

THIRTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
*First Regular Session*

04 JUN 30 P5:08

RECEIVED BY: Dula

SENATE

S. No. 393

---

Introduced by Senator S. R. Osmeña III

---

## EXPLANATORY NOTE

Based on data released by the Department of Labor and Employment, for the year 2002, the average inflation rate stood at 2.8%. For the year 2003, this figure increased to 3.4% indicating a decline in the purchasing power of the peso. Furthermore indicative of a rapidly deteriorating poverty situation and lowering of the value of the peso, the Annual Per Capita Poverty Threshold increased from P9,843 in 1997 to P11,605 in 2000. The Annual Per Capita Threshold is defined as the annual per capita income required to be spent to satisfy the nutritional requirements and other basic needs.

Based on the above poverty threshold data, the present monthly pension would not even allow the recipients to satisfy the basic food requirement and other necessities. The amount is barely enough to provide an average family of five with two meals a day. It is no longer adequate considering the spiraling cost of basic commodities not to mention the rising cost of transport, education and shelter. It is high time the pensions are adjusted to enable pensioners to cope with the high cost of living.

This bill seeks to provide retirees who have faithfully contributed hard-earned money to the Social Security System a living pension by increasing their monthly pension by P1,200. The increase, which applies to pensioners with more than 20 years of SSS membership, will help them cope with the current economic hardship brought about by the financial crisis.

In line with the vision of social security for the Filipino, early approval of this bill is earnestly sought.

*S. Osmeña III*  
SERGIO OSMEÑA III  
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

SENATE  
OFFICE OF THE SECRETARY

'04 JUN 30 P5:08

RECEIVED BY: Rulu

SENATE

S. No 393

Introduced by Senator S. R. Osmeña III

AN ACT  
AMENDING SECTION 12 (B) OF REPUBLIC ACT NO. 8282, OTHERWISE  
KNOWN AS THE "SOCIAL SECURITY ACT OF 1997"

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

SECTION 1. – Section 12, paragraph (b) of Republic Act No. 8282 is  
hereby amended to read as follows:

"Section 12. *Monthly Pension* – (a) The monthly pension shall be  
the highest of the following amounts:

(1) the sum of the following

(i) Three hundred pesos (P300.00); plus

(ii) twenty percent (20%) of the average monthly salary credit;  
plus

(iii) two percent (2%) of the average monthly salary credit for  
each credited year of service in excess of ten (10) years; or

(2) forty percent (40%) of the average monthly salary credit, or

(3) One thousand pesos (P1,000.00): *Provided*, That the monthly pension  
shall in no case be paid for an aggregate amount of less than sixty (60)  
months.

(b) Notwithstanding the preceding paragraph, the minimum pension shall  
be One thousand two hundred pesos (P1,200.00) for members with at  
least ten (10) credited years of service and Two thousand four hundred

1 pesos (P2,400.00) for those with twenty (20) credited years of service.

2 (P2,400.00) for those with twenty (20) credited years of service.

3 MEMBERS WITH MORE THAN TWENTY (20) CREDITED YEARS OF  
4 SERVICE SHALL HAVE AN INCREASE OF ONE THOUSAND TWO  
5 HUNDRED PESOS (P1,200.00) IN THEIR PENSION FOR EVERY  
6 ADDITIONAL TEN (10) CREDITED YEARS OF SERVICE.”

7 SEC. 2. – All laws, executive orders, letters of instructions, rules and  
8 regulations, or provisions thereof which are inconsistent with the provisions of  
9 this Act are hereby repealed, amended or modified accordingly.

10 SEC. 3. – This Act shall take effect fifteen (15) days after its publication in  
11 the Official Gazette or in at least two (2) national newspapers of general  
12 circulation.

Approved,