



**SEVENTEENTH CONGRESS OF THE }  
REPUBLIC OF THE PHILIPPINES }  
First Regular Session }**

'17 MAY -2 P3:29

**SENATE  
S.B. No. 1428**

RECEIVED BY: 

INTRODUCED BY **SENATOR VICENTE C. SOTTO III**

**AN ACT  
ALLOWING THE MONETIZATION OF MATERNITY LEAVE CREDITS  
OF FEMALE EMPLOYEES AND THE COVERED SOCIAL SECURITY  
SYSTEM (SSS) FEMALE MEMBERS, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

Section 9, Article II of the 1987 Constitution states that:

*The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.*

According to the Philippine Statistics Authority (PSA), in 2015, a family of five needed at least PhP 6,329, on average, every month to meet the family's basic food needs and at least PhP 9,064, on average, every month to meet both basic food and non-food needs. These amounts represent the monthly food threshold and monthly poverty threshold, respectively. They indicate increases of about 15 percent in food and poverty thresholds from 2012 to 2015.

The afore-cited data shows the increasing financial needs of every household in the country. Towards this concern, the government has been continuously implementing policies that could somehow cushion the effect of several factors affecting the food and

poverty thresholds especially for those living below the poverty line – which is 16.5% of the population based on the 2015 data of PSA. Programs like the conditional cash transfer, medical assistance, automatic membership to PhilHealth, and free tuition fee in state universities are several of the programs and services delivered to the said population group.

The government is not unaware of the fact that majority of the population belongs to the labor force – to be specific, 60% of the population are part of this cluster. Thus, the labor, being considered as the primary social economic force, has been likewise given the wide-ranging support of the government. From tax incentives and deductions, to social security programs, to leave benefits – these are only some of the perquisites granted to the members of the labor force to raise the standard of living in the Philippines.

However numerous these programs may seem, it appears that the aforesaid government services can never be enough to improve the quality of life of every Filipino considering the variable factors that affect our economy like growing population, environmental hazards, and our natural resources, just to name a few. There are still a lot to be desired.

Thus, this proposed measure, with the intent to somehow augment the rising cost of living, seeks to grant the workingwomen – both from the government and private sectors – as well as the female members of the SSS the privilege to monetize their maternity leave credits, subject to some conditions.

This measure can also encourage family planning because one of the proposed conditions in order to avail of the benefits under the bill is that the covered female employee or SSS member can only monetize if she did not use her maternity leave benefit for the past

three (3) years immediately preceding the monetization. Hence, this measure may be an instrument for solving the country's problem of overpopulation.

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

  
**VICENTE C. SOTTO III**



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

1 SECTION 1. **Short Title.** – This act shall be known as the  
2 “*Maternity Leave Monetization Act.*”

3 SECTION 2. **Declaration of Policy.** – It is the policy of the  
4 State to promote a just and dynamic social order that will ensure the  
5 prosperity and independence of the nation and free the people from  
6 poverty.

7 Towards this end, the State shall institutionalize policies to  
8 provide adequate social services, a rising standard of living, and an  
9 improved quality of life for all through the grant of monetization  
10 privilege to workingwomen in order to augment the increasing cost of  
11 living and other financial needs of their family.

12 SECTION 3. **Coverage.** – This Act shall cover women employees,  
13 whether married or unmarried, in the government and the private  
14 sectors; as well as the other covered Social Security System (SSS)  
15 female members who are qualified to avail of the maternity leave  
16 benefits under the Social Security Law.

17 SECTION 4. **Monetization of Maternity Leave Credits.** – All  
18 covered female employees and SSS members shall be entitled to

1 monetize sixty (60) days of their maternity leave credits, subject to the  
2 following conditions:

- 3 a) That the monetization should be made within fifteen (15)  
4 years from the birth of their first child;
- 5 b) That the covered employees have not availed of the maternity  
6 leave benefits for the last three (3) years immediately  
7 preceding the monetization; and
- 8 c) That the covered employee intending to monetize is not  
9 pregnant on the day of filing of the application for  
10 monetization.

11 The grant of monetization privilege under this Act shall be  
12 considered as an availment of the maternity leave benefits in reference  
13 to paragraph (b) hereof.

14 SECTION 5. **Monetization for Female Workers in the Public**  
15 **Sector.** – The monetization of the maternity leave credits shall be  
16 upon the favorable recommendation of the agency head and subject to  
17 the availability of funds.

18 The computation of maternity leave monetization shall follow  
19 the formula prescribed in the Omnibus Rules Implementing Book V of  
20 the Revised Administrative Code of the Philippines.

21 SECTION 6. **Monetization for Female Workers in the Private**  
22 **Sector.** – The monetization of the maternity leave credits of the  
23 covered employees in the private sector shall further be subject to the  
24 following conditions:

- 25 a) That the female member should have paid at least three (3)  
26 monthly contributions in the twelve-month period  
27 immediately preceding the semester of her monetization;
- 28 b) That the employee shall have notified her employer of her  
29 intention to monetize, which notice shall be transmitted to  
30 the SSS in accordance with the rules and regulations it may  
31 provide;

- 1 c) The full payment shall be advanced by the employer within  
2 thirty (30) days from the filing of the maternity leave  
3 monetization application;
- 4 d) That one instance of monetization of maternity leave credits  
5 shall be counted as one delivery or miscarriage, thus shall be  
6 deducted from the allowable four (4) deliveries or  
7 miscarriages under the Social Security Law;
- 8 e) That the SSS shall immediately reimburse the employer of  
9 one hundred percent (100%) of the amount of the monetized  
10 maternity leave credits advanced to the employee by the  
11 employer upon receipt of satisfactory proof of such payment  
12 and legality thereof; and
- 13 f) That if an employee member should monetize without the  
14 required contributions having been remitted for her by her  
15 employer to the SSS, or without the latter having been  
16 previously notified by the employer of the employee's intent  
17 to monetize, the employer shall pay to the SSS damages  
18 equivalent to the benefits which said employee member  
19 would otherwise have been entitled to.

20 The computation of maternity leave monetization under this Act  
21 shall follow the formula prescribed in the Social Security Law on  
22 Maternity Leave Benefit.

23 **SECTION 7. *Implementing Rules and Regulations.*** – The Civil  
24 Service Commission, the Department of Labor and Employment, and  
25 the SSS shall issue the necessary rules and regulations for the  
26 effective implementation of this Act within six (6) months from its  
27 effectivity.

28 **SECTION 8. *Funding Sources of Maternity Leave Credits***  
29 ***Monetization of SSS Members.*** – The funds to be allocated to finance  
30 the maternity leave credits monetization of employee members and  
31 such other qualified female SSS members shall be charged against the  
32 employees contributions withheld from their monthly salary or wage  
33 or earnings during the month in accordance with the monthly salary

1 credit, the schedule and the rate of contributions; and a portion of the  
2 minimum 15% increase - from the original level of 10% - of the  
3 investment reserve fund (IRF) from short and medium-term member  
4 loans, as may be determined and fixed by the Social Security  
5 Commission.

6        Provided, however, in the event that such monetization privilege  
7 granted under this act necessitates the increase in the rate of  
8 contributions, said increase shall be based on sound actuarial  
9 calculations, rate of benefits, inflation, and other relevant socio-  
10 economic data, as may be determined by the Social Security  
11 Commission, in close coordination with the National Economic  
12 Development Authority and the Department of Labor and  
13 Employment.

14        SECTION 8. **Separability Clause.** - If any provision of this Act  
15 is declared unconstitutional or otherwise invalid, the validity of the  
16 other provisions shall not be affected thereby.

17        SECTION 9. **Repealing Clause.** - All laws, decrees, orders,  
18 rules and regulations or parts thereof inconsistent with this Act are  
19 hereby repealed or modified accordingly.

20        SECTION 10. **Effectivity.** - This Act shall take effect after  
21 fifteen (15) days from its publication in the Official Gazette or in a  
22 newspaper of general circulation.

23        *Approved,*