


SEVENTEETH CONGRESS OF THE }
REPUBLIC OF THE PHILIPPINES }
First Regular Session



Senate
Office of the Secretary

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SENATE
S.B. No. 1068

RECEIVED BY: 

Introduced by SENATOR VICENTE C. SOTTO III

AN ACT
INCREASING THE MINIMUM MONTHLY PENSION 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

It is the policy of the state, as stated in Section 9, Article II of the 1987 Constitution that:

"The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provided adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all."

In furtherance thereto, the State endeavors to extend social security protection to workers and their beneficiaries through the establishment of the social security system - which is now embodied in Republic Act No. 1161, as amended by Republic Act No. 8282 on May 01, 1997.

Almost 20 years have passed since the passage of the Social Security Act but no amendment thereto has been made in order to adapt to the changing times. To have a better picture of how our country has transformed for the past 20 years, here are some basic data for reference:


	1997	Recent Data
Peso-dollar exchange rate	Php 29.47 to 1 USD ¹	Php 46.31 to 1 USD ²
Basic Minimum wage in NCR	Php 180.00-185.00	Php 444.00-481.00 ³
Average Annual Expenditures per Family	Php 99,537.00	Php 193,000.00 ⁴

Based on the foregoing, evidently, a lot has changed. Thus, it is high time that the amendment to the subject law be made, as the factors taken into consideration during the passage of the Social Security Act of 1997 have already been moot.

The purpose of this bill is to somehow alleviate the burden of an increasing cost of living that our "minimum monthly pensioners," who are typically those in their senior years or ripe old age needing more care and assistance, need to sustain in order to survive on a daily basis.

While both the Senate and the House of Representatives of the previous congress have approved a somewhat similar measure, it has been, unfortunately, vetoed by the then President for the plain reason that the Social Security System (SSS) would not have enough funds for its continuing implementation. However, the same reason might not hold true for this proposed measure because it will only affect those receiving the minimum monthly pension, hence lesser impact on SSS funds.

Seeing the necessity and urgency of this proposed bill, I therefore urge my colleagues to support the passage of this measure.


VICENTE C. SOTTO III

¹http://www.bsp.gov.ph/dbank_reports/ExchangeRates_1_rpt.asp?frequency=Annual&range_from=1997&range_to=1997&conversion=Average

² As of August 18, 2016

³ As of January 20, 2016

⁴ As of 2012, per the report of the Philippine Statistics Authority



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

1 SECTION 1. Section 12 of Republic Act Number 1161, as
2 amended by Republic Act Number 8282, is hereby further amended to
3 read as follows:

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

6 "(1) The sum of the following:

7 "(i) Three hundred pesos (P300.00); plus

8 "(ii) Twenty percent (20%) of the average monthly salary credit;
9 plus

10 "(iii) Two percent (2%) of the average monthly salary credit for
11 each credited year of service in excess of ten (10) years; or

12 "(2) Forth percent (40%) of the average monthly salary credit; or

13 "(3) *One thousand pesos (P1,000.00): Provided, That the*
14 *monthly pension shall in no case be paid for an aggregate amount of*
15 *less than sixty (60) months.*

16 "(b) Notwithstanding the preceding paragraph, the minimum
17 **MONTHLY** pension shall be [One thousand two hundred pesos

1 (P1,200.00)] **TWO THOUSAND PESOS (P2,000.00)** for members with
2 at least ten (10) credited years of service and [Two thousand four
3 hundred pesos (P2,400.00)] **THREE THOUSAND PESOS (P3,000.00)**
4 for those with twenty (20) credited years of service.

5 SECTION 2. **Repealing Clause.** – All laws, decrees, orders, and
6 issuances, or portions thereof, which are inconsistent with the
7 provisions of this Act, are hereby repealed, amended or modified
8 accordingly.

9 SECTION 3. **Effectivity.** – This Act shall take effect fifteen (15)
10 days after its publication in the Official Gazette or in at least two (2)
11 newspapers of general circulation, whichever comes earlier.

Approved,