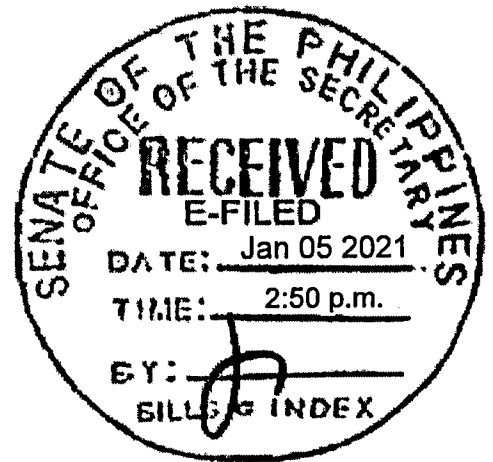


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Second Regular Session* )

SENATE

S.B. No. 1970



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Introduced by SENATOR RICHARD J. GORDON

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**AN ACT**  
**DEFERRING THE INCREASE IN CONTRIBUTION OF THE SOCIAL SECURITY**  
**SYSTEM AMENDING SECTION 4(a)(9) OF REPUBLIC ACT NO. 11199 ALSO**  
**KNOWN AS THE SOCIAL SECURITY ACT OF 2018**

**EXPLANATORY NOTE**

On February 7, 2019, RA 11199 also known as the "Social Security Act of 2018" was passed to address the problem of the shortening of fund life of the SSS by 10 years from 2042 to 2032 on account of the approved P 1,000 additional benefit given by President Duterte effective January 2017, as stated in the Memorandum from the Executive Secretary dated February 22, 2017.

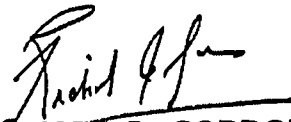
From 2019, until date, there had only been one increase in contribution from 11% to 12% contribution rate and from Php 15,000 maximum monthly salary credit to Php 20,000 maximum monthly salary credit. Second round of increase is scheduled in 2021 from 12% to 13% contribution rate and from Php 20,000 maximum monthly salary credit to Php 25,000 maximum monthly salary credit.

Unfortunately, Global pandemic caused by Covid-19 struck the Philippines in January 2019. The impact of Covid-19 on businesses and the working public is very drastic and bleak. According to the National Economic Development Authority, there had been 5.2 trillion loss sales in the first semester alone, which is higher than the 2021 budget of Php 4.5 trillion. As of August 2020, Philippines suffered its first recession in 29 years, with a grim outlook for economic recovery as Covid-19 continues to wreak havoc to the economy.

On account of the continuing hardship brought about by Covid-19 to the people and to the business sector, having the mandated contribution increase under Republic Act No. 11199 is not timely. This bill seeks to provide the people with flexibility to adapt to the pandemic by empowering the President to temporarily suspend or defend

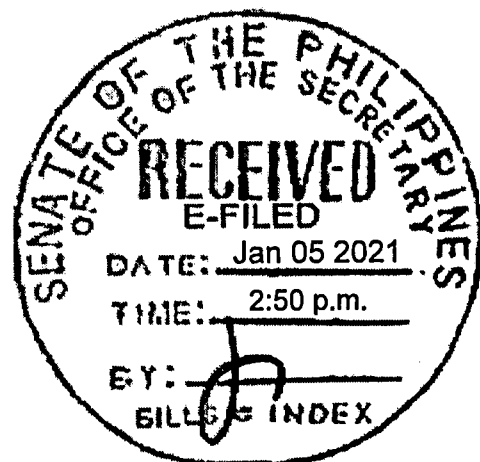
increase in contributions scheduled under RA 11199, so that the people will be able to have "financial breathing space" to be able to adjust to the on-going National Emergency.

Consideration and approval of this measure is earnestly being sought.



**RICHARD J. GORDON**  
Senator

EIGHTEENTH CONGRESS )  
REPUBLIC OF THE PHILIPPINES )  
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SENATE

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**KNOWN AS THE SOCIAL SECURITY ACT OF 2018**

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

1 **SECTION 1.** Sec. 4(a)(9) of Republic Act No. 11199 also known as the Social Security  
2 Act of 2018 is hereby amended as follows:

3       “(9) To implement the rate of contributions as well as the minimum and  
4 maximum monthly salary credits in accordance with the following schedule  
5 effective January of the year of implementation as follows:

Year of Implementation	Share			Monthly Salary Credit	
	Contribution Rate	Employer	Employee	Minimum	Maximum
2019	12%	8%	4%	P2,000	P20,000
2020	12%	8%	4%	P2,000	P20,000
2021	13%	8.5%	4.5%	P3,000	P25,000
2022	13%	8.5%	4.5%	P3,000	P25,000
2023	14%	9.5%	4.5%	P4,000	P30,000
2024	14%	9.5%	4.5%	P4,000	P30,000
2025	15%	10%	5%	P5,000	P35,000

6 *Provided,* That the domestic workers or "kasambahays" as defined under  
7 Republic Act No. 10361 or the Batas Kasambahay who are receiving a monthly  
8 income lower than minimum monthly salary credit prescribed under this Act  
9 shall pay contributions based on their actual monthly salary: *Provided,*

1 *further,* That members, who are subject to compulsory coverage and receiving  
2 a monthly income lower than the minimum monthly salary credit or more than  
3 the maximum monthly salary credit, and their employers, shall pay the SSS  
4 contributions based on the current minimum monthly salary credit or the  
5 maximum monthly salary credit, respectively, as provided in this Act:  
6 PROVIDED, FINALLY, THAT THE PRESIDENT OF THE PHILIPPINES SHALL  
7 HAVE THE POWER TO TEMPORARILY SUSPEND OR DEFER THE  
8 IMPLEMENTATION OF INCREASES IN CONTRIBUTIONS OF THE SOCIAL  
9 SECURITY SYSTEM MANDATED IN THIS SECTION BY VIRTUE OF AN ORDER  
10 ISSUED SOLELY IN TIMES OF A DULY DECLARED STATE OF NATIONAL  
11 EMERGENCY OR STATE OF CALAMITY FOR A PERIOD NOT EXCEEDING SIX  
12 MONTHS WHICH MAY BE EXTENDED TO ANOTHER SIX MONTHS UPON  
13 DETERMINATION BY THE PRESIDENT THAT FURTHER EXTENSION OF THE  
14 SUSPENSION OF IMPLEMENTATION OF INCREASES IS NECESSARY TO  
15 PROTECT PUBLIC INTEREST AND WELFARE.

16 The rate of penalty on unpaid loan amortizations shall be determined and fixed  
17 by the Commission from time to time through rules and regulations on the basis  
18 of applicable actuarial studies, rate of benefits, inflation, and other relevant  
19 socioeconomic data;

20 **SEC. 2.** Separability Clause. – If any provision or part hereof is held invalid or  
21 unconstitutional, the remainder of the law or the provision not otherwise affected shall  
22 remain valid and subsisting.

23 **SEC. 3.** Repealing Clause. – All laws, presidential decrees or issuances, executive  
24 orders, letters of instruction, administrative orders, rules and regulations contrary to  
25 or inconsistent with the provisions of this Act are hereby repealed, modified or  
26 amended accordingly.

27 **SEC. 4.** Effectivity. – This Act shall take effect fifteen (15) days after its complete  
28 publication in at least two (2) newspapers of general circulation.

29 *Approved,*