

S E N A T E

S. NO. 396

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Introduced by Senator Maceda  
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EXPLANATORY NOTE

This bill seeks to provide additional benefits to Social Security System pensioners and their beneficiaries. First, this bill will grant pensioner and their beneficiaries the option to convert their basic monthly pension for the first five years into a lump sum. Second, it will introduce a Christmas pension as an additional regular benefit to SSS pensioners and their beneficiaries.

The first benefit is patterned after P.D. 1146 or the Revised Government Service Insurance Act. Under the said law, payment of pension to public officers qualified for old-age pension can be done in either of two forms: a basic monthly pension for life but in no case a period of less than five years or a lump sum payment of the basic monthly pension for the first five years. Such benefit could also be availed of by primary beneficiaries in case of death of the pensioner.

While the SSS Law and the GSIS Law are both welfare legislations enacted to provide protection and benefit to their respective members and families in the event of sickness, disability, retirement and death, the existing provisions of the SSS Law apparently prejudice the working man from the private sector. This proposed income seeks to remedy the anomalous situation where covered members of the SSS Law are deprived of the opportunity to obtain a larger returns his contribution at one time.

The lump sum payment of pension will greatly enhance the pensioner's opportunity to engage in a lucrative enterprise which his meager monthly pension will not otherwise allow. The average monthly pension received by a retired pensioner in the amount of ₱800.00 is evidently inadequate to enable him to cope with the exorbitant cost of living, much less, to venture into a productive enterprise. Thus, through this bill, an otherwise idle retiree is encouraged to perform a gainful activity which will consequently enhance his well-being during his old age.

This bill further protects SSS Pensioners and beneficiaries by granting a Christmas pension in addition to the existing regular benefits under the SSS law.

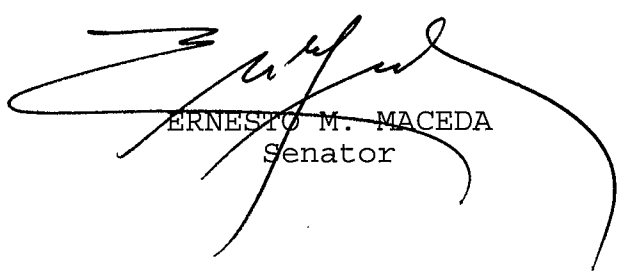
From January 1986, five across-the-board increases in pensions and benefits of SSS members have been granted. Notwithstanding an array of amendments in the SSS Law - increases in monthly pension, funeral and sickness benefits, upgrading of base contributions, adjusting benefit structure, granting a 13th month pension among others, a majority of the pensioners are

still complaining of its inadequacy. It is truly unimaginable how the pensioner makes good with his lowly pension in view of the spiralling cost of living spawned by a series of inflation and oil price increase.

A Christmas pension, has for special feature, a benefit given at an opportune time of the year, enabling the pensioner and his family to celebrate the season. While a Christmas pension is tantamount to a 14th month pension, other countries like Austria and Spain have been granting such benefit to their SSS members.

This proposed legislation not only benefits SSS pensioners and beneficiaries but further breathes life to the avowed purpose of our labor laws.

In view of the above, the immediate approval of the bill is earnestly urged.

  
ERNESTO M. MACEDA  
Senator

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REPUBLIC OF THE PHILIPPINES )  
10TH CONGRESS OF THE PHILIPPINES )  
First Regular Session )

S E N A T E

S. NO. 396

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Introduced by Senator Maceda  
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AN ACT  
PROVIDING FOR ADDITIONAL BENEFITS TO PENSIONERS OF THE SOCIAL SECURITY SYSTEM, FURTHER AMENDING FOR THE PURPOSE REPUBLIC ACT NUMBERED ELEVEN HUNDRED SIXTY-ONE, AS AMENDED AND FOR OTHER PURPOSES

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

SECTION 1. It is hereby declared the policy of the State to promote social justice and dynamic social order that free the people from poverty by alleviating the plight of retirees and their beneficiariess through the grant of additional regular benefits.

SEC. 2. Pararagraph (a), Sec. 12-B of Republic Act No. 1161, as amended is hereby further amended to read as follows:

"SEC. 12-B. Retirement Benefits - A covered employee who had paid at least one hundred twenty monthly contributions prior to the semester of retirement; and who (1) has reached the age of sixty years and is not receiving monthly compensation of at least three hundred pesos, or (2) has reached the age of sixty-five years, shall be entitled for as long as he lives to the monthly pension: PROVIDED, THAT HE SHALL HAVE THE

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OPTION TO CONVERT THE BASIC MONTHLY PENSIONS FOR THE FIRST FIVE YEARS INTO A LUMP SUM WHICH SHALL BE EQUIVALENT TO THE VALUE OF THE BASIC MONTHLY PENSIONS FOR FIVE YEARS: PROVIDED, FURTHER, That his dependents born before his retirement of a marriage subsisting when he was fifty-seven years old shall be entitled to the dependent's pension."

SEC. 3. Section 13 of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"SEC. 13. Death Benefits - Upon the covered employee's death, his primary beneficiaries shall be entitled to the monthly pension and his dependents to the dependent's pension: PROVIDED, THAT, AT THE OPTION OF THE BENEFICIARIES AND DEPENDENTS, IT MAY BE PAID IN LUMP SUM AS PROVIDED IN SEC. 12-B: PROVIDED FURTHER, THAT THE COVERED EMPLOYEE has paid at least thirty-six monthly contributions prior to the semester of death: Provided, further, That if the foregoing condition is not satisfied his primary beneficiaries shall be entitled to a lump sum benefit equivalent to thirty-five times the monthly pension: Provided, further, That if he has no primary beneficiaries, his secondary beneficiaries shall be entitled to a lump sum benefit equivalent to twenty times the monthly pension. Provided, however, That the

minimum death benefit shall not be less than the total contributions paid by him and his employer on his behalf nor less than one thousand pesos: Provided, finally, That the beneficiaries of the covered employee who dies without having paid at least three monthly contributions shall be entitled to a minimum benefit."

SEC. 4. Paragraph (a), Sec. 13-A of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"SEC. 13-A. Permanent Disability Benefits - (a) Upon the covered employee's permanent total disability, if such disability occurs after he had paid at least thirty-six monthly contributions prior to the semester of disability, he shall be entitled to the monthly pension and his dependents to the dependents' pension: Provided, THAT THE COVERED EMPLOYEE SHALL HAVE THE OPTION TO CONVERT THE BASIC MONTHLY PENSION FOR THE FIRST FIVE YEARS INTO A LUMP SUM AS PROVIDED IN SEC. 12-B: Provided, That if the disability occurs before he has paid thirty-six monthly contributions prior to the semester of disability, he shall be entitled to a lump sum benefit equivalent to thirty-five times the monthly pension: Provided, further, That the minimum disability benefit shall not be less than the total contributions paid by him and his employer on his behalf nor less than one thousand pesos: Provided, further, That a covered employee who becomes permanently totally disabled

without having paid at least three monthly contributions shall be entitled to a minimum benefit: Provided, finally, that a member who (1) received a lump sum benefit and (2) is reemployed not earlier than one year from the date of his disability shall again be subject to compulsory coverage and considered

a new member."  
SEC. 5. Another Section is hereby incorporated after Section 14-A and denominated as Section 14-B to read as follows:

"SEC. 14-B. CHRISTMAS PENSION - ANY LAW TO THE CONTRARY NOTWITHSTANDING, AND REGARDLESS OF THE GRANT OF SIMILAR BENEFITS UNDER EXISTING LAWS, A PENSIONER, HIS PRIMARY BENEFICIARIES AND DEPENDENTS UNDER SECTIONS 12-B, 13 AND 13-A SHALL BE ENTITLED TO CHRISTMAS PENSION WHICH SHALL BE EQUIVALENT TO 1/12 OF THE TOTAL ANNUAL PENSION: PROVIDED, THAT THE GRANT OF CHRISTMAS PENSION WILL NOT ENTAIL ANY INCREASE IN THE RATE OF CONTRIBUTIONS OF SSS MEMBERS."

SEC. 6. Funds necessary for the implementation of this Act shall be derived from the Reserve Fund of the Social Security System.

SEC. 7. The Social Security Commission shall prescribe the necessary rules and regulations to implement the provisions of this Act.

SEC. 8. This Act shall take effect fifteen (15) days after its complete publication in a newspaper of general circulation.

Approved,

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