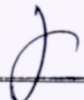


SENATE

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S. No. 160

RECEIVED BY: 

INTRODUCED BY SENATOR RISA HONTIVEROS

AN ACT
GRANTING UNIVERSAL SOCIAL PENSION TO ALL SENIOR CITIZENS AGED 65
YEARS OLD AND ABOVE, AMENDING FOR THIS PURPOSE REPUBLIC ACT NO.
7432, AS AMENDED

EXPLANATORY NOTE

In the Philippines, and in many countries around the world growing old is becoming one of the biggest economic challenges facing both the individual and society, as a whole. Based on the population projection of the Philippine Statistics Authority, the number of Filipinos over the age of 60 is set to triple in the next 30 years from 7.6 million in 2015 to 22.6 million in 2045.¹ As the population continues to age, the matter of securing a steady income to support the well-being of older persons becomes more relevant in addressing issues of poverty and inequality. Providing social protection for the elderly is among the universally accepted and proven approaches in reducing incidence of poverty and in narrowing the equality gap. Pensions also strengthen inclusive growth by spreading and sharing the financial demands of the aging population across society. The social pension currently received by our indigent senior citizens mitigates the financial difficulties they suffer on a daily basis by supplementing their budget for food and medication for their declining health. However, its overall impact is limited by how the pension scheme is designed by excluding a large portion of vulnerable elderly, and by the measly amount of five hundred pesos the beneficiaries receive monthly.

A universal social pension for the elderly would likewise narrow the pension coverage gap. Our neighbors in the region, such as Thailand, Brunei, Timor-Leste and Vietnam are currently implementing similar tax-financed schemes that cover all citizens of a specified age. Apart from strengthening the development of our existing pension system and narrowing the gap in our pension coverage, there are other advantages to a universal pension approach compared to the means-tested system we are currently using. First, it is one of the simplest and most effective ways to guarantee that every senior citizen receives a pension. Without much room for exclusion errors, it ensures that all poor senior citizens will be covered. Second, it will provide substantial security for low-income earners in the informal sector. Third, since the criteria for eligibility is

¹ Philippine Statistics Authority, "2010 Census-Based Population Projections in Collaboration with the Inter-Agency Group on Population Projections".

simple and straightforward, it reduces instances of corruption and clientelistic practices. Fourth, as the pension shall be viewed as a right rather than a dole-out, the dignity of the recipients is preserved. It is also a recognition of our senior citizens' life-long contributions to society by way of the taxes they have paid, their productive labor, and their efforts in raising the generations of Filipinos that came after them. Fifth, its universality shall gather a broad base of support not only from senior citizens but from other sectors as well. And sixth, the simple and uncomplicated criteria in considering eligibility make it cheaper to implement as administrative costs are lower.

A study on aging in the Philippines conducted by the University of the Philippines Population Institute revealed that over half of senior citizens live in households that have difficulty in meeting expenses. Another 40% say that their households have "just enough to pay for expenses".² Under such circumstances, pensions are often used in augmenting household incomes and in developing the skills of the younger generation. Studies also show that universal pensions contribute to other development outcomes such as lowering the number of child workers, increasing school enrolment, and encouraging families to finance livelihood activities.³

Growing old comes with a variety of challenges, from physical to economic. And growing old in a country where poverty is prevalent, these challenges not only reinforce each other but are also glaringly magnified. By providing income security in the form of universal pension for senior citizens, we not only assist them with their basic needs such as food and health, and help prop-up low income families, it also becomes a tool to share the proceeds of growth across all of society. As a way of showing our gratitude to our lolos and Iolas, it is but right for succeeding generations to ensure that they grow old with honor and dignity. And for these, the passage of this bill is earnestly sought.


RISA HONTIVEROS
Senator


² Cruz, Grace, Josefina Natividad, Melissa Gonzales, and Yasuhiko Saito. "Aging in the Philippines: Findings from the 2017 Philippine Study on Aging". Quezon City: University of the Philippines Population Institute, 2016.

³ Horn, David, Charles Knox-Vydmanov, and Aura Sevilla. "The Feasibility of a Universal Social Pension in the Philippines". Quezon City: Coalition of Services for the Elderly, and HelpAge International, 2017

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AN ACT
GRANTING UNIVERSAL SOCIAL PENSION TO ALL SENIOR CITIZENS AGED
65 YEARS OLD AND ABOVE, AMENDING FOR THIS PURPOSE REPUBLIC ACT
NO. 7432, AS AMENDED

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

Section 1. *Short Title.* – This Act shall be known as the "Lingap Para kay Lolo
at Lola Act".

Sec. 2. Section 2 of Republic Act No. 7432, as amended by Republic Act No.
9257, further 4 amended by Republic Act No. 9994, otherwise known as the
"Expanded Senior Citizens Act of 2010" 5 , is hereby further amended to read as
follows:

"Sec. 2. Definition of Terms. - For the purposes of this Act, these terms
are defined 8 as follows:

XXX XXX XXX

"(i) SOCIAL PENSION REFERS TO THE MONTHLY STIPEND OR
MONETARY GRANT FROM THE GOVERNMENT TO AUGMENT THE DAILY
SUBSISTENCE AND OTHER MEDICAL NEEDS OF SENIOR CITIZENS WHICH SHALL
NOT BE LESS THAN ONE THOUSAND PESOS (p1000.00) PER MONTH.

Sec. 3. Section 5 of the same Act, as amended, is hereby further amended to
read as follows:

XXX XXX XXX

"(h) Additional Government Assistance

"(1) Social Pension

"[Indigent] **ALL senior citizens 65 YEARS OLD AND ABOVE SHALL BE ENTITLED TO A MONTHLY SOCIAL PENSION OF AT LEAST ONE THOUSAND PESOS (PHP1,000.00)** to augment the daily subsistence and other medical needs of senior citizens.

INDIGENT SENIOR CITIZENS AGED SIXTY YEARS OLD TO SIXTY FOUR YEARS OLD SHALL BE ENTITLED TO A MONTHLY SOCIAL PENSION OF AT LEAST ONE THOUSAND PESOS (PHP1,000.00) to augment the daily subsistence and other medical needs of senior citizens.

The amount of social pension **SHALL BE REVIEWED AND**, when necessary, **ADJUSTED OR INCREASED BY THE DSWD** every two years after the effectivity of this act, in consultation with the **DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) AND OTHER RELEVANT STAKEHOLDERS, TAKING INTO ACCOUNT THE VARIOUS NEEDS OF SENIOR CITIZENS, THE NATIONAL INFLATION RATE, AND OTHER RELEVANT ECONOMIC INDICATORS**, as reported and published by the pertinent government agencies or authorities: **PROVIDED, THAT THE SOCIAL PENSION SHALL NOT BE LESS THAN THE AMOUNT INITIALLY SPECIFIED IN THIS ACT.**

FIVE YEARS AFTER THE EFFECTIVITY OF THIS ACT, ALL SENIOR CITIZENS SHALL BE ENTITLED TO A MONTHLY SOCIAL PENSION AT THE PREVAILING RATE, WHICH SHALL NOT BE LESS THAN ONE THOUSAND PESOS (PHP1,000.00) to augment the daily subsistence and other medical needs of senior citizens.

XXX

XXX

XXX

Sec. 4. *Separability Clause* – If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall continue to be in full force and effect.

Sec. 5. *Repealing Clause* – All laws, decrees, executive orders or rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 6. *Effectivity*. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or 25 in any newspaper of the general circulation.

Approved,