

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

'95 JUL 27 10:37

**SENATE**

S. No. 949

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Introduced by Senator Raul S. Roco

**Explanatory Note**

This Bill seeks to amend Subsection (a) of Section 12-B of the Social Security Act of 1954, Republic Act No. 1161, as amended, so as to entitle SSS retirees to a five-year lump sum pension benefit.

Once this bill is passed into law, SSS retirees may invest in small businesses that will sustain them decently for the rest of their lives, something that they cannot do under the present law owing to the meager amounts provided under the straight monthly pension scheme.

The bill will likewise enable SSS retirees to enjoy similar benefits now granted to their counterparts in the GSIS as the latter have the option to convert the basic monthly pensions for the first five years into a lump sum. The scheme provided in the Revised GSIS Charter has proved beneficial, advantageous and fruitful to GSIS retirees.

The bill is based on the recommendation of the Sangguniang Panlungsod of Ormoc. It is a companion measure to H. No. 5014 filed by Rep. Danilo Suarez of the 3rd District of Quezon.

In view of the worthy objective of this bill, passage of the same is earnestly urged.



**RAUL S. ROCO**  
Senator

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AN ACT  
GRANTING FIVE-YEAR LUMP SUM RETIREMENT BENEFITS TO  
S.S.S. RETIREES, AMENDING FURTHER FOR THAT PURPOSE  
SUBSECTION (a) OF SECTION 12-B OF THE SOCIAL SECURITY  
LAW, REPUBLIC ACT NO. 1161, AS AMENDED

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

SECTION 1. Subsection (a) of Section 12-B of the Social  
Security Law, Republic Act No. 1161, as amended, is hereby  
further amended to read as follows:

"**SEC. 12-B. Retirement Benefits.** (a) A covered  
employee who has paid at least one-hundred twenty  
monthly contribution; and who (1) has reached the age  
of sixty-five 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,*  
THE MEMBER SHALL HAVE THE OPTION TO CONVERT THE AMOUNT  
EQUIVALENT TO THE FIRST FIVE YEARS OF SAID RETIREMENT  
BENEFIT INTO A LUMP SUM: *Provided, FURTHER,* That his  
dependents born before his retirement of a marriage  
that was subsisting when he was fifty-seven years old  
shall be entitled to the dependent's pension."

SEC. 2. This Act shall take effect fifteen (15) days after  
its publication in a newspaper of general circulation.

Approved,