

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



'16 JUL 18 P6:20

SENATE

S. B. No. 400

RECEIVED BY: 

Introduced by SENATOR LOREN LEGARDA

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

Explanatory Note

According to the Philippine Statistics Authority (PSA), our country's monthly poverty threshold for a family of five is an average income of P8,022 per month. This amount is enough to cover a single family's basic food and non-food needs. Based on the study of the Poverty and Social Exclusion (PSE) group based in UK, pensioners do not have fewer needs compared to the younger generation. Majority of the older people suffers health conditions that can face additional medical costs, as well as care and assistance needs.

The last increase of the SSS monthly pension was done 18 years ago when RA 8282 was passed, amending the Social Security Act under RA 1616. An estimated 81.5% or about 1.5M of the retired members of the Social Security System receives a monthly pension below P4,000 in 2012. This amount is already below the poverty line set by the government. Thus, the current pension rate is not sufficient to provide the daily needs of the pensioners.

The objective of this measure is to promote the well-being of the country's private sector's retirees. This bill seeks to implement a Two thousand peso (P2,000) across-the-board increase in the monthly pension under the SSS, increasing the present minimum monthly pension of P1,200 to P3,200 for retirees with at least 10 years of credited service, and P4,400 for those with 20 years of credited services.

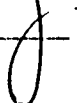
In view of the foregoing, the immediate passage of this bill is earnestly sought.


LOREN LEGARDA
Senator

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

SECTION 1. Any provision of the law to the contrary notwithstanding, the Social Security Commission is hereby mandated to implement a Two thousand peso (P2,000) across-the-board increase in the monthly pension under the Social Security System.

SECTION 2. 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)] **THREE THOUSAND TWO HUNDRED PESOS (P3,200.00)** for members with at least ten (10) credited years of service and [Two thousand four hundred pesos (P2,400.00)] **FOUR**

1 **THOUSAND FOUR HUNDRED PESOS (P4,400.00)** for those with
2 twenty (20) credited years of service.”

3 **SECTION 3.** Any law, presidential decree or issuance, executive order, letter of
4 instruction, administrative order, rule, or regulation inconsistent with this Act
5 is hereby repealed, modified, or amended accordingly.

6 **SECTION 4.** This Act shall take effect fifteen (15) days after its publication in
7 the Official Gazette or in at least two (2) newspapers of general circulation.

8 Approved,