

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
First Regular Session

HOUSE BILL NO. 3415



Introduced by HON. RONALDO B. ZAMORA

EXPLANATORY NOTE

On June 23, 2016, former President Benigno “Noynoy” Aquino III signed into law Republic Act 10868, honoring and granting additional benefits and privileges to all Filipinos who reach the age of 100 years. Central to the implementation of RA 10868 is the grant of P100,000 in cash gift to all Filipino centenarians. The relevance of the cash grant can never be overemphasized. Filipinos who reach the age of 100 deserve all the respect and admiration that all of us can give them. Beyond this, they equally deserve, and most certainly require, government support for their upkeep.

But, like all of us, our centenarians remain highly susceptible to creeping inflation. The issue had become extremely relevant last year when inflation rose to record levels, eroding the value of our hard-earned incomes including the cash grant to Filipino centenarians. For instance, when RA 10868 was enacted in June 2016, the value of P100,000 was already significantly less. Due to inflation, the P100,000 Centenarian grant was actually worth only P92,336 in June 2016.

From September to October 2018, inflation crept to a near-decade high. By December 2018, the real value of P100,000 Centenarian grant slid to P84,104 due to inflation.

And by the time the 17th Congress closed in June 2019, the P100,000 Centenarian grant’s real worth further shrank to only P83,403.

Erosion in the Value of P100,000 Due to Inflation (2012=100)		
	CPI	Real Value of P100,000
June 2012	100.0	100,000.00
June 2016	108.3	92,336.10
December 2018	118.9	84,104.29
June 2019	119.9	83,402.84
Source of basic data: PSA		

From the above table, one clearly sees that the P100,000 Centenarian grant lost nearly P9,000 in its real value by the third year of enactment.

This bill is filed to protect not just the real value of the P100,000 Centenarian grant, but ultimately, the welfare of the grant’s intended beneficiaries – Filipino centenarians. Every moment and everyday counts for all Filipinos reaching this age threshold. Congress should not allow inflation, a perennial fact of our lives, to diminish the value, both in quantitative and qualitative terms, of this very critical financial assistance to all Filipinos lucky enough to reach the ripe age of 100. Thus, this Representation recommends to amend RA 10868, and allow an automatic 3% annual adjustment of the Centenarian grant. Three percent (3%) is the median rate of the national government’s annual inflation rate target of 2-4%. While actual inflation, as data in recent months show, could exceed this level, a 3% annual adjustment would provide our Centenarians a comfortable hedge against rapid price increases.

If approved this year, for instance, the grant would be adjusted to P103,000 this year, 2019, and raised by 3% annually thereafter. This should keep the true value of the P100,000 grant not too distant from its real worth in 2016.

This proposal is not likely to create a significant dent on the national government's fiscal position, or create undue pressures on our macroeconomic goal of fiscal balance. According to data from the Program Management Bureau (PMB) of the Department of Social Welfare and Development (DSWD), only about 1,015 Centenarian Filipinos will be covered by RA 10868 this year; and another 1,015 in 2020.

The total funding requirement for 2019, inclusive of the initial 3% adjustment, will only be P104,545,000 -- or just P3.045 million higher than the appropriations that will be required if the law is not amended (P101,500,000).

For 2020, the total budgetary requirement will marginally rise to P107,681,350 to cover another 1,015 Centenarians. Such amount will only be P3.14 million higher than the 2019 adjusted appropriations. Thus, given these computations, it would be safe to assume that the extra funding requirements to cover the regular annual 3% adjustment starting 2019 would not be too great as to cause DBM and DOF any headache.

This bill was already approved by the House Special Committee on Senior Citizens last Congress. It was awaiting the imprimatur of the House Committee on Appropriations when the 17th Congress adjourned *sine die*. For all intents and purposes, therefore, this bill is already technically approved by the relevant Committee of the House of Representatives.

I urge all of my esteemed Colleagues of the 18th Congress, particularly the Members of the House Special Committee on Senior Citizens, to consider this proposal in earnest, and approve the same with dispatch.



RONALDO B. ZAMORA

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AN ACT
PROVIDING FOR AN AUTOMATIC ANNUAL ADJUSTMENT OF THE
CENTENARIAN GIFT, AMENDING FOR THE PURPOSE
REPUBLIC ACT 10868, OTHERWISE KNOWN AS
"THE CENTENARIANS ACT OF 2016"

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

SECTION. 1. Section 2 of Republic Act 10868, is hereby amended, to read as follows:

"SEC. 2. (A) All Filipinos who reach the age of one hundred (100) years old, whether residing in the Philippines or abroad, shall be honored with:

(a) (1) A Letter of Felicitation from the President of the Philippines congratulating the celebrant for his or her longevity; and

(b) (2) A Centenarian Gift in the amount of one hundred thousand pesos (P100,000.00).

(B) THE CASH GIFT GRANTED UNDER THIS SECTION SHALL BE ADJUSTED ANNUALLY BY THREE PERCENT (3%) BEGINNING THE YEAR 2020.

SEC. 2. Funding. – During the initial year of implementation of this Act, the requisite fund shall be sourced from the available funds of the Department of Social Welfare & Development (DSWD) and subsequently the amount necessary to implement the provisions of this Act shall be included in the General Appropriations Act.

SEC. 3. Implementing Rules and Regulations. – Within thirty (30) days from the effectivity of this Act, the Secretaries of the DSWD, the Department of the Interior and Local Government, the Department of Health, and the [Executive Director of the] Commission on Filipinos Overseas, shall promulgate the necessary guidelines for and shall take the lead in the effective implementation of this Act.

SEC. 4. Effectivity. – This Act takes effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,