

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

SENATE
OFFICE OF THE SECRETARY

10 JUL 21 AM '34

SENATE
S. No. 1703

RECEIVED BY *hw*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article 11, Section 18 mandates the State to protect the rights of workers and promote their welfare. The Labor Code, as amended, Article 3, provides that the State shall afford protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race or creed and regulate the relations between workers and employers.

Republic Act No. 1161, as amended, otherwise known as the Social Security Law, penalizes non-remittance of contributions to the Social Security System by employers with a fine equivalent to three percent (3%) per month from the date the contributions falls due until paid or imprisonment of not less than six months nor more than one year, or both at the discretion of the court. However, many employers continue to violate this provision presumably because of the minimal fines imposed. This bill seeks to increase the penalty by imposing imprisonment of not less than six months and one day to six years and or a fine equivalent to not less than the total contributions unremitted plus three percent (3%) monthly interest from the date the contribution fails due. Increasing the fine and imposing a higher penalty of imprisonment will deter unscrupulous employers in violating the law by just opting to pay the fine presently imposed.¹

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO

¹ This bill was originally filed during the Thirteenth Congress, First Regular Session,

1 SECTION 2. Repealing Clause. - Any law, presidential decree or issuance, executive
2 order, letter of instruction, administrative order, rule and regulation contrary to, or inconsistent
3 with the provisions of this Act, is hereby repealed, modified, or amended accordingly.

4 SECTION 3. Effectivity. - This Act shall take effect fifteen (15) days after its publication
5 in two (2) newspapers of general circulation.

6 Approved,