

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



Senate
Office of the Secretary

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SENATE
Senate Bill No. 1498

RECEIVED BY: *Jei*

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

Under Republic Act No. 8282, or the Social Security Act of 1997, specifically in Section 12 (b) thereof, SSS members with at least ten (10) credited years of service are provided a monthly pension of P1,200.00, while those with twenty (20) credited years are given P2,400.00.

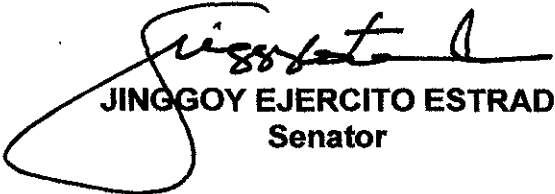
With the spiraling cost of living, especially in the prices of medicines and essential commodities, these amounts have been rendered woefully inadequate to meet even the barest needs of the SSS pensioners.

Retirees prior to the effectivity of RA 8282 are even more hardpressed because their monthly pension is governed by the old Social Security Law of June 18, 1954 (RA 1161) that pays very much less.

Thus, it becomes imperative, in light of the social justice policy enshrined in the Constitution, to adjust the SSS pension rates to keep them fairly responsive to the basic necessities of private employment retirees.

This measure is meant to carry out such adjustment through a two-pronged approach: (1) raising the minimum monthly pension to P3,000; and (2) annual increase of P500 until the minimum of P5,000 a month is reached. Additionally, this measure provides that the new monthly pension rates shall be applicable to all SSS members regardless of the effectivity of their retirement.

Early passage of this bill is thus earnestly urged to provide immediate relief to the countless distressed SSS retirees.


JINGGOY EJERCITO ESTRADA
Senator



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SENATE

Senate Bill No. 1498

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

AN ACT
INCREASING PENSIONS UNDER THE SOCIAL SECURITY SYSTEM
AMENDING FOR THE PURPOSE SECTION 12 OF REPUBLIC ACT NO. 1161,
OTHERWISE KNOWN AS THE "SOCIAL SECURITY ACT OF 1997"

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

SECTION 1. Section 12 of Republic Act No. 1161, as amended by Republic Act No. 8282, otherwise known, as the Social Security Act is hereby further amended to read as follows:

"SEC. 12. *Monthly Pension.* – (a) The monthly pension shall be the highest of the following amounts:

(1) The sum of the following:

- (i) Three hundred pesos (P300.00); plus
- (ii) Twenty percent (20%) of the average monthly salary credit; plus
- (iii) Two percent (2%) of the average monthly salary credit for each credited year of service in excess of ten (10) years; or

(2) Forty percent (40%) of the average monthly salary credit; or

(3) One Thousand Pesos; *Provided*, That the monthly pension in no case be paid for an aggregate amount of less than sixty (60) months

(b) Notwithstanding the preceding paragraph, the minimum MONTHLY pension shall be [One thousand two hundred pesos (P1,200.00) for members with at least ten (10) credited years of service and Two thousand four hundred pesos (P2,400.00) for those with twenty (20) credited years of service] THREE THOUSAND PESOS (P3,000.00) IN THE SUCCEEDING YEARS STARTING JANUARY 2005. THE THREE THOUSAND MONTHLY PENSION BENEFIT SHALL BE INCREASED ANNUALLY BY FIVE HUNDRED PESOS (P500.00) PER MONTH

UNTIL THE MINIMUM MONTHLY PENSION SHALL REACH FIVE THOUSAND PESOS (P5,000.00) PER MONTH. THE COMMISSION SHALL EQUITABLY ADJUST THE MONTHLY PENSIONS OF OTHER ENTITLED MEMBERS OR BENEFICIARIES WHOSE MONTHLY PENSIONS ARE HIGHER THAN THE MINIMUM MONTHLY PENSION TO PRESERVE THE INTEGRITY OF THE PENSION PROGRAM."

SEC 2. The new monthly pension and its annual increment provided herein shall apply to all beneficiaries regardless of the effectivity of their retirement.

SEC 3. This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved,