

SEVENTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session



Senate  
Office of the Secretary

16 JUL 20 P 3:05

SENATE  
S.B. No. 658

RECEIVED BY: 

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Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

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**AN ACT PROVIDING FOR ENHANCED SOCIAL PROTECTION FOR THE WORKING POOR AND PROVIDING FUNDS THEREOF**

**EXPLANATORY NOTE**

The Philippine Social Security Act of 1954 gave rise to the Social Security System (SSS) in the country intended to provide protection against likelihoods and eventualities such as disability and injury, sickness, maternity, old age, and death.

One's contributions to SSS translate to investments into one's future and the future of their family. Contributions give citizens access to benefits such as disability aid, retirement relief, and life insurance. SSS also offers loans at reasonable rates that can be used for various purposes like putting a child through school or putting up a small business.

These benefits can make the world of a difference to Filipinos, particularly those burdened by financial instability. However, contributions of individuals earning below P 100,000 annually are intermittent.

Our social protection programs cover the poorest of the poor but only 6.5% of the 12 million self-employed Filipinos are paying their SSS contributions. This is a lost opportunity for countrymen considered our working poor as well as our marginal income earners –farmers, fishermen, market and street vendors, and micro-entrepreneurs across the country.

This bill is the financial support and incentive system our MIEs need to encourage them to invest in their future and their security.

Let us ensure that all working Filipinos are being provided for and that our MIEs are not left behind as we continue to push for inclusive growth in the country.

Let us make the vital adjustments that help Filipinos help themselves.

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

Senator Paolo Benigno "Bam" A. Aquino IV

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

1           **SECTION 1. Short Title.** - This Act shall be known as the "*Working Poor Protection*  
2 *Act*".

3           **SEC. 2. Declaration of Policies.** - The State shall uplift the standard of living and  
4 quality of life of all Filipinos. Towards this end, the government shall undertake a  
5 comprehensive approach to poverty eradication that shall consist of multi-layered  
6 programs, which address the specific needs of the near poor, the working poor, and the  
7 poorest of the poor.

8           The State affirms its commitment to the millennium development goals and  
9 sustainable development goals, and adheres to international standards on working  
10 conditions and social protection floors. Specifically, the government shall provide assistance  
11 in order that the near poor and the working poor can enjoy the benefit of meaningful social  
12 protection against the hazards of disability, sickness, maternity, old-age, death, and other  
13 contingencies resulting in the loss of income or financial burden.

14           **SEC. 3. Definition of Terms.** - As used in this Act, the following terms are hereby  
15 defined:

- 16           a) *Social Protection* refers to programs of the government aimed to protect workers  
17 against contingencies resulting in loss of income or financial burden;
- 18           b) *Working poor* refers to a worker with an average monthly income that is not  
19 sufficient to place a typical Filipino household above the poverty line as defined by  
20 the Philippine Statistics Authority (PSA) or such other government agencies  
21 mandated to prepare the official poverty statistics of the country; and
- 22           c) *Near Poor* refers to a worker with an average monthly income that is sufficient to  
23 place a typical Filipino household above, by no more than 20%, the poverty line as  
24 defined by the Philippine Statistics Authority (PSA) or such other government  
25 agencies mandated to prepare the official poverty statistics of the country.



- 1 a) Ten percent (10%) of the share of the national government in all lotteries conducted
- 2 by the Philippine Charity Sweepstakes Office (PCSO);
- 3 b) Ten percent (10%) of the share of the national government in the earnings of the
- 4 Philippine Amusement and Gaming Corporation (PAGCOR); and
- 5 c) ten percent (10%) of the eighty percent (80%) of the remaining balance of the
- 6 incremental revenue derived from Republic Act No. 10351 allocated for the universal
- 7 health care under the National Health Insurance Program (PHILHEALTH), the
- 8 attainment of the millennium development goals and health awareness programs.

9 **SECTION 7. Administration of the Fund.** - The Social Protection Fund shall be administered  
10 by the SSS as a separate and distinct fund from the SSS Investment Reserve Fund. The  
11 government contributions provided for under this Act shall be drawn from the fund.

12 **SECTION 8. Responsibilities of the SSS.** - The SSS shall have the following responsibilities:

- 13 a) Administer the Social Protection Fund, including the preparation of an annual
- 14 financial report;
- 15 b) Device systems and procedures for the timely computation of aggregate government
- 16 contributions; and
- 17 c) Undertake coverage campaigns among the working poor.

18 **SECTION 9. Identification of the Working Poor.** On a nationwide basis, the government  
19 shall select the working poor using a standardized targeting system and shall verify their  
20 monthly average income. The government shall conduct a revalidation of this selection  
21 every three (3) years.

22 **ARTICLE IV**  
23 **MISCELLANEOUS PROVISIONS**

24 **SECTION 10. Transitory Provision.** - Section 4 of this Act shall be implemented in the  
25 beginning of the year following the approval of this Act.

26  
27 **SECTION 11. Implementing Rules and Regulations.** - Within sixty (60) days from the  
28 effectivity of this Act, the Lead Convenor of the National Anti-Poverty Commission, in  
29 coordination with the Secretary of Labor and Employment, the President and Chief  
30 Executive Officer of the Social Security System, and the Executive Director of the Employee's  
31 Compensation Commission shall promulgate the necessary rules and regulations for the  
32 effective implementation of this Act.

33 **ARTICLE V**  
34 **FINAL PROVISIONS**

35 **SECTION 11. Separability Clause.** - If any provision of this Act is subsequently declared  
36 invalid or unconstitutional, other provisions hereof which are not affected thereby shall  
37 remain in full force and effect.

1           **SEC. 13. *Repealing Clause.*** - All laws, acts, presidential decrees, executive orders,  
2   issuances, presidential proclamations, rules and regulations or parts thereof which are  
3   contrary to and inconsistent with any provision of this Act are hereby repealed, amended or  
4   modified accordingly.

5           **SEC. 15. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its  
6   complete publication in the *Official Gazette* or in at least two (2) national newspapers of  
7   general circulation.

8           *Approved.*