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SENATE

P. S. Res. No. 270

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

A RESOLUTION

DIRECTING THE SENATE COMMITTEE ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PROPOSED INCREASE IN THE CONTRIBUTION RATE OF SOCIAL SECURITY SYSTEM (SSS), WITH THE END IN VIEW OF ENSURING THE WELFARE OF SSS MEMBERS AND PENSIONERS

WHEREAS, the Constitution mandates Congress to “give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good”;

WHEREAS, the Social Security System (SSS) was created under Republic Act (R.A.) No. 1161, otherwise known as the “Social Security Law”, as amended by R.A. No. 8282, also known as the ‘Social Security Act of 1997’ to manage a social security and pension fund for those who are employed in the private sector as well as for self-employed individuals;

WHEREAS, the SSS provides disability, sickness, maternity, retirement and death benefits to its members, as well as other services such as emergency and salary loans;

WHEREAS, according to SSS, effective January 2017, there shall be a One Thousand Pesos (P1,000.00) across-the-board increase in SSS pensions to alleviate the plight of pensioners who are receiving meager amount to support their daily subsistence;

WHEREAS, there is also a proposed 1.5% increase in SSS contribution rate from the current 11% to 12.5%, effective May 2017, in order to maintain its fund life until 2040;

WHEREAS, it is the role of Congress to study and review the propriety of SSS to increase its contribution rate considering that it is tantamount to an increased payroll tax and may cause additional burden to SSS members and their employers;

WHEREAS, it is also the role of Congress to ensure that the proposed increase in the contribution rate shall not further aggravate the collection inefficiency of SSS because many members and employers may no longer be able to pay the higher premium;

WHEREAS, it is also the appropriate time to revisit the SSS charter which was amended 20 years ago to introduce reforms that will enable the SSS to grant the additional pension without increasing its premium and contribution rates;

NOW THEREFORE, BE IT RESOLVED, by the Philippine Senate, to direct the Senate Committee on Government Corporations and Public Enterprises to conduct an inquiry, in aid of legislation, on the proposed increase in the SSS contribution rate, with the end in view of ensuring the welfare of SSS members and pensioners.

Adopted,


RALPH G. RECTO