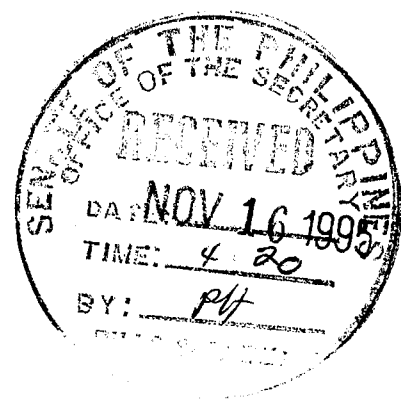


Tenth Congress of the Republic)
of the Philippines)
First Regular Session)



SENATE

S. B. NO. 1278

Introduced by Senator Alberto G. Romulo

EXPLANATORY NOTE

SECTION 9, Article II of the Constitution reads:

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

Thus, social security for our workers is a basic concern in this country.

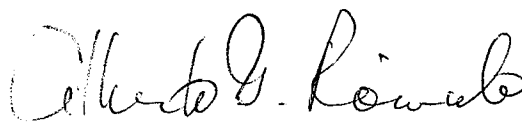
The Social Security System (SSS), which was established in 1957, has a mandate to provide protection to "covered workers and their families against the hazards of disability, sickness, maternity, old age, and death". Over time, SSS has endeavored to expand social security coverage, increase benefits, and improve its services, while at the same time, zealously protecting the viability of its funds. However, in its role as an instrument of social justice as well as a major contributor to the socio-economic development of the country, there is a need to further strengthen the social security system.

This bill proposes to expand social security coverage to cover agricultural workers who are not paid any regular daily wage or base pay and who do not work for an uninterrupted period of at least six months in a year; minor children employed by parents; and all self-employed persons earning at least ₱1,000 a month. It also seeks to increase the minimum monthly pension as follows: ₱1,000 for death and disability pensioners; ₱2,000 for all pensioners with 10 credited years of service; and ₱3,000 for those with 20 credited years of service. Funeral benefit is also increased from ₱10,000 to ₱12,000.

This bill seeks to further widen the scope of coverage to provide social security protection to a greater portion of the population; give more teeth to the law for better compliance; rationalize benefits/contributions structures to make social security more relevant and responsive to the needs of our members; broaden investment alternatives not only to ensure higher return of investment, but also in order to maximize SSS' contribution to the socio-economic development of the country; and rationalize SSS' organization for a more efficient and effective operations.

In Justice Laurel's words:

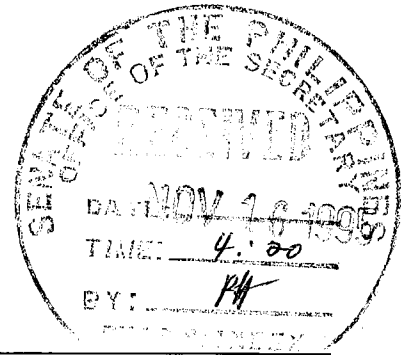
"Social justice means the promotion of the welfare of the people, the adoption by the Government of measures calculated to insure economic stability of all the component elements of society through maintenance of a proper economic and social equilibrium in the interrelations of the members of the community constitutionally, through the adoption of measures legally justifiable, or extra-constitutionally, through the exercise of powers underlying the existence of all governments on the time-honored principle of *salus populi est suprema lex* (Let the welfare of the people be the supreme law.)"



ALBERTO G. ROMULO
Senator

Tenth Congress of the Republic)
of the Philippines)
First Regular Session)

SENATE
SB No. 1278



Introduced by Senator Alberto G. Romulo

AN ACT FURTHER STRENGTHENING THE SOCIAL SECURITY SYSTEM THEREBY AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 1161, AS AMENDED, OTHERWISE KNOWN AS THE SOCIAL SECURITY LAW

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

SEC. 1. Section 2 of R.A. No. 1161, as amended, is hereby further amended to read as follows:

"SEC. 2. *Declaration of Policy* - It is the policy of the [Republic of the Philippines] STATE to establish, develop, promote and perfect a sound and viable tax-exempt social security SYSTEM [service] suitable to the needs of the people throughout the Philippines which shall (A) PROMOTE SOCIAL JUSTICE AND TOWARDS THIS END, THE STATE SHALL ENDEAVOR TO EXTEND SOCIAL SECURITY PROTECTION TO ALL WORKERS AND THEIR FAMILIES; (B) provide MEANINGFUL PROTECTION to covered WORKERS [employees] and their families [protection] against the hazards of disability, sickness, MATERNITY, old age, [and] death, AND OTHER CONTINGENCIES RESULTING IN LOSS OF INCOME OR FINANCIAL BURDEN [with a view to promoting their well-being in the spirit of social justice]; AND (C) CONTRIBUTE TO THE SOCIO-ECONOMIC DEVELOPMENT OF THE COUNTRY."

SEC. 2. Section 3 of R.A. No. 1161, as amended, is hereby further amended to read as follows:

"SEC. 3. *Social Security System* - (a) To carry out the purposes of this Act, the Social Security System, HEREINAFTER REFERRED TO AS SSS, A CORPORATE BODY, with JURIDICAL PERSONALITY AND principal place of business in Metro Manila,

1 Philippines is hereby created. The SSS shall be directed and
 2 controlled by a Social Security Commission composed of the
 3 Secretary of Labor and Employment OR HIS DULY DESIGNATED
 4 UNDERSECRETARY, the SSS PRESIDENT[Administrator] and
 5 seven appointive members, three of whom shall represent the
 6 WORKERS [labor] group, one of whom shall be a woman[,]; three,
 7 the EMPLOYERS [management] group, one of whom shall be a
 8 woman[,]; and one, the general public, to be appointed by the
 9 President of the Philippines. THE SIX (6) MEMBERS
 10 REPRESENTING WORKERS AND EMPLOYERS SHALL BE
 11 CHOSEN FROM AMONG THE NOMINEES OF WORKERS' AND
 12 EMPLOYERS' ORGANIZATIONS, RESPECTIVELY. The Chairman
 13 of the Commission shall be designated by the President OF THE
 14 PHILIPPINES from among its members. The term of the appointive
 15 members shall be three (3) years: *Provided*, That the terms of the first
 16 six (6) appointive members shall be one, two and three years for
 17 every two members, respectively. PROVIDED, FURTHER, THAT
 18 THEY SHALL CONTINUE TO HOLD OFFICE UNTIL THEIR
 19 SUCCESSORS SHALL HAVE BEEN APPOINTED AND DULY
 20 QUALIFIED. All vacancies, except through the expiration of the
 21 term, shall be filled for the unexpired term only. The appointive
 22 members of the Commission shall receive AT LEAST TWO [One]
 23 thousand five hundred pesos per diem for each meeting actually
 24 attended by them: *Provided*, That no compensation shall be paid for
 25 more than eight meetings a month. Members of the Commission who
 26 hear cases pending before the Commission shall also receive a per
 27 diem of AT LEAST TWO [One] thousand five hundred pesos:
 28 PROVIDED, FURTHER, THAT SAID MEMBERS OF THE
 29 COMMISSION SHALL ALSO RECEIVE REASONABLE
 30 TRANSPORTATION AND REPRESENTATION ALLOWANCES AS

1 MAY BE FIXED BY THE COMMISSION."

2
3 "(b) The general conduct of the operations and management
4 functions of the SSS shall be vested in the PRESIDENT
5 [administrator] who shall serve as the chief executive officer
6 immediately responsible for carrying out the program of the SSS
7 and the policies of the Commission. The PRESIDENT [administrator]
8 shall be a person who has had previous experience in technical and
9 administrative fields related to the purposes of this Act. He shall be
10 appointed by the President of the Philippines and shall receive a
11 salary to be fixed by the Commission with the approval of the
12 President OF THE PHILIPPINES, payable from the funds of the
13 SSS."

14 "(c) The Commission, upon the recommendation of the
15 PRESIDENT [Administrator], shall appoint an actuary, and such
16 other personnel as may be deemed necessary; BY ITSELF, fix their
17 REASONABLE compensation, ALLOWANCES AND OTHER
18 BENEFITS; prescribe their duties and establish such methods and
19 procedures as may BE NECESSARY TO insure the efficient, honest
20 and economical administration of the provisions and purposes of
21 this Act: *Provided, however,* That the personnel of the SSS BELOW
22 THE RANK OF ASSISTANT VICE-PRESIDENT SHALL BE
23 APPOINTED BY THE PRESIDENT: PROVIDED, FURTHER, THAT
24 THE PERSONNEL OF THE SSS shall be selected only from civil
25 service eligibles and be subject to civil service rules and regulations:
26 PROVIDED, FINALLY, THAT THE SSS SHALL BE EXEMPT FROM
27 THE PROVISIONS OF REPUBLIC ACT NO. 6758 AND REPUBLIC
28 ACT NO. 7430."

29
30 SEC. 3. Section 4 of R.A. No. 1161, as amended, is hereby further

1 amended to read as follows:

2 "SEC. 4. Powers and duties of the Commission AND SSS - (A) THE
3 COMMISSION. - For the attainment of its main objectives as set
4 forth in Section 2 hereof, the Commission shall have the following
5 powers and duties:

6 "[a] (1) To adopt, amend and rescind[, subject to the
7 approval of the President] such rules and regulations as may be
8 necessary to carry out the provisions and purposes of this Act,
9 EXCEPT THOSE SPECIFICALLY PROVIDED HEREIN AS SUBJECT
10 TO THE APPROVAL OF THE PRESIDENT OF THE PHILIPPINES."

11 "(2) TO MAINTAIN A PROVIDENT FUND WHICH
12 CONSISTS OF CONTRIBUTIONS MADE BY BOTH THE SSS AND
13 ITS OFFICIALS AND EMPLOYEES TO A COMMON FUND FOR
14 THE PAYMENT OF BENEFITS TO SUCH OFFICIALS AND
15 EMPLOYEES OR THEIR HEIRS UNDER SUCH TERMS AND
16 CONDITIONS AS IT MAY PRESCRIBE. "

17 "(3) TO COMPROMISE OR RELEASE, IN WHOLE OR IN
18 PART, ANY INTEREST, PENALTY OR ANY LIABILITY TO SSS
19 IN CONNECTION WITH THE INVESTMENTS AUTHORIZED
20 UNDER SECTION 26 HEREOF, UNDER SUCH TERMS AND
21 CONDITIONS AS IT MAY PRESCRIBE. "

22 "(4) TO APPROVE RESTRUCTURING PROPOSALS FOR THE
23 PAYMENT OF DUE BUT UNREMITTED CONTRIBUTIONS AND
24 LOAN AMORTIZATIONS UNDER SUCH TERMS AND
25 CONDITIONS AS IT MAY PRESCRIBE."

26 "(5) TO APPROVE, CONFIRM, PASS UPON OR REVIEW
27 ANY AND ALL ACTIONS OF THE SSS IN THE EXERCISE OF ITS
28 POWERS AND DUTIES HEREINAFTER ENUMERATED."

29 (B) THE SOCIAL SECURITY SYSTEM. - SUBJECT TO THE
30 PROVISION OF SECTION 4, PARAGRAPH 5 HEREOF, THE SSS

1 SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

2 "[b] (1) To submit annually not later than March 31, a public
3 report to the President of the Philippines covering its activities in the
4 administration and enforcement of this Act during the preceding
5 year including information and recommendation on broad policies
6 for the development and perfection of the program of the SSS."

7 "[c] (2) To require the actuary to submit a valuation report on
8 the SSS benefit program every five (5) years, or more frequently as
9 may be necessary, and to undertake the necessary actuarial studies
10 and calculations concerning increases in benefits and the financial
11 stability of the SSS and to provide for the feasible increases in
12 benefits and the addition of new ones under such rules and
13 regulations as the Commission may adopt subject to the approval of
14 the President OF THE PHILIPPINES: Provided, That the actuarial
15 soundness of the reserve fund shall be guaranteed[: Provided,
16 further, That such increases in benefits shall not require any increase
17 in the rate of contribution]."

18 "[d] (3) To establish branches of the [System] SSS IN
19 PROVINCES AND HIGHLY URBANIZED CITIES AND
20 REPRESENTATIVE OFFICES IN EVERY CONGRESSIONAL
21 DISTRICT, BASED ON THE CRITERIA TO BE SET BY THE
22 COMMISSION, OR whenever and wherever it may be expedient or
23 necessary, INCLUDING OFFSHORE OFFICES IN SELECTED
24 COUNTRIES, and to inspect or cause to be inspected periodically
25 such branches AND OFFICES."

26 "[e] (4) To enter into agreements or contracts for such service
27 and aid, as may be needed for the proper, efficient and stable
28 administration of the [System] SSS."

29 "[f] (5) To adopt from time to time, a budget of expenditures
30 including salaries of personnel, against all funds available to the

1 [System] SSS under this Act."

2 "[g] (6) To set up its accounting system and provide the
3 necessary personnel therefor."

4 "[h] (7) To require reports, compilations and analyses of
5 statistical and economic data and to make investigation as may be
6 needed for the proper administration and development of the
7 [System] SSS."

8 "[i] (8) To acquire AND DISPOSE OF property, real or personal,
9 AND TO BORROW FUNDS, which may be necessary or expedient
10 for the attainment of the purposes of this Act."

11 "[j] (9) To acquire, receive, or hold, by way of purchase,
12 expropriation or otherwise, public or private property for the
13 purpose of undertaking housing projects preferably for the benefit
14 of low-salaried employees and for the maintenance of SCHOOLS,
15 AS WELL AS hospitals and institutions for the MEMBERS AND
16 THEIR FAMILIES WHO ARE sick, aged and DISABLED [infirm
17 employees and immediate members of their families]."

18 "[k] (10) To sue and be sued in court."

19 "[l] (11) To perform CORPORATE AND such other acts as it
20 may deem appropriate for the proper enforcement of this Act."

21

22 SEC. 4. Paragraph (d) of Sec. 5 of R.A. No. 1161, as amended, is
23 hereby further amended to read as follows:

24 "SEC. 5. *Settlement of Disputes* -

25 x x x

26 (d) Execution of decisions - [Any decision or award of the
27 Commission after the same has become final and executory shall be
28 enforced and executed in the same manner as the decisions of Courts
29 of First Instance and the Commission shall have the power to issue

1 to] THE COMMISSION MAY, *MOTU PROPRIO* OR ON MOTION
 2 OF ANY INTERESTED PARTY, ISSUE A WRIT OF EXECUTION TO
 3 ENFORCE ANY OF ITS DECISIONS OR AWARDS, AFTER IT HAS
 4 BECOME FINAL AND EXECUTORY, IN THE SAME MANNER AS
 5 THE DECISION OF THE REGIONAL TRIAL COURT BY
 6 DIRECTING the city or provincial sheriff or the sheriff whom it may
 7 appoint TO ENFORCE SUCH FINAL DECISION OR EXECUTE such
 8 writ[s of execution as may be necessary for the enforcement of such
 9 decision or award] and any person who shall fail or refuse to comply
 10 with such decision, award, or writ, after being required to do so
 11 shall, upon application by the Commission, PURSUANT TO RULE
 12 71 OF THE RULES OF COURT, be punished [by the proper court]
 13 for contempt."

14
 15 SEC. 5. Section 7 of R.A. No. 1161, as amended, is hereby further
 16 amended to read as follows:

17 "SEC.7. *Oaths, witnesses, and production of records.* - When
 18 authorized by the Commission, an official or employee thereof shall
 19 have the power to administer oath and affirmation, take depositions,
 20 certify to official acts, and issue subpoena and subpoena *duces tecum*
 21 to compel the attendance of witnesses and the production of books,
 22 papers, correspondence, and other records deemed necessary as
 23 evidence in connection with any question arising under this Act. Any
 24 case of contumacy shall be dealt with BY THE COMMISSION in
 25 accordance with LAW [the provisions of section five hundred eighty
 26 of the Administrative Code]."

27
 28 SEC. 6. Section 8 of R.A. No. 1161, as amended, is hereby further
 29 amended by amending paragraphs (e), (j), (k) and (m), deleting paragraph
 30 (q), redesignating paragraph (r) as the new paragraph (q), and adding a

1 new paragraph designated as paragraph (r), to read as follows:

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

5 "(e) Dependents - The DEPENDENTS SHALL BE THE
6 FOLLOWING: [legitimate, legitimated or legally adopted child who
7 is unmarried, not gainfully employed, and not over twenty one years
8 of age, or over twenty-one years of age, provided that he is
9 congenitally incapacitated and incapable of self-support, physically
10 or mentally; the legitimate spouse dependent for support upon the
11 employee; and the legitimate parents wholly dependent upon
12 the covered employee for regular support.]

13 (1) THE LEGITIMATE SPOUSE
14 DEPENDENT FOR SUPPORT UPON
15 THE MEMBER;

16 (2) THE LEGITIMATE, LEGITIMATED OR
17 LEGALLY ADOPTED CHILD WHO IS
18 UNMARRIED, NOT GAINFULLY
19 EMPLOYED, AND HAS NOT REACHED
20 TWENTY-ONE YEARS OF AGE, OR IF
21 OVER TWENTY-ONE YEARS OF AGE,
22 HE IS CONGENITALLY OR WHILE
23 STILL A MINOR HAS BEEN,
24 PERMANENTLY INCAPACITATED
25 AND INCAPABLE OF SELF-SUPPORT
26 PHYSICALLY OR MENTALLY;

27 (3) THE PARENT WHO IS WHOLLY
28 DEPENDENT UPON THE MEMBER
29 FOR REGULAR SUPPORT; AND

30 (4) SUBJECT TO THE RESTRICTIONS

1 IMPOSED ON THE LEGITIMATE
 2 CHILD PROVIDED UNDER SUB-
 3 PARAGRAPH (2) HEREOF, THE
 4 ILLEGITIMATE CHILD WHO IS
 5 WHOLLY DEPENDENT UPON THE
 6 MEMBER FOR REGULAR SUPPORT."

7 "(i) Contribution - The amount paid to the SSS by AND ON
 8 BEHALF OF the MEMBER [employee and by his employer] in
 9 accordance with Sec. 18 of this Act."

10 "(j) Employment - Any service performed by an employee for
 11 his employer, except -

12 (1) Agricultural labor when performed by a share or leasehold
 13 tenant or worker who is not paid any regular daily wage or base pay
 14 and who does not work for an uninterrupted period of at least six
 15 months in a year;

16 (2) Domestic service in a private home;]

17 (3) (1) Employment purely casual and not for the purpose of
 18 occupation or business of the employer;

19 (4) Service performed by an individual in the employ of his
 20 son, daughter, or spouse and service performed by a child under the
 21 age of twenty-one years in the employ of his parents;]

22 (5) (2) Service performed on or in connection with an alien
 23 vessel by an employee if he is employed when such vessel is outside
 24 the Philippines;

25 (6) (3) Service performed in the employ of the Philippine
 26 Government or instrumentality or agency thereof;

27 (7) (4) Service performed in the employ of a foreign
 28 government or international organization, or their wholly-owned
 29 instrumentality: *Provided, however,* That this exemption
 30 notwithstanding, any foreign government, international

1 organization, or their wholly-owned instrumentality employing
 2 workers in the Philippines or employing Filipinos outside of the
 3 Philippines, may enter into an agreement with the Philippine
 4 Government for the inclusion of such employees in the SSS except
 5 those already covered by their respective civil service retirement
 6 systems; *Provided, further,* That the terms of such agreement shall
 7 conform with the provisions of this Act on coverage and amount of
 8 payment of contributions and benefits: *Provided, finally,* That the
 9 provisions of this Act shall be supplementary to any such agreement.

10 [(8)] (5) Such other services performed by temporary AND
 11 OTHER employees which may be excluded by regulation of the
 12 Commission. Employees of bona fide independent contractors shall
 13 not be deemed employees of the employer engaging the services of
 14 said contractors.

15 "(k) Beneficiaries - The dependent spouse until he OR SHE
 16 remarries, THE [and] dependent LEGITIMATE, LEGITIMATED OR
 17 LEGALLY ADOPTED children, AND THE DEPENDENT
 18 ILLEGITIMATE CHILDREN, who shall be the primary beneficiaries
 19 OF THE MEMBER[.]; PROVIDED, THAT THE DEPENDENT
 20 ILLEGITIMATE CHILDREN SHALL BE ENTITLED TO FIFTY PER
 21 CENT OF THE SHARE OF THE LEGITIMATE, LEGITIMATED OR
 22 LEGALLY ADOPTED CHILDREN: PROVIDED, FURTHER, THAT
 23 IN THE ABSENCE OF THE DEPENDENT LEGITIMATE,
 24 LEGITIMATED OR LEGALLY ADOPTED CHILDREN OF THE
 25 MEMBER, HIS DEPENDENT ILLEGITIMATE CHILDREN SHALL
 26 BE ENTITLED TO ONE HUNDRED PER CENT OF THE BENEFITS.
 27 In their absence, the dependent parents [and, subject to the
 28 restrictions imposed on dependent children, the legitimate
 29 descendants and illegitimate children] who shall be the secondary
 30 beneficiaries OF THE MEMBER[.]; [In] IN the absence of [any] ALL

1 of the foregoing, any other person designated by the MEMBER
2 [covered employee] as HIS secondary beneficiary."

3 "(l) Contingency - The retirement, death, permanent disability,
4 injury or sickness, AND MATERNITY of the MEMBER[covered
5 employee]."

6 "(m) Average monthly salary credit - The result obtained by
7 dividing the sum of the monthly salary credits in the sixty-month
8 period immediately preceding the semester of contingency by the
9 number of CALENDAR months of coverage in the same period, or
10 the result obtained by dividing the sum of all the monthly salary
11 credits paid prior to the semester of contingency by the number of
12 calendar months of coverage in the same period, whichever is
13 greater; except where the month of contingency falls within eighteen
14 (18) months from the month of coverage, in which case it is the result
15 obtained by dividing the sum of all monthly salary credits paid prior
16 to the month of contingency by the total number of calendar months
17 of coverage in the same period: *Provided*, THAT FOR PURPOSES OF
18 THIS DEFINITION, "CALENDAR MONTHS OF COVERAGE"
19 SHALL INCLUDE THE MONTHS FOR WHICH NO
20 CONTRIBUTIONS HAVE BEEN PAID: PROVIDED, FURTHER,
21 That the DATE OF injury or sickness which caused the disability
22 shall be deemed as the DATE OF permanent disability for the
23 purpose ONLY of computing the average monthly salary credit."

24 ["(q) Replacement ratio - The sum of twenty percent and the
25 quotient obtained by dividing three hundred by the sum of three
26 hundred forty and the average monthly salary credit."]

27 ["(r)(Q) Credited years of service - For a member covered prior
28 to January [1975] 1985, nineteen hundred [seventy] EIGHTY five
29 minus the calendar year of coverage plus the number of calendar
30 years in which six or more contributions have been paid from

1 January [1975] 1985 up to the calendar year containing the semester
 2 prior to the contingency. For a member covered in or after January
 3 [1975]1985, the number of calendar years in which six or more
 4 contributions have been paid from the year of coverage up to the
 5 calendar year containing the semester prior to the contingency[.] :
 6 PROVIDED, THAT THE COMMISSION MAY PROVIDE FOR A
 7 DIFFERENT NUMBER OF CONTRIBUTIONS IN A CALENDAR
 8 YEAR FOR IT TO BE CONSIDERED AS A CREDITED YEAR OF
 9 SERVICE."

10 "(R) MEMBER - THE WORKER WHO IS COMPULSORILY
 11 COVERED UNDER SECTION 9 AND SECTION 9-A OF THIS ACT."

12
 13 SEC. 7. Section 9 of R.A. No. 1161, as amended, is hereby further
 14 amended to read as follows:

15 "SEC. 9. *Compulsory Coverage - (a) Coverage in the SSS shall be*
 16 *compulsory* upon all employees not over 60 years of age and their
 17 employers: PROVIDED, THAT IN THE CASE OF DOMESTIC
 18 HELPERS, THEIR MONTHLY INCOME SHALL NOT BE LESS
 19 THAN ONE THOUSAND PESOS A MONTH: Provided, FURTHER,
 20 That any benefit already earned by the employees under private
 21 benefit plans existing at the time of the approval of this Act shall not
 22 be discontinued, reduced or otherwise impaired: Provided, further,
 23 That private plans which are existing and in force at the time of
 24 compulsory coverage shall be integrated with the plan of the SSS in
 25 such a way where the employer's contribution to his private plan is
 26 more than that required of him in this Act, he shall pay to the SSS
 27 only the contribution required of him and he shall continue his
 28 contribution to such private plan less his contribution to the SSS so
 29 that the employer's total contribution to his benefit plan and to the
 30 SSS [Social Security System] shall be the same as his contribution to

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

14 (b) Filipinos recruited [in the Philippines] by foreign-based
 15 employers for employment abroad may be covered by the SSS on a
 16 voluntary basis."

17
 18 SEC. 8. Section 9-A of R.A. 1161, as amended, is hereby further
 19 amended to read as follows:

20 "SEC. 9-A. *Compulsory coverage of the self-employed* - Coverage
 21 in the SSS shall be compulsory upon SUCH [all] self-employed
 22 persons AS MAY [earning P1,800 or more per annum: Provided,
 23 That the effectivity of coverage of certain groups of self-employed
 24 shall] be determined by the Commission under such rules and
 25 regulations AS it may prescribe, INCLUDING BUT NOT LIMITED
 26 TO THE FOLLOWING GROUPS: [Provided, Further, That the
 27 effectivity of the coverage of the following self-employed persons
 28 shall be in accordance with Sec. 10 hereof:]

- 29 1. All self-employed professionals [licensed by the Professional
 30 Regulations Commission or those licensed to practice law];

- 1 2. Partners and single proprietors of businesses;
- 2 3. Actors and actresses, directors, scriptwriters and news
- 3 correspondents who do not fall within the definition of the
- 4 term "employee" in Sec. 8 (d) of this Act;
- 5 4. [Professional a]Athletes, coaches, trainers, AND JOCKEYS
- 6 [licensed by the Games and Amusement Board as well as
- 7 jockeys and trainers licensed by the Philippine Racing
- 8 Commission];
- 9 5. Individual farmers and fishermen [earning at least P1,500 a
- 10 month or more, are covered effective Jan. 1, 1992].

11 Unless otherwise specified herein, all provisions of the SSS Law
 12 applicable to covered employees shall also be applicable to the
 13 covered self-employed persons."

14
 15 SEC. 9. Section 10 of R.A. No. 1161, as amended, is hereby further
 16 amended to read as follows:

17 "SEC. 10. *Effective date of coverage* - Compulsory coverage of the
 18 employer shall take effect on the first day of his operation and that
 19 of the employee on the day of his employment: *Provided*, That the
 20 compulsory coverage of THE self-employed PERSON [referred to in
 21 paragraphs (1) to (4)] shall take effect UPON HIS REGISTRATION
 22 WITH THE SSS [on the first day of January following the calendar
 23 year they started the practice of their profession or business
 24 operations but in on case earlier than January 1, 1980]."

25
 26 SEC. 10. Section 11- A of R.A. No. 1161, as amended, is hereby
 27 further amended to read as follows:

28 "SEC. 11-A. *Effect of Interruption of business or professional Income*-
 29 If the self-employed PERSON realizes no [net professional or
 30 business] income in any GIVEN MONTH [calendar year], he shall

1 not be required to pay contributions for THAT MONTH [the
 2 succeeding year]. He may, however, be allowed to continue paying
 3 contributions under the same rules and regulations applicable to
 4 separated MEMBER [covered] employees: PROVIDED, THAT NO
 5 RETROACTIVE PAYMENT OF CONTRIBUTIONS SHALL BE
 6 ALLOWED OTHER THAN AS PRESCRIBED UNDER SECTION 22-
 7 A HEREOF."

8 SEC. 11. Sec. 12 of R.A. No. 1161, as amended, is hereby further
 9 amended to read as follows:

10 "SEC. 12. *Monthly Pension* -(a) The monthly pension shall be
 11 THE HIGHEST [the sum] of the following AMOUNTS:

12 [The average monthly salary credit multiplied by 20
 13 per cent plus 300 and;]

14 (1) THE SUM OF THE FOLLOWING:

15 (i) THREE HUNDRED PESOS; PLUS

16 (ii) TWENTY PER CENT OF THE AVERAGE
 17 MONTHLY SALARY CREDIT; PLUS

18 (iii) Two per cent of the average monthly salary
 19 credit for each credited year of service in
 20 excess of ten years[.]; OR

21 (2) FORTY PER CENT OF THE AVERAGE
 22 MONTHLY SALARY CREDIT; OR

23 (3) ONE THOUSAND PESOS

24 PROVIDED, THAT THE MONTHLY PENSION SHALL IN NO
 25 CASE BE PAID FOR AN AGGREGATE AMOUNT OF LESS THAN
 26 SIXTY MONTHS."

27 "(b) NOTWITHSTANDING THE PRECEDING PARAGRAPH,
 28 THE MINIMUM PENSION SHALL BE TWO THOUSAND
 29 PESOS FOR MEMBERS WITH AT LEAST TEN
 30 CREDITED YEARS OF SERVICE AND THREE THOUSAND PESOS

1 FOR THOSE WITH TWENTY CREDITED YEARS OF SERVICE .
2 [The monthly pension shall in no case be less than P800 for death and
3 disability pensioners and P1,000 for retirement pensioners nor paid
4 in an aggregate amount of less than 60 times the monthly pension
5 except to a secondary beneficiary.: *Provided*, That the monthly
6 pension of surviving pensioners as of December 31, 1986 shall be
7 increased by twenty percent.]"

8
9 SEC. 12. Section 12-A of R.A. No. 1161, as amended, is hereby further
10 amended to read as follows:

11 "SEC. 12-A. *Dependents' Pension* - WHERE MONTHLY
12 PENSION IS PAYABLE ON ACCOUNT OF DEATH , TOTAL AND
13 PERMANENT DISABILITY OR RETIREMENT, [The] dependents'
14 pension [shall be] equivalent to ten percent of the monthly pension
15 or one hundred fifty pesos, whichever is higher, SHALL ALSO BE
16 PAID for each dependent child CONCEIVED ON OR BEFORE THE
17 DATE OF THE CONTINGENCY but not exceeding five, beginning
18 with the youngest and without substitution [.] : *PROVIDED*, THAT
19 WHERE THERE ARE LEGITIMATE AND ILLEGITIMATE
20 CHILDREN, THE FORMER SHALL BE PREFERRED."

21
22 SEC. 13. Section 12-B of R.A. No. 1161, as amended, is hereby further
23 amended by amending paragraphs (a), (c) and (d), and adding new
24 paragraph (e) to read as follows:

25 "SEC. 12-B. *Retirement Benefits* - (a) A MEMBER [covered
26 employee] who has paid at least one hundred twenty monthly
27 contributions prior to the semester of retirement[;] and who (1) has
28 reached the age of sixty years and is ALREADY SEPARATED
29 FROM EMPLOYMENT OR HAS CEASED TO BE SELF-EMPLOYED
30 [not receiving monthly compensation of at least three hundred

1 pesos] or (2) has reached the age of sixty-five years, shall be entitled
 2 for as long as he lives to the monthly pension: *PROVIDED, THAT*
 3 *HE SHALL HAVE THE OPTION TO RECEIVE HIS FIRST SIX*
 4 *MONTHLY PENSIONS IN LUMP SUM* [*Provided, That his*
 5 *dependents born before his retirement of a marriage subsisting when*
 6 *he was fifty-seven years old shall be entitled to the dependent's*
 7 *pension*]."

8 "(c) The monthly pension shall be *SUSPENDED* [reduced] upon
 9 the reemployment OR RESUMPTION OF *SELF-EMPLOYMENT* of
 10 a retired MEMBER [employee] who is less than sixty-five years old
 11 [by an amount equivalent to one-half his earnings over three
 12 hundred pesos]. He shall again be subject to section eighteen and his
 13 employer to section nineteen of this Act."

14 "(d) Upon the death of the retired MEMBER [employee
 15 pensioner], his primary beneficiaries as of the date of his retirement
 16 shall be entitled to RECEIVE [one hundred percent of] the monthly
 17 pension [and his dependents to the dependents' pension]: *Provided,*
 18 *That if he has no primary beneficiaries and he dies within sixty*
 19 *months from the start of his monthly pension, his secondary*
 20 *beneficiaries shall be entitled to a lump sum benefit equivalent to*
 21 *[the bigger of (1) twenty times the monthly pension or (2) the*
 22 *difference of sixty times the monthly pension and] the total monthly*
 23 *pensions CORRESPONDING TO THE BALANCE OF THE FIVE-*
 24 *YEAR GUARANTEED PERIOD, [paid by the SSS] excluding the*
 25 *dependents' pension.*"

26 "(E) THE MONTHLY PENSION OF A MEMBER WHO
 27 RETIRES AFTER REACHING AGE SIXTY SHALL BE THE HIGHER
 28 OF EITHER: (1) THE MONTHLY PENSION COMPUTED AT THE
 29 EARLIEST TIME HE COULD HAVE RETIRED HAD HE BEEN
 30 SEPARATED FROM EMPLOYMENT OR CEASED TO BE SELF-

1 EMPLOYED PLUS ALL ADJUSTMENTS THERETO, OR (2) THE
 2 MONTHLY PENSION COMPUTED AT THE TIME WHEN HE
 3 ACTUALLY RETIRES."

4
 5 SEC. 14. Section 13 of R.A. No. 1161, as amended, is hereby further
 6 amended to read as follows:

7 "SEC. 13. *Death Benefits.* - Upon the DEATH OF A
 8 MEMBER[covered employee's death] WHO HAS PAID AT LEAST
 9 THIRTY SIX MONTHLY CONTRIBUTIONS PRIOR TO THE
 10 SEMESTER OF DEATH, his primary beneficiaries shall be entitled to
 11 the monthly pension: [and his dependents to the dependents'
 12 pension.] *Provided,* That IF HE HAS NO PRIMARY BENEFICIARIES,
 13 HIS SECONDARY BENEFICIARIES SHALL BE ENTITLED TO A
 14 LUMP SUM BENEFIT EQUIVALENT TO THIRTY-SIX TIMES THE
 15 MONTHLY PENSION [he has paid at least thirty-six monthly
 16 contributions prior to the semester of death: *Provided, further,* That if
 17 the foregoing condition is not satisfied]. IF HE HAS NOT PAID THE
 18 REQUIRED THIRTY SIX MONTHLY CONTRIBUTIONS, his
 19 primary OR SECONDARY beneficiaries shall be entitled to a lump
 20 sum benefit equivalent to [thirty-five times the monthly pension:
 21 *Provided, further,* That if he has no primary beneficiaries, his
 22 secondary beneficiaries shall be entitled to a lump sum benefit
 23 equivalent to twenty times the monthly pension: *Provided, however,*
 24 That the minimum death benefit shall not be less than the total
 25 contributions paid by him and his employer on his behalf nor less
 26 than P1,000: *Provided, finally,* That the beneficiaries of the covered
 27 employee who dies without having paid at least three monthly
 28 contributions shall be entitled to the minimum benefit] THE
 29 MONTHLY PENSION TIMES THE NUMBER OF MONTHLY
 30 CONTRIBUTIONS PAID TO THE SSS OR TWELVE TIMES THE

1 MONTHLY PENSION, WHICHEVER IS HIGHER."

2

3 SEC. 15. Section 13-A of R.A. No. 1161, as amended, is hereby further
4 amended by amending paragraphs (a), (b), and (c); and adding new
5 paragraphs (h), (i) and (j) to read as follows:

6 "SEC. 13-A. *Permanent Disability Benefits* - (a) Upon the [covered
7 employee's] permanent total disability OF A MEMBER [if such
8 disability occurs after he had] WHO HAS paid at least thirty-six
9 monthly contributions prior to the semester of disability, he shall be
10 entitled to the monthly pension [and his dependents to the
11 dependents' pension]: *Provided*, That if [the disability occurs before
12 he has paid thirty-six monthly contributions prior to the semester of
13 disability], HE HAS NOT PAID THE REQUIRED THIRTY SIX
14 MONTHLY CONTRIBUTIONS, he shall be entitled to a lump sum
15 benefit equivalent to [thirty-five times the monthly pension: *Provided*,
16 further, That the minimum disability benefit shall not be less than the
17 total contributions paid by him and his employer on his behalf nor
18 less than P 1,000] THE MONTHLY PENSION TIMES THE NUMBER
19 OF MONTHLY CONTRIBUTIONS PAID TO THE SSS OR TWELVE
20 TIMES THE MONTHLY PENSION [:], WHICHEVER IS HIGHER.
21 [*Provided, further*, That a covered employee who becomes
22 permanently totally disabled without having paid at least three
23 monthly contributions shall be entitled to the minimum benefit:
24 *Provided, finally*, That a] A member who (1) HAS received a lump
25 sum benefit and (2) is re-employed OR HAS RESUMED SELF-
26 EMPLOYMENT not earlier than one year from the date of his
27 disability shall again be subject to compulsory coverage and shall be
28 considered a new member."

29 "(b) The monthly pension AND DEPENDENTS' PENSION
30 shall be SUSPENDED [reduced] upon THE [his] reemployment OR

1 RESUMPTION OF SELF-EMPLOYMENT OR [by an amount
 2 equivalent to one-half of his earnings over three hundred pesos. The
 3 monthly pension and dependents' pension shall be suspended upon]
 4 THE [his] recovery OF THE DISABLED MEMBER from HIS [the]
 5 permanent total disability or his failure to present himself for
 6 examination at least once a year upon notice by the SSS."

7 "(c) Upon the death of the permanent total disability
 8 pensioner, his primary beneficiaries as of the date of disability shall
 9 be entitled to RECEIVE [one hundred percent of] the monthly
 10 pension [and his dependents to the dependents' pension]: *Provided,*
 11 That if he has no primary beneficiaries and he dies within sixty
 12 months from the start of his monthly pension, his secondary
 13 beneficiaries shall be entitled to a lump sum benefit equivalent to
 14 [the bigger of (1) twenty times the monthly pension or (2) the
 15 difference of sixty times the monthly pension and] the total monthly
 16 pensions CORRESPONDING TO THE BALANCE OF THE FIVE-
 17 YEAR GUARANTEED PERIOD [paid by the SSS] excluding the
 18 dependents' pension."

19 "(H) IN CASE OF PERMANENT PARTIAL DISABILITY, THE
 20 MONTHLY PENSION BENEFIT SHALL BE GIVEN IN LUMP SUM
 21 IF IT IS PAYABLE FOR LESS THAN TWELVE MONTHS."

22 "(I) FOR THE PURPOSE OF ADJUDICATING RETIREMENT,
 23 DEATH AND PERMANENT TOTAL DISABILITY PENSION
 24 BENEFITS, CONTRIBUTIONS SHALL BE DEEMED PAID FOR THE
 25 MONTHS DURING WHICH THE MEMBER RECEIVED PARTIAL
 26 DISABILITY PENSION: *PROVIDED,* THAT SUCH
 27 CONTRIBUTIONS SHALL BE BASED ON HIS LAST
 28 CONTRIBUTION PRIOR TO HIS DISABILITY."

29 "(J) SHOULD A MEMBER WHO IS ON PARTIAL DISABILITY
 30 PENSION RETIRE OR DIE, HIS DISABILITY PENSION SHALL

1 CEASE UPON HIS RETIREMENT OR DEATH."

2

3 SEC. 16. Section 13-B of R.A. No. 1161, as amended, is hereby further
4 amended to read as follows:

5 "Section 13-B. *Funeral Benefit* - A funeral grant EQUIVALENT
6 TO [of P10,000] TWELVE THOUSAND PESOS shall be paid, IN
7 CASH OR IN KIND, to help defray the cost of funeral expenses upon
8 the death of a [covered] member, INCLUDING permanently totally
9 disabled MEMBER [employee] or retiree."

10

11 SEC.17. Section 14 of R.A. 1161, as amended, is hereby further
12 amended by amending paragraph (a) to read as follows:

13 "Sec. 14. *Sickness benefit* - (a) A MEMBER [covered employee]
14 who has paid at least three monthly contributions in the twelve-
15 month period immediately preceding the semester of sickness OR
16 INJURY and is confined THEREFOR for more than three days in a
17 hospital or elsewhere with the [Commission's] approval OF THE
18 SSS, shall, for each day of compensable confinement or fraction
19 thereof, be paid by his employer, or the SSS, if such person is
20 unemployed OR SELF-EMPLOYED, [an] A DAILY SICKNESS
21 BENEFIT [allowance] equivalent to ninety percent of his average
22 daily salary credit, subject to the following conditions:

23 "(1) In no case shall the [total amount of such] daily SICKNESS
24 allowance be [less than seven pesos and fifty centavos nor exceed
25 seventy five pesos nor] paid longer than one hundred twenty days
26 in one calendar year; nor shall any unused portion of the one
27 hundred twenty (120) days of sickness benefit granted under this
28 section be carried forward and added to the total number of
29 compensable days allowable in the subsequent year;

30 "(2) THE DAILY SICKNESS BENEFIT [No employee] shall

1 NOT be paid [any sickness benefit] for more than two hundred forty
2 days on account of the same confinement; and

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

17 SEC. 18. Section 14-A of R.A. No. 1161, as amended, is hereby further
18 amended by amending the opening paragraph and sub-paragraphs (c) and
19 (f) to read as follows:

20 "SEC. 14-A. *Maternity Leave Benefit* - A [covered] female
21 MEMBER [employee] who has paid at least three monthly
22 [maternity] contributions in the twelve-month period immediately
23 preceding the semester of her childbirth, abortion, or miscarriage
24 [and who is currently employed] shall be paid a daily maternity
25 benefit equivalent to one hundred percent of her [present basic
26 salary, allowances and other benefits or the cash equivalent of such
27 benefits] AVERAGE DAILY SALARY CREDIT for sixty days or
28 seventy-eight days in case of caesarean delivery, subject to the
29 following conditions:
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"(c) That payment of daily maternity benefits shall be a bar to the recovery of sickness benefits provided by this Act for the same [compensable] period FOR WHICH DAILY MATERNITY BENEFITS HAVE BEEN RECEIVED [of sixty days for the same childbirth, abortion, or miscarriage];

x x x

"(f) That if an employee MEMBER should give birth or suffer abortion or miscarriage without the required contributions having been remitted for her by her employer to the SSS, or without the latter having been previously notified by the employer of the time of the pregnancy, the employer shall pay to the SSS damages equivalent to the benefits which said employee MEMBER would otherwise have been entitled to [and the SSS shall in turn pay such amount to the employee concerned]."

SEC. 19. Section 16 of R.A. 1161, as amended, is hereby further amended to read as follows:

"Sec. 16. *Exemption from tax, legal process and lien* - All laws to the contrary notwithstanding, the SSS and all its assets and properties, all contributions collected and all accruals thereto and income or investment earnings therefrom as well as all supplies, equipment, papers or documents [which may be required in connection with the operation or execution of this Act] shall be exempt from any tax, assessment, fee, charge, or customs or import duty; and all benefit payments made by the SSS shall likewise be exempt from all kinds of taxes, fees or charges and shall not be liable to attachments, garnishments, levy or seizure by or under any legal or equitable process whatsoever, either before or after receipt by the

1 person or persons entitled thereto, except to pay any debt of the
 2 MEMBER [covered employee] to the SSS. No LAW, RULES,
 3 REGULATIONS, OPINIONS OR ANY tax measure HERETOFORE
 4 OR hereafter enacted OR PROMULGATED shall apply to the SSS,
 5 unless [it expressly revokes] the declared policy of the State in
 6 Section 2 hereof granting tax-exemption to the SSS IS EXPRESSLY
 7 REVOKED. Any tax assessment against [,and still unpaid by] the SSS
 8 shall be null and void."

9
 10 SEC. 20. Section 18 of R.A. No. 1161, as amended, is hereby further
 11 amended by amending paragraph (a) to read as follows:

12
 13 "SEC.18. *Employee's Contribution* - (a) Beginning as of the last
 14 day of the calendar month when an employee's compulsory coverage
 15 takes effect and every month thereafter during his employment,
 16 the employer shall deduct and withhold from such employee's
 17 monthly salary, wage compensation or earnings, the employee's
 18 contribution in an amount corresponding to his salary, wage,
 19 compensation or earnings during the month in accordance with the
 20 following SCHEDULE [effective January 1, 1987]:

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SALARY BRACKET NUMBER	RANGE OF COMPENSATION	MONTHLY SALARY CREDIT	MONTHLY CONTRIBUTION		
			EMPLOYER	EMPLOYEE	TOTAL
[I	P 1-149.99	P 125	P 6.40	P 4.10	P 10.50
II	150-199.99	175	9.00	5.70	14.70
III	200-249.99	225	11.40	7.50	18.90
IV	250-349.99	300	15.20	10.00	25.20
V	350-499.99	425	21.60	14.10	35.70
VI	500-699.00	600	30.40	20.00	50.40
VII	700-899.99	800	40.50	26.70	67.20]
[VIII] I P[900]	1-1099.99	1000	50.70	33.30	84.00
[IX	1100-1399.99	1250	63.30	41.70	105.00]
[X] II [1400]	1400-1749.99	1500	76.00	50.00	126.00
[XI] III	1750-2249.99	2000	101.30	66.70	168.00
[XII] IV	2250-2749.99	2500	126.70	83.30	210.00
[XIII] V	2750-3249.99	3000	152.00	100.00	252.00
[XIV] VI	3250-3749.99	3500	177.30	116.70	294.00
[XV] VII	3750-4249.99	4000	202.70	133.30	336.00
[XVI] VIII	4250-4749.99	4500	228.00	150.00	378.00
[XVII] IX	4750-5249.99	5000	253.30	166.70	420.00
[XVIII] X	5250-5749.99	5500	278.70	183.30	462.00
[XIX] XI	5750-6249.99	6000	304.00	200.00	504.00
[XX] XII	6250-6749.99	6500	329.30	216.70	546.00
[XXI] XIII	6750-7249.99	7000	354.70	233.30	588.00
[XXII] XIV	7250-7749.99	7500	380.00	250.00	630.00
[XXIII] XV	7750-8249.99	8000	405.30	266.70	672.00
[XXIV]XVI	8250-8749.99	8500	430.70	283.30	714.00
[XXV] XVII	8750-9249.99	9000	456.00	300.00	756.00

29
30
31
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33

The FOREGOING [tabulated] schedule OF [for the monthly] contribution SHALL ALSO APPLY TO [of the] self-employed PERSONS and voluntary members [effective January 1, 1987 shall be as follows:].

1 THE MAXIMUM MONTHLY SALARY CREDIT SHALL BE
 2 NINE THOUSAND PESOS EFFECTIVE JANUARY NINETEEN
 3 HUNDRED AND NINETY SIX: PROVIDED, THAT IT SHALL BE
 4 INCREASED BY ONE THOUSAND PESOS EVERY YEAR
 5 THEREAFTER UNTIL IT SHALL HAVE REACHED TWELVE
 6 THOUSAND PESOS BY NINETEEN HUNDRED AND NINETY
 7 NINE: PROVIDED, FURTHER, THAT the MINIMUM AND
 8 maximum [covered] MONTHLY SALARY CREDITS AS WELL AS
 9 THE RATE OF CONTRIBUTIONS [earnings¹ or compensation of all
 10 SSS members shall be limited to three thousand pesos per month as
 11 provided in the foregoing schedules, unless otherwise provided]
 12 MAY BE FIXED FROM TIME TO TIME by the Social Security
 13 Commission through rules and regulations taking into consideration
 14 actuarial calculations and rate of benefits, SUBJECT TO THE
 15 APPROVAL OF THE PRESIDENT OF THE PHILIPPINES."

16
 17 SEC. 21. Section 19-A of R.A. No. 1161, as amended, is hereby further
 18 amended to read as follows:

19 "SEC. 19-A. *Contribution of the Self-employed* - The contributions
 20 to the SSS of the self-employed MEMBER shall be determined in
 21 accordance with Section 18 of this Act: *Provided*, That the [average]
 22 monthly [net] earnings declared by the self-employed MEMBER at
 23 the time of his registration with the SSS shall be considered as his
 24 monthly compensation and he shall pay both the employer and
 25 employee contributions."

26 ["Net earnings as understood under this section shall be the net
 27 income from his business or profession as reflected in the income tax
 28 return for the immediately preceding year, excluding rental income,
 29 dividend, interest investments and the like or all types of incomes
 30 which are not derived from his business registered with the SSS or

1 from the practice of his profession."]

2 "The [average] monthly [net] earnings declared by the self-
3 employed member at the time of his registration shall remain the
4 basis of his monthly salary credit, unless he makes[, at the start of the
5 year,] another declaration of his [average] monthly [net] earnings
6 [based on his income tax returns for the immediately preceding
7 year], in which case such latest declaration becomes the new basis of
8 his monthly salary credit."
9

10 SEC. 22. Section 22 of R.A. No. 1161, as amended, is hereby further
11 amended by amending paragraphs (a), (b) and (e) to read as follows:

12 "SEC. 22. *Remittance of Contributions* - (a) The contribution
13 imposed in the preceding section shall be remitted to the SSS within
14 the first [seven] TEN days of each calendar month following the
15 month for which they are applicable or within such time as the
16 Commission may prescribe. Every employer required to deduct and
17 to remit such contributions shall be liable for their payment and if
18 any contribution is not paid to the SSS as herein prescribed, he shall
19 pay besides the contribution AN INTEREST EQUIVALENT TO THE
20 PREVAILING RATE OF TREASURY BILLS OR ANY ACCEPTABLE
21 REFERENCE RATE AND a penalty thereon of ONE [three] percent
22 per month from the date the contribution falls due until paid. If
23 deemed expedient and advisable by the Commission, the collection
24 and remittance of contributions shall be made quarterly or semi-
25 annually in advance, the contributions payable by the employees to
26 be advanced by their respective employers: *Provided*, That upon
27 separation of an employee MEMBER, any contribution so paid in
28 advance but not due shall be credited or refunded to his employer."

29 "(b) The contributions payable under this Act in cases where an
30 employer refuses or neglects to pay the same shall be collected by the

1 SSS in the same manner as taxes are made collectible under the
 2 National Internal Revenue Code, as amended. Failure or refusal of
 3 the employer to pay or remit the contributions herein prescribed
 4 shall not prejudice the right of the [covered] employee MEMBER to
 5 the benefits of the coverage."

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

10 "[e) For purposes of this Section, any employer who is
 11 delinquent or has not remitted all the monthly contributions due and
 12 payable may within six (6) months from the issuance of this
 13 Executive Order remit said contributions to the SSS and submit the
 14 corresponding collection lists herefor without incurring the
 15 prescribed three percent penalty. In case the employer fails to remit
 16 to the SSS the said contributions within the six-month grace period,
 17 the penalty of three percent shall be imposed from the time the
 18 contributions first became due as provided in paragraph (a) of this
 19 Section.]"

20
 21 SEC. 23. Section 22-A of R.A. 1161, as amended, is hereby further
 22 amended to read as follows:

23 "SEC. 22-A. *Remittance of contributions of self-employed.* Self-
 24 employed members shall remit their monthly contributions quarterly
 25 on such dates and schedules, as the Commission may specify
 26 through rules and regulations[.]: PROVIDED, THAT NO
 27 RETROACTIVE PAYMENT OF CONTRIBUTIONS SHALL BE
 28 ALLOWED, EXCEPT AS PROVIDED IN THIS SECTION."

29 [The penalty of three per cent per month for late payments
 30 provided for in paragraph (a) of Sec. 22 of this Act and the manner

1 of collection of contributions specified in paragraphs (b), (c) and (d)
 2 of Sec. 22 of this Act are also applicable to the collection of penalties
 3 and contributions of the covered self-employed.]

4
 5 SEC. 24. Paragraphs (a) , (b) , (c), and (f) of Section 24 of R.A. No.
 6 1161, as amended are hereby further amended to read as follows:

7 "SEC. 24. *Employment Records and Reports* - (a) Each employer
 8 shall immediately report to the SSS the names, ages, civil status,
 9 occupations, salaries and dependents of all his employees who are
 10 subject to compulsory coverage : *Provided*, That if an employee
 11 subject to compulsory coverage should die or become sick or
 12 disabled or reach the age of sixty without the SSS having previously
 13 received any report or written communication about him from his
 14 employer, [or a contribution paid in his name by his employer] the
 15 said employer shall pay to the SSS damages equivalent to the
 16 benefits to which said employee MEMBER would have been entitled
 17 had his name been reported on time by the employer to the SSS,
 18 except that in case of pension benefits, the employer shall be liable
 19 to pay the SSS damages equivalent to THE ACCUMULATED
 20 PENSION DUE AS OF THE DATE OF SETTLEMENT OF THE
 21 CLAIM OR to THE five years' [monthly] pension, WHICHEVER IS
 22 HIGHER, including dependents' pension: *Provided, further*, That if
 23 the contingency occurs within thirty (30) days from the date of
 24 employment, the employer shall be relieved of his liability for
 25 damages[.]: PROVIDED, FINALLY, THAT ANY PERSON OR
 26 ENTITY ENGAGING THE SERVICES OF AN INDEPENDENT
 27 CONTRACTOR SHALL BE SUBSIDIARILY LIABLE WITH SUCH
 28 CONTRACTOR FOR ANY CIVIL LIABILITY INCURRED BY THE
 29 LATTER UNDER THIS ACT."

30 "(b) Should the employer misrepresent the true date of

1 employment of [his] THE employee[s] MEMBER or remit to the SSS
 2 contributions which are less than those required in this Act OR FAIL
 3 TO REMIT ANY CONTRIBUTION DUE PRIOR TO THE DATE OF
 4 CONTINGENCY, resulting in a reduction of benefits, [the] SUCH
 5 employer shall pay to the SSS damages [to the extent of such

6
 7 reduction;] EQUIVALENT TO THE DIFFERENCE BETWEEN THE
 8 AMOUNT OF BENEFIT TO WHICH THE EMPLOYEE MEMBER OR
 9 HIS BENEFICIARY IS ENTITLED HAD THE PROPER
 10 CONTRIBUTIONS BEEN REMITTED TO THE SSS AND THE
 11 AMOUNT PAYABLE ON THE BASIS OF THE CONTRIBUTIONS
 12 ACTUALLY REMITTED: PROVIDED, THAT IF, IN SUCH A CASE,
 13 THE EMPLOYEE MEMBER OR HIS BENEFICIARY IS ENTITLED
 14 TO PENSION BENEFITS, THE DAMAGES SHALL BE
 15 EQUIVALENT TO THE ACCUMULATED PENSION DUE AS OF
 16 THE DATE OF SETTLEMENT OF THE CLAIM OR TO THE FIVE
 17 YEARS' PENSION, WHICHEVER IS HIGHER INCLUDING
 18 DEPENDENTS' PENSION."

19 "In addition to the liability mentioned in the preceding
 20 paragraphs (a) and (b) hereof, the employer shall also be liable for
 21 the payment of the corresponding unremitted contributions,
 22 INTERESTS EQUIVALENT TO THE PREVAILING RATE OF
 23 TREASURY BILLS OR ANY ACCEPTABLE REFERENCE RATE,
 24 and penalties thereon."

25 "(c) The records and reports duly accomplished and submitted
 26 to the SSS by the employee or the employer, as the case may be shall
 27 be kept confidential by the SSS except in compliance with a subpoena
 28 **duces tecum** issued by the Courts, shall not be divulged without the
 29 consent of the PRESIDENT [administrator] or any official of the SSS
 30 duly authorized by him, shall be presumed correct as to the data and

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

x x x x x x x

11 "(f) Notwithstanding any law to the contrary, microfilm, OR
 12 NON-ERASABLE OPTICAL DISK AND OTHER SIMILAR
 13 ARCHIVAL MEDIA copies of original SSS records and reports, OR
 14 COPIES OF SUCH RECORDS AND REPORTS, duly certified by the
 15 official custodian thereof, shall have the same evidentiary value as
 16 the originals and be admissible as evidence in all legal proceedings."

17
 18 SEC. 25. Section 25 of R.A. 1161, as amended, is hereby further
 19 amended to read as follows:

20 "SEC. 25. *Deposit and disbursements* - All money paid to or
 21 collected by the SSS every year under this Act, and all accruals
 22 thereto, shall be deposited, administered and disbursed in the same
 23 manner and under the same conditions and requirements as
 24 provided by law for other public special funds: *Provided*, That not
 25 more than 12 per cent of the total yearly contributions plus three per
 26 cent of other revenues shall be disbursed for ADMINISTRATIVE
 27 AND OPERATIONAL EXPENSES SUCH AS salaries and wages,
 28 SUPPLIES [purchases of office equipment] and materials,
 29 DEPRECIATION, and the maintenance of [regional] BRANCH AND
 30 REPRESENTATIVE offices of the SSS. *Provided, further*, That if the

1 expenses in any year are less than the maximum amount permissible,
2 the difference shall not be availed of as additional expenses in the
3 following years."

4
5 SEC. 26. Section 26 of R.A. No. 1161, as amended, is hereby further
6 amended by amending the opening paragraph and paragraphs (a), (b), (d),
7 (e), (f), (i), and (k), deleting paragraph (c) and (j), and adding new
8 paragraphs designated as the new paragraphs (b), (c), (j), (k), (l), and (m),
9 adding a new section designated as Section 26-A and redesignating
10 paragraphs (g) and (h) as paragraphs (a) and (b), respectively, of another
11 new section designated as Section 26-B to read as follows:

12 "SEC. 26. *Investment of Reserve Funds* - All revenues of the SSS
13 that are not needed to meet the current administrative and
14 operational expenses incidental to the carrying out of this Act shall
15 be accumulated in a fund to be known as the "Reserve Fund". Such
16 portions of the Reserve Fund as are not needed to meet the current
17 benefit obligations thereof shall BE KNOWN AS THE INVESTMENT
18 RESERVE FUND WHICH SHALL, WITH THE APPROVAL OF THE
19 COMMISSION, be invested WITH DUE DILIGENCE AND
20 PRUDENCE IN LINE WITH THE BASIC PRINCIPLES OF SAFETY,
21 YIELD, SOCIAL AND ECONOMIC UTILITY, AND LIQUIDITY to
22 earn an average annual income CLOSE TO THE AVERAGE RATE
23 OF TREASURY BILLS OR ANY OTHER ACCEPTABLE MARKET
24 YIELD INDICATOR, [of at least nine per cent and shall be known as
25 the 'Investment Reserve Fund' which shall be invested] in any or all
26 of the following:

27 "(a) In [interest-bearing] bonds, [or] securities, PROMISSORY
28 NOTES OR OTHER EVIDENCE OF INDEBTEDNESS of the
29 Government of the Philippines, or IN bonds, [or] securities,
30 PROMISSORY NOTES OR OTHER EVIDENCE OF INDEBTEDNESS [for

1 the payment of the interest and principal] to which the FULL faith
2 and credit AND UNCONDITIONAL GUARANTEE of the
3 GOVERNMENT [Republic] of the Philippines is pledged."

4 "(B) IN BONDS, SECURITIES, PROMISSORY NOTES OR
5 OTHER EVIDENCE OF INDEBTEDNESS OF THE GOVERNMENT
6 OF THE PHILIPPINES OR ANY OF ITS AGENCIES OR
7 INSTRUMENTALITIES TO FINANCE DOMESTIC
8 INFRASTRUCTURE PROJECTS SUCH AS ROADS, BRIDGES,
9 PORTS, TELECOMMUNICATIONS, AND SIMILAR PROJECTS:
10 PROVIDED, THAT THE INSTRUMENTS ISSUED BY AN AGENCY
11 OR INSTRUMENTALITY OF THE GOVERNMENT SHALL BE
12 GUARANTEED BY THE GOVERNMENT OF THE PHILIPPINES
13 OR ANY GOVERNMENT FINANCIAL INSTITUTION OR
14 ACCEPTABLE MULTILATERAL AGENCY: PROVIDED, FURTHER,
15 THAT THE SSS SHALL HAVE PRIORITY OVER THE REVENUES
16 OF THE PROJECTS: PROVIDED, FINALLY, THAT SUCH
17 INVESTMENTS SHALL NOT EXCEED THIRTY PERCENT OF THE
18 INVESTMENT RESERVE FUND."

19 "(C) IN BONDS, SECURITIES, PROMISSORY NOTES OR
20 OTHER EVIDENCE OF INDEBTEDNESS OF GOVERNMENT
21 FINANCIAL INSTITUTIONS OR GOVERNMENT
22 CORPORATIONS WITH ACCEPTABLE CREDIT OR GUARANTEE:
23 PROVIDED, THAT SUCH INVESTMENTS SHALL NOT EXCEED
24 THIRTY PERCENT OF THE INVESTMENT RESERVE FUND."

25 "[b)] (D) In BONDS, SECURITIES, [interest-bearing] deposits,
26 PROMISSORY NOTES or [securities in] OTHER EVIDENCE OF
27 INDEBTEDNESS OF any [domestic] bank doing business in the
28 Philippines AND IN GOOD STANDING WITH THE BANGKO
29 SENTRAL NG PILIPINAS TO FINANCE LOANS TO PRIVATE
30 CORPORATIONS DOING BUSINESS IN THE PHILIPPINES,

1 INCLUDING SCHOOLS, HOSPITALS, SMALL-AND-MEDIUM
2 SCALE INDUSTRIES, COOPERATIVES AND NON-
3 GOVERNMENTAL ORGANIZATIONS, IN WHICH CASE THE
4 COLLATERALS OR SECURITIES SHALL BE ASSIGNED TO THE
5 SSS, UNDER SUCH TERMS AND CONDITIONS AS THE
6 COMMISSION MAY PRESCRIBE: *Provided*, That IN THE CASE OF
7 BANK [such] deposits, THEY shall not exceed at any time the
8 unimpaired capital and surplus or total private deposits of the
9 depository bank, whichever is smaller: *Provided, further*, That said
10 bank shall first have been designated as a depository for this purpose
11 by the Monetary Board of the BANGKO SENTRAL NG PILIPINAS
12 [Central Bank of the Philippines: *Provided, finally*, That such
13 investment in deposits or securities shall be equitably distributed to
14 all designated banks]."

15 ["(c) In loans or interest-bearing advances to the National
16 Government for the construction of permanent toll bridges, toll roads
17 or government office buildings in accordance with actuarial
18 considerations and the conditions prescribed by the law in such cases
19 :*Provided*, That the tolls shall be collected by the SSS for a reasonable
20 fee."]

21 "[(d)] (E) In BONDS, SECURITIES, PROMISSORY NOTES OR
22 OTHER EVIDENCE OF INDEBTEDNESS OF SHELTER AGENCIES
23 OF THE NATIONAL GOVERNMENT OR FINANCIAL
24 INTERMEDIARIES TO FINANCE [direct] housing loans OF SSS
25 MEMBERS; [to covered employees and group housing, projects
26 giving priority to the low-income groups, up to a maximum of ninety
27 percent of the appraised value of the properties to be mortgaged by
28 the borrowers and in loans for the construction and the maintenance
29 of hospitals and institutions for the sick, aged and infirmed

1 members and their families, referred to in Sec. 4 (B)(9) of this Act:
 2 Provided, That such investment shall not exceed thirty percent of the
 3 Investment Reserve Fund]"

4 "[e)] AND IN [In] short and medium term loans to MEMBERS
 5 [covered employees] such as salary, educational, LIVELIHOOD,
 6 calamity and emergency loans AND IN LONG-TERM INDIVIDUAL
 7 OR GROUP HOUSING LOANS GIVING PRIORITY TO THE LOW-
 8 INCOME GROUPS, UP TO A MAXIMUM OF NINETY PER CENT
 9 OF THE APPRAISED VALUE OF THE PROPERTIES TO BE
 10 MORTGAGED BY THE BORROWERS: *Provided*, That not more than
 11 [ten] FORTY percent of the Investment Reserve Fund at any time
 12 shall be invested for [this] THESE purposeS."

13 "(F) IN BONDS, SECURITIES, PROMISSORY NOTES OR
 14 OTHER EVIDENCE OF INDEBTEDNESS OF EDUCATIONAL OR
 15 MEDICAL INSTITUTIONS TO FINANCE THE CONSTRUCTION,
 16 IMPROVEMENT AND MAINTENANCE OF SCHOOLS AND
 17 HOSPITALS: PROVIDED, THAT SUCH INVESTMENTS SHALL
 18 NOT EXCEED TEN PERCENT OF THE INVESTMENT RESERVE
 19 FUND."

20 "[f)] (G) In REAL ESTATE PROPERTY AND IN other income-
 21 earning projects INCLUDING [and] investments secured by first
 22 mortgages on real estate OR OTHER collaterals ACCEPTABLE TO
 23 THE SSS: PROVIDED, THAT SUCH PROJECTS AND
 24 INVESTMENTS SHALL, [which] in the determination of the
 25 Commission, [shall] redound to the benefit of the SSS, its members,
 26 as well as the GENERAL public [welfare: *Provided*, That any such
 27 investments shall be made with due diligence and prudence to earn
 28 the highest possible interest consistent with safety]: PROVIDED,
 29 FURTHER, THAT INVESTMENT IN REAL ESTATE PROPERTY
 30 SHALL NOT EXCEED TEN PER CENT OF THE INVESTMENT

1 RESERVE FUND: PROVIDED, FINALLY, THAT INVESTMENTS IN
 2 OTHER INCOME-EARNING PROJECTS AND INVESTMENTS
 3 SECURED BY FIRST MORTGAGES OR OTHER COLLATERALS
 4 SHALL NOT EXCEED THIRTY PER CENT OF THE INVESTMENT
 5 RESERVE FUND."

6 "[i] (H) In bonds, debentures, SECURITIES, PROMISSORY
 7 NOTES or other evidence[s] of indebtedness of any PRIME [solvent]
 8 corporation or MULTILATERAL institution TO FINANCE
 9 DOMESTIC PROJECTS [created or existing[^] under the laws of the
 10 Philippines]: *Provided*, That the issuing OR[,] assuming [or
 11 guaranteeing] entity or its predecessors shall not have defaulted in
 12 the payment of interest on any of its securities and that during each
 13 of any three including the last two of the five fiscal years next
 14 preceding the date of acquisition by the SSS of such bonds,
 15 debentures, or other evidence[s] of indebtedness, the net earnings of
 16 the issuing OR[,] assuming [or guaranteeing] institution[s] available
 17 for its fixed charges, as hereinafter defined, shall have been not less
 18 than one and one-quarter times the total of its fixed charges for such
 19 year: *Provided, further*, That such investments shall not exceed[ten]
 20 THIRTY percent of the Investment Reserve Fund."

21 As used in this section, the term 'net earnings available for
 22 fixed charges' shall mean net income BEFORE [after deducting
 23 operating and maintenance expenses, taxes other than] income taxes
 24 PLUS NON-CASH CHARGES SUCH AS [,] depreciation and
 25 depletion [; but excluding extraordinary non-recurring items of
 26 income or expense] appearing in the regular financial statement of
 27 the issuing OR [,] assuming [or guaranteeing] institution. The term
 28 'fixed charges' shall include interest on funded and unfunded debt,
 29 amortization of debt discount, and rentals for leased properties.

30 "[k](I) In PREFERRED OR common SHARES OF stocks listed

1 OR ABOUT TO BE LISTED in the stock exchange OR OPTIONS OR
 2 WARRANTS TO SUCH STOCKS OR SUCH OTHER RISK
 3 MANAGEMENT INSTRUMENTS of any PRIME OR solvent
 4 corporation or FINANCIAL institution created or existing under the
 5 laws of the Philippines with proven track record of profitability
 6 OVER THE LAST THREE YEARS and payment of dividends AT
 7 LEAST ONCE over the SAME PERIOD [last three (3) years], AND IN
 8 PREFERRED OR COMMON SHARES OF STOCKS OF ANY OR
 9 OPTIONS OR WARRANTS TO SUCH STOCKS OR OTHER RISK
 10 MANAGEMENT INSTRUMENTS OF A NEWLY ORGANIZED
 11 CORPORATION: PROVIDED, THAT INVESTMENTS IN
 12 PREFERRED OR COMMON SHARES OF STOCKS OF ANY
 13 CORPORATION SHALL NOT EXCEED TEN PER CENT OF TOTAL
 14 OUTSTANDING PREFERRED OR COMMON SHARES OF STOCKS
 15 OF SUCH CORPORATION: PROVIDED, FURTHER, THAT IN THE
 16 CASE OF A NEWLY ORGANIZED CORPORATION, ITS
 17 PRINCIPAL STOCKHOLDER HAS PROVEN TRACK RECORD OF
 18 PROFITABILITY OVER THE LAST THREE YEARS AND PAYMENT
 19 OF DIVIDENDS AT LEAST ONCE OVER THE SAME PERIOD,
 20 AND AT LEAST TWENTY PER CENT OF ITS PREFERRED OR
 21 COMMON SHARES OF STOCKS SHALL BE IMMEDIATELY
 22 OFFERED TO THE PUBLIC: PROVIDED, FURTHER, THAT
 23 INVESTMENTS IN PREFERRED OR COMMON SHARES OF
 24 STOCKS WHICH ARE NOT LISTED SHALL NOT EXCEED TEN
 25 PER CENT OF THE INVESTMENT RESERVE FUND: Provided,
 26 FINALLY, That such investmentS shall not exceed THIRTY [10] per
 27 cent of the Investment Reserve Fund."

28 ["(j) In preferred stocks of any solvent corporation or institution
 29 created or existing under the laws of the Philippines: *Provided*, That
 30 the issuing, assuming, or guaranteeing entity or its predecessors has

1 paid regular dividends upon its preferred or guaranteed stocks for
 2 a period of at least three years next preceding the date of investment
 3 in such preferred or guaranteed stocks: *Provided, further,* That if the
 4 stocks are guaranteed, the amount of stocks so guaranteed is not in
 5 excess of fifty percentum of the amount of the preferred or common
 6 stocks, as the case may be, of the issuing corporations: *Provided,*
 7 *furthermore,* That if the corporation or institution has not paid
 8 dividends upon its preferred stocks, the corporation or institution
 9 has sufficient retained earnings to declare dividends for at least two
 10 years on such preferred stock: *Provided, finally,* That such investment
 11 shall not exceed ten percent of the Investment Reserve Fund."]

12 "(J) IN DOMESTIC OR FOREIGN MUTUAL FUNDS
 13 INCLUDING INVESTMENTS RELATED TO THE OPERATIONS OF
 14 MUTUAL FUNDS: PROVIDED, THAT SUCH INVESTMENTS
 15 SHALL NOT EXCEED TWENTY PER CENT OF THE INVESTMENT
 16 RESERVE FUND: PROVIDED, FURTHER, THAT INVESTMENTS
 17 IN FOREIGN MUTUAL FUNDS SHALL NOT EXCEED TEN PER
 18 CENT OF THE INVESTMENT RESERVE FUND."

19 "(K) IN FOREIGN CURRENCY DEPOSITS OR FOREIGN
 20 CURRENCY-DENOMINATED DEBTS, EQUITIES AND OTHER
 21 FINANCIAL INSTRUMENTS OR OTHER ASSETS ISSUED IN
 22 ACCORDANCE WITH EXISTING LAWS OF THE COUNTRIES
 23 WHERE SUCH FINANCIAL INSTRUMENTS ARE ISSUED:
 24 PROVIDED, THAT THESE INSTRUMENTS OR ASSETS ARE
 25 LISTED IN BOURSES OF THE RESPECTIVE COUNTRIES WHERE
 26 THESE INSTRUMENTS OR ASSETS ARE ISSUED: PROVIDED,
 27 FURTHER, THAT THE ISSUING COMPANY HAS PROVEN
 28 TRACK RECORD OF PROFITABILITY: PROVIDED, FINALLY,
 29 THAT SUCH INVESTMENTS SHALL NOT EXCEED TEN
 30 PERCENT OF THE INVESTMENT RESERVE FUND."

1 "(L) IN LOANS SECURED BY SUCH COLLATERALS LIKE
 2 CASH, GOVERNMENT SECURITIES OR GUARANTEES OF
 3 MULTILATERAL INSTITUTIONS: PROVIDED, THAT SUCH
 4 INVESTMENTS SHALL NOT EXCEED THIRTY PER CENT OF THE
 5 INVESTMENT RESERVE FUND."

6 "(M) IN OTHER INVESTMENT INSTRUMENTS WITH THE
 7 SAME INTRINSIC QUALITY AS THOSE ENUMERATED IN (A)
 8 TO (L), SUBJECT TO THE POLICIES AND GUIDELINES WHICH
 9 THE COMMISSION MAY FORMULATE."

10 "PROVIDED, THAT NO PORTION OF THE INVESTMENT
 11 RESERVE FUND OR INCOME THEREOF SHALL ACCRUE TO
 12 THE GENERAL FUND OF THE NATIONAL GOVERNMENT OR
 13 TO ANY OF ITS AGENCIES OR INSTRUMENTALITIES,
 14 INCLUDING GOVERNMENT-OWNED OR CONTROLLED
 15 CORPORATIONS, EXCEPT AS MAY BE ALLOWED UNDER THIS
 16 ACT: PROVIDED, FURTHER, THAT NO PORTION OF THE
 17 INVESTMENT RESERVE FUND SHALL BE INVESTED FOR ANY
 18 PURPOSE OR IN ANY INSTRUMENT, INSTITUTION OR
 19 INDUSTRY OVER AND ABOVE THE PRESCRIBED CEILINGS AS
 20 FOLLOWS: 40% IN PRIVATE SECURITIES, 40% IN HOUSING AND
 21 OTHER SHORT-TERM MEMBER LOANS, 30% IN GOVERNMENT
 22 FINANCIAL INSTITUTIONS AND CORPORATIONS, 30% IN
 23 INFRASTRUCTURE PROJECTS, AND 15% IN ANY PARTICULAR
 24 INDUSTRY."

25 "SECTION 26-A. FUND MANAGERS.- AS PART OF ITS
 26 INVESTMENT OPERATIONS, THE SSS MAY APPOINT LOCAL OR
 27 FOREIGN FUND MANAGERS TO MANAGE THE INVESTMENT
 28 RESERVE FUND, AS IT MAY DEEM APPROPRIATE."

29 "[(g)] SECTION 26-B. MORTGAGOR INSURANCE ACCOUNT.

30 - (A) As part of its investment operations, the SSS shall act as insurer

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

15 "[(h)] (B) The SSS may insure any of its interests or part thereof
 16 with any private company or reinsurer. The Insurance Commission
 17 or its authorized representatives shall make an examination into the
 18 financial condition and methods of transacting business of the SSS at
 19 least once in two (2) years, but such examination shall be limited to
 20 the insurance operation of the SSS as authorized under this [section]
 21 PARAGRAPH and shall not embrace the other operations of the SSS;
 22 and the report of said examination shall be submitted to the
 23 Commission and a copy thereof shall be furnished the Office of the
 24 President of the Philippines within a reasonable time after the close
 25 of the examination: *Provided*, That for each examination, the SSS shall
 26 pay to the Insurance Commission an amount equal to the actual
 27 expenses of the Insurance Commission in the conduct of the
 28 examination, including the salaries of the examiners and of the
 29 actuary of the Insurance Commission who have been assigned to
 30 make such examination for the actual time spent in said examination:

1 *Provided, further,* That the general law on insurance AND THE
 2 RULES AND REGULATIONS promulgated thereunder shall have
 3 suppletory application insofar as it is not in conflict with the SS Law
 4 and its rules and regulations."

5 SEC. 27. Section 27 of R.A. No. 1161, as amended, is hereby further
 6 amended to read as follows:

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

22
 23 SEC. 28. Section 28 of R.A. No. 1161, as amended, is hereby further
 24 amended by amending paragraphs (b), (c), (d) and (e) thereof, to read as
 25 follows:

26 "SEC. 28. *Penal Clause* -

27 x x x

28 "(b) Whoever shall obtain or receive any money or check under
 29 this Act or any agreement thereunder, without being entitled thereto
 30 with intent to defraud any covered employee, employer or the SSS,

1 shall be fined not less than five THOUSAND [hundred] pesos nor
 2 more than TWENTY [five] thousand pesos and imprisoned for not
 3 less than six YEARS AND ONE DAY [months] nor more than
 4 TWELVE [one] yearS."

5 "(c) Whoever buys, sells, offers for sale, uses, transfers or takes
 6 or gives in exchange, or pledges or gives in pledge, except as
 7 authorized in this Act or in regulations made pursuant thereto, any
 8 stamp, coupon, ticket, book or other device, prescribed pursuant to
 9 Section 23 hereof by the Commission for the collection or payment
 10 of contributions required herein, shall be fined not less than five
 11 THOUSAND [hundred] pesos nor more than TWENTY [five]
 12 thousand pesos, or imprisoned for not less than six [months] YEARS
 13 AND ONE DAY nor more than TWELVE [one] yearS, or both, at the
 14 discretion of the court."

15 "(d) Whoever, with intent to defraud, alters, forges, makes or
 16 counterfeits any stamp, coupon, ticket, book or other device
 17 prescribed by the Commission for the collection or payment of any
 18 contribution required herein, or uses, sells, lends, or has in his
 19 possession any such altered, forged or counterfeited materials or
 20 makes, uses, sells or has in his possession any such altered, forged
 21 material in imitation of the material used in the manufacture of such
 22 stamp, coupon, ticket, book or other device, shall be fined not less
 23 than FIVE [one] thousand pesos nor more than TWENTY [ten]
 24 thousand pesos, or imprisoned for not less than SIX [one] yearS AND
 25 ONE DAY nor more than TWELVE [five] years, or both, at the
 26 discretion of the court."

27 "(e) Whoever fails or refuses to comply with the provisions of
 28 this Act or with the rules and regulations promulgated by the
 29 Commission, shall be punished by a fine of not less than five
 30 THOUSAND [hundred] pesos nor more than TWENTY [five]

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thousand pesos, or imprisonment for not less than six YEARS AND ONE DAY [months] nor more than TWELVE [one] yearS or both, at the discretion of the court: *Provided*, That where the violation consists in failure or refusal to register employees or himself, in case of the covered self-employed, or to deduct contributions from the employees' compensation and remit the same to the SSS, the penalty shall be a fine of not less than five THOUSAND [hundred] pesos nor more than TWENTY [five] thousand pesos and imprisonment for not less than six YEARS AND ONE DAY [months] nor more than TWELVE [one] yearS."

SEC. 29. A new section designated as Section 30 is hereby added, to read as follows:

"SEC. 30. TRANSITORY CLAUSE - ANY EMPLOYER WHO IS DELINQUENT OR HAS NOT REMITTED ALL CONTRIBUTIONS DUE AND PAYABLE TO THE SSS MAY, WITHIN SIX MONTHS FROM THE EFFECTIVITY OF THIS ACT, REMIT SAID CONTRIBUTIONS OR SUBMIT A PROPOSAL TO PAY THE SAME IN INSTALLMENTS WITHIN A PERIOD OF NOT MORE THAN TWELVE MONTHS FROM THE EFFECTIVITY OF THE ACT WITHOUT INCURRING THE PRESCRIBED PENALTY, SUBJECT TO THE IMPLEMENTING RULES AND REGULATIONS WHICH THE COMMISSION MAY PRESCRIBE: PROVIDED, THAT THE EMPLOYER SUBMITS THE CORRESPONDING COLLECTION LISTS TOGETHER WITH THE REMITTANCE OR PROPOSAL TO PAY IN INTALLMENTS: PROVIDED, FURTHER, THAT IN CASE THE EMPLOYER FAILS TO REMIT CONTRIBUTIONS WITHIN THE SIX-MONTH GRACE PERIOD OR DEFAULT IN THE PAYMENT OF ANY AMORTIZATION PROVIDED IN THE APPROVED PROPOSAL, THE PRESCRIBED PENALTY SHALL BE

1 IMPOSED FROM THE TIME THE CONTRIBUTIONS FIRST
 2 BECAME DUE AS PROVIDED IN SECTION 22(a) HEREOF."

3
 4 SEC. 30. Section 30 of R.A. No. 1161, as amended, is hereby further
 5 amended to read as follows:

6 "SEC. [30] 31. *Separability Clause* - IF ANY PROVISION OF
 7 THIS ACT IS DECLARED INVALID, THE OTHER PROVISIONS
 8 NOT AFFECTED THEREBY SHALL REMAIN VALID. [In the event
 9 any provision of this Act or application of such provision to any
 10 person or circumstance is declared invalid, the remainder of this Act
 11 or the application of said provision to other persons or circumstances
 12 shall be affected by such declaration.] "

13
 14 SEC. 31. Section 32 of R.A. No. 1161, as amended, is hereby further
 15 amended to read as follows:

16 "SEC. 32. *REPEALING CLAUSE*- ALL LAWS,
 17 PROCLAMATIONS, EXECUTIVE ORDERS, RULES AND
 18 REGULATIONS OR PARTS THEREOF INCONSISTENT WITH THIS
 19 ACT ARE HEREBY REPEALED, MODIFIED OR AMENDED
 20 ACCORDINGLY: PROVIDED, THAT [31. *Saving Clause* - The assembly
 21 hereby reserves the right to amend, alter, or repeal any provision of
 22 this Act, and] no person shall be deemed to be vested with any
 23 property or other right by virtue of the enactment or operation of this
 24 Act."

25
 26 SEC. 32. Section 33 of R.A. No. 1161, as amended, is hereby further
 27 amended to read as follows:

28 "SEC. [32] 33. *Effectivity Clause* - This Act shall take effect
 29 FIFTEEN (15) DAYS AFTER ITS COMPLETE PUBLICATION IN THE
 30 OFFICIAL GAZETTE OR IN AT LEAST TWO (2) NATIONAL

1 NEWSPAPERS OF GENERAL CIRCULATION WHICHEVER COMES
2 EARLIER [upon its approval]."

3 Approved,

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