



HOUSE OF REPRESENTATIVES

H. No. 6112

BY REPRESENTATIVES GUTIERREZ, CASTELO, RELAMPAGOS, SACDALAN,
GUANLAO, ILAGAN, HICAP, DE VENECIA, RODRIGUEZ (R.), BELLO
(W.), DIMAPORO (A.), KATOH, CHIPECO, ECHIVERRI AND GERON, PER
COMMITTEE REPORT NO. 868

AN ACT RATIONALIZING THE POWERS, DUTIES, AND
ACCOUNTABILITIES OF THE SOCIAL SECURITY
COMMISSION, FURTHER AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 1161, AS AMENDED BY REPUBLIC ACT
NO. 8282, OTHERWISE KNOWN AS THE "SOCIAL SECURITY
ACT OF 1997"

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

1 SECTION 1. Section 4 of Republic Act No. 1161, as amended, is
2 hereby further amended to read as follows:

3 "SEC. 4. *Powers and Duties of the Commission and SSS.*

4 - (a) *The Commission.* - For the attainment of its main
5 objectives as set forth in Section 2 hereof, the Commission shall
6 have the following powers and duties:

7 "x x x

8 "(2) To establish a provident fund for the members
9 which will consist of voluntary contributions of employers
10 and/or employees, self-employed and voluntary members and

1 their earnings, for the payment of benefits to such members or
2 their beneficiaries, subject to such rules and regulations as it may
3 promulgate [and approved by the President of the Philippines];

4 “x x x

5 “(6) To compromise or release, in whole or in part, any
6 interest, penalty or any civil liability to SSS in connection with
7 the investments authorized under Section 26 hereof, under such
8 terms and conditions as it may prescribe [and approved by the
9 President of the Philippines; and];

10 “(7) ANY LAW TO THE CONTRARY NOTWITHSTANDING,
11 TO CONDONE, ENTER INTO A COMPROMISE, OR RELEASE, IN
12 WHOLE OR IN PART, PENALTIES IMPOSED UPON DELINQUENT
13 SOCIAL SECURITY CONTRIBUTIONS REGARDLESS OF THE
14 AMOUNT INVOLVED UNDER SUCH VALID TERMS AND
15 CONDITIONS IT MAY PRESCRIBE WHEN THE FINANCIAL
16 POSITION OF THE EMPLOYER DEMONSTRATES A CLEAR
17 INABILITY TO PAY THE ASSESSED DELINQUENCY.

18 “THE COMMISSION SHALL SUBMIT TO BOTH THE SENATE
19 AND HOUSE OF REPRESENTATIVES OF THE PHILIPPINES AN
20 ANNUAL REPORT ON THE EXERCISE OF THE POWERS UNDER
21 THIS PROVISION, STATING THEREIN THE FOLLOWING FACTS
22 AND INFORMATION, AMONG OTHERS: NAMES AND ADDRESSES
23 OF EMPLOYERS WHOSE PENALTY DELINQUENCIES HAVE BEEN
24 THE SUBJECT OF COMPROMISE OR CONDONATION; AMOUNT
25 INVOLVED; AMOUNT COMPROMISED OR CONDONED; AND THE
26 JUSTIFICATIONS THEREON, TO DETERMINE THAT SAID POWERS
27 ARE REASONABLY EXERCISED AND THAT THE SSS IS NOT
28 UNDULY DEPRIVED OF REVENUES;

1 “(8) TO DETERMINE AND FIX FROM TIME TO TIME,
2 THROUGH RULES AND REGULATIONS, THE MINIMUM AND
3 MAXIMUM MONTHLY SALARY CREDITS OF MEMBER-
4 EMPLOYEES, THE SCHEDULE AND THE RATE OF
5 CONTRIBUTIONS OF EMPLOYERS AND MEMBER-EMPLOYEES,
6 THE RATE OF PENALTY ON DUE BUT UNREMITTED
7 CONTRIBUTIONS OF EMPLOYERS AND MEMBER-EMPLOYEES
8 AND UNPAID LOAN AMORTIZATIONS OF MEMBER-EMPLOYEES,
9 TAKING INTO CONSIDERATION ACTUARIAL CALCULATIONS,
10 RATE OF BENEFITS, INFLATION, AND OTHER RELEVANT
11 SOCIOECONOMIC DATA; AND

12 “[(7)](9) To approve, confirm, pass upon or review any
13 and all actions of the SSS in the proper and necessary exercise of
14 its powers and duties hereinafter enumerated.

15 “(b) *The Social Security System.* – Subject to the
16 provision of Section [four (4)] 4, [paragraph seven (7)]
17 SUBSECTION (A.9) hereof, the SSS shall have the following
18 powers and duties:

19 “x x x

20 “(2) To require the actuary to submit a valuation report
21 on the SSS benefit program every four (4) years, or more
22 frequently as may be necessary, to undertake the necessary
23 actuarial studies and calculations concerning increases in
24 benefits taking into account inflation and the financial stability
25 of the SSS, and to provide for feasible increases in benefits
26 every four (4) years, including the addition of new ones, under
27 such rules and regulations as the Commission may adopt[,
28 subject to the approval of the President of the Philippines]:

1 *Provided*, That the actuarial soundness of the reserve fund shall
2 be guaranteed[: *Provided, further*, That such increases in
3 benefits shall not require any increase in the rate of
4 contribution];

5 “x x x.”

6 SEC. 2. Section 18, paragraph (a) of Republic Act No. 1161, as
7 amended, is hereby deleted and a new paragraph shall be introduced to read as
8 follows:

9 **“SEC. 18. EMPLOYEE’S CONTRIBUTION. – BEGINNING**
10 **ON THE LAST DAY OF THE CALENDAR MONTH WHEN AN**
11 **EMPLOYEE’S COMPULSORY COVERAGE TAKES EFFECT AND**
12 **EVERY MONTH THEREAFTER DURING HIS EMPLOYMENT, THE**
13 **EMPLOYER SHALL DEDUCT AND WITHHOLD FROM SUCH**
14 **EMPLOYEE’S MONTHLY SALARY, WAGE, COMPENSATION OR**
15 **EARNINGS, THE EMPLOYEE’S CONTRIBUTION IN AN AMOUNT**
16 **CORRESPONDING TO HIS SALARY, WAGE, COMPENSATION OR**
17 **EARNINGS DURING THE MONTH IN ACCORDANCE WITH THE**
18 **MONTHLY SALARY CREDITS, SCHEDULE, AND THE RATE OF**
19 **CONTRIBUTIONS AS MAY BE DETERMINED AND FIXED BY THE**
20 **COMMISSION.**

21 **“THE MONTHLY SALARY CREDITS, SCHEDULE,**
22 **AND RATE OF CONTRIBUTION SHALL ALSO APPLY TO**
23 **SELF-EMPLOYED AND VOLUNTARY MEMBERS.”**

24 SEC. 3. Section 22, paragraph (a) of Republic Act No. 1161, as
25 amended, is hereby further amended to read as follows:

26 **“SEC. 22. Remittance of Contributions. – (a) The**
27 **contribution imposed in the preceding section shall be remitted**
28 **to the SSS within the first ten (10) days of each calendar month**

1 following the month for which they are applicable or within
2 such time as the Commission may prescribe. Every employer
3 required to deduct and to remit such contributions shall be liable
4 for their payment and if any contribution is not paid to the SSS
5 as herein prescribed, [he] **THE DELINQUENT EMPLOYER** shall
6 pay besides the contribution a penalty thereon [of three percent
7 (3%) per month] from the date the contribution falls due
8 until paid. **THE RATE OF THE PENALTY ON DELINQUENT**
9 **CONTRIBUTIONS PER MONTH SHALL BE DETERMINED AND**
10 **FIXED BY THE COMMISSION THROUGH RULES AND**
11 **REGULATIONS, TAKING INTO CONSIDERATION THE CURRENT**
12 **INFLATION RATE AND OTHER RELEVANT SOCIOECONOMIC**
13 **DATA.** If deemed expedient and advisable by the Commission,
14 the collection and remittance of contributions shall be made
15 quarterly or semi-annually in advance, the contributions payable
16 by the employees to be advanced by their respective employers:
17 *Provided,* That upon separation of an employee, any
18 contribution so paid in advance but not due shall be credited or
19 refunded to his employer.”

20 SEC. 4. The Commission shall promulgate the necessary rules and
21 regulations to implement this Act not later than ninety (90) days after its
22 effectivity.

23 SEC. 5. If, for any reason, any part, section or provision of this Act is
24 held invalid or unconstitutional, the remaining provisions not affected thereby
25 shall continue to be in full force and effect.

26 SEC. 6. All laws, decrees, orders, rules, regulations and other issuances
27 or parts thereof which are inconsistent with the provisions of this Act are

1 hereby repealed or modified accordingly. Republic Act No. 1161, as amended,
2 is further amended accordingly.

3 SEC. 7. This Act shall take effect fifteen (15) days after its publication
4 in the *Official Gazette* or in a newspaper of general circulation

Approved,

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