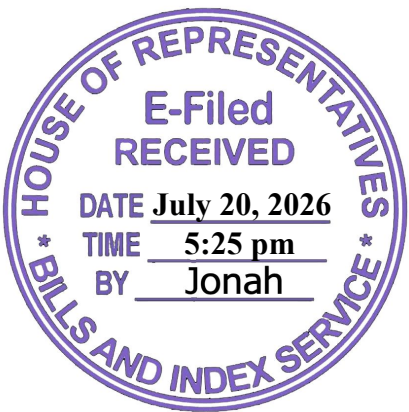


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS

Second Regular Session

HOUSE BILL NO. 10130



INTRODUCED BY REPRESENTATIVE JURDIN JESUS M. ROMUALDO

Explanatory Note

The Social Security System (SSS) provides retirement, disability, death, and survivor benefits to millions of private sector workers under Republic Act No. 11199. In 2025, the SSS began implementing a multi-year Pension Reform Program (PRP) that grants annual increases to pensions. However, this program is based on administrative approval and is not yet institutionalized by law.

Without legislative backing, future pension increases remain uncertain and subject to policy changes. This exposes retirees to the risk of stagnant benefits, especially during periods of high inflation.

This bill seeks to **institutionalize the automatic pension escalation mechanism** for SSS retirees by enshrining it in law. It mandates annual increases of ten percent (10%) for retirement and disability pensions, and five percent (5%) for death and survivor pensions, or the Consumer Price Index (CPI) inflation rate, whichever is higher.

By codifying the pension escalation program, the measure ensures predictability, protects retirees' purchasing power, and strengthens the long-term social safety net for private sector workers.

This legislative proposal ensures that the **SSS pension escalation program is no longer dependent on administrative decisions** but is permanently enshrined in law, giving retirees predictable and inflation-protected benefits.

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

JURDIN JESUS M. ROMUALDO

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AN ACT
INSTITUTIONALIZING THE AUTOMATIC PENSION ESCALATION MECHANISM
FOR RETIREES OF THE SOCIAL SECURITY SYSTEM (SSS), PROVIDING FUNDS
THEREFOR, AND FOR OTHER PURPOSES

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

3 **SECTION 1. Short Title.** - This Act shall be known as the “SSS Automatic Pension
4 Escalation Act.”

5 **SEC. 2. Declaration of Policy.** - It is the policy of the State to safeguard the welfare
6 of private sector retirees by ensuring that their pensions are regularly adjusted to maintain
7 its purchasing power, protect it against inflation, and guarantee predictability in retirement
8 income.

9 **SEC. 3. Institutionalization of Pension Escalation.** - The automatic pension
10 escalation program of the SSS shall be **institutionalized by law**. All retirement and
11 disability pensioners shall receive an annual increase in their monthly pension.

12 The annual pension escalation under this Act shall be based on the official
13 Consumer Price Index or inflation data published by the Philippine Statistics Authority,
14 whichever is higher. Those receiving death and survivor pensions shall also receive an
15 annual increase of **five percent (5%)** or equivalent to the Consumer Price Index (CPI)
16 inflation, whichever is higher.

17 **SEC. 4. Coverage.** - This provisions of this Act shall apply to all SSS retirement,
18 disability, death, and survivor pensioners except those pensioners who opted for lump-
19 sum benefits.

20 **SEC. 5. Funding Source.** - The annual pension escalation shall be funded by the
21 Social Service System from the SSS investment earnings and other sources as may be
22 determined by the SSS Board of Trustees.

1 **SEC. 6. Annual Actuarial Review.** - The SSS shall conduct an **annual actuarial**
2 **review** to assess and determine the sustainability of the pension fund. The result of the
3 actuarial report shall be submitted to the Speaker of the House of Representatives and
4 to the House Committee on Appropriations, the Senate President and the Senate
5 Committee on Finance, and to the Secretary of the Department of Finance.

6 **SEC. 7. Implementing Rules and Regulations.** - Within ninety (90) days from the
7 effectivity of this Act, the SSS, coordination with the Governance Commission for GOCCs
8 and other stakeholders shall promulgate the necessary rules and regulations to
9 implement the provisions of this Act.

10 **SEC. 8. Separability Clause.** - If any provision of this Act is declared
11 unconstitutional, the remaining provisions shall remain in full force and effect.

12 **SEC. 9. Repealing Clause.** - All laws, decrees, executive orders, rules and
13 regulations inconsistent with this Act are hereby repealed or modified accordingly.

14 **SEC. 10. Effectivity.** - This Act shall take effect fifteen (15) days after its publication
15 in the Official Gazette or in at least two (2) newspapers of general circulation.

16 ***Approved.***