



SENATE

S. No. 1753

---

PREPARED JOINTLY BY THE COMMITTEES ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES AND LABOR, EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT WITH SENATORS RECTO, VILLANUEVA, TRILLANES IV, VILLAR, EJERCITO, BINAY, LEGARDA, ESCUDERO, POE, SOTTO III, ZUBIRI, GORDON AND GATCHALIAN AS AUTHORS THEREOF

---

AN ACT RATIONALIZING AND EXPANDING THE POWERS AND DUTIES OF THE SOCIAL SECURITY COMMISSION TO ENSURE THE LONG-TERM VIABILITY OF THE SOCIAL SECURITY SYSTEM, REPEALING 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  
2 the "Social Security Act of 2018".

3           SEC. 2. *Declaration of Policy.* – It is the policy of the  
4 State to establish, develop, promote and perfect a sound

1 and viable tax-exempt social security system suitable to  
2 the needs of the people throughout the Philippines which  
3 shall promote social justice through savings, and ensure  
4 meaningful social security protection to members and their  
5 beneficiaries against the hazards of disability, sickness,  
6 maternity, old age, death, and other contingencies  
7 resulting in loss of income or financial burden. Towards  
8 this end, the State shall endeavor to extend social security  
9 protection to workers and their beneficiaries, including  
10 Overseas Filipino Workers (OFWs).

11 In the pursuit of this policy, a social security program  
12 shall be developed emphasizing the value of "work, save,  
13 invest and prosper". The maximum profitability of  
14 investible funds and resources of the program shall be  
15 ensured through a culture of excellence in management  
16 grounded upon sound and efficient policies employing  
17 internationally recognized best practices.

18 *SEC. 3. Social Security System.* – (a) To carry out the  
19 purposes of this Act, the Social Security System,  
20 hereinafter referred to as "SSS", a corporate body, with

1 principal place of business in Metro Manila, Philippines, is  
2 hereby created. In the discharge of its mandated  
3 responsibilities under this Act, the SSS shall function and  
4 operate as an independent and accountable government-  
5 owned and -controlled corporation (GOCC) within the  
6 corporate governance standards and principles of Republic  
7 Act No. 10149 (GCG Law), except as otherwise provided  
8 herein.

9         The SSS shall be directed and controlled by a Social  
10 Security Commission, hereinafter referred to as  
11 "Commission", composed of the Secretary of Finance as *ex*  
12 *officio* Chairperson, the SSS President and Chief Executive  
13 Officer as Vice-Chairperson who shall automatically act as  
14 the Commission Chairperson in the absence of the Finance  
15 Secretary, the Secretary of Labor and Employment, as *ex*  
16 *officio* member, and six (6) appointive members, three (3)  
17 of whom shall represent the workers' group, at least one (1)  
18 of whom shall be a woman; three (3), the employers' group,  
19 at least one (1) of whom shall be a woman; all of whom  
20 shall be appointed by the President of the Philippines and

1 shall be of known competence, probity, integrity and  
2 recognized expertise in any of the fields of social security,  
3 pension fund, insurance, investment, banking and finance,  
4 economics, management, law or actuarial science and with  
5 at least ten (10) years of managerial or leadership  
6 experience. The six (6) members representing workers and  
7 employers groups shall be chosen from among the  
8 nominees of workers' and employers' organizations  
9 respectively, as endorsed by the Governance Commission  
10 for GOCCs following the fit and proper rule and standards  
11 on integrity, experience, education, training and  
12 competence. The term of office of the regular appointive  
13 members of the Commission shall be three (3) years,  
14 which can be extended for another term of three (3) years:  
15 *Provided*, That the terms of the first six (6) appointive  
16 members shall be one (1), two (2), and three (3) years for  
17 every two (2) members, respectively, notwithstanding  
18 Section 17 of the GCG Law: *Provided, further*, That they  
19 shall continue to hold office until their successors shall  
20 have been appointed and duly qualified. All vacancies,

1 prior to the expiration of the term, shall be filled for the  
2 unexpired term only.

3 The fiduciary duties of a member of the Commission  
4 include the following:

5 (1) Act with utmost and undivided loyalty to the SSS;

6 (2) Act with due care, extraordinary diligence and  
7 skill in the conduct of business and exercise utmost good  
8 faith in all transactions relating to his/her duties to the  
9 SSS and its properties, and in his/her dealings with and for  
10 the SSS he/she is held to the same strict rule of honesty  
11 and fair dealing between himself/herself and his/her  
12 principal as other agent;

13 (3) Act for the benefit of the SSS and not for his/her  
14 own benefit;

15 (4) Not to profit as individual by virtue of his/her  
16 position and ensure that profits received by him/her from  
17 the SSS' properties or businesses revert to the SSS and to  
18 hold the same as trustee for the benefit of the SSS and its  
19 members;

1           (5) Avoid conflicts of interest and not to acquire an  
2 interest adverse to or in conflict with that of the SSS, while  
3 acting for the SSS or when dealing individually with third  
4 persons and declare any interest he/she may have in any  
5 particular matter before the Commission, and

6           (6) Apply sound business principles to ensure the  
7 financial soundness of the SSS.

8           The compensation, *per diems*, allowances and  
9 incentives of the appointive members of the Commission  
10 shall be in accordance with and subject to GCG Law.

11           (b) The general conduct of the operations and  
12 management functions of the SSS shall be vested in the  
13 SSS President who shall serve as the Chief Executive  
14 Officer immediately responsible for carrying out the  
15 program of the SSS and the policies of the Commission.  
16 The SSS President shall be appointed by the President of  
17 the Philippines and shall be a person of known  
18 competence, probity, integrity and recognized expertise in  
19 social security, pension fund, insurance, investment,

1 banking and finance, economics, management, law or  
2 actuarial science.

3 The SSS President may be removed for a valid cause  
4 or any of the following reasons in accordance with the  
5 requirement of due process:

6 (1) If he or she becomes physically or mentally  
7 incapacitated from discharging the duties and  
8 responsibilities of the office, and such incapacity has lasted  
9 for more than six (6) months;

10 (2) If he or she is guilty of acts or omissions which are  
11 of fraudulent or illegal character or which are manifestly  
12 opposed to the aims and interests of the SSS;

13 (3) If he or she no longer possess the qualifications  
14 specified in this Act;

15 (4) If he or she does not meet the standards of  
16 performance based on the evaluation by the Governance  
17 Commission for GOCCs under the GCG Law.

18 (c) An Office of the Actuary shall be created to  
19 conduct the necessary actuarial studies and present  
20 recommendations on premiums, investments and other

1 related matters. The Commission, upon the  
2 recommendation of the SSS President, shall appoint the  
3 Chief Actuary and such other personnel as may be deemed  
4 necessary; prescribe their duties and establish such  
5 methods and procedures as may be necessary to ensure the  
6 efficient, honest and economical administration of the  
7 provisions and purposes of this Act: *Provided, however,*  
8 That the personnel of the SSS below the rank of Vice-  
9 President shall be appointed by the SSS President:  
10 *Provided, further,* That the personnel appointed by the SSS  
11 President, except those below the rank of assistant  
12 manager, shall be subject to the confirmation by the  
13 Commission: *Provided, further,* That the personnel of the  
14 SSS shall be selected only from civil service eligibles and  
15 be subject to civil service rules and regulations; *Provided,*  
16 *finally,* That the SSS shall be exempt from the provisions  
17 of Republic Act No. 6758 and Republic Act No. 7430.

18 The Chief Actuary of the SSS can only be removed by  
19 just causes which include among others gross



1 incompetence, gross inefficiency, disloyalty, conflict of  
2 interest, dishonesty and serious misconduct.

3 (d) The Commission shall fix the reasonable  
4 compensation, allowances and other benefits of all  
5 positions in the SSS, including its President and Chief  
6 Executive Officer, based on a comprehensive job analysis  
7 and audit of actual duties and responsibilities. The  
8 compensation plan shall be comparable with the prevailing  
9 compensation plan in the Government Service Insurance  
10 System (GSIS), the Bangko Sentral ng Pilipinas (BSP) and  
11 other government financial institutions and shall be  
12 subject to periodic review by the Commission no more than  
13 once every four (4) years without prejudice to merit  
14 reviews or increases based on productivity and efficiency.

15 SEC. 4. *Powers and Duties of the Commission and*  
16 *SSS.* –

17 (a) *The Commission.* – For the attainment of its main  
18 objectives as set forth in Section 2 hereof, the Commission  
19 shall have the following powers and duties:

1           (1) To formulate, adopt, amend and/or rescind such  
2 rules and regulations as may be necessary to carry out the  
3 provisions and purposes of this Act;

4           (2) To establish a Provident Fund for the members  
5 which will consist of contributions of employers and  
6 employees, self-employed, OFW and voluntary members  
7 based on (i) the SSS contribution rate in excess of twelve  
8 percent (12%), or (ii) monthly salary credit in excess of  
9 Twenty thousand pesos (P20,000.00) up to the prescribed  
10 maximum monthly salary credit and their earnings, for the  
11 payment of benefits to such members or their beneficiaries  
12 in addition to the benefits provided for under this Act:  
13 *Provided, That* a member may contribute voluntary in  
14 excess of the prescribed SSS contribution rate and/or the  
15 maximum monthly salary credit, subject to such rules and  
16 regulations as the Commission may promulgate;

17           (3) To maintain a Provident Fund which consists of  
18 contributions made by both the SSS and its officials and  
19 employees and their earnings, for the payment of benefits

1 to such officials and employees or their heirs under such  
2 terms and conditions as it may prescribe;

3 (4) To conduct continuing actuarial and statistical  
4 studies and valuations to determine the financial condition  
5 of the SSS and taking into consideration such studies and  
6 valuations and the limitations herein provided, to re-adjust  
7 the benefits, contributions, premium rates, interest rates  
8 or the allocation or re-allocation of the funds to the  
9 contingencies covered;

10 (5) To approve restructuring proposals for the  
11 payment of due but unremitted contributions and unpaid  
12 loan amortizations under such terms and conditions as it  
13 may prescribe;

14 (6) To authorize cooperatives registered with the  
15 cooperative development authority or associations  
16 registered with the appropriate government agency to act  
17 as collecting agents of the SSS with respect to their  
18 members: *Provided*, That the SSS shall accredit the  
19 cooperative or association: *Provided, further*, That the  
20 persons authorized to collect are bonded;

1           (7) To compromise or release, in whole or in part,  
2 any interest, penalty or any civil liability to SSS in  
3 connection with the investments authorized under Section  
4 26 hereof, under such terms and conditions as it may  
5 prescribe;

6           (8) Any law to the contrary notwithstanding, to  
7 condone, enter into a compromise or release, in whole or in  
8 part, such penalties imposed upon delinquent social  
9 security contributions regardless of the amount involved  
10 under such valid terms and conditions it may prescribe  
11 through rules and regulations when the financial position  
12 of the employer demonstrates a clear inability to pay the  
13 assessed delinquency arising from economic crisis, serious  
14 business losses or financial reverses, or resulting from  
15 natural calamity or man-made disaster without fault on  
16 the part of the employer.

17           The Commission shall submit to the office of the  
18 President of the Philippines, the Senate and the House of  
19 Representatives an annual report on the exercise of the  
20 powers under this provision, stating therein the following

1 facts and information, among others: names and addresses  
 2 of employers whose penalty delinquencies have been  
 3 subjected to compromise or condonation; amount involved;  
 4 amount compromised or condoned and the underlying  
 5 reasons and justifications thereon, to determine that said  
 6 powers are reasonably exercised and that the SSS is not  
 7 unduly prejudiced;

8 (9) To implement the rate of contributions as well as  
 9 the minimum and maximum monthly salary credits in  
 10 accordance with the following schedule effective January of  
 11 the year of implementation as follows:

Year of Implementation	Contribution Rate	Share		Monthly Salary Credit	
		Employer	Employee	Minimum	Maximum
2019	12%	8%	4%	P2,000.00	P20,000.00
2020	12%	8%	4%	P2,000.00	P20,000.00
2021	13%	8.5%	4.5%	P3,000.00	P25,000.00
2022	13%	8.5%	4.5%	P3,000.00	P25,000.00
2023	14%	9.5%	4.5%	P4,000.00	P30,000.00
2024	14%	9.5%	4.5%	P4,000.00	P30,000.00
2025	15%	10%	5%	P5,000.00	P35,000.00

1           *Provided,* That the domestic workers or  
2 “kasambahays” as defined under Republic Act No. 10361 or  
3 the Batas Kasambahay who are receiving a monthly  
4 income lower than minimum monthly salary credit  
5 prescribed under this Act shall pay contributions based on  
6 their actual monthly salary: *Provided, further,* That  
7 members, who are subject to compulsory coverage and  
8 receiving a monthly income lower than the minimum  
9 monthly salary credit or more than the maximum monthly  
10 salary credit, and their employers, shall pay the SSS  
11 contributions based on the current minimum monthly  
12 salary credit or the maximum monthly salary credit,  
13 respectively, as provided in this Act.

14           The rate of penalty on unpaid loan amortizations  
15 shall be determined and fixed by the Commission from  
16 time to time through rules and regulations on the basis of  
17 applicable actuarial studies, rate of benefits, inflation, and  
18 other relevant socio-economic data.

19           (10) To develop and administer a special social  
20 security program for workers, with unique economic,

1 social, and geographic situations, as determined by the  
2 commission: *Provided*, That the program may have  
3 different contributions and benefits that are  
4 proportionately calculated which must be fair, equitable,  
5 actuarially sound and viable: *Provided, further*, That the  
6 special program shall enjoy the same legal privileges as the  
7 regular social security program; and

8 (11) To approve, confirm, pass upon or review any  
9 and all actions of the SSS in the proper and necessary  
10 exercise of its powers and duties hereinafter enumerated.

11 (b) *The Social Security System*. – Subject to the  
12 provision of Section 4, Subsection (a) (11) hereof, the SSS  
13 shall have the following powers and duties:

14 (1) To submit annually not later than April 30, a  
15 public report to the President of the Philippines and to the  
16 Congress of the Philippines covering its activities in the  
17 administration and enforcement of this Act during the  
18 preceding year including information and  
19 recommendations on broad policies for the development  
20 and perfection of the program of the SSS;

1           (2) To require the Chief Actuary to submit a  
2 valuation report on the SSS benefit program every four (4)  
3 years, or more frequently as may be necessary, to  
4 undertake the necessary actuarial studies and calculations  
5 concerning increases in benefits taking into account  
6 inflation and the financial stability of the SSS, the  
7 individual income gap and poverty threshold for the  
8 elderly, similar benefits provided by other social protection  
9 programs of the government; and to provide for feasible  
10 increases in benefits every four (4) years, including the  
11 addition of new ones, under such rules and regulations as  
12 the Commission may adopt: *Provided*, That the actuarial  
13 soundness of the reserve fund shall be guaranteed;

14           (3) To establish offices of the SSS to cover as many  
15 provinces, cities and congressional districts, including  
16 foreign countries whenever and wherever it may be  
17 expedient, necessary and feasible, and to inspect or cause  
18 to be inspected periodically such offices;



1           (4) To enter into agreements or contracts for such  
2 service and aid, as may be needed for the proper, efficient  
3 and stable administration of the SSS;

4           (5) To adopt or approve the annual and supplemental  
5 budget of receipts and expenditures including salaries and  
6 allowances of the SSS personnel, against all funds  
7 available to the SSS under this Act, and to authorize such  
8 capital and operating expenditures and disbursements of  
9 the SSS as may be necessary and proper for the effective  
10 management and operation of the SSS;

11          (6) To set up its accounting system and provide the  
12 necessary personnel therefor;

13          (7) To require reports, compilations and analyses of  
14 statistical and economic data and to make investigations  
15 as may be needed for the proper administration and  
16 development of the SSS;

17          (8) To acquire, develop and dispose of property, real  
18 or personal, on its own, or through a joint venture  
19 arrangement with the public and/or private sector, which

1 may be necessary or expedient for the attainment of the  
2 purposes of this Act;

3 No injunction or restraining order issued by any  
4 court, tribunal or office shall bar, impede or delay the sale,  
5 development or disposition by the SSS of its property  
6 except on questions of ownership and national or public  
7 interest;

8 (9) To acquire, receive, or hold, by way of purchase,  
9 expropriation or otherwise, public or private property for  
10 the purpose of undertaking housing projects preferably for  
11 the benefit of low-income members and for the  
12 maintenance of hospitals and institutions for the sick, aged  
13 and disabled, as well as schools for the members and their  
14 immediate families;

15 (10) To enter into agreement with the Government  
16 Service and Insurance System (GSIS) or any other entity,  
17 enterprise, corporation or partnership for the benefit of  
18 members transferring from one system to another subject  
19 to the provision of Republic Act No. 7699, otherwise known  
20 as the portability law;

1 (11) To sue and be sued in court; and

2 (12) To perform such other corporate acts as it may  
3 deem appropriate for the proper enforcement of this Act.

4 SEC. 5. *Settlement of Disputes.* – (a) Any dispute  
5 arising under this Act with respect to coverage, benefits,  
6 contributions and penalties thereon or any other matter  
7 related thereto, shall be cognizable by the Commission,  
8 and any case filed with respect thereto shall be heard by  
9 the Commission, or any of its members, or by hearing  
10 officers duly authorized by the Commission and decided  
11 within twenty (20) days after the submission of the  
12 evidence. The filing, determination and settlement of  
13 disputes shall be governed by the rules and regulations  
14 promulgated by the Commission.

15 (b) *Appeal to Courts.* – Any decision of the  
16 Commission, in the absence of an appeal therefrom as  
17 herein provided, shall become final and executory fifteen  
18 (15) days after the date of notification, and judicial review  
19 thereof shall be permitted only after any party claiming to  
20 be aggrieved thereby has exhausted his remedies before

1 the Commission. The Commission shall be deemed to be a  
2 party to any judicial action involving any such decision,  
3 and may be represented by an attorney employed by the  
4 Commission, or when requested by the Commission, by the  
5 Solicitor General or any public prosecutor.

6 (c) *Court Review.* – The decision of the Commission  
7 upon any disputed matter may be reviewed both upon the  
8 law and the facts by the Court of Appeals. For the purpose  
9 of such review, the procedure concerning appeals from the  
10 Regional Trial Court shall be followed as far as practicable  
11 and consistent with the purposes of this Act. Appeal from a  
12 decision of the Commission must be taken within fifteen  
13 (15) days from notification of such decision. If the decision  
14 of the Commission involves only questions of law, the same  
15 shall be reviewed by the Supreme Court. No appeal bond  
16 shall be required. The case shall be heard in a summary  
17 manner, and shall take precedence over all cases, except  
18 that in the Supreme Court, criminal cases wherein life  
19 imprisonment or death has been imposed by the trial court  
20 shall take precedence. No appeal shall act as a supersedeas

1 or a stay of the order of the Commission unless the  
2 Commission itself, or the Court of Appeals or the Supreme  
3 Court, shall so order.

4 (d) *Execution of Decisions.* – The Commission may,  
5 *motu proprio* or on motion of any interested party, issue a  
6 writ of execution to enforce any of its decisions or awards,  
7 after it has become final and executory, in the same  
8 manner as the decision of the Regional Trial Court by  
9 directing the city or provincial sheriff or the sheriff whom  
10 it may appoint to enforce such final decision or execute  
11 such writ; and any person who shall fail or refuse to  
12 comply with such decision, award or writ, after being  
13 required to do so shall, upon application by the  
14 Commission pursuant to Rule 71 of the Rules of Court, be  
15 punished for contempt.

16 SEC. 6. *Auditor and Counsel.* – (a) The Chairman of  
17 the Commission on Audit shall be the *ex officio* Auditor of  
18 the SSS. He or his representative shall check and audit all  
19 the accounts, funds and properties of the SSS in the same  
20 manner and as frequently as the accounts, funds and

1 properties of the government are checked and audited  
2 under existing laws, and he shall have, as far as  
3 practicable, the same powers and duties as he has with  
4 respect to the checking and auditing of public accounts,  
5 funds and properties in general.

6 (b) The Secretary of Justice shall be the *ex-officio*  
7 counsel of the SSS. He or his representative shall act as  
8 legal adviser and counsel thereof.

9 SEC. 7. *Oaths, Witnesses, and Production of Records.*

10 – When authorized by the Commission, an official or  
11 employee thereof shall have the power to administer oath  
12 and affirmation, take depositions, certify to official acts,  
13 and issue *subpoena* and *subpoena duces tecum* to compel  
14 the attendance of witnesses and the production of books,  
15 papers, correspondence and other records deemed  
16 necessary as evidence in connection with any question  
17 arising under this Act. Any case of contumacy shall be  
18 dealt with by the Commission in accordance with law.

1           SEC. 8. *Terms Defined.* – For purposes of this Act, the  
2 following terms shall, unless the context indicates  
3 otherwise, have the following meanings:

4           (a) *SSS* - The Social Security System created by this  
5 Act.

6           (b) *Commission* - The Social Security Commission as  
7 herein created.

8           (c) *Employer* - Any person, natural or juridical,  
9 domestic or foreign, who carries on in the Philippines any  
10 trade, business, industry, undertaking, or activity of any  
11 kind and uses the services of another person who is under  
12 his orders as regards the employment, except the  
13 Government and any of its political subdivisions, branches  
14 or instrumentalities, including corporations owned or  
15 controlled by the Government: *Provided*, That a self-  
16 employed person shall be both employee and employer at  
17 the same time.

18           (d) *Employee* - Any person who performs services for  
19 an employer in which either or both mental or physical  
20 efforts are used and who receives compensation for such

1 services, where there is an employer-employee  
2 relationship: *Provided*, That a self-employed person shall  
3 be both employee and employer at the same time.

4 (e) *Dependents* - The dependents shall be the  
5 following:

6 (1) The legal spouse entitled by law to receive support  
7 from the member;

8 (2) The legitimate, legitimated or legally adopted, and  
9 illegitimate child who is unmarried, not gainfully  
10 employed, and has not reached twenty-one (21) years of  
11 age, or if over twenty-one (21) years of age, he is  
12 congenitally or while still a minor has been permanently  
13 incapacitated and incapable of self-support, physically or  
14 mentally; and

15 (3) The parent who is receiving regular support from  
16 the member.

17 (f) *Compensation* - All actual remuneration for  
18 employment, including the mandated cost-of-living  
19 allowance, as well as the cash value of any remuneration  
20 paid in any medium other than cash except that part of the



1 remuneration in excess of the maximum salary credit as  
2 provided in this Act.

3 (g) *Monthly salary credit* - The compensation base for  
4 contributions and benefits as indicated in this Act:  
5 *Provided*, That in the computation of benefits, the  
6 maximum monthly salary credit to be considered shall be  
7 Twenty thousand pesos (P20,000.00).

8 (h) *Monthly* - The period from one end of the last  
9 payroll period of the preceding month to the end of the last  
10 payroll period of the current month if compensation is on  
11 hourly, daily or weekly basis; if on any other basis,  
12 'monthly' shall mean a period of one (1) month.

13 (i) *Contribution* - The amount paid to the SSS by and  
14 on behalf of the members in accordance with the schedule  
15 provided in this Act.

16 (j) *Employment* - Any service performed by an  
17 employee for his employer except:

18 (1) Services where there is no employer-employee  
19 relationship in accordance with existing labor laws, rules,  
20 regulations and jurisprudence;

1           (2) Service performed in the employ of the Philippine  
2 Government or instrumentality or agency thereof;

3           (3) Service performed in the employ of a foreign  
4 government or international organization, or their wholly-  
5 owned instrumentality: *Provided, however,* That this  
6 exemption notwithstanding, any foreign government,  
7 international organization or their wholly-owned  
8 instrumentality employing workers in the Philippines or  
9 employing Filipinos outside of the Philippines, may enter  
10 into an agreement with the Philippine Government for the  
11 inclusion of such employees in the SSS except those  
12 already covered by their respective civil service retirement  
13 systems: *Provided, further,* That the terms of such  
14 agreement shall conform with the provisions of this Act on  
15 coverage and amount of payment of contributions and  
16 benefits: *Provided, finally,* That the provisions of this Act  
17 shall be supplementary to any such agreement; and

18           (4) Such other services performed by temporary and  
19 other employees which may be excluded by regulation of  
20 the Commission. Employees of *bona fide* independent

1 contractors shall not be deemed employees of the employer  
2 engaging the service of said contractors.

3 (k) *Beneficiaries* - The dependent spouse until he or  
4 she remarries, the dependent legitimate, legitimated or  
5 legally adopted, and illegitimate children, who shall be the  
6 primary beneficiaries of the member: *Provided*, That the  
7 dependent illegitimate children shall be entitled to fifty  
8 percent (50%) of the share of the legitimate, legitimated or  
9 legally adopted children: *Provided, further*, That in the  
10 absence of the dependent legitimate, legitimated or legally  
11 adopted children of the member, his/her dependent  
12 illegitimate children shall be entitled to one hundred  
13 percent (100%) of the benefits. In their absence, the  
14 dependent parents who shall be the secondary  
15 beneficiaries of the member. In the absence of all the  
16 foregoing, any other person designated by the member as  
17 his/her secondary beneficiary.

18 (l) *Contingency* - The retirement, death, disability,  
19 injury or sickness and maternity of the member.

1           (m) *Average monthly salary credit* - The result  
2 obtained by dividing the sum of the last sixty (60) monthly  
3 salary credits immediately preceding the semester of  
4 contingency by sixty (60), or the result obtained by dividing  
5 the sum of all the monthly salary credits paid prior to the  
6 semester of contingency by the number of monthly  
7 contributions paid in the same period, whichever is  
8 greater: *Provided*, That the injury or sickness which  
9 caused the disability shall be deemed as the permanent  
10 disability for the purpose of computing the average  
11 monthly salary credit.

12           (n) *Average daily salary credit* - The result obtained  
13 by dividing the sum of the six (6) highest monthly salary  
14 credits in the twelve-month period immediately preceding  
15 the semester of contingency by one hundred eighty (180).

16           (o) *Semester* - A period of two (2) consecutive quarters  
17 ending in the quarter of contingency.

18           (p) *Quarter* - A period of three (3) consecutive  
19 calendar months ending on the last day of March, June,  
20 September and December.

1           (q) *Credited years of service* - For a member covered  
2 prior to January nineteen hundred and eighty five (1985)  
3 minus the calendar year of coverage plus the number of  
4 calendar years in which six (6) or more contributions have  
5 been paid from January nineteen hundred and eighty five  
6 (1985) up to the calendar year containing the semester  
7 prior to the contingency. For a member covered in or after  
8 January nineteen hundred and eighty five (1985), the  
9 number of calendar years in which six (6) or more  
10 contributions have been paid from the year of coverage up  
11 to the calendar year containing the semester prior to the  
12 contingency: *Provided*, That the Commission may provide  
13 for a different number of contributions in a calendar year  
14 for it to be considered as a credited year of service.

15           (r) *Member* - The worker who is covered under Section  
16 9, Section 9-A and Section 9-B of this Act.

17           (s) *Self-employed* - Any person whose income is not  
18 derived from employment, as defined under this Act, as  
19 well as those workers enumerated in Section 9-A hereof.

1           (t) *Net earnings* - Net income before income taxes plus  
2 non-cash charges such as depreciation and depletion  
3 appearing in the regular financial statement of the issuing  
4 or assuming institution.

5           (u) *Fixed charges* - Recurring expense such as  
6 amortization of debt discount and rentals for leased  
7 properties, including interest on funded and unfunded  
8 debt.

9           SEC. 9. *Coverage*. - (a) Coverage in the SSS shall be  
10 compulsory upon all employees including kasambahays or  
11 domestic workers not over sixty (60) years of age and their  
12 employers: *Provided*, That any benefit already earned by  
13 the employees under private benefit plans existing at the  
14 time of the approval of this Act shall not be discontinued,  
15 reduced or otherwise impaired: *Provided, further*, That  
16 private plans which are existing and in force at the time of  
17 compulsory coverage shall be integrated with the plan of  
18 the SSS in such a way where the employer's contribution to  
19 his private plan is more than that required of him in this  
20 Act, he shall pay to the SSS only the contribution required

1 of him and he shall continue his contribution to such  
2 private plan less his contribution to the SSS so that the  
3 employer's total contribution to his benefit plan and to the  
4 SSS shall be the same as his contribution to his private  
5 benefit plan before the compulsory coverage: *Provided,*  
6 *further,* That any changes, adjustments, modifications,  
7 eliminations or improvements in the benefits to be  
8 available under the remaining private plan, which may be  
9 necessary to adopt by reason of the reduced contributions  
10 thereto as a result of the integration, shall be subject to  
11 agreements between the employers and employees  
12 concerned: *Provided, further,* That the private benefit plan  
13 which the employer shall continue for his employees shall  
14 remain under the employer's management and control  
15 unless there is an existing agreement to the contrary:  
16 *Provided, finally,* That nothing in this Act shall be  
17 construed as a limitation on the right of employers and  
18 employees to agree on and adopt benefits which are over  
19 and above those provided under this Act.

1           (b) Spouses who devote full time to managing the  
2 household and family affairs, unless they are also engaged  
3 in other vocation or employment which is subject to  
4 mandatory coverage, may be covered by the SSS on a  
5 voluntary basis.

6           SEC. 9-A. *Compulsory Coverage of the Self-Employed.*

7           – Coverage in the SSS shall also be compulsory upon such  
8 self-employed persons as may be determined by the  
9 Commission under such rules and regulations as it may  
10 prescribe, including but not limited to the following:

- 11           (a) All self-employed professionals;
- 12           (b) Partners and single proprietors of businesses;
- 13           (c) Actors and actresses, directors, scriptwriters and  
14 news correspondents who do not fall within the definition  
15 of the term "employee" in Section 8 (d) of this Act;
- 16           (d) Professional athletes, coaches, trainers and  
17 jockeys; and
- 18           (e) Individual farmers and fishermen.



1           Unless otherwise specified herein, all provisions of  
2 this Act applicable to covered employees shall also be  
3 applicable to the covered self-employed persons.

4           SEC. 9-B. *Compulsory Coverage of Overseas Filipino*  
5 *Workers (OFWs).* –

6           (a) Coverage in the SSS shall be compulsory upon  
7 all sea-based and land-based OFWs as defined under  
8 Republic Act No. 10022, otherwise known as the Migrant  
9 Workers and Overseas Filipinos Act of 2009: *Provided,*  
10 That they are not over sixty (60) years of age.

11           All benefit provisions under this Act shall apply to all  
12 covered OFWs. The benefits include, among others,  
13 retirement, death, disability, funeral, sickness and  
14 maternity.

15           (b) Manning agencies are agents of their principals  
16 and are considered as employers of sea-based OFWs.

17           For purposes of the implementation of this Act, any  
18 law to the contrary notwithstanding manning agencies are  
19 jointly and severally or solidarily liable with their

1 principals with respect to the civil liabilities incurred for  
2 any violation of this Act.

3 The persons having direct control, management or  
4 direction of the manning agencies shall be held criminally  
5 liable for any act or omission penalized under this Act  
6 notwithstanding Section 28, Paragraph (f) thereof.

7 (c) Land-based OFWs are compulsory members of the  
8 SSS and considered in the same manner as self-employed  
9 persons under such rules and regulations that the  
10 Commission shall prescribe.

11 (d) The Department of Foreign Affairs (DFA), the  
12 Department of Labor and Employment (DOLE) and all its  
13 agencies involved in deploying OFWs for employment  
14 abroad are mandated to negotiate bilateral labor  
15 agreements with the OFWs' host countries to ensure that  
16 the employers of land-based OFWs, similar to the  
17 principals of sea-based OFWs, pay the required SSS  
18 contributions, in which case these land-based OFWs shall  
19 no longer be considered in the same manner as self-  
20 employed persons in this Act. Instead, they shall be

1 considered as compulsorily covered employees with  
2 employer and employee shares in contributions that shall  
3 be provided for in the bilateral labor agreements and their  
4 implementing administrative agreements: *Provided, That*  
5 in countries which already extend social security coverage  
6 to OFWs, the DFA through the Philippine embassies and  
7 the DOLE shall negotiate further agreements to serve the  
8 best interests of the OFWs.

9 (e) The DFA, the DOLE and the SSS shall ensure  
10 compulsory coverage of OFWs through bilateral social  
11 security and labor agreements and other measures for  
12 enforcement;

13 (f) Upon the termination of their employment  
14 overseas, OFWs may continue to pay contributions on a  
15 voluntary basis to maintain their rights to full benefits;  
16 and

17 (g) Filipino permanent migrants, including Filipino  
18 immigrants, permanent residents and naturalized citizens  
19 of their host countries may be covered by the SSS on a  
20 voluntary basis.

1           SEC. 10. *Effective Date of Coverage.* – Compulsory  
2 coverage of the employer shall take effect on the first day  
3 of his operation and that of the employee on the day of his  
4 employment: *Provided*, That the compulsory coverage of  
5 the self-employed person shall take effect upon his  
6 registration with the SSS.

7           SEC. 11. *Effect of Separation from Employment.* –  
8 When an employee under compulsory coverage is  
9 separated from employment, his employer's contribution on  
10 his account and his obligation to pay contributions arising  
11 from that employment shall cease at the end of the month  
12 of separation, but said employee shall be credited with all  
13 contributions paid on his behalf and entitled to benefits  
14 according to the provisions of this Act. He may, *however*,  
15 continue to pay the total contributions to maintain his  
16 right to full benefit.

17           SEC. 11-A. *Effect of Interruption of Business or*  
18 *Professional Income.* – If the self-employed realizes no  
19 income in any given month, he shall not be required to pay  
20 contributions for that month. He may, *however*, be allowed

1 to continue paying contributions under the same rules and  
2 regulations applicable to a separated employee member:  
3 *Provided*, That no retroactive payment of contributions  
4 shall be allowed other than as prescribed under Section  
5 Twenty-two-A hereof.

6 SEC. 12. Monthly Pension. –

7 (a) The monthly pension shall be the highest of the  
8 following amounts:

9 (1) The sum of the following:

10 (i) Three hundred pesos (P300.00); plus

11 (ii) Twenty percent (20%) of the average monthly  
12 salary credit; plus

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

16 (2) Forty percent (40%) of the average monthly salary  
17 credit; or

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

1 (b) Notwithstanding the preceding paragraph, the  
2 minimum pension shall be One thousand two hundred  
3 pesos (P1,200.00) for members with at least ten (10)  
4 credited years of service and Two thousand four hundred  
5 pesos (P2,400.00) for those with twenty (20) credited years  
6 of service: *Provided*, That the Commission, upon  
7 determination of actuarial soundness, may provide pension  
8 increase than the amounts specified herein.

9 (c) *Additional Benefit Allowance*. Pursuant to  
10 Memorandum from the Executive Secretary dated 22  
11 February 2017, by authority of the President of the  
12 Republic of the Philippines, an additional monthly benefit  
13 allowance amounting to One thousand pesos (P1,000.00)  
14 shall be given to all retirement, death, and disability  
15 pensioners receiving monthly pensions in or after January  
16 two thousand seventeen (2017). The Commission may  
17 determine the grant of additional benefit  
18 allowance: *Provided*, That the actuarial soundness of the  
19 reserve fund shall be guaranteed. All other additional  
20 allowances to monthly pension subsequent to the

1 Memorandum of the Executive Secretary dated February  
2 22, 2017 shall be subject to the requirement of fund  
3 viability and sustainability as determined by the  
4 Commission based on the recommendations of the Office of  
5 the Chief Actuary guaranteeing the actuarial soundness of  
6 the grant of such allowances.

7       SEC. 12-A. *Dependents' Pension.* – Where monthly  
8 pension is payable on account of death, permanent total  
9 disability or retirement, dependents' pension equivalent to  
10 ten percent (10%) of the monthly pension or Two hundred  
11 fifty pesos (P250.00), whichever is higher, shall also be  
12 paid for each dependent child conceived on or before the  
13 date of the contingency but not exceeding five (5),  
14 beginning with the youngest and without substitution:  
15 *Provided,* That where there are legitimate or illegitimate  
16 children, the former shall be preferred.

17       SEC. 12-B. *Retirement Benefits.* – (a) A member who  
18 has paid at least one hundred twenty (120) monthly  
19 contributions prior to the semester of retirement and who:  
20 (1) has reached the age of sixty (60) years and is already

1 separated from employment or has ceased to be self-  
2 employed; or (2) has reached the age of sixty-five (65)  
3 years, shall be entitled for as long as he lives to the  
4 monthly pension: *Provided*, That he shall have the option  
5 to receive his first eighteen (18) monthly pensions in lump  
6 sum discounted at a preferential rate of interest to be  
7 determined by the SSS.

8 (b) A covered member who is sixty (60) years old at  
9 retirement and who does not qualify for pension benefits  
10 under paragraph (a) above, shall be entitled to a lump sum  
11 benefit equal to the total contributions paid by him and on  
12 his behalf: *Provided*, That he is separated from  
13 employment and is not continuing payment of  
14 contributions to the SSS on his own.

15 (c) The monthly pension shall be suspended upon the  
16 reemployment or resumption of self-employment of a  
17 retired member who is less than sixty-five (65) years old.  
18 He shall again be subject to Section Eighteen and his  
19 employer to Section Nineteen of this Act.



1           (d) Upon the death of the retired member, his  
2 primary beneficiaries as of the date of his retirement shall  
3 be entitled to receive the monthly pension: *Provided*, That  
4 if he has no primary beneficiaries and he dies within sixty  
5 (60) months from the start of his monthly pension, his  
6 secondary beneficiaries shall be entitled to a lump sum  
7 benefit equivalent to the total monthly pensions  
8 corresponding to the balance of the five-year guaranteed  
9 period, excluding the dependents' pension.

10           (e) The monthly pension of a member who retires  
11 after reaching age sixty (60) shall be the higher of either:  
12 (1) the monthly pension computed at the earliest time he  
13 could have retired had he been separated from employment  
14 or ceased to be self-employed plus all adjustments thereto;  
15 or (2) the monthly pension computed at the time when he  
16 actually retires.

17           SEC. 13. *Death Benefits.* – Upon the death of a  
18 member who has paid at least thirty-six (36) monthly  
19 contributions prior to the semester of death, his primary  
20 beneficiaries shall be entitled to the monthly pension:

1 *Provided*, That if he has no primary beneficiaries, his  
2 secondary beneficiaries shall be entitled to a lump sum  
3 benefit equivalent to thirty-six (36) times the monthly  
4 pension. If he has not paid the required thirty-six (36)  
5 monthly contributions, his primary or secondary  
6 beneficiaries shall be entitled to a lump sum benefit  
7 equivalent to the monthly pension times the number of  
8 monthly contributions paid to the SSS or twelve (12) times  
9 the monthly pension, whichever is higher.

10       SEC. 13-A. *Permanent Disability Benefits*. – (a) Upon  
11 the permanent total disability of a member who has paid at  
12 least thirty-six (36) monthly contributions prior to the  
13 semester of disability, he shall be entitled to the monthly  
14 pension: *Provided*, That if he has not paid the required  
15 thirty-six (36) monthly contributions, he shall be entitled  
16 to a lump sum benefit equivalent to the monthly pension  
17 times the number of monthly contributions paid to the SSS  
18 or twelve (12) times the monthly pension, whichever is  
19 higher. A member who (1) has received a lump sum  
20 benefit; and (2) is reemployed or has resumed self-

1 employment not earlier than one (1) year from the date of  
2 his disability shall again be subject to compulsory coverage  
3 and shall be considered a new member.

4 (b) The monthly pension and dependents' pension  
5 shall be suspended upon the reemployment or resumption  
6 of self-employment or the recovery of the disabled member  
7 from his permanent total disability or his failure to present  
8 himself for examination at least once a year upon notice by  
9 the SSS.

10 (c) Upon the death of the permanent total disability  
11 pensioner, his primary beneficiaries as of the date of  
12 disability shall be entitled to receive the monthly pension:  
13 *Provided*, That if he has no primary beneficiaries and he  
14 dies within sixty (60) months from the start of his monthly  
15 pension, his secondary beneficiaries shall be entitled to a  
16 lump sum benefit equivalent to the total monthly pensions  
17 corresponding to the balance of the five-year guaranteed  
18 period excluding the dependents' pension.

19 (d) The following disabilities shall be deemed  
20 permanent total:

- 1 (1) Complete loss of sight of both eyes;
- 2 (2) Loss of two limbs at or above the ankle or wrists;
- 3 (3) Permanent complete paralysis of two limbs;
- 4 (4) Brain injury resulting to incurable imbecility or
- 5 insanity; and
- 6 (5) Such cases as determined and approved by the
- 7 SSS.

8 (e) If the disability is permanent partial, and such  
9 disability occurs before thirty-six (36) monthly  
10 contributions have been paid prior to the semester of  
11 disability, the benefit shall be such percentage of the lump  
12 sum benefit described in the preceding paragraph with due  
13 regard to the degree of disability as the Commission may  
14 determine.

15 (f) If the disability is permanent total and such  
16 disability occurs after thirty-six (36) monthly contributions  
17 have been paid prior to the semester of disability, the  
18 benefit shall be the monthly pension for permanent total  
19 disability payable not longer than the period designated in  
20 the following schedule:

1 Complete and permanent loss of/ use of Number of Months

2	One thumb	10
3	One index finger	8
4	One middle finger	6
5	One right finger	5
6	One little finger	3
7	One big toe	6
8	One hand	39
9	One arm	50
10	One foot	31
11	One leg	46
12	One ear	10
13	Both ears	20
14	Hearing of one ear	10
15	Hearing of both ears	50
16	Sight of one eye	25

17 (g) The percentage degree of disability which is  
 18 equivalent to the ratio that the designated number of  
 19 months of compensability bears to seventy-five (75),  
 20 rounded to the next higher integer, shall not be additive for

1 distinct, separate and unrelated permanent partial  
2 disabilities, but shall be additive for deteriorating and  
3 related permanent partial disabilities, to a maximum of  
4 one hundred percent (100%), in which case, the member  
5 shall be deemed as permanently totally disabled.

6 (h) In case of permanent partial disability, the  
7 monthly pension benefit shall be given in lump sum if it is  
8 payable for less than twelve (12) months.

9 (i) For the purpose of adjudicating retirement, death  
10 and permanent total disability pension benefits,  
11 contributions shall be deemed paid for the months during  
12 which the member received partial disability pension:  
13 *Provided*, That such contributions shall be based on his  
14 last contribution prior to his disability.

15 (j) Should a member who is on partial disability  
16 pension retire or die, his disability pension shall cease  
17 upon his retirement or death.

18 SEC. 13-B. *Funeral Benefit.* – A funeral grant  
19 equivalent to Twelve thousand pesos (P12,000.00) shall be  
20 paid, in cash or in kind, to help defray the cost of funeral

1 expenses upon the death of a member, including  
2 permanently totally disabled member or retiree.

3       SEC. 14. *Sickness Benefit.* – (a) A member who has  
4 paid at least three (3) monthly contributions in the twelve-  
5 month period immediately preceding the semester of  
6 sickness or injury and is confined therefor for more than  
7 three (3) days in a hospital or elsewhere with the approval  
8 of the SSS, shall, for each day of compensable confinement  
9 or a fraction thereof, be paid by his employer, or the SSS, if  
10 such person is unemployed or self-employed, a daily  
11 sickness benefit equivalent to ninety percent (90%) of his  
12 average daily salary credit, subject to the following  
13 conditions:

14       (1) In no case shall the daily sickness benefit be paid  
15 longer than one hundred twenty (120) days in one (1)  
16 calendar year, nor shall any unused portion of the one  
17 hundred twenty (120) days of sickness benefit granted  
18 under this section be carried forward and added to the  
19 total number of compensable days allowable in the  
20 subsequent year;

1           (2) The daily sickness benefit shall not be paid for  
2 more than two hundred forty (240) days on account of the  
3 same confinement; and

4           (3) The employee member shall notify his employer of  
5 the fact of his sickness or injury within five (5) calendar  
6 days after the start of his confinement unless such  
7 confinement is in a hospital or the employee became sick or  
8 was injured while working or within the premises of the  
9 employer in which case, notification to the employer is  
10 necessary: *Provided*, That if the member is unemployed or  
11 self-employed, he shall directly notify the SSS of his  
12 confinement within five (5) calendar days after the start  
13 thereof unless such confinement is in a hospital in which  
14 case notification is also not necessary: *Provided, further*,  
15 That in cases where notification is necessary, the  
16 confinement shall be deemed to have started not earlier  
17 than the fifth day immediately preceding the date of  
18 notification.

19           (b) The compensable confinement shall begin on the  
20 first day of sickness, and the payment of such allowances



1 shall be promptly made by the employer every regular  
2 payday or on the fifteenth and last day of each month, and  
3 similarly in the case of direct payment by the SSS, for as  
4 long as such allowances are due and payable: *Provided,*  
5 That such allowance shall begin only after all sick leaves of  
6 absence with full pay to the credit of the employee member  
7 shall have been exhausted.

8 (c) One hundred percent (100%) of the daily benefits  
9 provided in the preceding paragraph shall be reimbursed  
10 by the SSS to said employer upon receipt of satisfactory  
11 proof of such payment and legality thereof: *Provided,* That  
12 the employer has notified the SSS of the confinement  
13 within five (5) calendar days after receipt of the  
14 notification from the employee member: *Provided, further,*  
15 That if the notification to the SSS is made by the employer  
16 beyond five (5) calendar days after receipt of the  
17 notification from the employee member, said employer  
18 shall be reimbursed only for each day of confinement  
19 starting from the tenth calendar day immediately  
20 preceding the date of notification to the SSS: *Provided,*

1 *finally*, That the SSS shall reimburse the employer or pay  
2 the unemployed member only for confinement within the  
3 one-year period immediately preceding the date the claim  
4 for benefit or reimbursement is received by the SSS, except  
5 confinement in a hospital in which case the claim for  
6 benefit or reimbursement must be filed within one (1) year  
7 from the last day of confinement.

8 (d) Where the employee member has given the  
9 required notification but the employer fails to notify the  
10 SSS of the confinement or to file the claim for  
11 reimbursement within the period prescribed in this section  
12 resulting in the reduction of the benefit or denial of the  
13 claim, such employer shall have no right to recover the  
14 corresponding daily allowance he advanced to the  
15 employee member as required in this section.

16 (e) The claim of reimbursement shall be adjudicated  
17 by the SSS within a period of two (2) months from receipt  
18 thereof: *Provided*, That should no payment be received by  
19 the employer within one (1) month after the period  
20 prescribed herein for adjudication, the reimbursement

1 shall thereafter earn simple interest of one percent (1%)  
2 per month until paid.

3 (f) The provisions regarding the notification required  
4 of the member and the employer as well as the period  
5 within which the claim for benefit or reimbursement may  
6 be filed shall apply to all claims filed with the SSS.

7 SEC. 14-A. *Maternity Leave Benefit.* – A female  
8 member who has paid at least three (3) monthly  
9 contributions in the twelve-month period immediately  
10 preceding the semester of her childbirth or miscarriage  
11 shall be paid a daily maternity benefit equivalent to one  
12 hundred percent (100%) of her average daily salary credit  
13 for sixty (60) days or seventy-eight (78) days in case of  
14 caesarian delivery, subject to the following conditions:

15 (a) That the employee shall have notified her  
16 employer of her pregnancy and the probable date of her  
17 childbirth, which notice shall be transmitted to the SSS in  
18 accordance with the rules and regulations it may provide;

1           (b) The full payment shall be advanced by the  
2 employer within thirty (30) days from the filing of the  
3 maternity leave application;

4           (c) That payment of daily maternity benefits shall be  
5 a bar to the recovery of sickness benefits provided by this  
6 Act for the same period for which daily maternity benefits  
7 have been received;

8           (d) That the maternity benefits provided under this  
9 section shall be paid only for the first four (4) deliveries or  
10 miscarriages;

11           (e) That the SSS shall immediately reimburse the  
12 employer of one hundred percent (100%) of the amount of  
13 maternity benefits advanced to the employee by the  
14 employer upon receipt of satisfactory proof of such  
15 payment and legality thereof; and

16           (f) That if an employee member should give birth or  
17 suffer miscarriage without the required contributions  
18 having been remitted for her by her employer to the SSS,  
19 or without the latter having been previously notified by the  
20 employer of the time of the pregnancy, the employer shall

1 pay to the SSS damages equivalent to the benefits which  
2 said employee member would otherwise have been entitled  
3 to.

4       SEC.14-B. *Unemployment Insurance or Involuntary*  
5 *Separation Benefits.* – A member who is not over sixty (60)  
6 years of age who has paid at least thirty-six (36) months  
7 contributions in the eighteen-month period immediately  
8 preceding the involuntary unemployment or separation  
9 shall be paid benefits in the form of monthly cash  
10 payments equivalent to fifty percent (50%) of the average  
11 monthly salary credit for a maximum of two (2) months:  
12 *Provided,* That an employee who is involuntarily  
13 unemployed can only claim unemployment benefits once  
14 every three (3) years: *Provided, further,* That in case of  
15 concurrence of two or more compensable contingencies,  
16 only the highest benefit shall be paid, subject to the rules  
17 and regulations that the Commission may prescribe.

18       SEC. 15. *Non-Transferability of Benefits.* – The SSS  
19 shall promptly pay the benefits provided in this Act to such  
20 persons as may be entitled thereto in accordance with the

1 provisions of this Act: *Provided*, That the SSS shall pay the  
2 retirement benefits on the day of contingency to qualified  
3 members who have submitted the necessary documents at  
4 least six (6) months before: *Provided, further*, That the  
5 beneficiary who is a national of a foreign country which  
6 does not extend benefits to a Filipino beneficiary residing  
7 in the Philippines, or which is not recognized by the  
8 Philippines, shall not be entitled to receive any benefit  
9 under this Act: *Provided, further*, That notwithstanding  
10 the foregoing, where the best interest of the SSS will be  
11 served, the Commission may direct payments without  
12 regard to nationality or country of residence: *Provided*,  
13 *further*, That if the recipient is a minor or a person  
14 incapable of administering his own affairs, the Commission  
15 shall appoint a representative under such terms and  
16 conditions as it may deem proper: *Provided, further*, That  
17 such appointment shall not be necessary in case the  
18 recipient is under the custody of or living with the parents  
19 or spouse of the member in which case the benefits shall be  
20 paid to such parents or spouse, as representative payee of

1 the recipient. Such benefits are not transferable and no  
2 power of attorney or other document executed by those  
3 entitled thereto in favor of any agent, attorney or any other  
4 person for the collection thereof on their behalf shall be  
5 recognized, except when they are physically unable to  
6 collect personally such benefits: *Provided, further,* That in  
7 case of death benefits, if no beneficiary qualifies under this  
8 Act, said benefits shall be paid to the legal heirs in  
9 accordance with the law of succession.

10       SEC. 16. *Exemption from Tax, Legal Process and*  
11 *Lien.* – All laws to the contrary notwithstanding, the SSS  
12 and all its assets and properties, all contributions collected  
13 and all accruals thereto and income or investment  
14 earnings therefrom as well as all supplies, equipment,  
15 papers or documents shall be exempt from any tax,  
16 assessment, fee, charge, or customs or import duty; and all  
17 benefit payments made by the SSS shall likewise be  
18 exempt from all kinds of taxes, fees or charges, and shall  
19 not be liable to attachments, garnishments, levy or seizure  
20 by or under any legal or equitable process whatsoever,

1 either before or after receipt by the person or persons  
2 entitled thereto, except to pay any debt of the member to  
3 the SSS. No tax measure of whatever nature enacted shall  
4 apply to the SSS, unless it expressly revokes the declared  
5 policy of the State in Section 2 hereof granting tax-  
6 exemption to the SSS. Any tax assessment imposed against  
7 the SSS shall be null and void.

8       SEC. 17. *Fee of Agents, Attorneys, Etc.* – No agent,  
9 attorney or other person in charge of the preparation, filing  
10 or pursuing any claim for benefit under this Act shall  
11 demand or charge for his services any fee, and any  
12 stipulation to the contrary shall be null and void. The  
13 retention or deduction of any amount from any benefit  
14 granted under this Act for the payment of fees for such  
15 services is prohibited: *Provided, however,* That any  
16 member of the Philippine Bar who appears as counsel in  
17 any case heard by the Commission shall be entitled to  
18 attorneys' fees not exceeding ten percent (10%) of the  
19 benefits awarded by the Commission, which fees shall not



1 be payable before the actual payment of the benefits, and  
2 any stipulation to the contrary shall be null and void.

3 Any violation of the provisions of this Section shall be  
4 punished by a fine of not less than Five hundred pesos  
5 (P500.00) nor more than Five thousand pesos (P5,000.00),  
6 or imprisonment for not less than six (6) months nor more  
7 than one (1) year, or both, at the discretion of the court.

8 SEC. 18. *Employee's Contributions.* – On the last  
9 day of the calendar month when an employee's compulsory  
10 coverage takes effect and every month thereafter during  
11 his employment, the employer shall deduct and withhold  
12 from such employee's monthly salary, wage, compensation  
13 or earnings, the employee's contribution in an amount  
14 corresponding to his salary, wage, compensation or  
15 earnings during the month in accordance with the monthly  
16 salary credits, the schedule and the rate of contributions as  
17 may be determined and fixed by the Commission, subject  
18 to the provisions of Section 4, Paragraph (a), Sub-  
19 paragraph (9) of this Act.

1           The monthly salary credits, the schedule and the  
2 rate of contributions shall also apply to self-employed,  
3 voluntary, and other members.

4           SEC. 19. *Employer's Contributions.* – (a) Beginning  
5 on the last day of the month when an employee's  
6 compulsory coverage takes effect and every month  
7 thereafter during his employment, his employer shall pay,  
8 with respect to such covered employee, the employer's  
9 contribution in accordance with the schedule provided in  
10 this Act. Notwithstanding any contract to the contrary, an  
11 employer shall not deduct, directly or indirectly, from the  
12 compensation of his employees covered by the SSS or  
13 otherwise recover from them the employer's contributions  
14 with respect to such employees.

15           (b) The remittance of such contributions by the  
16 employer shall be supported by a quarterly collection list to  
17 be submitted to the SSS at the end of each calendar  
18 quarter indicating the correct ID number of the employer,  
19 the correct names and the SSS numbers of the employees

1 and the total contributions paid for their account during  
2 the quarter.

3       SEC. 19-A. *Contributions of the Self-Employed*  
4 *Member.* – The contributions to the SSS of the self-  
5 employed member shall be determined in accordance with  
6 the schedule provided in this Act: *Provided*, That the  
7 monthly earnings declared by the self-employed member at  
8 the time of his registration with the SSS shall be  
9 considered as his monthly compensation and he shall pay  
10 both the employer and the employee contributions:  
11 *Provided, further*, That the contributions of self-employed  
12 persons earning One thousand pesos (P1,000.00) monthly  
13 or below may be reduced by the Commission.

14       The monthly earnings declared by the self-employed  
15 member at the time of his registration shall remain the  
16 basis of his monthly salary credit, unless he makes another  
17 declaration of his monthly earnings, in which case such  
18 latest declaration becomes the new basis of his monthly  
19 salary credit.

1           SEC. 20. *Government Contribution.* – As the  
2 contribution of the Government to the operation of the  
3 SSS, Congress shall annually appropriate out of any funds  
4 in the National Treasury not otherwise appropriated, the  
5 necessary sum or sums to meet the estimated expenses of  
6 the SSS for each ensuing year. In addition to this  
7 contribution, Congress shall appropriate from time to time  
8 such sum or sums as may be needed to assure the  
9 maintenance of an adequate working balance of the funds  
10 of the SSS as disclosed by suitable periodic actuarial  
11 studies to be made of the operations of the SSS.

12           SEC. 21 *Government Guarantee.* – The benefits  
13 prescribed in this Act shall not be diminished and to  
14 guarantee said benefits the Government of the Republic of  
15 the Philippines accepts general responsibility for the  
16 solvency of the SSS.

17           SEC. 22. *Remittance of Contributions.* – (a) The  
18 contribution imposed in the preceding section shall be  
19 remitted to the SSS within the first ten (10) days of each  
20 calendar month following the month for which they are

1 applicable or within such time as the Commission may  
2 prescribe. Every employer required to deduct and to remit  
3 such contributions shall be liable for their payment and if  
4 any contribution is not paid to the SSS as herein  
5 prescribed, the delinquent employer shall pay besides the  
6 contribution a penalty thereon of three percent (3%) per  
7 month from the date the contribution falls due until paid.  
8 If deemed expedient and advisable by the Commission, the  
9 collection and remittance of contributions shall be made  
10 quarterly or semi-annually in advance, the contributions  
11 payable by the employees to be advanced by their  
12 respective employers: *Provided*, That upon separation of an  
13 employee, any contribution so paid in advance but not due  
14 shall be credited or refunded to his employer.

15 (b) The contributions payable under this Act in cases  
16 where an employer refuses or neglects to pay the same  
17 shall be collected by the SSS in the same manner as taxes  
18 are made collectible under the National Internal Revenue  
19 Code, as amended. Failure or refusal of the employer to  
20 pay or remit the contributions herein prescribed shall not

1 prejudice the right of the covered employee to the benefits  
2 of the coverage.

3 The right to institute the necessary action against the  
4 employer may be commenced within twenty (20) years  
5 from the time the delinquency is known or the assessment  
6 is made by the SSS, or from the time the benefit accrues,  
7 as the case may be.

8 (c) Should any person, natural or juridical, defaults in  
9 any payment of contributions, the Commission may also  
10 collect the same in either of the following ways:

11 (1) By an action in court, which shall hear and  
12 dispose of the case in preference to any other civil action;  
13 or

14 (2) By issuing a warrant to the Sheriff of any province  
15 or city commanding him to levy upon and sell any real and  
16 personal property of the debtor. The Sheriff's sale by virtue  
17 of said warrant shall be governed by the same procedure  
18 prescribed for executions against property upon judgments  
19 by a court of record.

1           (d) The last complete record of monthly contributions  
2 paid by the employer or the average of the monthly  
3 contributions paid during the past three (3) years as of the  
4 date of filing of the action for collection shall be presumed  
5 to be the monthly contributions payable by and due from  
6 the employer to the SSS for each of the unpaid month,  
7 unless contradicted and overcome by other evidence:  
8 *Provided*, That the SSS shall not be barred from  
9 determining and collecting the true and correct  
10 contributions due the SSS even after full payment  
11 pursuant to this paragraph, nor shall the employer be  
12 relieved of his liability under Section Twenty-eight of this  
13 Act.

14           SEC. 22-A. *Remittance of Contributions of Self-*  
15 *Employed Member.* – Self-employed members shall remit  
16 their monthly contributions quarterly on such dates and  
17 schedules as the Commission may specify through rules  
18 and regulations: *Provided*, That no retroactive payment of  
19 contributions shall be allowed, except as provided in this  
20 Section.

1           SEC. 23. *Method of Collection and Payment.* – The  
2 SSS shall require a complete and proper collection and  
3 payment of contributions and proper identification of the  
4 employer and the employee. Payment may be made in  
5 cash, checks, stamps, coupons, tickets, or other reasonable  
6 devices that the Commission may adopt.

7           SEC. 24. *Employment Records and Reports.* – (a) Each  
8 employer shall immediately report to the SSS the names,  
9 ages, civil status, occupations, salaries and dependents of  
10 all his employees who are subject to compulsory coverage:  
11 *Provided,* That if an employee subject to compulsory  
12 coverage should die or become sick or disabled or reach the  
13 age of sixty (60) without the SSS having previously  
14 received any report or written communication about him  
15 from his employer, the said employer shall pay to the SSS  
16 damages equivalent to the benefits to which said employee  
17 member would have been entitled had his name been  
18 reported on time by the employer to the SSS, except that in  
19 case of pension benefits, the employer shall be liable to pay  
20 the SSS damages equivalent to the accumulated pension



1 due as of the date of settlement of the claim or to the five  
2 (5) years' pension, whichever is higher, including  
3 dependents' pension: *Provided, further,* That if the  
4 contingency occurs within thirty (30) days from the date of  
5 employment, the employer shall be relieved of his liability  
6 for damages: *Provided, further,* That any person or entity  
7 engaging the services of an independent contractor shall be  
8 subsidiarily liable with such contractor for any civil  
9 liability incurred by the latter under this Act: *Provided,*  
10 *finally,* That the same person or entity engaging the  
11 services of an independent contractor shall require such  
12 contractor to post a surety bond to guarantee the payment  
13 of the worker's benefits.

14 (b) Should the employer misrepresent the true date of  
15 employment of the employee member or remit to the SSS  
16 contributions which are less than those required in this Act  
17 or fail to remit any contribution due prior to the date of  
18 contingency, resulting in a reduction of benefits, such  
19 employer shall pay to the SSS damages equivalent to the  
20 difference between the amount of benefit to which the

1 employee member or his beneficiary is entitled had the  
2 proper contributions been remitted to the SSS and the  
3 amount payable on the basis of contributions actually  
4 remitted: *Provided*, That if the employee member or his  
5 beneficiary is entitled to pension benefits, the damages  
6 shall be equivalent to the accumulated pension due as of  
7 the date of settlement of the claim or to the five (5) years'  
8 pension, whichever is higher, including dependents'  
9 pension.

10 In addition to the liability mentioned in the preceding  
11 paragraphs (a) and (b) hereof, the employer shall also be  
12 liable for the corresponding unremitted contributions and  
13 penalties thereon.

14 (c) The records and reports duly accomplished and  
15 submitted to the SSS by the employer or the member, as  
16 the case may be, shall be kept confidential by the SSS  
17 except in compliance with a *subpoena duces tecum* issued  
18 by the Courts, shall not be divulged without the consent of  
19 the SSS President or any official of the SSS duly  
20 authorized by him, shall be presumed correct as to the data

1 and other matters stated therein, unless the necessary  
2 corrections to such records and reports have been properly  
3 made by the parties concerned before the right to the  
4 benefit being claimed accrues, and shall be made the basis  
5 for the adjudication of the claim. If as a result of such  
6 adjudication the SSS in good faith pays a monthly pension  
7 to a beneficiary who is inferior in right to another  
8 beneficiary or with whom another beneficiary is entitled to  
9 share, such payments shall discharge the SSS from  
10 liability unless and until such other beneficiary notifies the  
11 SSS of his claim prior to the payments.

12 (d) Every employer shall keep true and accurate work  
13 records for such period and containing such information as  
14 the Commission may prescribe, in addition to an "Annual  
15 Register of New and Separated Employees" which shall be  
16 secured from the SSS wherein the employer shall enter on  
17 the first day of employment or on the effective date of  
18 separation, the names of the persons employed or  
19 separated from employment, their SSS numbers, and such  
20 other data that the Commission may require and said

1 annual register shall be submitted to the SSS in the month  
2 of January of each year. Such records shall be open for  
3 inspection by the SSS or its authorized representatives  
4 quarterly or as often as the SSS may require.

5 The SSS may also require each employer to submit,  
6 with respect to the persons in his employ, reports needed  
7 for the effective administration of this Act.

8 (e) Each employer shall require, as a condition to  
9 employment, the presentation of a registration number  
10 secured by the prospective employee from the SSS in  
11 accordance with such procedure as the SSS may adopt:  
12 *Provided*, That in case of employees who have earlier been  
13 assigned registration numbers by virtue of a previous  
14 employment, such numbers originally assigned to them  
15 should be used for purposes of this Section: *Provided*,  
16 *further*, That the issuance of such registration numbers by  
17 the SSS shall not exempt the employer from complying  
18 with the provisions of paragraph (a) of this Section.

19 (f) Notwithstanding any law to the contrary,  
20 microfilm, or non-erasable optical disk and other similar

1 archival media copies of original SSS records and reports,  
2 duly certified by the official custodian thereof, shall have  
3 the same evidentiary value as the originals and be  
4 admissible as evidence in all legal proceedings.

5 (g) Notwithstanding any law to the contrary, local  
6 government units shall, prior to issuing any annual  
7 business license or permit, require submission of certificate  
8 of SSS coverage and compliance with the provisions of this  
9 Act: *Provided*, That the certification or clearance shall be  
10 issued by the SSS within five (5) working days from receipt  
11 of the request.

12 SEC. 24-A. *Report and Registration of the Self-*  
13 *Employed Member.* – Each covered self-employed person  
14 shall, within thirty (30) days from the first day he started  
15 the practice of his profession or business operations,  
16 register and report to the SSS his name, age, civil status,  
17 and occupation, average monthly net income and his  
18 dependents.

19 SEC. 25. *Deposit and Disbursements.* – All money paid  
20 to or collected by the SSS every year under this Act, and all

1 accruals thereto, shall be deposited, administered and  
2 disbursed in the same manner and under the same  
3 conditions and requirements as provided by law for other  
4 public special funds: *Provided*, That not more than twelve  
5 percent (12%) of the total yearly contributions plus three  
6 percent (3%) of other revenues shall be disbursed for  
7 administrative and operational expenses such as salaries  
8 and wages, supplies and materials, depreciation, and the  
9 maintenance of offices of the SSS: *Provided, further*, That  
10 if the expenses in any year are less than the maximum  
11 amount permissible, the difference shall not be availed of  
12 as additional expenses in the following years.

13         SEC. 26. *Investment of Reserve Funds.* – All revenues  
14 of the SSS that are not needed to meet the current  
15 administrative and operational expenses incidental to the  
16 carrying out of this Act shall be accumulated in a fund to  
17 be known as the “Reserve Fund”. Such portions of the  
18 Reserve Fund as are not needed to meet the current  
19 benefit obligations thereof shall be known as the  
20 “Investment Reserve Fund” which the Commission shall

1 manage and invest with the skill, care, prudence and  
2 diligence necessary to earn an annual income not less than  
3 the average rates of treasury bills or any other acceptable  
4 market yield indicator in any or in all of the following  
5 undertaking, under such rules and regulations as may be  
6 prescribed by the Commission: *Provided*, That investments  
7 shall satisfy the requirements of liquidity, safety/security  
8 and yield in order to ensure the actuarial solvency of the  
9 funds of the SSS: *Provided, further*, That the SSS shall  
10 submit an annual report on all investments made to both  
11 the Senate and House of Representatives;

12 (a) In bonds, securities, promissory notes or other  
13 evidence of indebtedness of the Government of the  
14 Philippines, or in bonds, securities, promissory notes or  
15 other evidence of indebtedness to which the full faith,  
16 credit and unconditional guarantee of the Government of  
17 the Philippines is pledged: *Provided*, That at least fifteen  
18 percent (15%) of the investment reserve fund shall be  
19 invested for these purposes;

1           (b) In bonds, securities, promissory notes or other  
2 evidence of indebtedness of the Government of the  
3 Philippines, or any of its agencies or instrumentalities to  
4 finance domestic infrastructure projects such as roads,  
5 bridges, ports, telecommunications, and other similar  
6 projects: *Provided*, That the instruments issued by an  
7 agency or instrumentality of the government shall be  
8 guaranteed by the Government of the Philippines or any  
9 government financial institution or acceptable multilateral  
10 agency: *Provided, further*, That the SSS shall have  
11 priority over the revenues of the projects: *Provided, finally*,  
12 That such investments shall not exceed thirty percent  
13 (30%) of the Investment Reserve Fund;

14           (c) In bonds, securities, promissory notes or other  
15 evidence of indebtedness of government financial  
16 institutions or government corporations with acceptable  
17 credit or guarantee: *Provided*, That such investments shall  
18 not exceed thirty percent (30%) of the Investment Reserve  
19 Fund;



1           (d) In bonds, securities, deposits, promissory notes or  
2 other evidence of indebtedness of any bank doing business  
3 in the Philippines and in good standing with the BSP to  
4 finance loans to private corporations doing business in the  
5 Philippines, including schools, hospitals, small-and-  
6 medium scale industries, cooperatives and non-  
7 governmental organizations, in which case the collaterals  
8 or securities shall be assigned to the SSS, under such  
9 terms and conditions as the Commission may prescribe:  
10 *Provided*, That in the case of bank deposits, they shall not  
11 exceed at any time the unimpaired capital and surplus or  
12 total private deposits of the depository bank, whichever is  
13 smaller: *Provided, further*, That said bank shall first have  
14 been designated as a depository for this purpose by the  
15 Monetary Board of the BSP: *Provided, finally*, That such  
16 investments shall not exceed forty percent (40%) of the  
17 Investment Reserve Fund;

18           (e) In bonds, securities, promissory notes or other  
19 evidence of indebtedness of shelter agencies of the National  
20 Government or financial intermediaries to finance housing

1 loans of members; and in long-term direct individual or  
2 group housing loans giving priority to the low-income  
3 groups, up to a maximum of ninety percent (90%) of the  
4 appraised value of the properties to be mortgaged by the  
5 borrowers; and

6 In short and medium term loans to members such as  
7 salary, educational, livelihood, calamity, and emergency  
8 loans: *Provided*, That not more than five percent (5%) of  
9 the Investment Reserve Fund at any time shall be invested  
10 for housing purposes: *Provided, further*, That not more  
11 than twenty five percent (25%) of the Investment Reserve  
12 Fund shall be invested in short and medium term loans;

13 (f) In bonds, securities, promissory notes or other  
14 evidence of indebtedness of educational or medical  
15 institutions to finance the construction, improvement and  
16 maintenance of schools and hospitals and their equipment  
17 and facilities: *Provided*, That such investments shall not  
18 exceed ten percent (10%) of the Investment Reserve Fund;

19 (g) In real estate property, including shares of stocks  
20 involving real estate property, and investments secured by

1 first mortgages on real estate or other collaterals  
2 acceptable to the SSS: *Provided*, That such projects and  
3 investments shall, in the determination of the Commission,  
4 redound to the benefit of the SSS, its members, as well as  
5 the general public: *Provided, further*, That investment in  
6 real estate property and joint ventures including shares of  
7 stocks involving real estate property, shall not exceed ten  
8 percent (10%) of the Investment Reserve Fund: *Provided*,  
9 *finally*, That investments in other income earning projects  
10 and investment secured by first mortgages and or other  
11 collaterals shall not exceed twenty five percent (25%) of the  
12 Investment Reserve Fund;

13 (h) In bonds, debentures, securities, promissory notes  
14 or other evidence of indebtedness of any prime corporation  
15 or multilateral institutions to finance domestic projects:  
16 *Provided*, That the issuing or assuming entity or its  
17 predecessors shall not have defaulted in the payment of  
18 interest on any of its securities and that during each of any  
19 three (3) including the last two (2) of the five (5) fiscal  
20 years next preceding the date of acquisition by the SSS of

1 such bonds, debentures or other evidence of indebtedness,  
2 the net earnings of the issuing or assuming institution  
3 available for its fixed charges, as defined in this Act, shall  
4 have been not less than one and one-quarter times the  
5 total of its fixed charges for such year: *Provided, further,*  
6 That such investments shall not exceed forty percent (40%)  
7 of the Investment Reserve Fund;

8 (i) In preferred or common shares of stocks listed or  
9 to be listed in the stock exchange and other securities  
10 trading markets or options or warrants to such stock or,  
11 subject to prior approval of the BSP, such other risk  
12 management instruments of any prime or solvent  
13 corporation or financial institution created or existing  
14 under the laws of the Philippines with proven track record  
15 of profitability over the last three (3) years and payment of  
16 dividends at least once over the same period: *Provided,*  
17 That such investments shall not exceed forty percent (40%)  
18 of the Investment Reserve Fund;

19 (j) In domestic or foreign mutual funds in existence  
20 for at least three (3) years: *Provided, That such*

1 investments shall not exceed forty percent (40%) of the  
2 Investment Reserve Fund: *Provided, further, That*  
3 investments in foreign mutual funds shall not exceed one  
4 percent (1%) of the Investment Reserve Fund in the first  
5 year which shall be increased by one percent (1%) for each  
6 succeeding year, but in no case shall it exceed fifteen  
7 percent (15%) of the Investment Reserve Fund;

8 (k) In foreign currency deposits or investment-grade  
9 rated foreign currency-denominated debts, prime and non-  
10 speculative equities, and other BSP approved financial  
11 instruments or other assets issued in accordance with the  
12 existing laws of the countries where such financial  
13 instruments are issued: *Provided, That* these instruments  
14 or assets are listed in bourses of the respective countries  
15 where these instruments or assets are issued:  
16 *Provided, further, That* the issuing company has proven  
17 track of record of profitability over the last three (3) years  
18 and payment of dividends at least once over the same  
19 period: *Provided, finally, That* such investments shall not  
20 exceed one percent (1%) of the Investment Reserve Fund in

1 the first year-which shall be increased by one percent (1%)  
2 for each succeeding year, but in no case shall it exceed  
3 fifteen percent (15%) of the Investment Reserve Fund;

4 (l) In loans secured by such collaterals like cash,  
5 pensions, government securities or guarantees of  
6 multilateral institutions including loans to pensioners:  
7 *Provided*, That such investments shall not exceed thirty  
8 percent (30%) of the Investment Reserve Fund; and

9 (m) In other BSP approved investment instruments  
10 with the same intrinsic quality as those enumerated in  
11 paragraphs (a) to (l) hereof, subject to the policies and  
12 guidelines which the Commission may formulate.

13 No portion of the Investment Reserve Fund or income  
14 thereof shall accrue to the general fund of the National  
15 Government or to any of its agencies or instrumentalities,  
16 including government-owned or controlled corporations,  
17 except as may be allowed under this Act: *Provided*, That no  
18 portion of the Investment Reserve Fund shall be invested  
19 for any purpose or any instrument, institution or industry

1 over and above the prescribed cumulative ceilings as  
2 follows:

3 60% in private securities

4 5% in housing

5 30% in real estate related investments

6 25% in short and medium-term member loans

7 30% in government financial institutions and  
8 corporations

9 15% in any particular industry

10 7.5% in foreign-currency denominated investments

11 5% in private-sponsored infrastructure projects  
12 without guarantee.

13 5% private and government sponsored infrastructure  
14 projects with guarantee.

15 5% in private and government sponsored  
16 infrastructure projects.

17 SEC. 26-A. *Fund Managers.* – As part of its  
18 investment operations, the SSS may appoint local or, in  
19 the absence thereof, foreign fund managers to manage the  
20 Investment Reserve Fund, as it may deem appropriate.

1           SEC. 26-B. *Mortgagor Insurance Account.* – (a) As  
2 part of its investment operations, the SSS shall act as  
3 insurer of all or part of its interest on SSS properties  
4 mortgaged to the SSS, or lives of mortgagors whose  
5 properties are mortgaged to the SSS. For this purpose, the  
6 SSS shall establish a separate account to be known as the  
7 "Mortgagors' Insurance Account." All amounts received by  
8 the SSS in connection with the aforesaid insurance  
9 operations shall be placed in the Mortgagors' Insurance  
10 Account. The assets and liabilities of the Mortgagors'  
11 Insurance Account shall at all times be clearly identifiable  
12 and distinguishable from the assets and liabilities in all  
13 other accounts of the SSS. Notwithstanding any provision  
14 of law to the contrary, the assets held in the Mortgagors'  
15 Insurance Account shall not be chargeable with the  
16 liabilities arising out of any other business the SSS may  
17 conduct but shall be held and applied exclusively for the  
18 benefit of the owners or beneficiaries of the insurance  
19 contracts issued by the SSS under this paragraph.



1           (b) The SSS may insure any of its interest or part  
2 thereof with any private company or reinsurer. The  
3 Insurance Commission or its authorized representatives  
4 shall make an examination into the financial condition and  
5 methods of transacting business of the SSS at least once in  
6 two (2) years, but such examination shall be limited to the  
7 insurance operation of the SSS as authorized under this  
8 paragraph and shall not embrace the other operations of  
9 the SSS; and the report of said examination shall be  
10 submitted to the Commission and a copy thereof shall be  
11 furnished the Office of the President of the Philippines  
12 within a reasonable time after the close of the  
13 examination: *Provided*, That for each examination, the SSS  
14 shall pay to the Insurance Commission an amount equal to  
15 the actual expense of the Insurance Commission in the  
16 conduct of examination, including the salaries of the  
17 examiners and of the actuary of the Insurance Commission  
18 who have been assigned to make such examination for the  
19 actual time spent in said examination: *Provided, further*,  
20 That the general law on insurance and the rules and

1 regulations promulgated thereunder shall have suppletory  
2 application insofar as it is not in conflict with this Act and  
3 its rules and regulations.

4       SEC. 27. *Records and Reports.* - The SSS President  
5 shall keep and cause to keep records of operations of the  
6 funds of the SSS and of disbursements thereof and all  
7 accounts of payments made out of said funds. During the  
8 month of January of each year, the SSS President shall  
9 prepare for submission to the President of the Philippines  
10 and to Congress of the Philippines a report of operations of  
11 the SSS during the preceding year, including statistical  
12 data on the number of persons covered and benefited, their  
13 occupations and employment status, the duration and  
14 amount of benefits paid, the finances of the SSS at the  
15 close of the said year, and recommendations. He shall also  
16 cause to be published in two (2) newspapers of general  
17 circulation in the Philippines a synopsis of the annual  
18 report, showing in particular the status of the finances of  
19 the SSS and the benefits administered.

1           SEC. 28. *Penal Clause.* – (a) Whoever, for the purpose  
2 of causing any payment to be made under this Act, or  
3 under an agreement thereunder, where none is authorized  
4 to be paid, shall make or cause to be made false statement  
5 or representation as to any compensation paid or received  
6 or whoever makes or causes to be made any false  
7 statement of a material fact in any claim for any benefit  
8 payable under this Act, or application for loan with the  
9 SSS, or whoever makes or causes to be made any false  
10 statement, representation, affidavit or document in  
11 connection with such claim or loan, shall suffer the  
12 penalties provided for in Article One hundred seventy-two  
13 of the Revised Penal Code.

14           (b) Whoever shall obtain or receive any money or  
15 check under this Act or any agreement thereunder,  
16 without being entitled thereto with intent to defraud any  
17 member, employer or the SSS, shall be fined not less than  
18 Five thousand pesos (P5,000.00) nor more than Twenty  
19 thousand pesos (P20,000.00) and imprisoned for not less

1 than six (6) years and one (1) day nor more than twelve  
2 (12) years.

3 (c) Whoever buys, sells, offers for sale, uses, transfers  
4 or takes or gives in exchange, or pledges or gives in pledge,  
5 except as authorized in this Act or in regulations made  
6 pursuant thereto, any stamp, coupon, ticket, book or other  
7 device, prescribed pursuant to Section Twenty-three hereof  
8 by the Commission for the collection or payment of  
9 contributions required herein, shall be fined not less than  
10 Five thousand pesos (P5,000.00) nor more than Twenty  
11 thousand pesos (P20,000.00), or imprisoned for not less  
12 than six (6) years and one (1) day nor more than twelve  
13 (12) years, or both, at the discretion of the court.

14 (d) Whoever, with intent to defraud, alters, forges,  
15 makes or counterfeits any stamp, coupon, ticket, book or  
16 other device prescribed by the Commission for the  
17 collection or payment of any contribution required herein,  
18 or uses, sells, lends, or has in his possession any such  
19 altered, forged or counterfeited materials, or makes, uses,  
20 sells or has in his possession any such altered, forged,

1 material in imitation of the material used in the  
2 manufacture of such stamp, coupon, ticket, book or other  
3 device, shall be fined not less than Five thousand pesos  
4 (P5,000.00) nor more than Twenty thousand pesos  
5 (P20,000.00) or imprisoned for not less than six (6)  
6 and one (1) day nor more than twelve (12) years, or both, at  
7 the discretion of the court.

8 (e) Whoever fails or refuses to comply with the  
9 provisions of this Act or with the rules and regulations  
10 promulgated by the Commission, shall be punished by a  
11 fine of not less than Five thousand pesos (P5,000.00) nor  
12 more than Twenty thousand pesos (P20,000.00), or  
13 imprisonment for not less than six (6) years and one (1)  
14 day nor more than twelve (12) years, or both, at the  
15 discretion of the court: Provided, That where the violation  
16 consists in failure or refusal to register employees or  
17 himself, in case of the covered self-employed or to deduct  
18 contributions from the employees' compensation and remit  
19 the same to the SSS, the penalty shall be a fine of not less  
20 Five thousand pesos (P5,000.00) nor more than Twenty

1 thousand pesos (P20,000.00) and imprisonment for not less  
2 than six (6) years and one (1) day nor more than twelve  
3 (12) years.

4 (f) If the act or omission penalized by this Act be  
5 committed by an association, partnership, corporation or  
6 any other institution, its managing head, directors or  
7 partners shall be liable for the penalties provided in this  
8 Act for the offense.

9 (g) Any employee of the SSS who receives or keeps  
10 funds or property belonging, payable or deliverable to the  
11 SSS and who shall appropriate the same, or shall take or  
12 misappropriate, or shall consent, or through abandonment  
13 or negligence, shall permit any other person to take such  
14 property or funds, wholly or partially, or shall otherwise be  
15 guilty of misappropriation of such funds or property, shall  
16 suffer the penalties provided in Article Two hundred  
17 seventeen of the Revised Penal Code.

18 (h) Any employer who, after deducting the monthly  
19 contributions or loan amortizations from his employee's  
20 compensation, fails to remit the said deduction to the SSS

1 within thirty (30) days from the date they became due,  
2 shall be presumed to have misappropriated such  
3 contributions or loan amortizations and shall suffer the  
4 penalties provided in Article Three hundred fifteen of the  
5 Revised Penal Code.

6 (i) Criminal action arising from a violation of the  
7 provisions of this Act may be commenced by the SSS or the  
8 employee concerned either under this Act or in appropriate  
9 cases under the Revised Penal Code: *Provided*, That such  
10 criminal action may be filed by the SSS in the city or  
11 municipality where the SSS office is located, if the  
12 violation was committed within its territorial jurisdiction  
13 or in Metro Manila, at the option of the SSS.

14 SEC. 29. *Government Aid.* – The establishment of the  
15 SSS shall not disqualify the members and employers from  
16 receiving such government assistance, financial or  
17 otherwise, as may be provided.

18 SEC. 30. *Implementing Rules and Regulations.* –  
19 The Commission shall promulgate the necessary rules and

1 regulations to implement this Act not later than ninety  
2 (90) days after its effectivity.

3       SEC. 31. *Transitory Clause.* – Any employer who is  
4 delinquent or has not remitted all contributions due and  
5 payable to the SSS may, within six (6) months from the  
6 effectivity of this Act, remit said contributions or submit a  
7 proposal to pay the same in installment within a period as  
8 approved by the Commission from the effectivity of this Act  
9 without incurring the prescribed penalty, subject to the  
10 implementing rules and regulations which the Commission  
11 may prescribe: *Provided*, That the employer submits the  
12 corresponding collection lists together with the remittance  
13 or proposal to pay in installments: *Provided, further*, That  
14 in case the employer fails to remit contributions within the  
15 six-month grace period or defaults in the payment of any  
16 amortization provided in the approved proposal, the  
17 prescribed penalty shall be imposed from the time the  
18 contributions first became due as provided in Section 22 (a)  
19 hereof.



1           SEC. 32. *Separability Clause.* – If, for any reason, any  
2 part, section, or provision of this Act is held invalid or  
3 unconstitutional, the remaining provisions not affected  
4 thereby shall continue to be in full force and effect.

5           SEC. 33. *Repealing Clause.* – Republic Act No. 1161  
6 and Republic Act No. 8282 and all other laws,  
7 proclamations, executive orders, rules and regulations or  
8 parts thereof inconsistent with this Act are hereby  
9 repealed, modified or amended accordingly: *Provided*, That  
10 no person shall be deemed to be vested with any property  
11 or other right by virtue of the enactment or operation of  
12 this Act.

13           SEC. 34. *Effectivity.* – This Act shall take effect fifteen  
14 (15) days after its publication in the *Official Gazette* or in  
15 a newspaper of general circulation.

Approved,