



HOUSE OF REPRESENTATIVES

H. No. 2158

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BY REPRESENTATIVES PINEDA, ROMERO, SANTOS-RECTO, ESCUDERO,  
RELAMPAGOS, SACDALAN, PRIMICIAS-AGABAS, DALIPE, NIETO,  
MARCOLETA, BOLILIA, VIOLAGO AND BRAVO (M.)

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AN ACT RATIONALIZING AND EXPANDING THE POWERS AND  
DUTIES OF THE SOCIAL SECURITY COMMISSION AND THE  
SOCIAL SECURITY SYSTEM, FURTHER AMENDING FOR  
THE PURPOSE REPUBLIC ACT NO. 1161, AS AMENDED BY  
REPUBLIC ACT NO. 8282, OTHERWISE KNOWN AS THE  
"SOCIAL SECURITY ACT OF 1997"

*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 "SSS Reform  
2 Act of 2016".]

3           SECTION 1. Section 4 of Republic Act No. 1161, as amended, is  
4 hereby further amended to read as follows:

5           "SEC. 4. *Powers and Duties of the Commission and SSS.* -

6           "(a) *The Commission.* - For the attainment of its main  
7 objectives as set forth in Section 2 hereof, the Commission shall  
8 have the following powers and duties:

1           “(1) To adopt, amend and rescind[, subject to the approval of  
2           the President of the Philippines,] such rules and regulations as may  
3           be necessary to carry out the provisions and purposes of this Act;

4           “(2) To establish a provident fund for the members which  
5           will consist of voluntary contributions of employers and/or  
6           employees, self-employed and voluntary members and their  
7           earnings, for the payment of benefits to such members or their  
8           beneficiaries, subject to such rules and regulations as it may  
9           promulgate [and approved by the President of the Philippines];

10           “x x x

11           “(6) To compromise or release, in whole or in part, any  
12           interest, penalty or any civil liability to SSS in connection with the  
13           investments authorized under Section 26 hereof, under such terms  
14           and conditions as it may prescribe [and approved by the President  
15           of the Philippines; and];

16           “(7) ANY LAW TO THE CONTRARY NOTWITHSTANDING, TO  
17           CONDONE, ENTER INTO A COMPROMISE, OR RELEASE, IN WHOLE  
18           OR IN PART, PENALTIES IMPOSED UPON DELINQUENT SOCIAL  
19           SECURITY CONTRIBUTIONS REGARDLESS OF THE AMOUNT  
20           INVOLVED UNDER SUCH VALID TERMS AND CONDITIONS IT MAY  
21           PRESCRIBE WHEN THE FINANCIAL POSITION OF THE EMPLOYER  
22           DEMONSTRATES A CLEAR INABILITY TO PAY THE ASSESSED  
23           DELINQUENCY.

24           “THE COMMISSION SHALL SUBMIT TO BOTH THE SENATE  
25           AND HOUSE OF REPRESENTATIVES OF THE PHILIPPINES AN  
26           ANNUAL REPORT ON THE EXERCISE OF THE POWERS UNDER THIS  
27           PROVISION, STATING THEREIN THE FOLLOWING FACTS AND  
28           INFORMATION, AMONG OTHERS: NAMES AND ADDRESSES OF

1 EMPLOYERS WHOSE PENALTY DELINQUENCIES HAVE BEEN THE  
2 SUBJECT OF COMPROMISE OR CONDONATION; AMOUNT  
3 INVOLVED; AMOUNT COMPROMISED OR CONDONED; AND THE  
4 JUSTIFICATIONS THEREON, TO DETERMINE THAT SAID POWERS  
5 ARE REASONABLY EXERCISED AND THAT THE SSS IS NOT UNDULY  
6 DEPRIVED OF REVENUES;

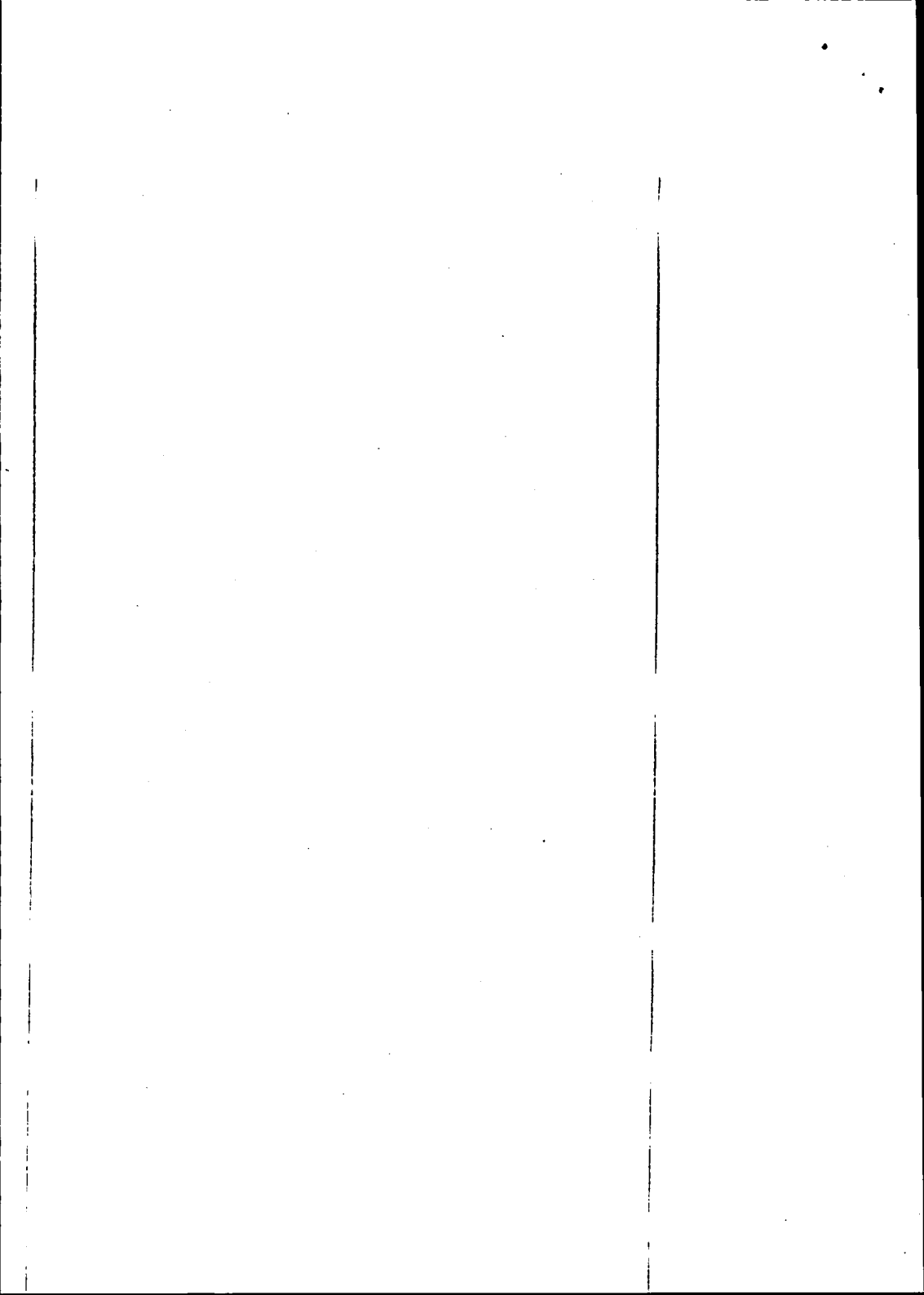
7 (8) TO DETERMINE AND FIX FROM TIME TO TIME,  
8 THROUGH RULES AND REGULATIONS, THE MINIMUM AND  
9 MAXIMUM MONTHLY SALARY CREDITS OF MEMBER-EMPLOYEES,  
10 THE SCHEDULE AND THE RATE OF CONTRIBUTIONS OF EMPLOYERS  
11 AND MEMBER-EMPLOYEES, THE RATE OF PENALTY ON DUE  
12 BUT UNREMITTED CONTRIBUTIONS OF EMPLOYERS AND  
13 MEMBER-EMPLOYEES AND UNPAID LOAN AMORTIZATIONS OF  
14 MEMBER-EMPLOYEES, TAKING INTO CONSIDERATION ACTUARIAL  
15 CALCULATIONS, RATE OF BENEFITS, INFLATION, AND OTHER  
16 RELEVANT SOCIOECONOMIC DATA; AND

17 [(7)](9) To approve, confirm, pass upon or review any and  
18 all actions of the SSS in the proper and necessary exercise of its  
19 powers and duties hereinafter enumerated.”

20 (b) *The Social Security System.* – Subject to the provision of  
21 Section [four (4)] 4, [paragraph seven (7)] SUBSECTION (a) (9)  
22 hereof, the SSS shall have the following powers and duties:

23 “x x x

24 (2) To require the actuary to submit a valuation report on the  
25 SSS benefit program every four (4) years, or more frequently as  
26 may be necessary, to undertake the necessary actuarial studies and  
27 calculations concerning increases in benefits taking into account  
28 inflation and the financial stability of the SSS, and to provide for



1 feasible increases in benefits every four (4) years, including the  
2 addition of new ones, under such rules and regulations as the  
3 Commission may adopt[, subject to the approval of the President of  
4 the Philippines]: *Provided*, That the actuarial soundness of the  
5 reserve fund shall be guaranteed[: *Provided, further*, That such  
6 increases in benefits shall not require any increase in the rate of  
7 contribution];

8 "x x x."

9 SEC. 2. Section 18, paragraph (a) of Republic Act No. 1161, as  
10 amended, is hereby deleted and a new paragraph shall be introduced to read as  
11 follows:

12 "SEC. 18. *EMPLOYEE'S CONTRIBUTION.* - BEGINNING ON  
13 THE LAST DAY OF THE CALENDAR MONTH WHEN AN EMPLOYEE'S  
14 COMPULSORY COVERAGE TAKES EFFECT AND EVERY MONTH  
15 THEREAFTER DURING HIS EMPLOYMENT, THE EMPLOYER SHALL  
16 DEDUCT AND WITHHOLD FROM SUCH EMPLOYEE'S MONTHLY  
17 SALARY, WAGE, COMPENSATION OR EARNINGS, THE EMPLOYEE'S  
18 CONTRIBUTION IN AN AMOUNT CORRESPONDING TO HIS SALARY,  
19 WAGE, COMPENSATION OR EARNINGS DURING THE MONTH IN  
20 ACCORDANCE WITH THE MONTHLY SALARY CREDITS, SCHEDULE,  
21 AND THE RATE OF CONTRIBUTIONS AS MAY BE DETERMINED AND  
22 FIXED BY THE COMMISSION.

23 "THE MONTHLY SALARY CREDITS, SCHEDULE, AND THE  
24 RATE OF CONTRIBUTIONS SHALL ALSO APPLY TO SELF-EMPLOYED  
25 AND VOLUNTARY MEMBERS."

26 SEC. 3. Section 22, paragraph (a) of Republic Act No. 1161, as  
27 amended, is hereby further amended to read as follows:

1           “SEC. 22. *Remittance of Contributions.* - (a) The  
2           contribution imposed in the preceding section shall be remitted to  
3           the SSS within the first ten (10) days of each calendar month,  
4           following the month for which they are applicable or within such  
5           time as the Commission may prescribe. Every employer required to  
6           deduct and to remit such contributions shall be liable for their  
7           payment and if any contribution is not paid to the SSS as herein  
8           prescribed, [he] THE DELINQUENT EMPLOYER shall pay besides the  
9           contribution a penalty thereon [of three percent (3%) per month]  
10          from the date the contribution falls due until paid.

11           “THE RATE OF THE PENALTY ON DELINQUENT  
12          CONTRIBUTIONS PER MONTH SHALL BE DETERMINED AND FIXED  
13          BY THE COMMISSION THROUGH RULES AND REGULATIONS,  
14          TAKING INTO CONSIDERATION THE CURRENT INFLATION  
15          RATE AND OTHER RELEVANT SOCIOECONOMIC DATA. If deemed  
16          expedient and advisable by the Commission, the collection and  
17          remittance of contributions shall be made quarterly or  
18          semi-annually in advance, the contributions payable by the  
19          employees to be advanced by their respective employers: *Provided,*  
20          That upon separation of an employee, any contribution so paid in  
21          advance but not due shall be credited or refunded to his employer.”

22          SEC. 4. The Commission shall promulgate the necessary rules and  
23          regulations to implement this Act not later than ninety (90) days after its  
24          effectivity.

25          SEC. 5. If, for any reason, any part, section or provision of this Act is  
26          held invalid or unconstitutional, the remaining provisions not affected thereby  
27          shall continue to be in full force and effect.

1           SEC. 6. All laws, decrees, orders, rules, regulations and other  
2           issuances or parts thereof which are inconsistent with the provisions of this  
3           Act are hereby repealed or modified accordingly. Republic Act No. 1161, as  
4           amended, is hereby further amended accordingly.

5           SEC. 7. This Act shall take effect fifteen (15) days after its publication  
6           in the *Official Gazette* or in a newspaper of general circulation.

Approved,

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