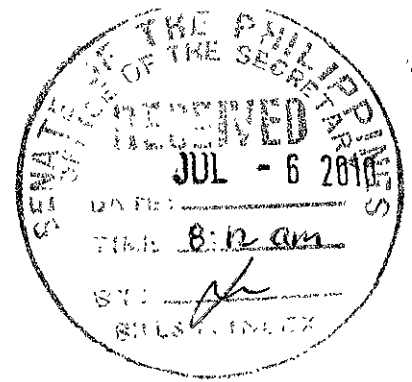


FIFTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session



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SENATE

S. B. No. 156

Introduced by Senator Ralph G. Recto

Explanatory Note

The recent global recession exposed the vulnerability of the Philippines to external shocks resulting in the downsizing, laying off of workers and even closing down of industries. Unemployment rate as of January 2009 reached 7.7% placing the unemployed persons in the country at 2.855 million.

Ideally, countries rely on their social security agencies to support their workforce during such financial difficulties. Unfortunately, the Philippines until now does not have an unemployment related benefit scheme to rely on because the Social Security System is not mandated to provide unemployment benefits to workers.

This proposal recognizes workers to be an important component of a country's human resources and economic development. It is therefore imperative upon the state to ensure that our workforce not only have meaningful and satisfying jobs, but also to guarantee employment security during unfortunate times when they lose their jobs through no fault of their own.

This bill provides unemployment benefits in the form of monthly cash payments equivalent to the existing monthly minimum wage to a permanent employee who is involuntarily unemployed.

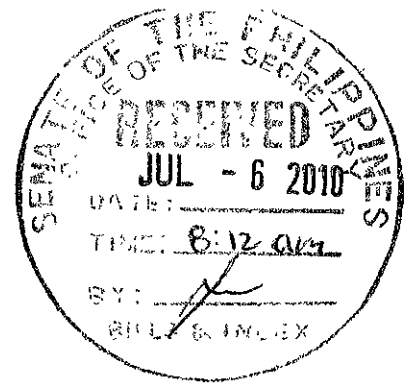
The grant of unemployment benefits even only for a few months will help alleviate the plight of these employees and give them the necessary assistance while looking for new opportunities to work. This benefit also becomes an economic tool during periods of unemployment because it tempers the drop in consumption brought about by unemployment. It also serves as an effective instrument for government to identify the workers and industries most vulnerable to job layoffs and closures, so that proper support programs are enforced.

Finally, this benefit, unlike other government programs do not promote mendicancy because it is extended to those who have judiciously payed their taxes and contributed to the Social Security System.

In light of the foregoing, immediate passage of the bill is earnestly sought.


RALPH G. RECTO

FIFTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



SENATE

S. NO. 156

Introduced by Senator Ralph G. Recto

**AN ACT
AUTHORIZING THE GRANT OF UNEMPLOYMENT OR INVOLUNTARY
SEPARATION BENEFITS TO ELIGIBLE MEMBERS OF THE SOCIAL SECURITY
SYSTEM (SSS) AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8282,
OTHERWISE KNOWN AS "SOCIAL SECURITY ACT OF 1997"**

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

1 SECTION 1. Republic Act No. 8282, otherwise known as "Social Security Act of 1997"
2 is hereby amended by inserting a new section after Section 14-A, to read as follows:

3
4 "SEC. 15. UNEMPLOYMENT OR INVOLUNTARY SEPARATION
5 BENEFITS. UNEMPLOYMENT BENEFITS IN THE FORM OF MONTHLY CASH
6 PAYMENTS EQUIVALENT TO THE EXISTING MONTHLY MINIMUM WAGE SHALL
7 BE PAID TO A PERMANENT EMPLOYEE WHO IS INVOLUNTARILY UNEMPLOYED :
8 PROVIDED, THAT HE/SHE HAS BEEN PAYING INTEGRATED CONTRIBUTIONS FOR
9 AT LEAST ONE (1) YEAR PRIOR TO THE INVOLUNTARY UNEMPLOYMENT.

10 "UNEMPLOYMENT BENEFITS SHALL BE PAID IN ACCORDANCE WITH THE
11 FOLLOWING SCHEDULE:

<u>CONTRIBUTIONS MADE</u>	<u>BENEFIT DURATION</u>
1 YEAR BUT LESS THAN 3 YEARS	2 MONTHS
3 OR MORE YEARS BUT LESS THAN 6 YEARS.....	3 MONTHS
6 OR MORE YEARS BUT LESS THAN 9 YEARS.....	4 MONTHS
9 OR MORE YEARS BUT LESS THAN 11 YEARS	5 MONTHS
11 OR MORE YEARS BUT LESS THAN 15 YEARS	6 MONTHS

18
19 "THE FIRST PAYMENT SHALL BE EQUIVALENT TO TWO (2) MONTHLY
20 BENEFITS. A SEVEN-DAY (7) WAITING PERIOD SHALL BE IMPOSED ON
21 SUCCEEDING MONTHLY PAYMENTS.

22

1 “THE SSS SHALL PRESCRIBE THE DETAILED GUIDELINES IN THE
2 OPERATIONALIZATION OF THIS ACT.”

3
4 SEC. 2. The succeeding Sections of Republic Act No. 8282 are hereby renumbered
5 accordingly.

6
7 SEC. 3. *Separability Clause.* - If any part or provision of this Act is subsequently
8 declared unconstitutional or invalid, other parts or provisions hereof which are not affected
9 thereby shall continue to be in full force and effect.

10 SEC. 4. *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations, or
11 parts thereof which are inconsistent with this Act are hereby repealed, amended or modified
12 accordingly.

13 SEC. 5. *Effectivity.* - This Act shall take effect fifteen days (15) days following its
14 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,