OF THE SECRETARY

13<sup>th</sup> CONGRESS OF THE REPUBLIC )
OF THE PHILIPPINES )
FIRST REGULAR SESSION )

04 JUL -6 AN :20

SENATE

RECEIVED DY:

S. BILL NO. 1363

## INTRODUCED BY HONORABLE RALPH G. RECTO

## **EXPLANATORY NOTE**

This bill seeks to rationalize the disbursement of funds by the Social Security System (SSS) for operating expense thereby reaping more benefits in favor of the system's contributing members.

This legislation aims to safeguard the members' contributions and the system's fund by lowering the cap on its administrative costs thereby, reducing it from 12% to 8% of an mal contributions and from 3% to 2% of other revenues.

The System with its wanton and extravagant disbursement of funds in favor of its leadership in the guise of salaries and perks amidst penny pinching of lowly employees cast doubts in its mandated duty as beacon of social legislation to the private working sector. Moreso, this legislation, finds no anchor that SSS has opted to impose stricter rules in its lending operations and needs to raise members' contribution rate to keep the System onshore.

Through this measure, the members are assured of sound management practices and sustained operations and more effective delivery of social security benefits.

In this light that immediate passage of this bill is earnestly sought.

ALPH GERECTO

13th CONGRESS OF THE REPUBLIC	)
OF THE PHILIPPINES	)
First Regular Session	)

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SENATE

HECEIVED BY:

S. BILL NO.

1363

## Introduced by SENATOR RALPH G. RECTO

## - AN ACT

RATIONALIZING THE DISBURSEMENT OF FUNDS BY THE SOCIAL SECUTIRY SYSTEMS FOR OPERATING EXPENSES, THEREBY AMENDING SECTION 25 OF RA 8282 OTHERWISE KNOWN SOCIAL SECURITY ACT OF 1997, AND FOR OTHER PURPOSES

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

SECTION 1. SEC. 25 of RA 8282, otherwise known as Social Security Act of
1997, is hereby amended to read as follows:

"Sec 25. Deposit and Disbursements.—

All money paid or collected by the SSS every year under this

Act, and all accruals thereto, shall be deposited, administered and disbursed in the same manner and under the same conditions and requirements as provided by law for other public special funds: *Provided*, That not more than [twelve] EIGHT percent (1[2]0% of the total yearly contributions plus [three] TWO percent ([3]2%) of other revenues shall be disbursed for administrative and operational expenses such as salaries and wages, supplies and materials, depreciation, and the maintenance of offices of the SSS: *Provided*, *further*, That the permissible, the difference shall not be availed of as additional expense in the following years,"

SEC. 2. Implementing Rules and Regulations. - The Department of Finance (DoF) and other appropriate government agencies shall promulgate rules and regulations necessary for the effective implementation of this Act.

1	SEC. 3.	Repealing Clause All other laws, decrees, orders, issuances
2	and	rules and regulations or parts thereof inconsistent with this Act are
3	her	eby amended or repealed accordingly.
4	SEC.4.	Separability Clause The provisions of this Act are hereby
5	dec	lared to be separable and, in the event any of such provisions is
6	dec	lared unconstitutional, the order provision which is not affected
7	the	reby shall remain in full force and effect.
8	SEC.5.	Effectivity This Act shall take effect fifteen (15) days after its
9	complete p	publication in at least two (2) newspapers of general circulation.
10	Approved,	