



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Eighteenth Congress
Second Regular Session

HOUSE BILL NO. 8317

Introduced by Representative Lord Allan Jay Q. Velasco

EXPLANATORY NOTE

This bill seeks to grant the President of the Philippines the power to suspend the scheduled increases in the Social Security System (SSS) contribution rates in times of national emergencies, amending for the purpose Republic Act No. 11199, otherwise known as the "*Social Security Act of 2018*."

The Social Security Act of 2018 was introduced to enhance the social security framework and privileges of Filipinos. The guiding principle behind the law is to "*develop, promote and perfect a sound and viable tax-exempt social security system suitable to the needs of the people throughout the Philippines*." It is a crucial backbone for the entire workforce since it continues to lay out an avenue for employees and workers alike to save and invest in the long term.

Notwithstanding the good intention of the scheduled increases in contribution rates under this law, the country has been facing a national public health emergency for almost a year now. We are witnesses to the negative impact of this COVID-19 outbreak. Under this pretext, the sovereign government must be given the prerogative to bend the rules of the social security law in favor of the greater good. Increasing the rate of contributions of SSS members will strikingly undermine the recovery effort of everyone suffering from job losses, wage reduction, business closures, and health-related issues.

Even today, while some restrictions may have been lifted, most livelihood, businesses, and other sources of income remain shuttered and closed, while many Filipinos remain unemployed. As of October 2020, the unemployment rate in the country still stands at 8.7% amounting to 3.8 million Filipinos in the labor force.

In line with the call of President Rodrigo Roa Duterte to defer the increase in PhilHealth premium contributions, the temporary suspension of the hike in SSS contributions will help the workforce achieve a faster recovery from the impact of the pandemic.

These are extraordinary times and Congress must respond accordingly. In view of the foregoing, approval of this bill is earnestly sought.



LORD ALLAN JAY Q. VELASCO
Representative



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AN ACT

GRANTING THE PRESIDENT OF THE PHILIPPINES THE POWER TO SUSPEND THE SCHEDULED INCREASES IN SOCIAL SECURITY SYSTEM (SSS) CONTRIBUTION RATES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11199, OTHERWISE KNOWN AS THE "SOCIAL SECURITY ACT OF 2018"

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

SECTION 1. Section 4 (a) (9) of Republic Act No. 11199 is hereby amended to read as follows:

"Section 4. Powers and Duties of the Commission and SSS. -

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

x x x

(9) To implement the rate of contributions as well as the minimum and maximum monthly salary credits in accordance with the following schedule effective January of the year of implementation as follows:

x x x

THE PRESIDENT OF THE PHILIPPINES MAY, IN CONSULTATION WITH THE SECRETARY OF FINANCE AS *EX-OFFICIO* CHAIRPERSON OF THE SOCIAL SECURITY COMMISSION, SUSPEND THE IMPLEMENTATION OF THE SCHEDULED INCREASES IN CONTRIBUTION RATES IN TIMES OF NATIONAL EMERGENCIES WHEN PUBLIC INTEREST SO REQUIRES.”

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

Approved,