

SENATE

P. S. R. NO. 293

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE TWO HUNDRED EIGHTY SIX MILLION PESOS (Php286,000,000.00) BONUS GIVEN TO THE SOCIAL SECURITY SYSTEM (SSS) BOARD OF DIRECTORS AND EMPLOYEES WITH THE END VIEW OF REFORMULATING POLICIES, STANDARDS, AND GUIDELINES WITH REGARD TO GRANTING PERFORMANCE-BASED BONUS FOR GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS

WHEREAS, Executive Order No. 80 was issued on July 20, 2012 directing the adoption of a performance-based incentive system for government employees.

WHEREAS, under E.O. No. 80, one of the guidelines and principles that shall govern the Performance-Based Bonus (PBB) scheme is that the PBB shall be characterized as a system of ranking units and personnel within an organization according to their performance as measured by verifiable, observable, credible and sustainable indicators of performance based on the following pillars: (i) Department's Major Final Outputs; (ii) Department's commitments to the President which are supportive of the priorities under EO43; and (iii) Good governance conditions to be determined by IATF under AO 25.¹

WHEREAS, the amount of PBB shall be based on the performance of the departments, bureaus or delivery units, and of the individual employees.²

WHEREAS, the Governance Commission for Government Owned or Controlled Corporation (GCG) issued a Memorandum Circular³ creating an Interim Performance-Based Bonus (PBB) System for GOCCs covered by R.A. No. 10149 and adhering to the policies and principles contained in E.O. No. 80 and subject to the guidelines provided in Inter-Agency

¹ Section 2 (a), *Guidelines for the PBB, E.O. No. 80*

² Section 3, *Performance Categories and Rates Incentives, E.O. No. 80*

³ *GCG Memorandum Circular No. 2012-11*

Task Force on the Harmonization of National Government Performance, Monitoring, Information and Reporting Systems.⁴

WHEREAS, to qualify for the PBB, a department/agency must comply with the following conditions:

1. Achieve at least 90% of:
 - a. Their MFO Targets submitted to Congress; and
 - b. Their priority program/project targets agreed with the President under the five Key Result Areas of EO No. 43.
2. Meet the good governance conditions/requirements det by the AO No. 25 Task Force annually under the performance drivers of the RBOMS;
3. Under the internal process efficiency, establishment of a Citizen's Charter or its equivalent.⁵

WHEREAS, under Republic Act No. 10149 or the GOCC Governance Act of 2011, Social Security System (SSS) is under the jurisdiction of the GCG.

WHEREAS, the Commission on Audit observed that the slow processing and payment of death, disability and retirement claims did not meet the commitment of SSS of providing prompt, convenient and meaningful social protection service to the members and their beneficiaries.⁶

WHEREAS, it was further observed that numerous undelivered/unclaimed/unreplaced stale checks deprived the SSS members of the pension/benefits due them which, in effect, runs counter to the SSS mandate of providing social security protection to members and their families in times of contingencies.⁷

WHEREAS, out of the 43 audit recommendations contained in the prior years' Audit Reports, only 11 were fully implemented, 24 were partially implemented and 8 were unimplemented.⁸

WHEREAS, it was reported that SSS granted a total of Two Hundred Eighty Six Million Pesos (Php286,000,000.00) bonus to its Board of Directors and Employees.⁹

WHEREAS, SSS issued Circular No. 2013-10 which increase the contribution rate from 10.4% to 11%, and the maximum salary credit (MSC), from Php15,000.00 to Php16,000.00 effective starting January 2014.

⁴ Memorandum Circular No. 2012-1 (August 13, 2012)

⁵ Section 6, Criteria and Conditions To Qualify for PBB, Ibid.

⁶ No. 21, Part 2-A – Observations and Recommendations, COA's Annual Audit Report on the SSS for the year ended December 2012, page 80

⁷ No. 24, Ibid., page 87

⁸ Page 5, Executive Summary, COA's Annual Audit on the SSS for the year ended December 2012

⁹ <http://www.gmanetwork.com/news/story/329811/news/nation/sss-officials-received-p1-m-bonuses-in-2012-report>

WHEREAS, according to SSS' President and CEO Emilio S. de Quiros, Jr., the increase in contribution rate is to correct unfunded liability, and this will reduce the unfunded liability by P166 billion or 15 percent.

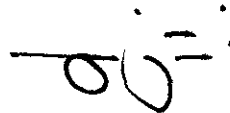
WHEREAS, considering the COA's Observations and Recommendations¹⁰ and the huge amount of the agency's unfunded liability, there is an apparent unjustification as to the bonus granted by the SSS to its Board of Directors and Employees.

WHEREAS, passing the obligation to pay the unfunded liability of the Commission to its members is contrary to the mandate of SSS of providing social security protection scheme.

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED by the Philippine Senate, to direct the proper committee to conduct an inquiry, in aid of legislation, to examine and scrutinize the granting of Performance-Based Bonus given to the SSS Board of Directors and Employees with the aim of reformulating policies, standards, and guidelines with regard to granting performance-based bonus for Government-Owned or Controlled Corporations.

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ADOPTED,



JOSEPH VICTOR G. EJERCITO

¹⁰ *Supra.*