

**PAPER FOR THE ILO/ASEAN SEMINAR –  
THE FUTURE OF SOCIAL PROTECTION IN ASEAN**  
July 4 & 5, 2019, Bangkok, Thailand

**Session 8: Recommendations and policy options to extend social protection  
to older persons**

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As the basic premise, “pensions are essential to ensuring rights, dignity and income security for older persons. The right to income security in old age includes the right to an adequate pension.”<sup>1</sup>

In the Philippines, the cost of social security is paid for by proportional contributions of earnings from employers and employees within a public social insurance system that is centrally managed and anchored on two programs: social security and industrial injury-related services.<sup>2</sup> The Social Security System (SSS), established in 1957 pursuant to Republic Act. No. 1161, administers the program for private sector workers, and the Government Service Insurance System (GSIS), established in 1936 pursuant to Commonwealth Act No. 186, for government workers. Both Systems handle the employees’ compensation (EC) program, established in 1974 pursuant to Presidential Decree No. 442, for work-connected sickness, disability or death.<sup>3</sup>

This paper covers three major items, i.e., (1) the current trends, challenges and available policy and/or scheme for old age protection, (2) the current and future extension strategies in terms of policy and implementation, and (3) roles that government, workers and social security institutions can play to provide old

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<sup>1</sup> International Labour Office, Social Protection Department. - Geneva: ILO, 2014 (Social protection policy paper; No. 11, ISSN: 1020-9581; 1020-959X (web pdf) )

<sup>2</sup> See Dr. Eduardo Gonzalez, “Social Protection in the Philippines”  
[http://www.socialwatch.org/sites/default/files/pdf/en/11\\_missingtargets.pdf](http://www.socialwatch.org/sites/default/files/pdf/en/11_missingtargets.pdf)

<sup>3</sup> The employees’ compensation program replaced the workmen’s compensation program under Act No. 3428, “An Act Prescribing The Compensation To Be Received By Employees For Personal Injuries, Death Or Illness Contracted In The Performance Of Their Duties” (1927)

persons with adequate pensions, with particular attention to the program being administered by the SSS.

## THE PHILIPPINE SOCIAL SECURITY SYSTEM

The Social Security Act of 2018 <sup>4</sup> declares:

“SEC. 2. Declaration Of Policy. - 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 through savings, and ensure meaningful social security 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. Towards this end, the State shall endeavor to extend social security protection to workers and their beneficiaries, including overseas Filipino workers (OFWs).

“In the pursuit of this policy, a social security program shall be developed emphasizing the value of “work, save, invest and prosper.” The maximum profitability of investible funds and resources of the program shall be ensured through a culture of excellence grounded upon sound and efficient policies employing internationally recognized best practices.

The above provision serves as the basis of the SSS corporate vision and mission statements.

The SSS is a corporate body which is directed and controlled by the Social Security Commission (SSC). The Commission is composed of the Secretary of Finance as the ex officio Chairperson, the SSS President and CEO as the Vice-Chairperson who shall automatically act as the Chairperson of the Commission in the absence of the Finance Secretary, the Secretary of Labor and Employment, as an ex officio Member, and six (6) appointive members, three (3) of whom shall represent the workers’ group, at least one (1) of whom shall be a woman; three (3) representatives from the employers’ group, at least one (1) of whom shall be a woman; all of whom shall be appointed by the President of the Philippines. <sup>5</sup>

Shown below are quick facts about SSS operations for the year 2018: <sup>6</sup>

Total Assets	PhP 508.5-B (USD 9.9-B)
Contributions	PhP 181.9-B (USD 3.6-B)

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<sup>4</sup> Republic Act No. 11199, entitled “An Act Rationalizing The Powers And Duties Of The Social Security Commission To Ensure The Long-Term Viability Of The Social Security System, Repealing For The Purpose R.A. No. 1161 (An Act To Create A Social Security System Providing Sickness, Unemployment Retirement, Disability And Death Benefits For Employees), As Amended By R.A. No. 8282, Otherwise Known As The “Social Security Act Of 1997.”

<sup>5</sup> See Social Security Law, par. (a) of Section 2. Social Security System.

<sup>6</sup> SSS Facts and Figures as of December 2018; published April 25, 2019

Investment and Other Income	PhP 30.7-B (USD 0.6-B)
Benefit Payments	PhP 180.1-B (USD 3.5-B)
Operating Expenses	PhP 9.0-B (USD 0.2-B)
Net Revenue	PhP 22.7-B (USD 0.4-B)
Number of Pensioners	2,448,123
Average Monthly Pension	PhP 4,372 (USD 85.4)
Membership	
Employees	26.1-M
Self-employed	4.4-M
Voluntary	5.6-M
Workforce	6,886
Local Branches and Offices	305
Foreign Offices	27

There are three main categories of SSS members: employees, self-employed and voluntary members.

As defined under the Social Security law,

An “employee” is any person who performs services for an employer in which either or both mental or physical efforts are used and who receives compensation for such services, where there is an employer-employee relationship.<sup>7</sup>

An “employer” is any person, natural or juridical, domestic or foreign, who carries on in the Philippines any trade, business, industry, undertaking, or activity of any kind and uses the services of another person who is under his orders as regards the employment, except the Government and any of its political subdivisions, branches or instrumentalities, including corporations owned or controlled by the Government.

A “self-employed” is any person whose income is not derived from employment, as defined under this Act,<sup>8</sup> as well as those workers enumerated in Section Nine-A<sup>9</sup> hereof.

<sup>7</sup> Social Security Law, par. (d) of Section 8. Definition of terms

<sup>8</sup> Section 8(j) of the Social Security Law provides:

“(j) Employment - Any service performed by an employee for his employer except: (1) Services where there is no employer-employee relations in accordance with existing labor laws, rules, regulations, and jurisprudence; (2) Service performed on or in connection with an alien vessel by an employee if he is employed when such vessel is outside the Philippines; (3) Service performed in the employ of the Philippine Government or instrumentality or agency thereof; (4) Service performed in the employ of a foreign government or international organization, or their wholly-owned instrumentality: x x x; and (5) Such other services performed by temporary and other employees which may be excluded by regulation of the Commission. Employees of bona fide independent contractors shall not be deemed employees of the employer engaging the service of said contractors.

On the other hand, spouses who devote full time to managing the household and family affairs, unless they are also engaged in other vocation or employment which is subject to mandatory coverage, may be covered by the SSS on a voluntary basis.<sup>10</sup> Moreover, Filipino permanent migrants, including Filipino immigrants, permanent residents and naturalized citizens of their host countries may be covered by the SSS on a voluntary basis.<sup>11</sup>

Compulsory coverage of the employer shall take effect on the first day of his operation and that of the employee on the day of his employment: Provided, That the compulsory coverage of the self-employed person shall take effect upon his registration with the SSS.<sup>12</sup>

The monthly contribution of a member is 12% of his monthly salary credit (MSC), with a minimum MSC of PhP 2,000 (USD 39.1) and maximum of P20,000 (USD 390.6), of which 8% to be paid by the employer and 4% by the employee. A self-employed person shoulders the full contribution.

When an employee under compulsory coverage is separated from employment, his employer's contribution on his account and his obligation to pay contributions arising from that employment shall cease at the end of the month of separation, but said employee shall be credited with all contributions paid on this behalf and entitled to his benefits according to the provisions of [the law]. He may, however, continue to pay the total contributions to maintain his right to full benefit.<sup>13</sup>

A similar rule applies to self-employed members. If the self-employed realizes no income in any given month, he shall not be required to pay contributions for that month, He may, however, be allowed to continue paying contributions under the same rules and regulations applicable to separated employee member: Provided, That no retroactive payment of contributions shall be allowed other than as prescribed under Section Twenty-two-A [of the law].<sup>14</sup> Under the foregoing proviso, self-employed members shall remit their monthly contributions quarterly on such dates and schedules as the commission may specify through rules and

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<sup>9</sup> Section 9-A of the Social Security Law provides:

"Sec. 9-A. Compulsory Coverage of the Self-Employed. - Coverage in the SSS shall also be compulsory upon such self-employed persons as may be determined by the Commission under such rules and regulations as it may prescribe, including but not limited to the following: (1) All self-employed professionals; (2) Partners and single proprietors of businesses; (3) Actors and actresses, directors, scriptwriters and news correspondents who do not fall within the definition of the term "employee" in Section 8 (d) of this Act; (4) Professional athletes, coaches, trainers and jockeys; and (5) Individual farmers and fishermen.

<sup>10</sup> Social Security Law, par. (b) of Section 9. Coverage

<sup>11</sup> Social Security Law, par. (g) of Section 9-B. Compulsory Coverage Of Overseas Filipino Workers

<sup>12</sup> Social Security Law, Section 10. Effective Date of Coverage.

<sup>13</sup> Social Security Law, Section 11. Effect of Separation from Employment.

<sup>14</sup> Social Security Law, Section 11-A. Effect of Interruption of Business or Professional Income.

regulations: Provided, That no retroactive payment of contributions shall be allowed, except as provided in this Section. <sup>15</sup>

## **1 CURRENT TRENDS, CHALLENGES AND AVAILABLE POLICY AND/OR SCHEME FOR OLD AGE PROTECTION**

### **Ageing population**

In the Philippines, people who are regarded as senior citizen are those aged 60 years old and over. <sup>16</sup> Based on the Projected Regional and Provincial Population by Five-Year Age Group, Sex, and by Five-Calendar Year, Philippines: 2010-2045 (Medium Assumption), <sup>17</sup> the country has an increasing number of senior citizens in proportion to the national household population — 6.7%, 7.5%, 8.6%, 9.9%, 11.4%, 12.8%, 14.3% and 15.9% in years 2010, 2015, 2020, 2025, 2030, 2035, 2040 and 2045, respectively.

### **General definition of retirement age and its exceptions**

Under Section 12-B of the Social Security Law,

“SEC. 12-B. Retirement Benefits. - (a) A member who has paid at least one hundred twenty (120) monthly contributions prior to the semester of retirement and who: (1) has reached the age of sixty (60) years and is already separated from employment or has ceased to be self-employed; or (2) has reached the age of sixty-five (65) years, shall be entitled for as long as he lives to the monthly pension: Provided, That he shall have the option to receive his first eighteen (18) monthly pensions in lump sum discounted at a preferential rate of interest to be determined by the SSS.

“(b) A covered member who is sixty (60) years old at retirement and who does not qualify for pension benefits under paragraph (a) above, shall be entitled to a lump sum benefit equal to the total contributions paid by him and on his behalf: Provided, That he is separated from employment and is not continuing payment of contributions to the SSS on his own.

“(c) The monthly pension shall be suspended upon the reemployment or resumption of self-employment of a retired member who is less than sixty-five (65) years old. He shall again be subject to Section Eighteen <sup>18</sup> and his employer to Section Nineteen <sup>19</sup> of this Act.

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<sup>15</sup> Section 22-A. Remittance Of Contributions Of Self-Employed Member.

<sup>16</sup> <https://psa.gov.ph/content/age-and-sex-structure-philippine-population-facts-2010-census>

<sup>17</sup> <https://psa.gov.ph/content/highlights-2010-census-based-population-projections>

<sup>18</sup> Social Security Law, Section 18. Employee's Contributions

<sup>19</sup> Social Security Law, Section 19. Employer's Contributions

There are exceptions: 50 years old for underground miners pursuant to Republic Act No. 8558,<sup>20</sup> 55 years old for professional jockeys pursuant to Republic Act 10789,<sup>21</sup> and 50 years old for surface mine workers pursuant to Republic Act No. 10757.<sup>22</sup>

### **Coverage gap in self-employed sector**

The Social Security Law covers both employees and self-employed persons. Their coverage is mandatory, viz:

“SEC. 9. Coverage. - (a) Coverage in the SSS shall be compulsory upon all employees including kasambahays or domestic workers not over sixty (60) years of age and their employers: x x x

“SEC. 9-A. Compulsory Coverage of the Self-Employed. - Coverage in the SSS shall also be compulsory upon such self-employed persons as may be determined by the Commission under such rules and regulations as it may prescribe, x x x

A self-employed person shall be both employee and employer at the same time.<sup>23</sup> As of March 2018, there are about 36.3 million workers registered under the SSS. About 12.4% of the registered members of the SSS or 4.5 million are self-employed workers. On the other hand, the 2018 Labor Force Survey [of the Philippine Statistics Authority] indicates that 11.07 million or 26.9% of the total working population of the country are self-employed without any paid employee.<sup>24</sup>

### **Inclusion of self-employed in employees' compensation program**

In April 2019, under Board Resolution No. 19-03-05 of the Employees' Compensation Commission, the benefits and services of the EC Program have been extended to self-employed members of the SSS. They will receive loss of income benefits, medical benefits, carer's allowance, and rehabilitation services, in the event of work-related sickness or injuries. Rehabilitation services under the EC Program involve the provision of remedial treatment, entrepreneurial or vocational assessment and training. These services are designed to meet the individual needs

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<sup>20</sup> An Act Amending Article 287 Of Presidential Decree No. 442, As Amended, Otherwise Known As The Labor Code Of The Philippines By Reducing The Retirement Age Of Underground Mine Workers From Sixty (60) To Fifty (50). (1998)

<sup>21</sup> An Act Amending Presidential Decree No. 442, As Amended, Otherwise Known As The Labor Code Of The Philippines By Adding A New Article 302-A Reducing The Retirement Age Of Racehorse Jockeys From Sixty (60) To Fifty-Five (55) (2018)

<sup>22</sup> An Act Reducing the Retirement Age of Surface Mine Workers from Sixty (60) to Fifty (50) Years, Amending for the Purpose Article 302 of Presidential Decree No. 442, as Amended, Otherwise Known as the "Labor Code of the Philippines" (2016)

<sup>23</sup> See proviso in Section 8(c) and (d) of Social Security Law

<sup>24</sup> See <http://ecc.gov.ph/self-employed-sss-members-now-covered-under-the-ec-program/>

of each person with a work-related disability to restore him to suitable employment and develop his mental, vocational, or social potential.<sup>25</sup>

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### **CURRENT AND FUTURE EXTENSION STRATEGIES IN TERMS OF POLICY AND IMPLEMENTATION**

#### **Policies**

The current and future extension strategies in terms of policy are basically formulated based the recently enactment of the Congress of the Social Security Act of 2018, and, upon approval by the President of the Philippines, was effective on March 5, 2019. The provisions of the said law relevant to this Seminar are the following:

- (1) establishment of mandatory provident fund,
- (2) granting the SSC the power to condone penalties on contribution delinquency,
- (3) mandating a seven-year schedule of rates of contributions and monthly salary credits,
- (4) compulsory coverage of overseas workers,
- (5) change in liable persons for offenses under the law,
- (6) reduction in rate of penalty on delayed remittance of contribution, and
- (7) unemployment insurance as additional benefit

On the executive level, the granting of pension loan was implemented to make pension more attractive and as additional investment opportunity on the part of SSS. It is not uncommon that SSS pensioners take loan at higher interest from local financial institutions.

#### *Mandatory provident fund*

The Social Security Act of 2018 granted the SSC the power and duty to establish a Provident Fund for the members which will consist of contributions of employers and employees, self-employed, OFW and voluntary members based on (i) the SSS contribution rate in excess of twelve percent (12%), or (ii), monthly salary credit in excess of P20,000 up to the prescribed maximum monthly salary credit and their earnings, for the payment of benefits to such members or their beneficiaries in addition to the benefits provided for under this Act: Provided, That a member may contribute voluntary in excess of the prescribed SSS contribution rate and/or the maximum monthly salary credit, subject to such rules and regulations as the Commission may promulgate.<sup>26</sup>

#### *Power to condone penalties on contribution delinquency*

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<sup>25</sup> See <http://ecc.gov.ph/self-employed-sss-members-now-covered-under-the-ec-program/>

<sup>26</sup> Social Security Law, par. (a)(2) of Section 4. Powers and Duties of the Commission and SSS.

The Social Security Act of 2018 granted the SSC the power and duty to condone, enter into a compromise or release, in whole or in part, such penalties imposed upon delinquent social security contributions regardless of the amount involved under such valid terms and conditions it may prescribe through rules and regulations when the financial position of the employer demonstrates a clear inability to pay the assessed delinquency arising from economic crisis, serious business losses or financial reverses, or resulting from natural calamity or man-made disaster without fault on the part of the employer.<sup>27</sup>

Nevertheless, the transitory provision of the Social Security Act of 2018 declares a general condonation program, viz:

“SEC. 31. Transitory Clause. – Any employer who is delinquent or has not remitted all contributions due and payable to the SSS may, within six (6) months from the effectivity of this Act, remit said contributions or submit a proposal to pay the same in installment within a period as approved by the Commission from the effectivity of this Act without incurring the prescribed penalty, subject to the implementing rules and regulations which the Commission may prescribe: Provided, That the employer submits the corresponding collection lists together with the remittance or proposal to pay in installments: Provided, further, That in case the employer fails to remit contributions within the six-month grace period or defaults in the payment of any amortization provided in the approved proposal, the prescribed penalty shall be imposed from the time the contributions first became due as provided in Section 22 (a) hereof.

The availment period of the above general condonation program is up to September 1, 2019

*Seven-year schedule of rates of contributions and monthly salary credits*

The Social Security Act of 2018 mandates the implementation of the following effective January of the each year:<sup>28</sup>

Year	Contribution Rate	Employer’s Share	Employee’s Share	Minimum MSC	Maximum MSC
2019	12%	8%	4%	PhP 2,000	PhP 20,000
2020	12%	8%	4%	2,000	20,000
2021	13%	8.5%	4.5%	3,000	25,000
2022	13%	8.5%	4.5%	3,000	25,000
2023	14%	9.5%	4.5%	4,000	30,000
2024	14%	9.5%	4.5%	4,000	30,000
2005	15%	10%	5%	5,000	35,000

<sup>27</sup> Social Security Law, par. (a)(8) of Section 4. Powers and Duties of the Commission and SSS.

<sup>28</sup> Social Security Law, par. (a)(9) of Section 4. Powers and Duties of the Commission and SSS.

### *Compulsory coverage of overseas workers*

The Social Security Law of 2018 made compulsory the coverage of overseas Filipino workers (OFWs) <sup>29</sup> instead as voluntary member under the old law, thus:

“SEC. 9-B. Compulsory Coverage Of Overseas Filipino Workers - (a) Coverage in the SSS shall be compulsory upon all sea-based and land-based OFWs as defined under Republic Act No. 10022, otherwise known as the Migrant Workers and Overseas Filipinos Act of 2009: Provided, That they are not over sixty (60) years of age.

“All benefit provisions under this Act shall apply to all covered OFWs. The benefits include, among others, retirement, death, disability, funeral, sickness and maternity benefits.

“x x x

“(c) Land-based OFWs are compulsory members of the SSS and are considered in the same manner as self-employed persons under such rules and regulations that the Commission shall prescribe.

As in the case of employees and self-employed, upon termination of their employment overseas, OFWs may continue to pay SS contributions on a voluntary basis to maintain their rights to full benefits. <sup>30</sup>

### *Change in liable persons for offenses under the law*

Under the penal clause of the old law, if the act or omission penalized by this Act be committed by an association, partnership, corporation or any other institution, its managing head, directors or partners shall be liable for the penalties provided in this Act for the offense. <sup>31</sup> This provision was maintained in the Social Security Act of 2018, but in case of a manning agency, they are considered as the employers of sea-based OFWs. For purposes of the implementation of [the law], any law to the contrary notwithstanding, [manning agencies] are jointly and severally or solidarily liable with their principals with respect to the civil liabilities incurred for any violation of this Act. The persons having direct control, management or direction of the manning agencies shall be held criminally liable for any act or omission penalized under this Act notwithstanding Section 28, paragraph (f) [of the law]. <sup>32</sup>

### *Reduction of rate of penalty on unremitted or delayed remittance of contribution*

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<sup>29</sup> Social Security Law, Section 9-B. Compulsory Coverage Of Overseas Filipino Workers

<sup>30</sup> Social Security Law, par. (f) of Section 9-B. Compulsory Coverage Of Overseas Filipino Workers

<sup>31</sup> Social Security Law, par. (f) of Section 28. Penal Clause.

<sup>32</sup> Social Security Law, par. (b) of Section 9-B. Compulsory Coverage Of Overseas Filipino Workers

The Social Security Act reduced the penalty of 3% per month on unremitted or delayed remittance of contribution to 2% per month. As the law now stands:

“SEC. 22. Remittance Of Contributions. - (a) x x x Every employer required to deduct and to remit such contributions shall be liable for their payment and if any contribution is not paid to the SSS as herein prescribed, he shall pay besides the contribution a penalty thereon of two percent (2%) per month from the date the contribution falls due until paid. x x x

### *Unemployment Insurance*

The Social Security Law of 2018 provides unemployment insurance as additional benefit, viz:

“SEC. 14-B. Unemployment Insurance or Involuntary Separation Benefits. – A member who is not over sixty (60) years of age who has paid at least thirty-six (36) months contributions twelve (12) months of which should be in the eighteen-month period immediately preceding the involuntary unemployment or separation shall be paid benefits in the form of monthly cash payments equivalent to fifty percent (50%) of the average monthly salary credit for maximum of two (2) months: Provided, That an employee who is involuntarily unemployed can only claim unemployment benefits once every three (3) years; Provided, further, That in case of concurrence of two (2) or more compensable contingencies, only the highest benefit shall be paid, subject to the rules and regulations that the Commission may prescribe.

### *Pension loan*

Pension loan is being offered to retiree pensioners who meet qualifying conditions for the availment thereof. The amount that may be availed is based on the basic monthly pension together with P1,000 additional benefit. However, dependent's pension, if any, is not included. The pensioner has the option to choose the loanable amount from a given table in the loan guidelines but not to exceed the maximum loan limit of P32,000.<sup>33</sup>

## **Implementation**

Ensuring that a worker is registered and his/her contributions are made are the keys in his/her eligibility for a pension. For this reason, the SSS adopted two major approaches in its so-called inspectorate program, the term being used for its coverage and collection activities — the persuasive and coercive approaches, with preference to the former.

### *Persuasive approaches*

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<sup>33</sup> SSC Resoulution No. 960-s2018 dated November 27, 2018

To address the gap in actual coverage of self-employed persons, the SSS implemented three main programs: (1) AlkanSSSyas, (2) KaltaSSS, and (3) accreditation of cooperatives and associations as service and collection agents.

“AlkanSSSyas,” the SSS equivalent to a piggy bank, was launched in year 2012 with the informal sector workers as main target participants. Under this program, a member may on a daily basis put small amount of contribution in his exclusive metal box. At the end of the month, SSS tellers collect these contributions, which are usually in coins, and issue receipt to the contributors. There are 1,445 alkanSSSyas nationwide being used by 39,475 self-employed members.

“KaltaSSS,” on the other hand, is for the contract of service workers in government agencies, including local government and government-owned or –controlled corporations, who are not qualified to be GSIS members. Under this program, a memorandum of agreement is entered into by and between the SSS and the agency for the deduction of contribution from the payroll of the worker upon his consent and remittance of such contribution to the SSS on monthly basis. The same is being implemented in some professional associations. There 1,556 memoranda of agreement executed for this program with total registration of 201,577 workers.

The accreditation of cooperatives and association is provided in the law, viz: The SSC has the power “to authorize cooperatives registered with the cooperative development authority or associations registered with the appropriate government agency to act as collecting agents of the SSS with respect to their members: Provided, That the SSS shall accredit the cooperative or association: Provided, further, That the persons authorized to collect are bonded.”<sup>34</sup> There are 52 cooperatives and associations accredited under this program with total registration of 126,027 workers, majority of whom as in rural areas.

Also part of the persuasive approach is improving services—making their faster and efficient. At present, the SSS is undergoing a digital transformation whereby members need not go to the branches to transact. It likewise conducts “Service On Wheels” in market places, schools, government offices, local communities and business parks.

Further, the SSS works closely with workers’ and industry associations for public information purposes, including attendance in their conventions to discuss the values of being an SSS member. Those who work for private establishment account for 72% of the total SSS membership.

With respect to househelpers, the branches seek the assistance of homeowners’ association for the coverage of their members as household employers. Based on the labor force survey, there are about 1.9 million persons who are working for private household as of last quarter of 2018.

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<sup>34</sup> Social Security Law, par. (a)(6) of Section 4. Powers and Duties of the Commission and the SSS

For the professionals, there is an on-going discussion for a partnership between the SSS and the Professional Regulation Commission (PRC) whereby under the proposal the PRC shall, among others, include social security registration as one of the requirements in the filing of application in the initial registration of new passers/ successful examinees; and prior to renewal of PRC ID Card, require updated SS contribution payments from individual professional. The SSS, on the other shall, among others, provide PRC with an access to the SSS number issuance system to facilitate registration of individual professional at the PRC and with limited access to SSS inquiry system to verify if an individual professional has posted contributions within the required period.

With respect to business establishments, under the law, local government units shall, prior to issuing any annual business license or permit, require submission of certificate of SSS coverage and compliance with the provisions of the Social Security Law.<sup>35</sup>

#### *Coercive approaches*

Under the law, “should any person, natural or juridical, defaults in any payment of contributions, the Commission may also collect the same in either of the following ways:

- (1) By an action in court, which shall hear and dispose of the case in preference to any other civil action; or
- (2) By issuing a warrant to the Sheriff of any province or city commanding him to levy upon and sell any real and personal property of the debtor. The Sheriff’s sale by virtue of said warrant shall be governed by the same procedure prescribed for executions against property upon judgements by a court of record.<sup>36</sup>

The actions in courts are governed by the Rules of Court as promulgated by the Supreme Court. With respect to the warrants of levy, the SSC issued Circular No. 2018-012 (implementation of the guidelines on the warrants of distraint, levy and/or garnishment) in February 2018 and Circular No. 2018-007 (Guidelines on the warrants of distraint, levy and/or garnishment) in March 2018 to implement the provisions of the law. There are 119 companies to whom assessment notices and/or warrants were issued and served.

Another coercive approach is the RACE (Run After Contribution Evaders). Under this program, senior SSS officials together with representatives from the media pay visit to non-compliance employers in their place of business to remind them of their obligations under the law. Selected employers to be visited are usually those

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<sup>35</sup> Social Security Law, par. (g) of SECTION 24. Employment Records And Reports

<sup>36</sup> Social Security Law, par. (c) of Section 22. Remittance Of Contributions.

who are not yet registered. After the conversation with the owner or any employee within the premises, SSS posts a Show Cause Order requiring the establishment to comply with the law.

### **3 ROLES THAT GOVERNMENT, WORKERS AND SOCIAL SECURITY INSTITUTIONS CAN PLAY TO PROVIDE OLD PERSONS WITH ADEQUATE PENSIONS**

#### **Government**

##### *Congress*

Consolidation of administration of public pension funds

Requiring all citizens to open bank account

##### *National government*

Monitoring mechanism in the implementation of Republic Act No. 11032, the “Ease of Doing Business and Efficient Government Service Delivery Act of 2018” (2018) in relation to benefits provided by social security institutions

Implementation of Republic Act No. 11055, the “Philippine Identification System Act” (2018) in harmony with Republic Act No. 10173, the “Data Privacy Act” (2012)

Monitoring mechanism in the implementation of Republic Act No. 11310, the “Act Institutionalizing the Pantawid Pamilyang Pilipino Program” (2019)

Review benefits under Republic Act No. 10868, the “Centenarians Act” (2016), e.g., P80,000 for those reaching 80 years old, another P20,000 for reaching 100 years.

Establishment of a mandatory superannuation program

Improvement of information technology infrastructure

Improvement of civil registry system with respect to retrieval and issuance of documents or simple corrections thereto

##### *Local government units*

Establishment of community-like facilities to take care of old-aged persons without adequate family care

## **Workers**

### *Vigilance*

Regular monitoring of his/her status of membership, number and amount of contributions credited, and qualification to and estimated amount of pension

### *Faithful participation in programs of social security institutions*

Secure social security ID cards

Avoidance of adverse selection

Timely submission of civil records, e.g., birth certificate of member, marriage contract, birth certificate of his/her children

## **Social security institutions**

Implementation of the special social security program for workers with unique situations, pursuant to the following provision of the Social Security Law of 2018: “To develop and administer a special social security program for workers with unique economic, social and geographic situations, as determined by the Commission: Provided, that the program may have different contributions and benefits that are proportionately calculated which must be fair, equitable, actuarially sound and viable: Provided, further, That the special program shall enjoy the same legal privileges as the regular social security program.”<sup>37</sup>

Exercise of the power granted to the SSS “to acquire, receive, or hold, by way of purchase, expropriation or otherwise, public or private property for the purpose of undertaking housing projects preferably for the benefit of low-income members and for the maintenance of hospitals and institutions for the sick, aged and disabled, as well as schools for the members and their immediate families.”<sup>38</sup>

Provision of convenient services particularly in areas of registration and filing and receipt of benefits, preferably using information technology

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<sup>37</sup> Social Security Law, par. (a)(10) of Section 4. Powers and Duties of the Commission and SSS

<sup>38</sup> Social Security Law, par. (a)(9) of Section 4. Powers and Duties of the Commission and SSS