

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

'95 JUL -7 P4:19

S E N A T E

S. NO. 836

RECEIVED BY: PH

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Introduced by Senator Herrera  
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EXPLANATORY NOTE

This Bill seeks to amend R.A. No. 1161, otherwise known as the Social Security Law, to widen the scope of coverage, further improve and rationalize the benefit structure, provide reasonable flexibility in the management of the reserve funds, streamline the organization, and strengthen the measures for enforcing the said law.

The salient features of the proposed amendments are as follows:

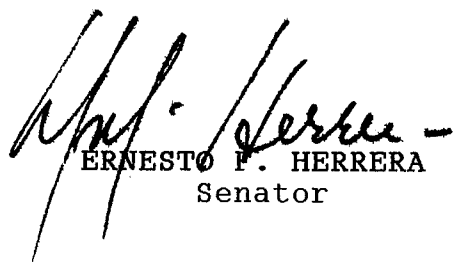
- (1) The exemptions from coverage of agricultural workers, domestic helpers, temporary workers, etc., are eliminated;
- (2) Under certain conditions, illegitimate children are now also considered dependents and beneficiaries;
- (3) The pension of retired pensioners who are reemployed before reaching age 65 years is no longer subject to reduction;
- (4) A pensioner who retires after the age of 60 years will now benefit from the benefit adjustments effected from the earliest time he could have retired had he ceased then from employment;
- (5) The lump sum benefits for death and total disability will be increased;
- (6) For purposes of adjudicating retirement, death and total disability benefits, contributions are deemed paid during the months when the employee received partial disability pension;
- (7) To rationalize SSS contributions and ensure a higher level of benefits, the minimum compensation base for contribution and benefits is fixed at P1,000.00 for both employed and self-employed persons;
- (8) As a general guideline for the investment of SSS reserve funds, the average annual income required is increased from 9% to 12%;

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- (9) For flexibility, the minimum limit for housing and salary and other short-term member loans is fixed at 30% of investible funds, in lieu of 30% for housing and 10% for salary loans;
- (10) Greater access of employees and employers to SSS funds for their social impact projects is provided under conditions that still ensure the highest possible interest earnings consistent with safety; and
- (11) More effective sanctions are imposed to discourage violations of the Social Security Law;

It is hoped that with the enactment of this Bill into law, we shall have enhanced the Social Security System as a potent instrument of social and economic protection and assistance for our people even as its resources are prudently harnessed to contribute to the socio-economic development of our country.

Passage of this Bill is earnestly recommended.

  
 ERNESTO F. HERRERA  
 Senator

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AN ACT  
FURTHER STRENGTHENING THE SOCIAL SECURITY PROGRAMS IN FAVOR  
OF THE PRIVATE SECTOR EMPLOYEES 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 the House of Representatives  
of the Philippines in Congress assembled:

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

3 "SEC. 2. Declaration of Policy - It is the  
4 policy of the Republic of the Philippines to  
5 establish, develop, promote and perfect a sound  
6 and viable tax-exempt social security PROGRAM  
7 [service] suitable to the needs of the people  
8 throughout the Philippines which shall provide  
9 MEANINGFUL PROTECTION to covered INDIVIDUALS  
10 [employees] and their families [protection]  
11 against CONTINGENCIES RESULTING IN LOSS OF INCOME  
12 OR FINANCIAL BURDEN AND PROMOTE [the hazards of  
13 disability, sickness, old age, and death, with a  
14 view to promoting their well-being in the spirit  
15 of] social justice." TOWARDS THIS END, THE STATE  
16 SHALL ENDEAVOR TO EXTEND SOCIAL SECURITY  
17 PROTECTION TO ALL FILIPINOS."

18 SEC. 2. Section 3 of R.A. No. 1161, as amended, is  
19 hereby further amended by amending paragraphs (a), (b)  
20 and (c) to read as follows:

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1           "SEC. 3.     Social Security System - (a) To  
2           carry out the purposes of this Act, the Social  
3           Security System with principal place of business  
4           in Metro Manila, Philippines is hereby created.  
5           The SSS shall be directed and controlled by a  
6           Social Security Commission composed of the  
7           Secretary of Labor and Employment AS CHAIRMAN;  
8           the SSS Administrator and [seven] SIX appointive  
9           members, three of whom shall represent the  
10          labor group, one of whom shall be a woman, AND  
11          three, the management group, one of whom shall be  
12          a woman, [and one, the general public,] to be  
13          appointed by the President of the Philippines. THE  
14          SIX (6) MEMBERS REPRESENTING LABOR AND MANAGEMENT  
15          SHALL BE CHOSEN FROM AMONG THE NOMINEES OF THE  
16          WORKERS' AND EMPLOYERS' ORGANIZATIONS,  
17          RESPECTIVELY. [The Chairman of the Commission  
18          shall be designated by the President from among  
19          its members.] The term of the appointive members  
20          shall be three (3) years: Provided, That the terms  
21          of the first six (6) appointive members shall  
22          be one, two and three years for every two  
23          members, respectively.

24          All vacancies, except through the expiration  
25          of the term, shall be filled for the unexpired  
26          term only. The appointive members of the  
27          Commission shall receive One thousand five  
28          hundred pesos (P1,500.00) per diem for each  
29          meeting actually attended by them: Provided,  
30          That no compensation shall be paid for more than

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1           eight meetings a month. Members of the Commission  
 2           who hear cases pending before the Commission shall  
 3           also receive a per diem of One thousand five  
 4           hundred pesos (P1,500.00).

5           "(b) The general conduct of the operations  
 6           and management functions of the SSS shall be  
 7           vested in the Administrator who shall serve as  
 8           the chief executive officer immediately  
 9           responsible for carrying out the program of the  
 10          SSS and the policies of the Commission. The  
 11          Administrator shall be a person who has had  
 12          previous experience in technical and  
 13          administrative fields related to the purposes of  
 14          this Act. He shall be appointed by the  
 15          President of the Philippines FROM AMONG THE  
 16          RECOMMENDEES OF THE COMMISSION and shall receive a  
 17          salary to be fixed by the Commission with the  
 18          approval of the President, payable from the funds  
 19          of the SSS.

20          "(c) The Commission, upon the recommendation  
 21          of the Administrator, shall appoint an actuary,  
 22          and such other personnel as may be deemed  
 23          necessary [; fix their compensation; prescribe  
 24          their duties and establish such methods and  
 25          procedures as may insure the efficient, honest  
 26          and economical administration of the provisions  
 27          and purposes of this Act: Provided, however,  
 28          That the personnel of the SSS below the rank of  
 29          manager shall be appointed by the  
 30          Administrator: Provided, further, That the

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1 personnel of the SSS shall be selected only from  
 2 civil service eligibles certified by the Civil  
 3 Service and be subject to Civil Service rules  
 4 and regulations].

5 THE COMMISSION SHALL ESTABLISH A HUMAN  
 6 RESOURCES MANAGEMENT SYSTEM WHICH SHALL GOVERN THE  
 7 SELECTION, HIRING, APPOINTMENT, TRANSFER,  
 8 PROMOTION, OR DISMISSAL OF ALL PERSONNEL. SUCH  
 9 SYSTEM SHALL AIM TO ESTABLISH PROFESSIONALISM AND  
 10 EXCELLENCE AT ALL LEVELS OF ORGANIZATION IN  
 11 ACCORDANCE WITH SOUND PRINCIPLES OF MANAGEMENT.

12 A COMPENSATION STRUCTURE, BASED ON JOB  
 13 EVALUATION STUDIES AND WAGE SURVEYS AND SUBJECT TO  
 14 THE COMMISSION'S APPROVAL, SHALL BE INSTITUTED AS  
 15 AN INTEGRAL COMPONENT OF THE SYSTEM'S HUMAN  
 16 RESOURCES DEVELOPMENT PROGRAM: PROVIDED, THAT THE  
 17 SYSTEM SHALL MAKE ITS OWN SYSTEM CONFORM AS  
 18 CLOSELY AS POSSIBLE WITH THE PRINCIPLES PROVIDED  
 19 FOR UNDER R.A. 6757. HOWEVER, IT MAY GRANT  
 20 ACROSS-THE-BOARD SALARY INCREASE OR MODIFY ITS  
 21 COMPENSATION STRUCTURE AS TO RESULT TO HIGHER  
 22 SALARIES SUBJECT TO ANY OF THE FOLLOWING  
 23 PROVISIONS:

- 24 1. EVIDENCE OF PRIOR IMPROVEMENT IN EMPLOYEE  
 25 PRODUCTIVITY AS INDICATED BY HIS WORK PERFORMANCE;
- 26 2. STATUTE RAISING THE MINIMUM WAGE HAS BEEN  
 27 ENACTED WITH APPLICATION TO PRIVATE EMPLOYEES OR  
 28 HAS THE EFFECT OF CLASSIFYING SOME POSITIONS IN  
 29 THE SOCIAL SECURITY SERVICE AS BELOW THE FLOOR  
 30 WAGE.

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1           SEC. 3. A new Section designated as Section 3-A is  
2 hereby inserted after Section 3(c) of R.A. 1161, as amended  
3 to read as follows:

4                   "SEC. 3-A.       EXEMPTION FROM RULES AND  
5 REGULATIONS OF COMPENSATION AND POSITION  
6 CLASSIFICATION OFFICE. - ALL PERSONNEL AND  
7 POSITIONS OF THE SYSTEM SHALL BE GOVERNED BY  
8 SECTION 2 HEREOF, AND AS SUCH SHALL BE EXEMPTED  
9 FROM THE COVERAGE OF THE RULES AND REGULATIONS OF  
10 THE COMPENSATION AND POSITION CLASSIFICATION  
11 OFFICE. THE SYSTEM, HOWEVER, SHALL SEE TO IT THAT  
12 ITS OWN SYSTEM CONFORMS AS CLOSELY AS POSSIBLE  
13 WITH THAT PROVIDED FOR UNDER REPUBLIC ACT NO.  
14 6757."

15           SEC. 4. Section 4 of R.A. No. 1161, as amended, is  
16 hereby further amended by amending sub-paragraph (i) and  
17 inserting a new sub-paragraph (l) and redesignating the  
18 present sub-paragraph (l) as sub-paragraph (m) to read as  
19 follows:

20                   "(i) To acquire AND DISPOSE OF property,  
21 real or personal, which may be necessary or  
22 expedient for the attainment of the purposes of  
23 this Act.

24                   "(L) TO DETERMINE THE COVERAGE OF EMPLOYERS,  
25 EMPLOYEES, SELF-EMPLOYED AND VOLUNTARY MEMBERS IN  
26 THE SOCIAL SECURITY SYSTEM UNDER SUCH TERMS AND  
27 CONDITIONS AS IT MAY PRESCRIBE.

28                   "([L]) (M) To perform such other acts as it  
29 may deem appropriate for the proper enforcement of  
30 this Act."

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1           **SEC. 5.** Paragraphs (a) and (d), Sec. 5 of R.A. No.  
2 1161, as amended, are hereby further amended, to read as  
3 follows:

4           "SEC. 5. Settlement of Disputes. - (a)  
5 Any dispute arising under this Act with respect to  
6 coverage, benefits, contributions, [and] penalties  
7 thereon AND LOANS GRANTED UNDER SEC. 26(E) HEREOF  
8 or any other matter related thereto, shall be  
9 cognizable by the Commission, and any case filed  
10 with respect thereto shall be heard by the  
11 Commission, or any of its members, or by hearing  
12 officers duly authorized by the Commission and  
13 decided within twenty days after the submission of  
14 the evidence. The filing, determination and  
15 settlement of dispute shall be governed by the  
16 rules and regulations promulgated by the  
17 Commission.

xxx

xxx

18           "(d) Execution of decisions - THE  
19 COMMISSION MAY, MOTU PROPRIO OR ON MOTION OF ANY  
20 INTERESTED PARTY, ISSUE A WRIT OF EXECUTION TO  
21 ENFORCE ANY OF ITS DECISIONS OR AWARDS, AFTER IT  
22 HAS BECOME FINAL AND EXECUTORY, IN THE SAME MANNER  
23 AS THE DECISION OF THE REGIONAL TRIAL COURT BY  
24 DIRECTING [Any decision or award of the  
25 Commission after the same has become final and  
26 executory shall be enforced and executed in the  
27 same manner as the decisions of Court of First  
28 Instance and the Commission shall have the power  
29 to issue to] the City or Provincial Sheriff or the



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1 Sheriff whom it may appoint TO ENFORCE OR EXECUTE  
 2 SUCH FINAL DECISION OR AWARD [such writs of  
 3 execution as may be necessary for the enforcement  
 4 of such decision or award] and any person who  
 5 shall fail or refuse to comply with such  
 6 decision, award or writ, after being required to  
 7 do so shall, upon application by the Commission,  
 8 be punished by the proper Court for contempt.

9 SEC. 6. Section 7 of R.A. No. 1161, as amended, is  
 10 hereby further amended to read as follows:

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

24 SEC. 7. Section 8 of R.A. No. 1161, as amended, is  
 25 hereby further amended by amending paragraphs (c), (d),  
 26 (e), (j), (k) and (m), deleting paragraph (q) and  
 27 redesignating paragraph (r) as the new paragraph (q), to  
 28 read as follows:

29 "SEC. 8. Terms Defined. For the purposes  
 30 of this Act the following terms shall, unless the

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1 context indicates otherwise, have the following  
2 meanings:

3 (c) Employer - Any person, natural or  
4 juridical, domestic or foreign, who carries on in  
5 the Philippines any trade, business, industry,  
6 undertaking, or activity of any kind and uses the  
7 services of another person who is under his orders  
8 as regards the employment, except the Government  
9 and any of its political subdivision, branches or  
10 instrumentalities, including corporations owned or  
11 controlled by the Government: Provided, That a  
12 self-employed person shall be both employee and  
13 employer at the same time: PROVIDED, FURTHER,  
14 THAT ANY PERSON WHO EMPLOYS ANOTHER IN DOMESTIC OR  
15 HOUSEHOLD SERVICE IS DEEMED AN EMPLOYER FOR  
16 PURPOSES OF THIS ACT. DOMESTIC OR HOUSEHOLD  
17 SERVICE SHALL MEAN SERVICES IN THE EMPLOYERS' HOME  
18 WHICH IS USUALLY NECESSARY OR DESIRABLE FOR THE  
19 MAINTENANCE AND ENJOYMENT THEREOF AND INCLUDES  
20 MINISTERING TO THE PERSONAL COMFORT AND  
21 CONVENIENCE OF THE MEMBERS OF THE EMPLOYER'S  
22 HOUSEHOLD, INCLUDING SERVICES OF FAMILY DRIVERS:  
23 PROVIDED, FINALLY, THAT THE FOREIGN EMPLOYER OF A  
24 SEA-BASED OVERSEAS CONTRACT WORKER IS AN EMPLOYER  
25 FOR PURPOSES OF THIS ACT."

26 "(d) Employee - Any person who performs  
27 services for an employer in which either or both  
28 mental and physical efforts are used and who  
29 receives compensation for such services, where  
30 there is an employer-employee relationship:

1            Provided, THAT EMPLOYEES OF BONA FIDE INDEPENDENT  
 2            CONTRACTORS SHALL NOT BE DEEMED EMPLOYEES OF THE  
 3            EMPLOYER ENGAGING THE SERVICES OF SUCH  
 4            CONTRACTORS; PROVIDED, FURTHER, that a self-  
 5            employed person shall be both employee and  
 6            employer at the same time: PROVIDED, FINALLY,  
 7            THAT ALL PERSONS EMPLOYED IN DOMESTIC OR HOUSEHOLD  
 8            SERVICE HEREINAFTER CALLED HOUSEHELPERS, ARE  
 9            DEEMED EMPLOYEES FOR PURPOSES OF THIS ACT."

10            "(e) dependents-SHALL BE THE FOLLOWING: [The  
 11            legitimate, legitimated or legally adopted child  
 12            who is unmarried, not gainfully employed, and not  
 13            over twenty-one years of age, or over twenty-one  
 14            years of age, provided that he is congenitally  
 15            incapacitated and incapable of self-support,  
 16            physically or mentally; the legitimate spouse  
 17            dependent for support upon the employee; and the  
 18            legitimate parents wholly dependent upon the  
 19            covered employee for regular support.]

20            (1) THE LEGITIMATE SPOUSE DEPENDENT FOR  
 21            SUPPORT UPON THE COVERED EMPLOYEE;

22            (2) THE LEGITIMATE, LEGITIMATED OR  
 23            LEGALLY ADOPTED CHILD WHO IS  
 24            UNMARRIED, NOT GAINFULLY EMPLOYED,  
 25            AND NOT OVER TWENTY-ONE YEARS OF  
 26            AGE, OR OVER TWENTY-ONE YEARS OF  
 27            AGE, PROVIDED THAT HE IS  
 28            CONGENITALLY OR HAS BEEN PERMANENLY  
 29            INCAPACITATED WHILE STILL A MINOR

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1                   AND    INCAPABLE    OF    SELF-SUPPORT  
 2                   PHYSICALLY OR MENTALLY;  
 3           (3)   THE PARENTS WHO ARE WHOLLY DEPENDENT  
 4           UPON    THE COVERED    EMPLOYEE    FOR  
 5           REGULAR SUPPORT; AND  
 6           (4)   SUBJECT TO THE RESTRICTIONS    IMPOSED  
 7           ON    LEGITIMATE    CHILDREN,    THE  
 8           ILLEGITIMATE CHILDREN WHO ARE WHOLLY  
 9           DEPENDENT UPON THE EMPLOYEE    FOR  
 10          REGULAR SUPPORT.

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

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

19                   "(2) Domestic service in a private home;]

20                   "[(3)] (1) Employment purely casual and  
 21                   not for the purpose of occupation or  
 22                   business of the employer;

23                   "[(4)] (2) Service performed by an  
 24                   individual in the employ of his son,  
 25                   daughter, or spouse, [and service  
 26                   performed by a child under the age of  
 27                   twenty-one years in the employ of his  
 28                   parents];

29                   "[(5) Service performed on or in  
 30                   connection with an alien vessel by an

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1 employee if he is employed when such  
2 vessel is outside Philippines;]

3 "[6] (3) Service performed in the  
4 employ of the Philippine Government or  
5 instrumentality or agency thereof;

6 "[7] (4) Service performed in the  
7 employ of a foreign government or  
8 international organization, or their  
9 wholly-owned instrumentality; Provided,  
10 however, That this exemption  
11 notwithstanding, any foreign government,  
12 international organization, or their  
13 wholly-owned instrumentality employing  
14 workers in the Philippines or employing  
15 Filipinos outside of the Philippines may  
16 enter into an agreement with the  
17 Philippine Government for the inclusion  
18 of such employees in the SSS except those  
19 already covered by their respective civil  
20 service retirement systems;

21 Provided, further, That the terms of such  
22 agreement shall conform with the provisions of this Act  
23 on coverage and amount of payment of  
24 contributions and benefits; Provided, finally, That  
25 the provisions of this Act shall be supplementary to  
26 any such agreement.

27 "[8] Such other services performed by  
28 temporary employees which may be excluded  
29 by regulation of the Commission.  
30 Employees of bona fide independent

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1 contractors shall not be deemed employees  
2 of the employer engaging the services of  
3 said contractors.]

4 "(k) Beneficiaries - The dependent spouse  
5 until he OR SHE remarries, and dependent  
6 LEGITIMATE, LEGITIMATED OR LEGALLY ADOPTED  
7 children, AND IN THEIR ABSENCE, THE DEPENDENT  
8 ILLEGITIMATE CHILDREN who shall be the primary  
9 beneficiaries[.]; [In] IN their absence, the  
10 dependent parents [and, subject to the  
11 restrictions imposed on dependent children, the  
12 legitimate descendants and illegitimate children]  
13 who shall be the secondary beneficiaries: [.] [IN]  
14 IN the absence of any of the foregoing, any other  
15 person designated by the covered employee as  
16 secondary beneficiary.

17 "(m) Average monthly salary credit - The  
18 result obtained by dividing the sum of the monthly  
19 salary credits in the sixty-month period  
20 immediately preceding the semester of contingency  
21 by the number of CALENDAR months of coverage in  
22 the same period, or the result obtained by  
23 dividing the sum of all the monthly salary credits  
24 paid prior to the semester of contingency by the  
25 number of calendar months of coverage in the same  
26 period, whichever is greater: except where the  
27 month of contingency falls within eighteen (18)  
28 months from the month of cover, in which case it  
29 is the result obtained by dividing the sum of all  
30 monthly salary credits paid prior to the month of

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1 contingency by the total number of calendar months  
 2 of coverage in the same period: Provided, THAT FOR  
 3 PURPOSES OF THIS DEFINITION, "CALENDAR MONTHS  
 4 OF COVERAGE" SHALL INCLUDE THE MONTHS FOR  
 5 WHICH NO CONTRIBUTIONS HAVE BEEN PAID:  
 6 PROVIDED, FURTHER, That the DATE OF injury or  
 7 sickness which caused disability shall be deemed  
 8 as the DATE OF permanent disability for the  
 9 purpose ONLY of computing the average monthly  
 10 salary credit.

11 "[q) Replacement ratio - The sum of twenty  
 12 percent and the quotient obtained by dividing  
 13 three hundred by the sum of three hundred forty  
 14 and the average monthly salary credit.]

15 "[r) (Q) Credited years of service - For a  
 16 member covered prior to January 1975, nineteen  
 17 hundred seventy five minus the calendar year of  
 18 coverage plus the number of calendar years in  
 19 which six or more contributions have been paid  
 20 from January 1975 up to the calendar year  
 21 containing the semester prior to the contingency.  
 22 For a member covered in or after January 1975, the  
 23 number of calendar years in which six or more  
 24 contributions have been paid from the year of  
 25 coverage up to the calendar year containing the  
 26 semester prior to the contingency.

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

29 "SEC. 9. Compulsory Coverage. - (a)  
 30 Coverage in the SSS shall be compulsory upon all

1 employees not over sixty (60) years of age and  
2 their employers: Provided, That any benefit  
3 already earned by employees under private benefit  
4 plans existing at the time of the approval of this  
5 Act shall not be discontinued, reduced or  
6 otherwise impaired: Provided, further, That  
7 private plans which are existing and in force at  
8 the time of compulsory coverage shall be  
9 integrated with the plan of the SSS in such a way  
10 where the employer's contribution to his private  
11 plan is more than that required of him in this Act  
12 he shall be pay to the SSS only the contribution  
13 required of him and he shall continue his  
14 contribution to such private plan less his  
15 contribution to the SSS so that the employer's  
16 total contribution to his private benefit plan and  
17 to the Social Security System shall be the same as  
18 his contribution to his private plan before the  
19 compulsory coverage: Provided, further, That any  
20 changes, adjustments, modifications, eliminations  
21 or improvements in the benefits to be available  
22 under the remaining private plan, which may be  
23 necessary to adopt by reason of the reduced  
24 contribution thereto as a result of the  
25 integration, shall be subject to agreements  
26 between the employers and employees concerned:  
27 Provided, further, That the private benefit plan  
28 which the employer shall continue for his  
29 employees shall remain under the employer's  
30 management and control unless there is an existing  
31 agreement to the contrary: Provided, finally,



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1 That nothing in this Act shall be construed as a  
2 limitation on the right of employers and employees  
3 to agree on and adopt benefits which are over and  
4 above those provided under this Act.

5 "(B) ALL PERSONS EMPLOYED IN DOMESTIC OR  
6 HOUSEHOLD SERVICE HEREINAFTER CALLED HOUSEHELPERS.

7 "[ (b) ] (C) COVERAGE IN THE SSS SHALL BE  
8 COMPULSORY UPON ALL FILIPINOS RECRUITED IN THE  
9 PHILIPPINES BY FOREIGN-BASED EMPLOYERS FOR SEA-  
10 BASED EMPLOYMENT ABROAD, HEREINAFTER REFERRED TO  
11 AS SEA-BASED OVERSEAS CONTRACT WORKERS. Filipinos  
12 recruited in the Philippines by foreign-based  
13 employers for employment abroad OTHER THAN AS SEA-  
14 BASED OVERSEAS CONTRACT WORKERS may be covered by  
15 the SSS on a voluntary basis.

16 "UNLESS INCONSISTENT WITH ANY PROVISION OF  
17 THIS ACT OR OTHERWISE SPECIFIED HEREIN, ALL  
18 PROVISIONS OF THE SSS LAW APPLICABLE TO COVERED  
19 EMPLOYEES SHALL ALSO BE APPLICABLE TO COVERED SEA-  
20 BASED CONTRACT WORKERS."

21 SEC. 9. There is hereby inserted after Section 9-A of  
22 R.A. No. 1161, as amended, a new section denominated as Sec.  
23 9-B to read as follows:

24 "SEC. 9-B. VOLUNTARY COVERAGE OF CERTAIN  
25 DEPENDENTS. - PERSONS COMPULSORILY COVERED BY THIS  
26 ACT MAY OPT TO PLACE UNDER THEIR DEPENDENT  
27 CHILDREN, AS DEFINED UNDER SEC. 8 (e) HEREOF,  
28 UNDER THE COVERAGE OF THE SSS SUBJECT TO SUCH  
29 TERMS AND CONDITIONS AS THE COMMISSION MAY  
30 PRESCRIBE."

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1           SEC. 10.       Section 12 of R.A. 1161, as amended, is  
2 hereby further amended by amending paragraph (b) to read as  
3 follows:

4                   (b) The monthly pension shall in no case be  
5 less than [two hundred] TWO THOUSAND pesos  
6 (P2,000.00) nor paid in an aggregate amount of  
7 less than sixty times the monthly pension except  
8 to a secondary beneficiary: [Provided, That the  
9 monthly pension of surviving pensioners as of  
10 December 31, 1986 shall be increased by twenty  
11 percent:] PROVIDED, THAT THE COMMISSION SHALL  
12 EQUITABLY ADJUST THE MONTHLY PENSIONS OF OTHER  
13 ENTITLED MEMBERS OR BENEFICIARIES WHOSE MONTHLY  
14 PENSIONS ARE HIGHER THAN THE MINIMUM MONTHLY  
15 PENSION HEREBY ESTABLISHED TO PRESERVE THE  
16 INTEGRITY OF THE PENSION PROGRAM.

17           SEC. 11. Section 12-A of R.A. No. 1161, as amended, is  
18 hereby further amended to read as follows:

19                   "SEC. 12-A. Dependents' Pension - WHERE  
20 MONTHLY PENSION IS PAYABLE ON ACCOUNT OF DEATH,  
21 TOTAL AND PERMANENT DISABILITY OR RETIREMENT,  
22 [The] dependents' pension [shall be] equivalent to  
23 ten percent of the monthly pension SHALL ALSO BE  
24 BE PAID for each dependent child CONCEIVED ON OR  
25 BEFORE THE DATE OF THE CONTINGENCY but not  
26 exceeding five, beginning with the youngest and  
27 without substitution [.]: PROVIDED, THAT WHERE  
28 THERE ARE BOTH LEGITIMATE AND ILLEGITIMATE  
29 CHILDREN, THE FORMER SHALL BE PREFERRED."

1           SEC. 12. Section 12-B of R.A. No. 1161, as amended, is  
2 hereby further amended by amending paragraphs (a) and (d),  
3 deleting paragraph (c) and adding a new paragraph (d) to  
4 read as follows:

5           "SEC. 12-B. Retirement Benefits - (a)  
6 A covered employee who has paid at least one  
7 hundred twenty monthly contributions prior to the  
8 semester of retirement; and who (1) has reached  
9 the age of sixty years and is ALREADY SEPARATED  
10 FROM EMPLOYMENT OR HAS CEASED TO BE SELF-EMPLOYED  
11 [not receiving monthly compensation of at least  
12 three hundred Pesos] or (2) has reached the age of  
13 sixty-five years, shall be entitled for as long as  
14 he lives to the monthly pension: PROVIDED, THAT  
15 HE SHALL HAVE THE OPTION TO CONVERT THE BASIC  
16 MONTHLY PENSIONS FOR THE FIRST FIVE (5) YEARS INTO  
17 A LUMP SUM WHICH SHALL BE EQUIVALENT TO THE VALUE  
18 OF THE BASIC MONTHLY PENSIONS FOR FIVE (5) YEARS.  
19 [ : Provided, That his dependents born before his  
20 retirement of a marriage subsisting when he was  
21 fifty-seven years old shall be entitled to the  
22 dependents' pension.]

23           "[(c) The monthly pension shall be reduced  
24 upon the re-employment of a retired employee who  
25 is less than sixty-five years old by an amount  
26 equivalent to one-half his earnings over three  
27 hundred pesos. He shall be again subject to  
28 section eighteen and his employer to section  
29 nineteen of this Act.]

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

16           "(D) THE MONTHLY PENSION OF A MEMBER WHO  
17          RETIREES AFTER REACHING AGE SIXTY SHALL BE THE  
18          HIGHER OF EITHER: (1) THE MONTHLY PENSION COMPUTED  
19          AT THE EARLIEST TIME HE COULD HAVE RETIRED HAD HE  
20          BEEN SEPARATED FROM EMPLOYMENT OR CEASED TO BE  
21          SELF-EMPLOYED PLUS ALL ADJUSTMENTS THERETO, OR (2)  
22          THE MONTHLY PENSION COMPUTED AT THE TIME WHEN HE  
23          ACTUALLY RETIRES."

24          SEC. 13. Section 13 of R.A. No. 1161, as amended, is  
25 hereby further amended to read as follows:

26           "SEC. 13. Death Benefits - Upon the DEATH  
27          OF A covered employee['s death] WHO HAD PAID AT  
28          LEAST THIRTY-SIX MONTHLY CONTRIBUTIONS PRIOR TO  
29          THE SEMESTER OF DEATH, his primary beneficiaries  
30          shall be entitled to the monthly pension: [and his

1 dependents to the dependents' pension.] Provided,  
2 That IF HE HAS NO PRIMARY BENEFICIARIES, HIS  
3 SECONDARY BENEFICIARIES SHALL BE ENTITLED TO A  
4 LUMP SUM BENEFIT EQUIVALENT TO THIRTY-SIX TIMES  
5 THE MONTHLY PENSION [he has paid at least thirty-  
6 six monthly contributions prior to the semester of  
7 death: Provided, further, That if the foregoing  
8 condition is not satisfied]. IF HE HAS NOT PAID  
9 THE REQUIRED THIRTY-SIX MONTHLY CONTRIBUTIONS, his  
10 primary OR SECONDARY beneficiaries shall be  
11 entitled to a lump sum benefit equivalent to  
12 [thirty-five times the monthly pension: Provided,  
13 further, That if he has no primary beneficiaries,  
14 his secondary beneficiaries shall be entitled to a  
15 lump sum benefit equivalent to twenty times the  
16 monthly pension: Provided, however, That the  
17 minimum death benefit shall not be less than the  
18 total contributions paid by him and his employer  
19 on his behalf nor less than one] THE MONTHLY  
20 PENSION TIMES THE NUMBER OF MONTHLY CONTRIBUTIONS  
21 PAID TO THE SSS OR EIGHT thousand pesos,  
22 WHICHEVER IS HIGHER: PROVIDED, THAT, AT THE  
23 OPTION OF THE BENEFICIARIES AND DEPENDENTS, IT MAY  
24 BE PAID IN LUMP SUM AS PROVIDED IN SEC. 12-B  
25 HEREOF. [Provided, finally, That the  
26 beneficiaries of the covered employee who dies  
27 without having paid at least three monthly  
28 contributions shall be entitled to the minimum  
29 benefit].

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1           SEC. 14. Section 13-A of R.A. No. 1161, as amended, is  
 2 hereby further amended by amending paragraphs (a), (b), and  
 3 (c) and adding new paragraphs (h), (i) and (j) to read  
 4 as follows:

5           "SEC. 13-A. Permanent disability benefits  
 6 - [a] Upon the [covered employee's] permanent  
 7 total total disability OF A COVERED EMPLOYEE [,if  
 8 such disability occurs after he had] WHO HAS paid  
 9 at least thirty-six monthly contributions prior to  
 10 the semester of disability, he shall be entitled  
 11 to the monthly pension: PROVIDED, THAT THE  
 12 COVERED EMPLOYEE SHALL HAVE THE OPTION TO CONVERT  
 13 THE BASIC MONTHLY PENSION FOR THE FIRST FIVE (5)  
 14 YEARS INTO LUMP SUM AS PROVIDED IN SEC. 12-B  
 15 HEREOF. [and his dependents to the  
 16 dependents pension]: Provided, That if [the  
 17 disability occurs before he has paid thirty-six  
 18 monthly contributions prior to the semester of  
 19 disability], HE HAS NOT PAID THE REQUIRED THIRTY-  
 20 SIX MONTHLY CONTRIBUTIONS he shall be entitled to  
 21 a lump sum benefit equivalent to [thirty-five  
 22 times the monthly pension: Provided, further, That  
 23 the minimum disability benefit shall not be less  
 24 than the total contributions paid by him and his  
 25 employer on his behalf nor less than one] THE  
 26 MONTHLY PENSION TIMES THE NUMBER OF MONTHLY  
 27 CONTRIBUTIONS PAID TO THE SSS, OR EIGHT thousand  
 28 pesos[:], WHICHEVER IS HIGHER. Provided, further,  
 29 That a covered employee who becomes permanently  
 30 totally disabled without having paid at least

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1 three monthly contributions shall be entitled to  
 2 the minimum benefit: **Provided**, finally, That a ] A  
 3 member who (1) HAS received a lump sum benefit  
 4 and (2) is reemployed not earlier than one year  
 5 from the date of his disability shall again be  
 6 subject to compulsory coverage and considered a  
 7 new member.

8 "(b) [The monthly pension shall be reduced  
 9 upon his re-employment by an amount equivalent to  
 10 one-half of his earnings over three hundred  
 11 pesos.] The monthly pension and dependents'  
 12 pension shall be suspended upon his recovery from  
 13 the permanent total disability, or his failure to  
 14 present himself for examination at least once a  
 15 year upon notice by the SSS.

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

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

4           "(I) FOR THE PURPOSE OF ADJUDICATING  
5           RETIREMENT, DEATH AND TOTAL PERMANENT DISABILITY  
6           PENSION BENEFITS, CONTRIBUTIONS SHALL BE DEEMED  
7           PAID FOR THE MONTHS DURING WHICH THE COVERED  
8           EMPLOYEE RECEIVED PARTIAL DISABILITY PENSION:  
9           PROVIDED, THAT SUCH CONTRIBUTIONS SHALL BE BASED  
10          ON HIS LAST CONTRIBUTION PRIOR TO HIS DISABILITY."

11          "(J) SHOULD A COVERED EMPLOYEE WHO IS ON  
12          PARTIAL DISABILITY PENSION RETIRE OR DIE, HIS  
13          DISABILITY PENSION SHALL CEASE UPON HIS RETIREMENT  
14          OR DEATH."

15          SEC. 15. Paragraph (a) of Section 14 of R.A. No. 1161,  
16          as amended, is hereby further amended to read as follows:

17          "SEC. 14. Sickness benefit - (a) A covered  
18          employee who has paid at least three monthly  
19          contributions in the twelve-month period  
20          immediately preceding the semester of sickness OR  
21          INJURY and is confined THEREFOR for more than  
22          three days in a hospital or elsewhere with the  
23          Commission's approval shall, for each day of  
24          compensable confinement or fraction thereof, be  
25          paid by his employer, or the SSS, if such person  
26          is unemployed, [an] A DAILY SICKNESS BENEFIT  
27          [allowance] equivalent to ninety percent (90%) of  
28          his average daily salary credit, subject to the  
29          following conditions:



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1           "[(1) In no case shall the total amount of  
 2 such daily allowance be less than seven pesos and  
 3 fifty centavos nor exceed seventy five pesos nor  
 4 paid longer than one hundred twenty (120) days in  
 5 one calendar year; nor shall any unused  
 6 portion of the one hundred twenty (120) days  
 7 of sickness benefit granted under this section  
 8 be carried forward and added to the total  
 9 number of compensable days allowable in the  
 10 subsequent year;]

11           "[(2)] (1) THE DAILY SICKNESS BENEFIT [No  
 12 employee] shall NOT be paid [any sickness benefit]  
 13 for more than two hundred forty days on account of  
 14 the same confinement; and

15           "[(3)] (2) The employee shall notify his  
 16 employer of the fact of his sickness or injury  
 17 within five (5) calendar days after the start of  
 18 his confinement unless such confinement is in a  
 19 hospital or the employee became sick or was  
 20 injured while working or within the premises of  
 21 the employer in which case notification to the  
 22 employer is not necessary: **Provided**, That if the  
 23 member is unemployed he shall directly notify the  
 24 SSS of his confinement within five (5) calendar  
 25 days after the start thereof unless such  
 26 confinement is in a hospital in which case  
 27 notification is also not necessary: **Provided**,  
 28 further, That in cases where notification is  
 29 necessary, the confinement shall be deemed to have  
 30 started not earlier than the fifth day immediately  
 31 preceding the date of notification.

1           SEC. 16. Section 14-A of R.A. 1161, as amended, is  
 2 hereby further amended by amending the opening paragraph and  
 3 sub-paragraphs (c), (d), and (f) thereof, to read as  
 4 follows:

5           "SEC. 14-A. Maternity Leave Benefit - A  
 6 covered female employee who has paid at least  
 7 three monthly [maternity] contributions in the  
 8 twelve-month period immediately preceding the  
 9 semester of her childbirth, abortion, or  
 10 miscarriage [and who is currently employed] shall  
 11 be paid a daily maternity benefit equivalent to  
 12 one hundred percent (100%) of her present basic  
 13 salary, allowances and other  
 14 benefits or the cash equivalents of such benefits  
 15 for EIGHTY-FOUR (84) [sixty (60)] CALENDAR days,  
 16 subject to the following conditions:

xxx

17           "(d) That payment of daily maternity benefits  
 18 shall be a bar to the recovery of sickness  
 19 benefits provided by this Act for the same  
 20 [compensable] period FOR WHICH DAILY MATERNITY  
 21 BENEFITS HAVE BEEN RECEIVED [ of sixty (60) days  
 22 for the same childbirth, abortion, or  
 23 miscarriage;]

xxx

24           "(e) That the maternity benefits provided  
 25 under this Section shall be paid [only] for [the  
 26 first four] ALL deliveries [after March 13, 1973];

27           "(f) That if an employee should give birth or  
 28 suffer abortion or miscarriage without the

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1 required contributions having been remitted for  
 2 her by her employer to the SSS, or without the  
 3 latter having been previously notified by the  
 4 employer of time of the pregnancy, the employer  
 5 shall pay to the SSS damages equivalent to the  
 6 benefits which said employee would otherwise have  
 7 been entitled to [,and the SSS shall in turn pay  
 8 such amount to the employee concerned]."

9 **SEC. 17.** There shall be incorporated after Section  
 10 14-A of R.A. 1161, as amended, new Sections 14-B and 14-C,  
 11 which shall read as follows:

12 "SEC. 14-B. LOAN BENEFITS. - A COVERED  
 13 EMPLOYEE WHO HAS PAID AT LEAST TWELVE (12) MONTHLY  
 14 CONTRIBUTIONS SHALL BE ENTITLED TO APPLY AND BE  
 15 GRANTED SALARY LOANS, EDUCATIONAL LOANS, EMERGENCY  
 16 LOANS OR SUCH OTHER SIMILAR LOANS AS MAY BE  
 17 INCLUDED AS PART OF THE SOCIAL SECURITY PROGRAM OF  
 18 THE SSS: PROVIDED, THAT ANY FAILURE OR REFUSAL TO  
 19 REMIT BY THE EMPLOYER OF THE CONTRIBUTIONS  
 20 PRESCRIBED BY THIS ACT OR TO PAY ANY LOAN OR ITS  
 21 AMORTIZATION GRANTED TO THE EMPLOYER OR TO SOME OF  
 22 HIS EMPLOYEES SHALL NOT PREJUDICE THE RIGHT OF HIS  
 23 OTHER COVERED EMPLOYEES TO THE BENEFITS UNDER THIS  
 24 SECTION."

25 "SEC. 14-C. CHRISTMAS PENSION. ANY LAW TO  
 26 THE CONTRARY NOTWITHSTANDING AND REGARDLESS OF THE  
 27 GRANT OF SIMILAR BENEFITS UNDER EXISTING LAWS, A  
 28 PENSIONER, HIS PRIMARY BENEFICIARIES AND  
 29 DEPENDENTS UNDER SECTIONS 12-B, 13 AND 13-A SHALL  
 30 BE ENTITLED TO CHRISTMAS PENSION WHICH SHALL BE

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1           EQUIVALENT TO ONE TWELFTH (1/12) OF THE TOTAL  
 2           ANNUAL PENSION: PROVIDED, THAT THE GRANT OF  
 3           CHRISTMAS PENSION WILL NOT ENTAIL ANY INCREASE IN  
 4           THE RATE OF CONTRIBUTION OF ANY SSS MEMBER.

5           SEC. 18. Section 15 of R.A. No. 1161, as amended, is  
 6 hereby further amended to read as follows:

7                   "SEC. 15. Non-transferability of Benefits.

8           - The SSS shall pay the benefits provided for in  
 9           this Act to such persons as may be entitled  
 10          thereto in accordance with the provisions of this  
 11          Act: Provided, that the beneficiary who is a  
 12          national of a foreign country which does not  
 13          extend benefits to a Filipino beneficiary residing  
 14          in the Philippines, or which is not recognized by  
 15          the Philippines, shall not be entitled to receive  
 16          any benefit under this Act: Provided, further,  
 17          That notwithstanding the foregoing, where the best  
 18          interest of the SSS will be served, the Commission  
 19          may direct payments without regard to nationality  
 20          or country of residence: Provided, further, That  
 21          if the recipient is a minor or a person incapable  
 22          of administering his own affairs, the Commission  
 23          shall appoint a representative under such terms  
 24          and conditions as it may deem proper: Provided,  
 25          further, that such appointment shall not be  
 26          necessary in case the recipient is under the  
 27          custody of or living with the parents or spouse of  
 28          the employee in which case the benefits shall be  
 29          paid to such parents or spouse, as representative  
 30          payee of the recipient. Such benefits are not

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1 transferable and no power of attorney or other  
 2 document executed by those entitled thereto, in  
 3 favor of any agent, attorney or any other person  
 4 for the collection thereof on their behalf shall  
 5 be recognized, except when they are physically  
 6 unable to collect personally such benefits:  
 7 **Provided, further, That in case of death benefits,**  
 8 **if no beneficiary qualifies under this Act, said**  
 9 **benefits shall be paid to the legal heirs in**  
 10 **accordance with the law of succession: PROVIDED,**  
 11 **FURTHERMORE, THAT THE RIGHT TO INSTITUTE THE**  
 12 **NECESSARY ACTION OR CLAIM FOR BENEFITS MAY BE**  
 13 **COMMENCED WITHIN TWENTY (20) YEARS FROM THE TIME**  
 14 **THE BENEFIT ACCRUES." [Provided, Finally, That**  
 15 **notwithstanding any law to the contrary, the**  
 16 **payment of benefits under this Act shall ban**  
 17 **the recovery of similar benefits under Title**  
 18 **II of Book IV of the Labor Code of the**  
 19 **Philippines, as amended, during the period of such**  
 20 **payment for the same contingency, and conversely.]**

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

23 **"SEC. 16. Exemption from tax, legal**  
 24 **process and lien - All laws to the contrary**  
 25 **notwithstanding, the SSS and all its assets and**  
 26 **properties, all contributions collected and all**  
 27 **accruals thereto and income or investment**  
 28 **earnings therefrom as well as all supplies,**  
 29 **equipment, papers or documents which may be**  
 30 **required in connection with the operation or**

1 execution of this Act shall be exempt from any  
 2 tax, assessment, fee, charge, or customs or import  
 3 duty; and all benefit payments made by the SSS  
 4 shall likewise be exempt from all kinds of taxes,  
 5 fees or charges, and shall not be liable to  
 6 attachments, garnishments, levy or seizure by or  
 7 under any legal or equitable process whatsoever,  
 8 either before or after receipt by the person or  
 9 persons entitled thereto, except to pay any debt  
 10 of the covered employee to the SSS. No LAW, RULES,  
 11 REGULATIONS, OPINIONS OR ANY tax measure  
 12 HERETOFORE OR hereafter enacted OR PROMULGATED  
 13 shall apply to the SSS, unless it expressly  
 14 revokes the declared policy of the State in  
 15 Section 2 hereof granting tax-exemption to the  
 16 SSS. Any tax assessment against, and still unpaid  
 17 by the SSS shall be null and void.

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

21 **"SEC. 18. Employee's contribution - (1)**  
 22 Beginning as of the last day of the calendar month  
 23 when an employee's compulsory coverage takes  
 24 effect and every month thereafter during his  
 25 employment, the employer shall deduct and withhold  
 26 from such employee's monthly salary, wage,  
 27 compensation or earnings, the employee's  
 28 contribution in an amount corresponding to his  
 29 salary, wage, compensation, or earnings during the  
 30 month in accordance with the following schedule

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1 [effective January 1, 1987]:

2	Salary Bracket Number	Range of compensation	Monthly Salary Credit	Monthly Contribution Employer/Employee/Total
3	[ I P	1 - 149.99	P 125	P 6.40 4.10 10.50
4	II	150 - 199.99	175	9.00 5.70 14.70
5	III	200 - 249.99	225	11.40 7.50 18.90
6	IV	250 - 349.99	300	15.20 10.00 25.20
7	V	350 - 499.99	425	21.60 14.10 35.70
8	VI	500 - 699.00	600	30.40 20.00 50.40
9	VII	700 - 899.99	800	40.50 26.70 67.20]
10	[VIII] I P[900]	1 -1099.99	P1000	50.70 33.30 84.00
11	[ IX	1100 -1399.99	1250	63.30 41.70 105.00]
12	[ X] II [1400]	1100 -1749.99	1500	76.00 50.00 126.00
13	[ XI] III	1750 -2249.99	2000	101.30 66.70 168.00
14	[ XII] IV	2250 -2749.99	2500	126.00 83.30 210.00
15	[XIII] V	2750 -3249.99	3000	152.00 100.00 252.00
16	[ XIV] VI	3250 -3749.99	3500	177.30 116.70 294.00
17	[ XV] VII	3750 -4249.99	4000	202.70 133.30 336.00
18	[ XVI] VIII	4250 -4749.99	4500	228.00 150.00 378.00
19	[XVII] IX	4750 -5249.99	5000	253.30 166.70 420.00
20	[XVIII] X	5250 -5749.99	5500	278.70 183.30 462.00
21	[ XIX] XI	5750 -OVER	6000	304.00 200.00 504.00

22 The tabulated schedule for the monthly contribution of  
 23 the self-employed INCLUDING FARMERS AND FISHERMEN, and  
 24 voluntary members [effective January 1, 1987] shall be as  
 25 follows:

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1	Salary Bracket Number	Range of compensation	Monthly Salary Credit	Monthly Contribution
2	[ I	1 - 149.99	P 125	P 10.00
3	II	150 - 199.99	175	14.00
4	III	200 - 249.99	225	18.00
5	IV	250 - 349.99	300	24.00
6	V	350 - 499.99	425	34.00
7	VI	500 - 699.00	600	48.00
8	VII	700 - 899.99	800	64.00]
9	[VIII] I P	900 -1099.99	P1000	P 80.00
10	[ IX	1100 -1399.99	1250	100.00]
11	[ X] II [1400]	1100 -1749.99	1500	120.00
12	[ XI] III	1750 -2249.99	2000	160.00
13	[ XII] IV	2250 -2749.99	2500	200.00
14	[XIII] V	2750 -3249.99	3000	240.00
15	[ XIV] VI	3250 -3749.99	3500	280.00
16	[ XV] VII	3750 -4249.99	4000	320.00
17	[ XVI] VIII	4250 -4749.99	4500	360.00
18	[XVII] IX	4750 -5249.99	5000	400.00
19	[XVIII] X	5250 -5749.99	5500	440.00
20	[ XIX] XI	5750 -OVER	6000	480.00

21 "The MINIMUM AND maximum [covered] MONTHLY SALARY  
 22 CREDITS [earnings or compensation of all SSS members shall  
 23 be limited to three thousand pesos per month as] provided in  
 24 the foregoing schedules [unless otherwise provided] MAY BE  
 25 FIXED FROM TIME TO TIME by the Social Security Commission  
 26 through rules and regulations taking into consideration  
 27 actuarial calculations and rate of benefits.



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1           **SEC. 21.** Section 19-A of R.A. No. 1161, as amended, is  
2 hereby further amended, and new sections denominated as  
3 Sections 19-B and 19-C are hereby inserted to read as follows:

4           **"SEC. 19-A. Contributions of the Self-**  
5 **employed -** The contributions to the SSS of the  
6 self-employed shall be determined in accordance  
7 with Section 18 of this Act: **Provided,** That the  
8 average monthly net earnings **BEFORE INCOME TAX**  
9 declared by the self-employed **IN HIS INCOME TAX**  
10 **RETURNS FOR THE YEAR PRECEDING** [at the time of]  
11 his registration with the SSS shall be considered  
12 as his monthly compensation and he shall pay both  
13 the employer and employee contributions.

14           "[Net earnings as understood under this  
15 section shall be the net income from his business  
16 or profession as reflected in the income tax  
17 return for the immediately preceding year,  
18 excluding rental income, dividend, interest  
19 investments and the like or all types of incomes  
20 which are not derived from his business registered  
21 with the SSS or from the practice of his  
22 profession.]

23           The average monthly net earnings declared by  
24 the self-employed member at the time of his  
25 registration shall remain the basis of his monthly  
26 salary credit, unless he makes, at the start of  
27 the year, another declaration of his average  
28 monthly net earnings based on his income tax  
29 returns for the immediately preceding year, in  
30 which case such latest declaration becomes the new

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1 basis of his monthly salary credit: PROVIDED,  
2 THAT THE SELF-EMPLOYED MEMBER SHALL FURNISH THE  
3 SSS A COPY OF SUCH INCOME TAX RETURNS WITHIN THE  
4 FIRST SIX (6) MONTHS OF THE SUBSEQUENT YEAR."

5 "SEC. 19-B. CONTRIBUTIONS OF HOUSEHELPERS  
6 AND THEIR EMPLOYERS. CONTRIBUTIONS TO THE SSS OF  
7 THE HOUSEHELPERS AND THEIR EMPLOYERS UNDER  
8 COMPULSORY COVERAGE SHALL BE DETERMINED IN  
9 ACCORDANCE WITH THE SCHEDULE INDICATED IN SECTION  
10 18 OF THIS ACT."

11 "SEC. 19-C. CONTRIBUTIONS OF SEA-BASED  
12 OVERSEAS CONTRACT WORKERS AND THEIR EMPLOYERS -  
13 THE CONTRIBUTIONS TO THE SSS OF SEA-BASED OVERSEAS  
14 CONTRACT WORKERS AND THEIR EMPLOYERS UNDER  
15 COMPULSORY COVERAGE SHALL BE DETERMINED IN  
16 ACCORDANCE WITH THE SCHEDULE INDICATED IN SECTION  
17 18 OF THIS ACT."

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

21 "SEC. 22. Remittance of Contribution. -  
22 (a) The contribution imposed in the preceding  
23 section shall be remitted to the SSS within the  
24 first seven days of each calendar month following  
25 the month for which they are applicable or within  
26 such time as the Commission may prescribe. Every  
27 employer required to deduct and to remit such  
28 contributions shall be liable for their payment  
29 and if any contribution is not paid to the SSS as  
30 herein prescribed, he shall pay besides the

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1 contribution a penalty thereon of three percent  
 2 per month from the date the contribution falls due  
 3 until paid: PROVIDED, THAT IN THE CASE OF  
 4 EMPLOYMENT IN DOMESTIC OR HOUSEHOLD SERVICE, IN  
 5 PLACES WHERE THERE IS NO SSS PROVINCIAL OR  
 6 REGIONAL OFFICE WITHIN A REASONABLE DISTANCE, SAID  
 7 CONTRIBUTIONS MAY BE PAID TO THE DULY AUTHORIZED  
 8 TREASURER OF THE BARANGAY WHERE THE HOUSEHELPER  
 9 ACTUALLY WORKS, SUBJECT TO SUCH REGULATIONS AND  
 10 LIMITATIONS AS THE COMMISSION MAY PRESCRIBE. If  
 11 deemed expedient and advisable by the Commission,  
 12 the collection and remittance of contributions  
 13 shall be made quarterly or semi-annually in  
 14 advance, the contributions payable by the  
 15 employees to be advanced by their respective  
 16 employers: Provided, That upon separation of an  
 17 employee, any contribution so paid in advance but  
 18 not due shall be credited or refunded to his  
 19 employer."

20 "(b) The contributions payable under this Act  
 21 in cases where an employer refuses or neglects to  
 22 pay the same shall be collected by the SSS in the  
 23 same manner as taxes are made collectible BY THE  
 24 SUMMARY ISSUANCE OF A WARRANT OF DISTRAINT AND  
 25 LEVY ON THE PERSONAL AND REAL PROPERTIES OF  
 26 DELINQUENT EMPLOYERS TO SATISFY THE UNPAID  
 27 CONTRIBUTIONS AND PENALTIES THEREON under  
 28 the National Internal Revenue Code, as amended.  
 29 Failure or refusal of the employer to pay or remit  
 30 the contributions herein prescribed shall not

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

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

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

22 SEC. 23. There shall be incorporated after Section  
23 22-A of R.A. No. 1161, as amended, new sections denominated  
24 as Sec. 22-B and Sec. 22-C to read as follows:

25 "SEC. 22-B. REMITTANCE OF CONTRIBUTIONS OF  
26 SEA-BASED OVERSEAS CONTRACT WORKERS AND THEIR  
27 EMPLOYERS. - IT SHALL BE THE DUTY OF EVERY  
28 COVERED SEA-BASED OVERSEAS CONTRACT WORKER TO  
29 REMIT HIS CONTRIBUTION ON SUCH DATES AND SCHEDULES

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1 AND UNDER SUCH PROCEDURES AS THE COMMISSION MAY  
2 SPECIFY THROUGH RULES AND REGULATIONS."

3 "THE EMPLOYER OF A COVERED SEA-BASED OVERSEAS  
4 WORKER SHALL PAY TO THE SSS IN LUMP SUM THE  
5 CONTRIBUTIONS REQUIRED OF HIM FOR THE WHOLE  
6 DURATION OF THE EMPLOYMENT OF THE LATTER. SUCH  
7 PAYMENT SHALL BE A PRECONDITION TO THE DEPLOYMENT  
8 OF EVERY SEA-BASED OVERSEAS CONTRACT WORKER UNDER  
9 SSS COMPULSORY COVERAGE."

10 "SEC. 22-C. LIABILITY OF THE PROJECT  
11 OWNER. - IN THE EVENT THE INDEPENDENT CONTRACTOR  
12 FAILS TO PAY OR REMIT THE SSS PREMIUMS OF HIS  
13 EMPLOYEES, THE CLIENT OR OWNER OF THE PROJECT  
14 SHALL BE JOINTLY AND SEVERALLY LIABLE WITH THE  
15 INDEPENDENT CONTRACTOR FOR SUCH UNPAID OR  
16 UNREMITTED PREMIUMS CORRESPONDING TO THE PERIOD  
17 WORK IS PERFORMED FOR SUCH CLIENT OR PROJECT  
18 OWNER, IN THE SAME MANNER AND EXTENT THAT AN  
19 EMPLOYER IS LIABLE TO EMPLOYEES DIRECTLY EMPLOYED  
20 BY HIM."

21 SEC. 24. Paragraphs (a), (b) and (f), Section 24 of  
22 R.A. No. 1161, as amended, are hereby further amended to  
23 read as follows:

24 "SEC. 24. Employment Records and Reports -  
25 (a) Each employer shall immediately report to the  
26 SSS the names, ages, civil statuses, occupations,  
27 salaries and dependents of all his employees who  
28 are subject to compulsory coverage: Provided, That  
29 if an employee subject to compulsory coverage  
30 should die or become sick or disabled or reach the

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1 age of sixty without the SSS having previously  
 2 received any report or written communication about  
 3 him from his employer [or a contribution paid in  
 4 his name by his employer], the said employer shall  
 5 pay to the SSS damages equivalent to the benefits  
 6 to which said employee would have been entitled  
 7 had his name been reported on time by the employer  
 8 to the SSS, except that in case of pension  
 9 benefits, the employer shall be liable to pay the  
 10 SSS damages equivalent TO THE ACCUMULATED PENSION  
 11 DUE AS OF THE DATE OF FILING OF THE CLAIM OR to  
 12 THE five years' [monthly] pension, WHICHEVER IS  
 13 HIGHER, including dependents' pension: Provided,  
 14 further, That if the contingency occurs within  
 15 thirty days from the date of employment, the  
 16 employer shall be relieved of his liability for  
 17 damages: PROVIDED, FINALLY, THAT IN THE CASE OF  
 18 EMPLOYMENT IN DOMESTIC OR HOUSEHOLD SERVICE, IN  
 19 PLACES WHERE THERE IS NO PROVINCIAL OR REGIONAL  
 20 OFFICE WITHIN A REASONABLE DISTANCE, SUCH REPORT  
 21 MAY BE FILED WITH THE BARANGAY TREASURER IN THE  
 22 PLACE WHERE THE HOUSEHELPER ACTUALLY WORKS,  
 23 SUBJECT TO SUCH REGULATIONS AND LIMITATIONS AS THE  
 24 COMMISSION MAY PRESCRIBE."

25 "(b) Should the employer misrepresent the  
 26 true date of employment of [his] THE employee[s]  
 27 or remit to the SSS contributions which are less  
 28 than those required in this Act OR FAIL TO REMIT  
 29 ANY CONTRIBUTION DUE PRIOR TO THE DATE OF  
 30 CONTINGENCY, resulting in a reduction of benefits,  
 31 [the] SUCH employer shall pay to the SSS damages  
 32 [to the extent of such reduction";] EQUIVALENT TO  
 33 THE DIFFERENCE BETWEEN THE AMOUNT OF BENEFIT TO

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1 WHICH THE EMPLOYEE OR HIS BENEFICIARY IS ENTITLED  
 2 HAD THE PROPER CONTRIBUTIONS BEEN REMITTED TO THE  
 3 SSS AND THE AMOUNT PAYABLE ON THE BASIS OF THE  
 4 CONTRIBUTIONS ACTUALLY REMITTED: PROVIDED, THAT  
 5 IF, IN SUCH A CASE, THE EMPLOYEE OR HIS  
 6 BENEFICIARY IS ENTITLED TO PENSION BENEFITS, THE  
 7 DAMAGES SHALL BE EQUIVALENT TO THE ACCUMULATED  
 8 PENSION DUE AS OF THE THE DATE OF FILING OF THE  
 9 CLAIM OR TO THE FIVE YEARS' PENSION, WHICHEVER IS  
 10 HIGHER INCLUDING DEPENDENTS' PENSION.

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

XXXX

16 "(f) Notwithstanding any law to the contrary,  
 17 microfilm, OR OPTICAL DISK AND OTHER SIMILAR  
 18 ARCHIVAL MEDIA copies of original SSS records and  
 19 reports; OR COPIES OF SUCH RECORDS AND REPORTS,  
 20 duly certified by the official custodian thereof,  
 21 shall have the same evidentiary value as the  
 22 originals and be admissible as evidence in all  
 23 legal proceedings."

24 **SEC. 25.** Section 26 of R.A. No. 1161, as amended, is  
 25 hereby further amended by amending the opening paragraph and  
 26 paragraphs (a), (b), (d), (e), (f), (i), (j), (k), deleting  
 27 paragraph (c), adding a new paragraph designated as the new  
 28 paragraph (h) and redesignating paragraphs (g) and (h) as  
 29 paragraphs (a) and (b), respectively, of a new section  
 30 designated as Section 26-A, to read as follows:

31 **"SEC. 26. Investment of Reserve Funds. -**

32 All revenues of the SSS that are not needed to

1 meet the current administrative and operational  
 2 expenses incidental to the carrying out of this  
 3 Act shall be accumulated to a fund to be known as  
 4 the "Reserve Fund". Such portions of the Reserve  
 5 Fund as are not needed to meet the current benefit  
 6 obligations thereof shall be invested to earn AS  
 7 MUCH AS POSSIBLE an average annual income of at  
 8 least [nine] TWELVE percent and shall be known as  
 9 the 'Investment Reserve Fund' which shall be  
 10 invested in any or all of the following:

11 "(a) In [interest-bearing] bonds, [or]  
 12 securities OR OTHER EVIDENCE OF INDEBTEDNESS of  
 13 the Government of the Philippines, or IN bonds,  
 14 [or] securities, PROMISSORY NOTES OR OTHER  
 15 EVIDENCES OF INDEBTEDNESS [for the payment  
 16 of the interest and principal] to which the  
 17 FULL faith and credit AND UNCONDITIONAL  
 18 GUARANTEE of the Republic of the Philippines  
 19 is pledged.

20 "(b) In interest-bearing deposits AND LOANS  
 21 TO or securities in, OR PROMISSORY NOTES OR  
 22 OTHER EVIDENCE OF INDEBTEDNESS OF, any domestic  
 23 bank doing business in the Philippines:  
 24 Provided, That IN THE CASE OF such deposits,  
 25 THESE shall not exceed at any time the  
 26 unimpaired capital and surplus or total private  
 27 deposits of the depository bank, whichever  
 28 is smaller: Provided, further, That said bank  
 29 shall first have been designated as a depository  
 30 for this purpose by the Monetary Board of the



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1 [Central Bank of the Philippines:] BANGKO  
 2 SENTRAL NG PILIPINAS. [Provided, finally, That  
 3 such investment in deposits or securities  
 4 shall be equitably distributed to all  
 5 designated banks.]

6 "[c] In loans or interest-bearing  
 7 advances to the National Government for the  
 8 construction of permanent toll bridges, toll  
 9 roads or government office buildings in  
 10 accordance with actuarial considerations and the  
 11 conditions prescribed by the law in such cases:  
 12 Provided, That the tolls shall be collected by  
 13 the SSS for a reasonable fee.]

14 "[d] (C) In direct housing loans to covered  
 15 employee and group housing projects giving  
 16 priority to the low-income groups, up to a  
 17 maximum of ninety percent of the appraised value  
 18 of the properties to be mortgaged by the  
 19 borrowers, [and] in loans for the  
 20 construction and the maintenance of  
 21 hospitals and institutions for the sick, aged  
 22 and infirmed members and their families,  
 23 referred to in Section 4 (j) of this Act:  
 24 Provided, [That such investment shall not  
 25 exceed thirty percent of the Investment  
 26 Reserve Fund.] THAT COVERED EMPLOYEES WITH  
 27 DIRECT HOUSING LOANS OF NOT MORE THAN ONE HUNDRED  
 28 THOUSAND PESOS (P100,000.00) SHALL NOT BE  
 29 REQUIRED TO GIVE EQUITY: PROVIDED, FURTHER, THAT  
 30 THOSE WITH LOANS OF MORE THAN ONE HUNDRED THOUSAND  
 31 PESOS (P100,000.00) MAY BE REQUIRED TO GIVE AN  
 32 EQUITY OF NOT MORE THAN FIVE PERCENT (5%)  
 33 OF SUCH LOANS: PROVIDED, FINALLY, THAT THE SSS

1 MAY INCREASE THE MAXIMUM AMOUNT OF DIRECT HOUSING  
 2 LOANS WHICH MAY BE GRANTED WITHOUT NEED OF EQUITY  
 3 PARTICIPATION TAKING INTO CONSIDERATION THE  
 4 PURCHASING CAPACITY OF THE PESO, THE COST OF  
 5 LIVING, THE NEED TO PROVIDE DECENT HOUSING AND  
 6 OTHER SIMILAR FACTORS, THE INVESTIBLE FUND FOR  
 7 DIRECT HOUSING LOANS SHALL BE OVER AND ABOVE, AND  
 8 BE SEPARATE AND INDEPENDENT OF, THE ANNUAL  
 9 INVESTIBLE FUNDS FOR LONG TERM MORTGAGES WHICH SSS  
 10 MAKES AVAILABLE TO THE NATIONAL HOME MORTGAGE  
 11 FINANCE CORPORATION, INCLUDING DIRECT LOANS TO OR  
 12 PURCHASE SECURITIES FROM THE LATTER, AS ALLOWED  
 13 UNDER EXECUTIVE ORDER NO. 90. THE INVESTIBLE FUND  
 14 FOR DIRECT HOUSING LOANS SHALL BE IN SUCH AMOUNT  
 15 AS SHALL BE SUFFICIENT TO SERVE THE HOUSING  
 16 DEMANDS OF THE COVERED EMPLOYEES;

17 "[e] AND IN [in] short and medium term  
 18 loans to covered employees AND PENSIONERS such as  
 19 salary, PENSION, educational, calamity and  
 20 emergency loans: Provided, That not more than  
 21 [ten] THIRTY percent of the Investment Reserve  
 22 Fund at any time shall be invested for  
 23 [this] THESE purposes.

24 "[f] (D) In REAL ESTATE INVESTMENTS AND  
 25 IN other income-earning projects and  
 26 investments secured by first mortgages on real  
 27 estate OR OTHER collaterals ACCEPTABLE TO THE SSS:  
 28 PROVIDED, THAT SUCH PROJECTS AND INVESTMENTS  
 29 SHALL, [which] in the determination of  
 30 the Commission, [shall] redound to the benefit

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1 of the SSS, its members, as well as the public  
2 welfare: Provided, FURTHER, that any such  
3 investments shall be made with due diligence and  
4 prudence to earn the highest possible  
5 interest consistent with safety:[.] PROVIDED,  
6 FINALLY, THAT SUCH INVESTMENTS SHALL NOT EXCEED  
7 TEN PERCENT OF THE INVESTMENTS RESERVE FUND.

8 "[i] (E) In LOANS TO, OR IN bonds,  
9 debentures, PROMISSORY NOTES or other  
10 evidences of indebtedness of any solvent  
11 corporation or institution, INCLUDING  
12 COOPERATIVES, created or existing under the  
13 laws of the Philippines: Provided, That the  
14 issuing, assuming or guaranteeing entity or its  
15 predecessors shall not have defaulted in the  
16 payment of interest on any of its securities  
17 and that during each of any three including the  
18 last two of the five fiscal years next  
19 preceding the date of THE LOAN OR THE acquisition  
20 by the SSS of such bonds, debentures,  
21 PROMISSORY NOTES or other evidences of  
22 indebtedness, the net earnings of the issuing,  
23 assuming or guaranteeing institution available  
24 for its fixed charges, as hereinafter  
25 defined, shall have been not less than one and  
26 one-quarter times the total of its fixed  
27 charges for such year: Provided, further, That  
28 such investments shall not exceed ten percent of  
29 the Investment Reserve Fund.

1           As used in this section, the term 'net  
 2 earnings available for fixed charges' shall mean  
 3 net income after deducting operating and  
 4 maintenance expenses, taxes other than income  
 5 taxes, depreciation and depletion; by excluding  
 6 extraordinary non-recurring items of income or  
 7 expense appearing in the regular financial  
 8 statement of the issuing, assuming or  
 9 guaranteeing institution. The term 'fixed  
 10 charges' shall include interest on funded and  
 11 unfunded debt, amortization of debt discount,  
 12 and rentals for leased properties.

13           "[(j)] (F) In preferred stocks of any  
 14 solvent corporation or institution created  
 15 or existing under the laws of the  
 16 Philippines: **Provided,** That the issuing,  
 17 assuming, or guaranteeing entity or its  
 18 predecessors has paid regular dividends upon  
 19 its preferred or guaranteed stocks for a  
 20 period of at least three years next preceding  
 21 the date of investment in such preferred or  
 22 guaranteed stocks: **Provided,** further, That  
 23 if the stocks are guaranteed, the amount of  
 24 stocks so guaranteed is not in excess of  
 25 fifty percentum (50%) of the amount of the  
 26 preferred or common stocks, as the case may  
 27 be of the issuing corporations: **Provided,**  
 28 furthermore, That if the corporation or  
 29 institution has not paid dividends upon its  
 30 preferred stocks, the corporation or

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1 institution has sufficient retained  
 2 earnings to declare dividends for at least  
 3 two years on such preferred stock;  
 4 [Provided, finally, That such investment  
 5 shall not exceed ten percent of the  
 6 Investment Reserve Fund.]

7 "[k] AND [In] in common stocks, OR  
 8 WARRANTS TO COMMON STOCKS, of any solvent  
 9 corporation or institution created or existing  
 10 under the laws of the Philippines, listed in the  
 11 stock exchange with proven track record of  
 12 profitability and payment of dividends over  
 13 the last three (3) years: Provided, finally, That  
 14 such investment shall not exceed ten (10%) percent  
 15 of the Investment Reserve Fund.

16 "[g] SECTION 26-A. MORTGAGOR INSURANCE  
 17 ACCOUNT. - (A) As part of its investment  
 18 operations, the SSS shall act as insurer  
 19 of all or part of its interests on SSS  
 20 properties, properties mortgaged to the SSS,  
 21 or lives of mortgagors whose properties are  
 22 mortgaged to the SSS. For this purpose, the  
 23 SSS shall establish a separate account to be  
 24 known as the "Mortgagors' Insurance Account".  
 25 All amounts received by the SSS in connection  
 26 with the aforesaid insurance operations shall  
 27 be placed in the Mortgagors' Insurance  
 28 Account. The assets and liabilities of the  
 29 Mortgagors' Insurance Account shall at all  
 30 times be clearly identifiable and

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1 distinguishable from the assets and  
 2 liabilities in all other accounts of the SSS.  
 3 Notwithstanding any provision of law to the  
 4 contrary, the assets held in the Mortgageors'  
 5 Insurance Account shall not be chargeable with  
 6 the liabilities arising out of any other  
 7 business the SSS may conduct but shall be held  
 8 and applied exclusively for the benefit of the  
 9 owners or beneficiaries of the insurance  
 10 contracts issued by the SSS under this  
 11 paragraph.

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

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1 the conduct of the examination, including the  
2 salaries of the examiners and of the actuary  
3 of the Insurance Commission who have been  
4 assigned to make such examination for the actual  
5 time spent in said examination: **Provided,**  
6 **further, That** the general law on insurance **AND**  
7 **THE RULES AND REGULATIONS** promulgated  
8 thereunder shall have suppletory application  
9 insofar as it is not in conflict with the SSS  
10 Law and its rules and regulations.

11 **SEC. 26.** Section 28 of R.A. No. 1161, as amended, is  
12 hereby further amended by amending paragraphs (b), (c), (d)  
13 and (e) thereof, to read as follows:

14 "(b) Whoever shall obtain or receive any  
15 money or check under this Act or any agreement  
16 thereunder, without being entitled thereto with  
17 intent to defraud any covered employee, employer  
18 or the SSS, shall be fined not less than five  
19 THOUSAND [hundred] pesos nor more than TWENTY  
20 [five] thousand pesos and imprisoned for not less  
21 than six YEARS AND ONE DAY [months] nor more than  
22 TWELVE [one] years.

23 "(c) Whoever buys, sells, offers for sale,  
24 uses, transfers or takes or gives in exchange, or  
25 pledges or gives in pledge, except as authorized  
26 in this Act or in regulations made pursuant  
27 thereto, any stamp, coupon, ticket, book or other  
28 device, prescribed pursuant to section twenty-  
29 three hereof by the Commission for the collection  
30 or payment of contributions required herein, shall

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1 be fined not less than five THOUSAND [hundred]  
 2 pesos nor more than TWENTY [five] thousand pesos,  
 3 or imprisoned for not less than six [months] YEARS  
 4 AND ONE DAY nor more than TWELVE [one] years, or  
 5 both, at the discretion of the court.

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

22 "(e) Whoever fails or refuses to comply with  
 23 the provisions of this Act or with the rules and  
 24 regulations promulgated by the Commission, shall  
 25 be punished by a fine of not less than five  
 26 THOUSAND [hundred] pesos nor more than TWENTY  
 27 [five] thousand pesos, or imprisonment for not  
 28 less than six YEARS AND ONE DAY [months] nor more  
 29 than TWELVE [one] years or both, at the discretion  
 30 of the court: Provided, That where the violation



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1 consists in failure or refusal to register  
 2 employees or himself, in case of the covered self-  
 3 employed, or to deduct contributions from  
 4 employees' compensation and remit the same to the  
 5 SSS, the penalty shall be a fine of not less than  
 6 five THOUSAND [hundred] pesos nor more than TWENTY  
 7 [five] thousand pesos and imprisonment for not  
 8 less than six YEARS AND ONE DAY [months nor more  
 9 than TWELVE [one] years: **PROVIDED, FURTHER, THAT**  
 10 **WHERE THE VIOLATION CONSISTS IN THE FAILURE TO**  
 11 **REMIT THE CONTRIBUTIONS ALREADY DEDUCTED FROM THE**  
 12 **EMPLOYEES, THE PENALTY SHALL BE A FINE OF FIFTY**  
 13 **THOUSAND PESOS BUT IN NO CASE LESS THAN DOUBLE THE**  
 14 **AMOUNT UNREMITTED AND IMPRISONMENT FOR NOT LESS**  
 15 **THAN TWELVE (12) YEARS."**

16 **SEC. 27. Repealing Clause** - A laws, proclamations,  
 17 executive orders, rules and regulations or parts thereof  
 18 inconsistent with this Act are hereby repealed, modified or  
 19 amended accordingly.

20 **SEC. 28. Separability Clause** - If any provision of this  
 21 Act is held invalid, the other provisions not affected  
 22 thereby shall remain valid.

23 **SEC. 23. Effectivity** - This Act shall take effect  
 24 fifteen (15) days after its publication in the Official  
 25 Gazette or in at least two (2) national newspapers of  
 26 general circulation whichever comes earlier.

27 Approved,