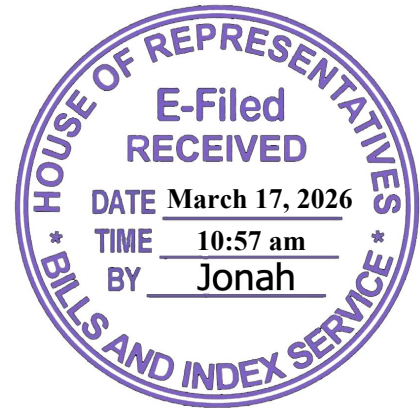


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **8586**



Introduced by **REP. NATHANIEL “Atty. Nat” M. ODUCAO**

EXPLANATORY NOTE

The Philippine labor market continues to face structural vulnerabilities from economic shocks, technological changes, public health crises, and climate disruptions. While recent employment recovery offers hope, many workers remain at risk of sudden income loss due to involuntary separation—as evidenced by the Social Security System (SSS) disbursing P2.62 billion in unemployment insurance benefits to 196,000 members by June 2021, with 90% (P2.35 billion to 173,791 members) paid during the COVID-19 period from March 2020 to June 2021.

The Philippine Development Plan 2023–2028 calls for strengthening the social protection system to better shield households, support workers through disruptions, and speed their return to productive jobs. Under the current Social Security Act of 2018 (Republic Act No. 11199), unemployment insurance offers limited aid: up to two months at half the average monthly salary credit, requiring 36 months of contributions (including 12 in the prior 18 months). Though a key step forward, these short terms and strict rules limit its impact, especially amid high crisis claims.

Labor market conditions in the Philippines show that millions of workers experience unemployment or underemployment at any given time, reflecting the challenges of securing stable employment in a dynamic economy. Extending the benefit duration to four months would provide a more realistic adjustment period for displaced workers while maintaining the fiscal sustainability of the unemployment insurance program. The bill also eases access by lowering the contribution threshold to 24 months while keeping the recent 12-month rule, aiding young workers, those in flexible roles, and people with employment gaps.

In line with global practices, it links benefits to active job-seeking and training through Public Employment Service Offices (PESO), providing matching, counseling, and skills programs for swift reintegration. The once-every-three-years limit stays, but exceptions cover emergencies like health crises or policy-driven closures, as seen in the 173,791 pandemic claims.

Overall, this measure advances the 2023–2028 Plan by creating a more resilient safety net that protects workers and promotes quick labor market recovery.

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

A handwritten signature in black ink, appearing to read 'N. Oducado', with a small circular stamp or mark at the end of the signature.

REP. NATHANIEL “ATTY. NAT” M. ODOCADO

1 Tahanan Party List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **8586**

Introduced by **REP. NATHANIEL “ATTY. NAT” M. ODUCAO**

**AN ACT ENHANCING UNEMPLOYMENT INSURANCE BENEFITS UNDER THE
SOCIAL SECURITY ACT OF 2018, AMENDING FOR THE PURPOSE SECTION 14-B
OF REPUBLIC ACT NO. 11199, AND FOR OTHER PURPOSES**

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

SECTION 1. *Short Title.* – This Act shall be known as the “*Expanded Unemployment Insurance and Employment Reintegration Act.*”

SEC. 2. *Enhanced Unemployment Insurance* – Section 14-B of Republic Act No. 11199, otherwise known as the “Social Security Act of 2018”, is hereby amended to read as follows:

“Section 14-B. *Unemployment Insurance or Involuntary Separation Benefits.* - A member who is not over sixty (60) years of age who has paid at least ~~[thirty-six (36)]~~ **TWENTY-FOUR (24)** months contributions, twelve (12) months of which should be in the eighteen-month period immediately preceding the involuntary unemployment or separation shall be paid benefits in the form of monthly cash payments equivalent to fifty percent (50%) of the average monthly salary credit for a maximum of ~~[two (2)]~~ **FOUR (4)** months: *Provided, That* a member who becomes involuntarily unemployed may avail of unemployment insurance benefits only once every three (3) years, **except when the involuntary separation is caused by business contraction or closure resulting from public health emergencies or policy-related disruptions.** *Provided, further,* That in cases where two (2) or more compensable contingencies occur simultaneously, only the highest applicable benefit shall be granted, subject to the rules and regulations prescribed by the Commission.

During the period in which a member receives unemployment insurance benefits under this Act, the beneficiary-member shall actively seek employment and may participate in training, re-skilling, or capacity-building programs offered by relevant government agencies.

For this purpose, job search assistance, access to labor market information, job matching services, and identification of education and training opportunities shall be provided through the Public Employment Service Offices (PESO).

The Commission shall establish an appropriate referral and coordination mechanism and shall coordinate with relevant government agencies to ensure the effective implementation of this section.”

SEC.3. *Frequency of Benefit.* – Unemployment insurance benefits may be claimed once every three (3) years, provided, however, that this limitation shall not apply when involuntary unemployment results from public health emergencies formally declared by the national government or from policy-related economic disruptions that lead to significant business contraction, closure, or workforce reduction.

SEC.4. *Active Labor Market Participation Requirement.* – During the period in which a member receives unemployment insurance benefits under this Act, the beneficiary-member shall actively seek employment, register with the Public Employment Service Office (PESO), and participate in training, re-skilling, or employment facilitation programs offered by relevant government agencies; for this purpose, job search assistance, access to labor market information, job matching services, and identification of education and training opportunities shall be provided through the Public Employment Service Offices (PESO) to facilitate the rapid reintegration of displaced workers into the labor market.

SEC.5. *Implementing Rules and Regulations.* – The Social Security Commission, in coordination with the Department of Labor and Employment (DOLE) and the Public Employment Service Offices (PESO), shall promulgate the implementing rules and regulations necessary for the effective implementation of this Act within ninety (90) days from its effectivity.

SEC.6. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall remain in full force and effect.

SEC.7. *Repealing Clause.* – All laws, decrees, executive orders, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC.8. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,