

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



SENATE
S. No. 1996

Introduced by SENATOR RAMON BONG REVILLA, JR.

AN ACT
GRANTING THE PRESIDENT OF THE PHILIPPINES THE POWER TO SUSPEND THE SCHEDULED INCREASES IN SOCIAL SECURITY SYSTEM (SSS) CONTRIBUTION RATES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11199, OTHERWISE KNOWN AS THE "SOCIAL SECURITY ACT OF 2018"

EXPLANATORY NOTE

The novel Coronavirus pandemic caused tremendous hardships to many. Economies around the world were shut down. Established multinational companies suffered huge losses. Millions of workers were displaced or permanently laid off by the sudden economic shift.

The International Labor Organization (ILO) reported that around 10.9 million Filipinos, or a quarter of the country's total employment, "lost their jobs and had lower incomes and working hours" in 2020 due to the health emergency. The Philippines had its worst unemployment rate at 10.4% in fifteen years following the nationwide lockdown and implementation of strict quarantine measures.

At this time, the employers and the labor force are struggling to make both ends meet. Hence, relief from any additional financial imposition or expenditure could greatly assist the public and the businesses to get by and survive the recession.

Republic Act No. 11199 or the Social Security Act of 2018 was enacted as an effort to strengthen the pension fund, extend its fund life, and expand the benefits enjoyed by its members. It provides, among others, the gradual increase of member contribution rate from 12% in 2019 until it becomes 15% in 2025. For 2021, members

will be greeted by a 1% increase in contribution rate, shared by the employer and the employee.

This bill seeks to empower the President of the Philippines, in consultation with the Secretary of Finance, to defer the implementation of the scheduled increases in contribution rates of the Social Security System in times of national emergency or calamity. This measure intends to give the President the necessary flexibility to suspend the mandated adjustments whenever the public interest requires, especially in the event of a severe national crisis.

Consideration of this bill is highly recommended.


RAMON BONG REVILLA, JR.

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

1 Section 1. Section 4 (a) (9) of Republic Act No. 11199 is hereby amended to
2 read as follows:

3 Sec. 4. *Powers and Duties of the Commission and SSS.* –

4 (a) *The Commission.* – For the attainment of its main
5 objectives as set forth in Section 2 hereof, the Commission
6 shall have the following powers and duties:

7 x x x

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

12 x x x

13 **"THE PRESIDENT OF THE PHILIPPINES MAY, IN**
14 **CONSULTATION WITH THE SECRETARY OF FINANCE**
15 **AS EX-OFFICIO CHAIRPERSON OF THE SOCIAL**
16 **SECURITY COMMISSION, SUSPEND THE**

1 **IMPLEMENTATION OF THE SCHEDULED INCREASES IN**
2 **CONTRIBUTION RATES IN TIMES OF NATIONAL**
3 **EMERGENCY OR CALAMITY WHEN PUBLIC INTEREST**
4 **SO REQUIRES.”**

5 *Sec. 2. Separability Clause.* – If any provision or part hereof is held invalid or
6 unconstitutional, the remainder of the law or the provision or part not otherwise
7 affected shall remain valid and subsisting.

8 *Sec. 3. Repealing Clause.* – All laws, decrees, orders, rules and regulations or
9 parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

10 *Sec. 4. Effectivity.* – This Act shall take effect fifteen (15) days after its
11 publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,

