8 **SECTION 5. *Separability Clause.*** If any provision of this Act is declared
9 invalid or unconstitutional, the provisions not hereby affected shall remain in
10 full force and effect.

11
12 **SECTION 6. *Repealing Clause.*** All laws, decrees, orders, rules and regulations
13 or parts thereof, inconsistent with or contrary to the provisions of this Act are
14 repealed, amended or modified, accordingly.

15
16 **SECTION 7. *Effectivity.*** This Act shall take effect fifteen (15) days from the
17 date of its publication in the Official Gazette or a website provided for by law.

18
19 Approved,