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SENATE

P. S. RES. NO. 434

RECEIVED BY: *ji*

Introduced by Senator Antonio "Sonny" F. Trillanes IV

RESOLUTION

DIRECTING THE COMMITTEE ON GOVERNMENT CORPORATIONS, COMMITTEE ON LABOR, EMPLOYMENT, AND HUMAN RESOURCES DEVELOPMENT, AND OTHER APPROPRIATE COMMITTEES OF THE SENATE, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE INCREASE IN THE MONTHLY CONTRIBUTIONS OF MEMBERS OF THE SOCIAL SECURITY SYSTEM (SSS), EFFECTIVE JANUARY 2014, WITH THE END IN VIEW OF DETERMINING WHETHER SAID INCREASE IS REASONABLE OR NOT, AND RECOMMENDING POSSIBLE POLICY MEASURES TO EASE THE BURDEN OF SAID INCREASE

WHEREAS, the Social Security System (SSS) is expected to push through with the implementation of its proposed increase in the contribution schedule of its members, effective January 2014¹;

WHEREAS, SSS raises the contribution schedule from 10.4 percent to 11 percent. Said new contribution schedule will affect at least 30.04 million individual members and 871,642 employers.² The 0.6 percent increase will be divided equally between employees and employers. The increase was affirmed by SSS Resolution No. 711-s.2013 dated September 2013 stating that the increase will be effective by January 2014;

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

WHEREAS, the new contribution rate will also allow the pension fund to extend the Social Security Fund or SSF by four more years, from 2039 to 2043;

WHEREAS, the increase in the contribution rate of the SSS would have an effect in the net take home pay of its members without the corresponding increase in salary and benefits. It is also set to affect the employers who continuously struggle with the increase in power rates and prices of other utilities;

WHEREAS, several sectors are requesting for the deferment of the implementation of the increase in the SSS contributions especially as the country is still suffering from the successive natural and man-made calamities;

WHEREAS, there is also a need for the SSS to explain to its members how the unfunded liability of SSS reached P1.07 trillion as of December 2011 to eliminate questions with regard to the transparency and accountability of the funds entrusted to SSS by its members;

¹ "Higher SSS contributions for 30M members starting Jan. 2014." Data retrieved from <http://www.gmanetwork.com/news/story/342093/economy/finance/higher-sss-contributions-for-30m-members-starting-jan-2014> on 07-January-2014.

² *Ibid*

WHEREAS, there is a need for the officials of the SSS to present for review of the Philippine Senate their financial statements, to ascertain the financial viability of the Social Security System, in order to verify if the said increase in contribution rate is reasonable, and for the Philippine Senate to determine possible policy measures to ease the burden of said increase;

NOW, THEREFORE, BE IT RESOLVED, *as it is hereby resolved* by the Senate of the Philippines, to direct the Committee on Government Corporations, Committee on Labor, Employment, and Human Resources Development, and other appropriate Committees of the Senate, to conduct an inquiry in aid of legislation, on the increase in the monthly contributions of members of the Social Security System (SSS), effective January 2014, with the end in view of determining whether said increase is reasonable or not, and recommending possible policy measures to ease the burden of said increase.

Adopted,


ANTONIO "SONNY" B. TRILLANES IV
Senator