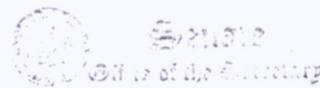


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

SENATE

P. S. RES. No. 621



'18 FEB 12 AM 11:50

Introduced by Senator Ralph G. Recto

RECORDED BY

**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PROPOSED INCREASE IN THE CONTRIBUTION RATE OF SOCIAL SECURITY SYSTEM (SSS) MEMBERS, RECOMMENDING THAT SUCH INCREASE BE HELD IN ABEYANCE UNTIL A COMPREHENSIVE REVIEW OF REPUBLIC ACT NO. 1161, AS AMENDED IS CONDUCTED, WITH THE END IN VIEW OF ENSURING THAT THE SSS CHARTER REMAINS RESPONSIVE TO THE NEEDS OF ITS MEMBERS AND PENSIONERS**

**WHEREAS**, the Social Security System (SSS) was created under Republic Act (R.A.) No. 1161, otherwise known as the “Social Security Law”, as amended by R.A. No. 8282 to manage a social security and pension fund for those who are employed in the private sector as well as for self-employed individuals;

**WHEREAS**, Section 2 of R.A. No. 8282 provides that, “it is the policy of the State to establish, develop, promote and perfect a sound and viable tax-exempt social security system suitable to the needs of the people throughout the Philippines which shall promote social justice and provide meaningful protection to members and their beneficiaries against the hazards of disability, sickness, maternity, old age, death and other contingencies resulting in loss of income or financial burden”;

**WHEREAS**, it is the vision of SSS to provide universal and equitable social protection through world-class service to its 34,576,598 registered members and 1,195,673 pensioners<sup>1</sup>;

**WHEREAS**, effective January 2017, a One Thousand Pesos (P1,000.00) across-the-board increase in SSS pensions was granted to alleviate the plight of pensioners who are receiving meager amount to support their daily subsistence;

**WHEREAS**, during the same period, there was a proposed 1.5% increase in SSS contribution rate from the current 11% to 12.5%, supposed to be effective in May 2017, in order to maintain its fund life until 2040;

<sup>1</sup> ABS-CBN Investigative and Research Group (13 January 2017). *Social Security System quick facts*. Information accessed at <http://news.abs-cbn.com/focus/01/12/17/social-security-system-quick-facts> on February 1, 2018.

**WHEREAS**, SSS was unable to implement its planned contribution rate adjustment as it awaited the passage of the Tax Reform for Acceleration and Inclusion (TRAIN) law<sup>2</sup>;

**WHEREAS**, the SSS has recently announced its plan to increase members' contribution rate from 11% to 14%, a raise of three-percentage points to cover the years 2017 and 2018;

**WHEREAS**, if such is to proceed in April 2018, SSS projects to collect about P45 Billion in additional revenues at the end of this year;<sup>3</sup>

**WHEREAS**, SSS states that adjustments in the contribution rate would enable the pension fund's actuarial life to be extended to 2044 from the current 2032<sup>4</sup>;

**WHEREAS**, various labor advocates are voicing out their disapproval of SSS's looming plan to increase the premium contribution of its members by April 2018, citing insufficient consultation from its stakeholders as well as its timing when workers are still struggling to cope with the price increase caused by the recently implemented TRAIN law;

**WHEREAS**, there is an immediate need to look into this compelling issue of raising SSS members' contribution rate and its potential impact to its millions of members;

**WHEREAS**, it is the role of Congress to ensure that the proposed increase in the contribution rate shall not further aggravate the collection inefficiency of SSS because many members and employers may no longer be able to pay the higher premium;

**WHEREAS**, it is also the appropriate time to revisit the SSS charter which was amended 20 years ago to introduce reforms that will enable the SSS to grant the additional pension without increasing its premium and contribution rates;

**NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved by the Philippine Senate, to direct its Committee on Government Corporations and Public Enterprises, to conduct an inquiry, in aid of legislation, on the proposed increase in the contribution rate of SSS members, recommending that it be held in abeyance until a comprehensive review of R.A. No. 1161, as amended is conducted, with the end in view of ensuring that the SSS charter remains responsive to the needs of its members and pensioners.

**ADOPTED,**

  
RALPH G. RECTO

/mabm  
/mksbc

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<sup>2</sup> *ibid.*

<sup>3</sup> *ibid.*

<sup>4</sup> de Vera, Ben O. *SSS contribution hike seen in April*. Information accessed at <https://business.inquirer.net/245045/sss-contribution-hike-seen-april> on February 1, 2018.