

SIXTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
*First Regular Session*



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SENATE

S.B. No. 236

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Introduced By Senator Manuel "Lito" M. Lapid

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EXPLANATORY NOTE

By law, employers are required to deduct amounts from employees' salaries to pay for Government Service Insurance System ("GSIS") contributions, Social Security System ("SSS") contributions, Pag-IBIG fund contributions, and Philhealth contributions. It has become rampant practice however for employers to deduct the required contributions from their employees' salaries yet fail to remit said amounts to the appropriate government agencies.

Employers' acts of defraudation and misappropriation of funds contributed by employees harm the integrity of the social security, health insurance, and other public service systems of the government. Hence, the practice should not be considered as mere estafa but is already a crime of economic sabotage.

The present proposed legislation seeks to amend Presidential Decree No. 1689, otherwise known as an act "Increasing the Penalty for Certain Forms of Swindling or Estafa" in order to include within its contemplation the practice of employers who fail to remit employees' GSIS, SSS, Pag-IBIG fund, and Philhealth contributions which were actually deducted from the salaries of employees.

MANUEL "LITO" M. LAPID  
*Senador*



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**AN ACT EXPANDING THE SCOPE  
OF THE CRIME OF ECONOMIC SABOTAGE  
AMENDING FOR THAT PURPOSE PRESIDENTIAL DECREE NO. 1689**

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

1           **SECTION 1.** A new Section 1.A. is hereby inserted into Presidential Decree No.  
2 1689, otherwise known as an act "Increasing the Penalty for Certain Forms of Swindling  
3 or Estafa", thereby amending it to read as follows:

4  
5           **SEC. 1.A. THE SAME PENALTY AS THAT PROVIDED IN THE FIRST**  
6 **PARAGRAPH OF THE PRECEDING SECTION SHALL BE**  
7 **ACCORDED TO ANY PERSON WHO SHALL DELIBERATELY FAIL**  
8 **TO REMIT WITHIN A REASONABLE PERIOD, THE AMOUNTS**  
9 **CORRESPONDING TO MANDATORY CONTRIBUTIONS TO**  
10 **GOVERNMENT SOCIAL INSURANCE SYSTEM ("GSIS"), SOCIAL**  
11 **SECURITY SYSTEM ("SSS"), PAG-IBIG FUND, AND PHILIPPINE**  
12 **HEALTH INSURANCE CORPORATION ("PHILHEALTH") WHICH**  
13 **WERE ACTUALLY DEDUCTED FROM THE SALARY OF THE**  
14 **EMPLOYEES. "PERSON" REFERS TO ANY NATURAL OR**  
15 **JURIDICAL PERSON. IF THE OFFENDER IS A CORPORATION,**  
16 **ASSOCIATION, PARTNERSHIP OR ANY JURIDICAL PERSON, THE**  
17 **PENALTY SHALL BE IMPOSED UPON THE RESPONSIBLE**  
18 **OFFICERS OR AGENTS, AS THE CASE MAY BE, WHO**  
19 **PARTICIPATED IN THE COMMISSION OF THE CRIME OR WHO**

1           **SHALL HAVE KNOWINGLY PERMITTED OR FAILED TO PREVENT**  
2           **ITS COMMISSION.**

3  
4           **SEC. 2.** All laws, decrees, executive orders, issuances, rules and regulations or  
5 parts thereof inconsistent with the provisions of this Act are hereby repealed or  
6 modified accordingly.

7  
8           **SEC. 3.** This Act shall take effect fifteen (15) days after its publication in the  
9 Official Gazette or in at least two (2) newspapers of general circulation.

Approved,