

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

Office of the Secretary
JAN 28 P4:19

SENATE
S. No. 2593

RECEIVED BY *J.*

Introduced by Senator Miriam Defensor Santiago

AN ACT
INCREASING PENALTIES FOR EMPLOYERS WHO FAIL TO REMIT SSS
CONTRIBUTIONS OF THEIR EMPLOYEES, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 8282, AS AMENDED OTHERWISE KNOWN AS THE
“SOCIAL SECURITY LAW”

EXPLANATORY NOTE

In 2012, more than 80 percent of the employers sued by the Social Security System (SSS) failed to remit their employees' SSS contributions worth a total of P376 million.¹ Despite the fact that Republic Act No. 8282, otherwise known as the Social Security Law penalizes employers with imprisonment and fine for the non-remittance of contributions, there remain a considerable number of employers who violate the same. In fact from 1,227 in 2011, 1,418 employers or 16 percent more were sued by the SSS for such violation in 2012.²

This bill seeks to give teeth to the penal provision of the Social Security Law by imposing heavier penalties to employers, as well as providing more reliefs for the aggrieved employees.³

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO
ff

¹ Rain Castro, SSS sues more employers for failure to remit contributions, payments, Interaksyon, March 14, 2013 < <http://www.interaksyon.com/business/57141/sss-sues-more-employers-for-failure-to-remit-contributions-payments>>.

² *Id.*

³ This bill was filed as House Bill 4405 by Representatives Neri J. Colmenares and Carlos Isagani T. Zarate in the House of Representatives during the First Regular Session of the Sixteenth Congress.

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Period of Session



Introduced by Senator Miriam Defensor Santiago

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

1 AN ACT
2 INCREASING PENALTIES FOR EMPLOYERS WHO FAIL TO REMIT SSS
3 CONTRIBUTIONS OF THEIR EMPLOYEES, AMENDING FOR THE PURPOSE
4 REPUBLIC ACT NO. 8282, AS AMENDED OTHERWISE KNOWN AS THE
5 "SOCIAL SECURITY LAW"

6 SECTION 1. Republic Act No. 8282, Section 28, paragraph (h), is hereby
7 amended to read as follows:

8 *Sec. 28. Penal Clause. – xxx*

9 (h) Any employer who, after deducting the monthly contributions or
10 loan amortizations from his employee's compensation, fails to remit
11 the said deduction to the SSS within thirty (30) days from the date
12 they became due, shall be presumed to have misappropriated such
13 contributions or loan amortizations and shall suffer ~~the penalties~~
14 ~~provided in Article Three hundred fifteen of the Revised Penal Code.~~
15 A FINE OF ₱25,000.00 AND AN ADDITIONAL ₱20,000.00 FOR
16 EVERY ₱10,000 WITHHELD, AND IMPRISONMENT FOR NO
17 LESS THAN EIGHT YEARS NO MORE THAN 14 YEARS.
18 HALF OF THE AMOUNT PAID AS FINE SHALL BE GIVEN TO
19 THE EMPLOYEE WHOSE CONTRIBUTION WAS NOT
20 REMITTED IN ADDITION TO ANY CIVIL DAMAGES THAT
21 SAID EMPLOYEE MAY BE ENTITLED TO.

1 SECTION 2. *Repealing Clause.* - All laws, decrees, orders, proclamation, rules
2 and regulations or parts thereof inconsistent with the provisions of this Act are hereby
3 repealed, amended, or modified accordingly.

4 SECTION 3. *Effectivity Clause.* - This Act shall take effect 15 days after its
5 publication in at least two newspapers of general circulation.

Approved,

/tmdp23Jan2015