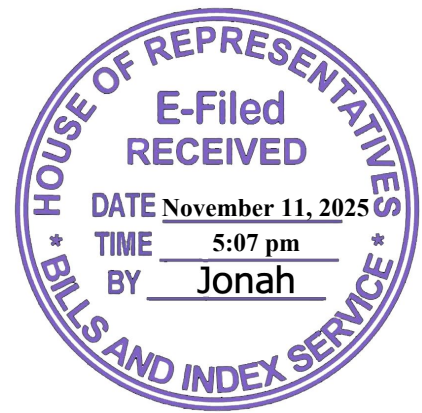


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session
House Bill No. **5866**



Introduced by: Congressman **BIENVENIDO M. ABANTE, JR.**

AN ACT
INCREASING THE SOCIAL PENSION OF INDIGENT SENIOR CITIZENS AND
APPROPRIATING FUNDS THEREFOR, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 7432 ENTITLED, "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

When the Expanded Senior Citizens Act of 2010 was signed into law, it established a social pension program to supplement the daily subsistence of indigent senior citizens. It gave some relief to three million of our elderly. However, a large proportion of vulnerable older people are still excluded from the program. In addition, the current monthly stipend of Five Hundred Pesos (Php 500.00) for indigent senior citizens is no longer sufficient to augment their daily subsistence and other medical needs. The increase in the prices of basic commodities over the past five years has reduced the real value of the social pension.

Thus, this measure aims to increase the monthly social pension for senior citizens and expand its coverage to benefit all of the nation's elderly, ensuring that the program reaches all the poorest older people. Not only will the State provide safeguards to protect the well-being of senior citizens, it will also recognize the vital role they play in nation-building.

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


BIENVENIDO M. ABANTE, JR.

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

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

SEC. 2. Definition of Terms.— As used in this Act, the term "senior citizen" shall mean any resident citizen of the Philippines at least sixty (60) years old, including those who have retired from both government offices and private enterprises, and has an income of not more than Sixty thousand pesos (P60,000.00) per annum subject to review by the National Economic and Development Authority (NEDA) every three (3) years.

The term "benefactor" shall mean any person whether related to the senior citizens or not who takes care of him/her as a dependent.

The term "head of the family" shall mean any person so defined in the National Internal Revenue Code.

THE TERM "PENSION PROVIDER" SHALL MEAN TO ANY GOVERNMENT OFFICE OR AGENCY, OR ANY PRIVATE ENTITY WHICH PROVIDES PENSIONS TO ENTITLED RECIPIENTS BASED ON CONTRIBUTION, 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);

THE TERM SOCIAL PENSION SHALL MEAN THE 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 (PHP1,000.00) PER MONTH."

SEC. 2. 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 assistance to those caring for and living with the senior citizen:

- a. The senior shall be treated as a dependents provided for in the National Internal Revenue Code and as such, individual taxpayers caring for them, be they relatives or not shall be accorded the privileges granted by the Code insofar as having dependents are concerned.
- b. Individuals or non-governmental institutions establishing homes, residential communities or retirement villages solely for the senior citizens shall be accorded the following:
 1. realty tax holiday for the first five (5) years starting from the first year of operation;
 2. priority in the building and/or maintenance of provincial or municipal roads leading to the aforesaid home, residential community or retirement village.
- c. **PRIVATE ENTITIES THAT WILL EMPLOY SENIOR CITIZENS AS EMPLOYEES, UPON THE EFFECTIVITY OF THIS ACT, SHALL BE ENTITLED TO AN ADDITIONAL DEDUCTION FROM THEIR GROSS INCOME, EQUIVALENT TO FIFTEEN PERCENT (15%) OF THE TOTAL AMOUNT PAID AS SALARIES AND WAGES TO SENIOR CITIZENS, SUBJECT TO THE PROVISION OF SECTION 34 OF THE NIRC, AS AMENDED: PROVIDED, HOWEVER, THAT SUCH EMPLOYMENT SHALL CONTINUE FOR A PERIOD OF AT LEAST SIX (6) MONTHS: PROVIDED, FURTHER, THAT THE ANNUAL INCOME OF THE SENIOR CITIZEN DOES NOT EXCEED THE LATEST POVERTY THRESHOLD AS PUBLISHED BY THE[NATIONAL STATISTICAL COORDINATION BOARD (NSCB) OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (NEDA)] PHILIPPINE STATISTICS AUTHORITY (PSA) FOR THAT YEAR.**
- d. **ADDITIONAL GOVERNMENT ASSISTANCE**
- e. **MANDATORY SOCIAL PENSION**

INDIGENT SENIOR CITIZENS SHALL BE ENTITLED TO A MONTHLY STIPEND AMOUNTING TO NOT LESS THAN ONE THOUSAND PESOS (PHP1,000.00) TO AUGMENT THE DAILY SUBSISTENCE AND OTHER MEDICAL NEEDS OF SENIOR CITIZENS SUBJECT TO A REVIEW EVERY TWO (2) YEARS BY CONGRESS, IN CONSULTATION WITH THE DSWD.

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 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.

SOCIAL SAFETY NETS SOCIAL SAFETY ASSISTANCE INTENDED TO CUSHION THE EFFECTS OF ECONOMIC SHOCKS, DISASTERS, AND CALAMITIES SHALL BE AVAILABLE FOR SENIOR CITIZENS. THE SOCIAL SAFETY ASSISTANCE, WHICH SHALL INCLUDE, BUT NOT LIMITED TO FOOD, MEDICINES, AND FINANCIAL ASSISTANCE FOR DOMICILE REPAIR, SHALL BE SOURCED FROM THE DISASTER /CALAMITY FUNDS OF LGUS WHERE THE SENIOR CITIZENS RESIDE, SUBJECT TO THE GUIDELINES TO BE ISSUED BY THE DSWD

SEC. 3. *Form and Manner of Payment.* – The monthly stipend shall be released to target beneficiaries either in cash, direct remittance through the engagement of a service provider duly accredited by the Bangko Sentral ng Pilipinas (“BSP”), electronic transfer, or other modes of delivery, whichever is more practical and acceptable to the beneficiary, ensuring its release in the most expeditious and efficient manner.

SEC. 4. *Waiver of Fees.* – Any transaction or service fee arising from the engagement of a service provider for electronic transfer, or other modes of delivery with service fees for the release of the monthly stipends and other forms of assistance to target beneficiaries shall not be charged against the target beneficiaries.

SEC. 5. *Transfer of Functions from the DSWD.* – The implementation, distribution, and management of the social pension for senior citizens shall, in accordance with Section 11 of Republic Act No. 7742, as amended by Republic Act No. 11350, 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.

The absorption or transfer of regular or permanent and other employees of the affected offices and programs of DSWD shall be done in accordance with applicable laws, including civil service laws, rules, and regulations, and subject to the approval of DBM.

SEC. 6. *List of Beneficiaries.* – The DSWD, and thereafter upon full transfer of its functions and programs to the NCSC, with the assistance of the PSA through community-based monitoring system established under Republic Act No. 11315, otherwise known as the “Community-Based Monitoring System Act”, and validation by the local government units, the list of target beneficiaries shall be updated and validated annually.

SEC. 7. *Implementing Rules and Regulations.* – Within thirty (30) days from the effectivity of this Act, the NCSC shall, in consultation with DSWD, DBM and other concerned government agencies, as well as nongovernmental organizations and people’s organizations of senior citizens duly accredited by the DSWD, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 8. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of DSWD thereafter, , such amount necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 9. *Separability Clause.* – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 10. *Repealing Clause.* – All laws, decrees, orders, issuances, and rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

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

Approved.