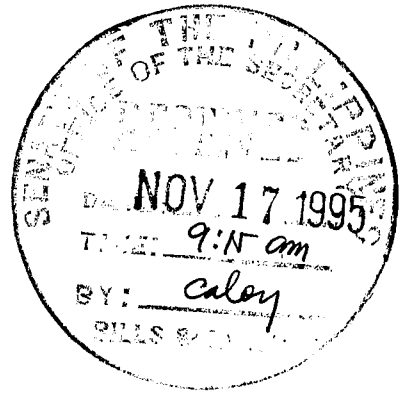


TENTH CONGRESS OF THE REPUBLIC }  
OF THE PHILIPPINES }  
First Regular Session }



SENATE

S. No. 1281

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Introduced by Senators Macapagal-Arroyo,  
Angara, Drilon, Fernan, Herrera, Ople & Tatad

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### EXPLANATORY NOTE

The Social Security System was created pursuant to the policy declared under Republic Act No. 1161, as amended, in order to "provide to covered employees and their families protection against the hazards of disability, sickness, old age and death, with the view of promoting their well-being in the spirit of social justice".

This laudable objective is in line with Section 9, Art. II of the Constitution which provides that "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."

However, events of late have seen the erosion of the buying power of the peso. The inflation rate as of September 1995 has topped 11.3. Rice which is the staple food of our people has reached an unprecedented price of P22-26.00 per kilo which triggered an overall increase in the price of other prime commodities, without mentioning the rising cost of transport, education and shelter.

In the meanwhile, SSS pensioners which number more than 150,000 continue to receive an average meager pension of only about P1,400 per month which amount is barely enough to provide an average family of five with two meals a day. Thus, under present circumstances, the objective sought under R.A. 1161, as amended, is put to naught. It is, therefore, proposed in this bill that the monthly pension of SSS pensioners be increased to a minimum P2,000 and an annual increase of P500 per month every year thereafter until the total monthly pension reaches P5,000 per month.

In view of the foregoing, early passage of this measure is urgently recommended.

  
EDGARDO J. ANGARA

  
GLORIA MACAPAGAL

  
FRANKLIN M. DRILON

  
MARCELO B. FERNAN

ERNESTO F. HERRERA

BLAS F. OPLE

  
FRANCISCO S. TATAD

TENTH CONGRESS OF THE REPUBLIC }  
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SENATE  
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**AN ACT**  
**PRESCRIBING THE INCREASE OF MONTHLY PENSION FOR RETIREES UNDER**  
**THE SOCIAL SECURITY SYSTEM FROM A MINIMUM OF TWO THOUSAND PESOS**  
**TO A MAXIMUM OF FIVE THOUSAND PESOS UNDER AN ADJUSTED SSS**  
**PENSION PLAN**

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

**SECTION 1.** It is hereby declared as the policy of the State to provide adequate social services suitable to the needs of the people, a rising standard of living, protection against the hazards of sickness, old age, disability and death and an improved quality of life for all. Towards this end, the monthly pension of retirees under the Social Security System shall be adjusted periodically to enable them in their old age to cope with the increasing cost of prime commodities and the rising standard of living.

**SEC. 2.** Any law to the contrary notwithstanding, the minimum monthly pension for retirees under the Social Security System shall be adjusted to not less than Two thousand pesos (P2,000.00). Provided, That in the succeeding years starting January of the year following the approval of this law, said monthly pension of not less than Two thousand pesos (P2,000.00) shall be increased annually by not less than Five hundred pesos (P500.00) per month until the total monthly pension shall reach the amount of not less than Five thousand pesos (P5,000.00).

Funds for this purpose shall be sourced from the Reserve Fund of the Social Security System.

**SEC. 3.** The Administrator of the Social Security System, with the approval of the Social Security Commission, shall promulgate the rules and regulations necessary to implement the provisions of this Act.

**SEC. 4.** This Act shall take effect upon its approval and publication in a newspaper of general circulation.

Approved,