



13 JUL -4 AIO:16

SENATE

S. No. 450

RECEIVED BY: *ju*

Introduced by Senator Ralph G. Recto

Explanatory Note

The global recession few years back 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 July 2012 reached 7% placing the unemployed persons in the country at 2.8 million¹.

Ideally, countries rely on their social security agencies to support their workforce during such financial difficulties. Unfortunately, this does not apply to the Philippines because the Social Security System is not mandated to provide unemployment benefits to displaced workers.

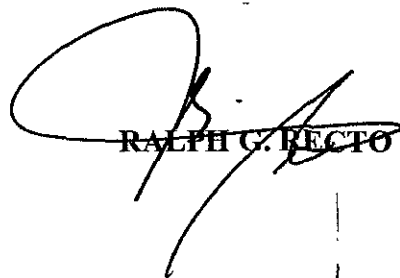
This proposal recognizes workers to be an important component of a country's human resources and economic development. It is therefore imperative upon the state to ensure that our workforce not only have meaningful and satisfying jobs, but also to guarantee employment security during unfortunate times when they unfortunately lose their jobs.

This bill intends to provide 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 work opportunities. 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 introduced.

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

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


RALPH G. RECTO

¹ See National Statistics Office National Quick Stat as of December 2012 accessed at <http://www.census.gov.ph/sites/default/files/attachments/ird/quickstat/December2012.pdf> on March 11, 2013.



13 JUL -4 AIO :16

SENATE

S. No. 450

RECEIVED BY: *ja*

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 the "Social Security Act of
2 1997" is hereby amended by inserting a new section after Section 14-A, to read as follows:

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

11 "UNEMPLOYMENT BENEFITS SHALL BE PAID IN ACCORDANCE WITH
12 THE 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

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

22 "THE SSS SHALL PRESCRIBE THE DETAILED GUIDELINES IN THE
23 OPERATIONALIZATION OF THIS ACT."

1 **Sec. 2.** The succeeding Sections of Republic Act No. 8282 are hereby renumbered
2 accordingly.

3 **Sec. 3. *Implementing Rules and Regulations.*** – The Social Security System (SSS) shall
4 promulgate not later than thirty (30) days upon the effectivity of this Act the necessary rules and
5 regulations for its effective implementation.

6 **Sec. 4. *Separability Clause.*** - If any part or provision of this Act is subsequently declared
7 unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall
8 continue to be in full force and effect.

9 **Sec. 5. *Repealing Clause.*** - All laws, decrees, executive orders, rules and regulations, or
10 parts thereof which are inconsistent with this Act are hereby repealed, amended or modified
11 accordingly.

12 **Sec. 6. *Effectivity.*** - This Act shall take effect fifteen days (15) days following its
13 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,