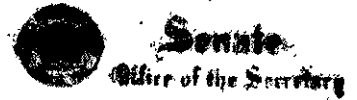


SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )



13 AUG -8 P2 :44

SENATE  
S. No. 1249

RECEIVED BY: *js*

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Introduced by Senator Miriam Defensor Santiago

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#### EXPLANATORY NOTE

Improving financial literacy is a critical and complex task for Filipinos of all ages. Low levels of savings and high levels of personal and real estate debt are serious problems for many households nearing retirement. Personal savings rates have fallen to a dangerously low two percent.

Studies have revealed that there is a substantial gender gap in all sources of retirement income including social security, pensions, savings and earnings from post-retirement employment. Because women have longer life expectancies, the number of poor older women is more than twice the number of poor older men.

Mid-life and older individuals and families have a more limited time frame to assess the realities of their individual circumstances, to recover from counter-productive choices and decision-making processes, and to benefit from more informed financial practices. This situation has an immediate impact and near term consequences for Filipinos nearing or of retirement age.

Research indicates that there are now four basic sources of retirement income security. Those sources are social security benefits, pensions and savings, healthcare insurance coverage, and, for an increasing number of older individuals, necessary earnings from working during "retirement" years. It was also revealed that about a quarter of baby-boomer households have so far failed to accumulate significant savings and that they appear likely to depend entirely on government benefits in retirement.

Fraud against older individuals, including telemarketing schemes, predatory lending, identity theft and Internet fraud has risen dramatically. It is therefore the sense of Congress that,

in providing assistance under this Act, the government will place a high priority on the provision of such assistance to organizations that have demonstrated experience in providing financial education to older people.\*

*Miriam Defensor Santiago*  
MIRIAM DEFENSOR SANTIAGO  
*alt*

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\* This bill was originally filed in the Fourteenth Congress, Second Regular Session.



13 AUG -8 P2:44

SENATE  
S. No. 1249

RECEIVED BY: *ji*

Introduced by Senator Miriam Defensor Santiago

1 AN ACT  
2 ESTABLISHING A GRANT PROGRAM TO ENHANCE FINANCIAL AND RETIREMENT  
3 LITERACY FOR MID-LIFE AND OLDER FILIPINOS

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

4 SECTION 1. *Short Title.* – This Act shall be known as the “Retirement Security  
5 Education Act.”

6 SECTION 2. *Definition of Terms.* – As used in this Act, the term—

7 A. “Financial Education” refers to education that promotes an understanding of  
8 consumer, economic, and personal finance concepts, including saving for retirement, long-term  
9 care, and estate planning and education on predatory lending, identity theft, and financial abuse  
10 schemes.

11 B. “Mid-Life Individual” refers to an individual aged 45 to 64 years.

12 C. “Older Individual” refers to an individual aged 65 or older.

13 D. “Secretary” refers to the Secretary of Health.

14 SECTION 3. *Grant Program to Enhance Financial and Retirement Literacy and Reduce*  
15 *Financial Abuse and Fraud among Mid-Life and Older Filipinos.* –

16 A. Authority – The Secretary is authorized to award grants to eligible entities to provide  
17 financial education programs to mid-life and older individuals who reside in local communities  
18 in order to—

- 19 1. enhance and promote knowledge of financial issues, long-term care, and  
20 retirement issues among such individuals; and

- 1           2. reduce financial abuse and fraud, including telemarketing, mortgage, and pension  
2           fraud, among such individuals.

3           B. Eligible Entities— An entity is eligible to receive a grant under this section if such  
4 entity belongs to the following categories:

- 5           1. a government agency or area agency on aging; or
- 6           2. a non-profit organization with a proven record of providing—
  - 7           a. services to mid-life and older individuals;
  - 8           b. consumer awareness programs; or
  - 9           c. supportive services to low-income families.

10          C. Application – An eligible entity desiring a grant under this section shall submit an  
11 application to the Secretary in such form and containing such information as the Secretary may  
12 require, including a plan for continuing the programs provided with grant funds under this  
13 section after the grant expires.

14          D. Limitation on Administrative Costs – A recipient of a grant under this section may  
15 not use more than four (4) percent of the total amount of the grant in each fiscal year for the  
16 administrative costs of carrying out the programs provided with grant funds under this section.

17          E. Evaluation and Report—

- 18           1. Establishment of Performance Measures – The Secretary shall develop measures  
19           to evaluate the programs provided with grant funds under this section.
- 20           2. Evaluation According to Performance Measures – Applying the performance  
21           measures developed under paragraph (1), the Secretary shall evaluate the  
22           programs provided with grant funds under this section in order to—
  - 23           a. judge the performance and effectiveness of such programs;
  - 24           b. identify which programs represent the best practices of entities developing  
25           such programs for mid-life and older individuals; and
  - 26           c. identify which programs may be replicated.

27          F. Annual Reports – For each fiscal year in which a grant is awarded under this section,  
28 the Secretary shall submit a report to Congress containing a description of the status of the grant

1 program under this section, a description of the programs provided with grant funds under this  
2 section, and the results of the evaluation of such programs under paragraph (2).

3 SECTION 4. *National Training and Technical Assistance Program.* –

4 A. Authority – The Secretary is authorized to award a grant to one or more eligible  
5 entities to–

6 1. create and make available instructional materials and information that promote  
7 financial education ; and

8 2. provide training and other related assistance regarding the establishment of  
9 financial education programs to eligible entities awarded a grant under section 3.

10 B. Eligible Entities– An entity is eligible to receive a grant under this section if such  
11 entity is a nonprofit organization with substantial experience in the field of financial education.

12 C. Application– An eligible entity desiring a grant under this section shall submit an  
13 application to the Secretary in such form and containing such information as the Secretary may  
14 require.

15 D. Basis and Term– The Secretary shall award a grant under this section on a  
16 competitive, merit basis.

17 SECTION 5. *Appropriations.* – The amount of Twenty Million Pesos (₱20,000,000.00) is  
18 hereby authorized to be appropriated for the Grant Program to Enhance Financial and Retirement  
19 Literacy. Thereafter, the funds necessary for the operation of the Grant shall be included in the  
20 General Appropriations Act.

21 SECTION 6. *Separability Clause.* – If any provision or part thereof is held invalid or  
22 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain  
23 valid and subsisting.

1           SECTION 7. *Repealing Clause.* – All laws, presidential decree or issuance, executive  
2 orders, letter of instruction, administrative order, rule and regulation contrary to or inconsistent  
3 with the provisions of this Act are hereby repealed, modified, or amended accordingly.

4           SECTION 8. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following  
5 its publication in at least two (2) newspapers of general circulation.

Approved,