



SENATE

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P. S. Res. No. 19

RECEIVED BY: *ju*

Introduced by Senator Ralph G. Recto

**A RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON GOVERNMENT CORPORATION AND PUBLIC ENTERPRISES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE NEW SOCIAL SECURITY SYSTEM (SSS) POLICY PROVIDING RULES AND QUALIFICATIONS IN AVAILING LIFETIME PENSIONS, WITH THE END IN VIEW OF ENSURING THE WELFARE OF SSS MEMBERS AND PENSIONERS**

WHEREAS, Section 9, Article II of the Constitution directs the State to “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”;

WHEREAS, the Constitution also mandates Congress to “give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good”;

WHEREAS, in promoting the general welfare of the people, Congress has enacted laws that created a social security and pension fund for those who work in the private sectors and self-employed individuals that is managed by the Social Security System (SSS);

WHEREAS, the Social Security System (SSS) was created under Republic Act (R.A.) No. 1161, otherwise known as the “Social Security Law”, as amended by Republic Act (R.A.) No. 8282, also known as the “Social Security Act of 1997” to promote the general welfare of those who work in the private sectors as well as self-employed individuals;

WHEREAS, the SSS provides disability, sickness, maternity, retirement and death benefits to its members, as well as other services such as emergency and salary loans;

WHEREAS, the SSS also provides lifetime pensions to its members who have reached the retirement age of sixty five (65) and who have paid at least one hundred twenty (120) monthly contributions prior to the semester of retirement;

WHEREAS, previously, the SSS allows its members to complete the required 120 monthly contributions through voluntary membership payment even after reaching the retirement age of sixty five (65) in order to qualify for the lifetime pension;

WHEREAS, there have been news and reports that the SSS has recently approved and adopted a new policy disallowing the members who have reached the retirement age of sixty five (65) on or before April 1, 2013, but with less than 120 monthly contributions, to complete the required contributions in order to be entitled to receive lifetime pension;

WHEREAS, if the concerned members failed to get an approval for voluntary membership payment, they will be disqualified from availing lifetime pensions;<sup>1</sup>

<sup>1</sup> See Ambanta, Jennifer and Cruz, Maricel, “2M Losing SSS Pension”. Manila Standard Today, June 19, 2013.

WHEREAS, there are claims that the new SSS policy is discriminatory in nature and would forfeit all the benefits and entitlements of members who have not completed the 120 monthly contributions upon reaching the age of sixty five (65);<sup>2</sup>

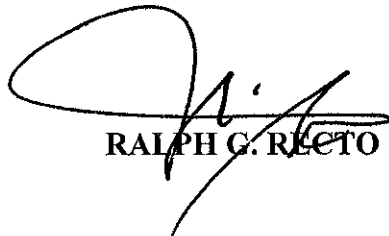
WHEREAS, the SSS clarified that in accordance with the new policy, in lieu of the lifetime pensions, members who have not completed the required 120 monthly contributions upon reaching the retirement age of sixty five (65) and those who failed to get an approval for voluntary membership payment, would just qualify to receive a lump sum amount equivalent to all contributions paid plus interest;<sup>3</sup>

WHEREAS, it is important to clarify the new SSS policy in order to avoid confusion and misinterpretation on its effects to the retirement benefits of the estimated 10 Million paying SSS members at present;

WHEREAS, it is also important that the estimated 10 Million paying SSS members be informed of the implication of the new SSS policy to their retirement benefits in the future in line with their constitutional right to information;

*NOW THEREFORE, BE IT RESOLVED*, by the Philippine Senate, to direct the Senate Committee on Government Corporation and Public Enterprises to conduct an inquiry, in aid of legislation, on the new SSS policy providing rules and qualifications in availing lifetime pensions, with the end in view of ensuring the welfare of SSS members and pensioners.

*Adopted,*



RALPH G. RECTO

<sup>2</sup> See Jurado, Emil P., "Penalizing Retirees". Manila Standard Today, June 19, 2013.

<sup>3</sup> See Opinion Section "Mail Matters". Manila Standard Today, June 20, 2013.