

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City  
SEVENTEENTH CONGRESS  
First Regular Session  
House Bill No. **1856**

HOUSE OF REPRESENTATIVES

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Introduced by **Hon. Sol Aragon**

### EXPLANATORY NOTE

The Social Security System is mandated to carry out the State policy 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 families against the hazards of disability, sickness, maternity, old age, death and other contingencies resulting in loss of income or financial burden. Toward this end, the State shall endeavor to extend social security protection to workers and their beneficiaries

In the period starting from 1980 to 1999, there were three years (1987, 1991, and 1993) when the pension rate was increased twice. From 1980 to 1999, it has been reported that there were a total of 17 pension hikes with no amendments to the contribution rates. However, this should not deter government from increasing the pension of the members. The answer is to heighten collection efforts and to ensure that the funds are managed and spent prudently. Given the rising cost of living brought about by regular inflation, it is imperative on Government to ensure that our retirees are given the capacity to cope with these changes.

This bill is based on House Bill No. 5842 or the Social Security Act. It was approved on Third Reading by the House of Representatives on 9 June 2015 and sent to the Senate for their concurrence. It seeks to increase the monthly pension under the Social Security System by two thousand pesos (P2,000.00). This measure seeks to benefit some 1.8 million retirees.

In view of the foregoing, the immediate passage of this bill is earnestly requested.

  
**SOL ARAGONES**  
Representative, 3<sup>rd</sup> District of Laguna

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1 AN ACT MANDATING A TWO THOUSAND (P2,000) ACROSS-THE-BOARD  
2 INCREASE IN THE MONTHLY PENSION WITH CORRESPONDING ADJUSTMENT  
3 OF THE MINIMUM MONTHLY PENSION UNDER THE SOCIAL SECURITY SYSTEM,  
4 AMENDING FOR THE PURPOSE SECTION 12 OF REPUBLIC ACT NO. 1611, AS  
5 AMENDED, 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:*

6 SECTION 1. Any provision of law to the contrary notwithstanding, the Social  
7 Security Commission is hereby mandated to implement a Two thousand peso (P2,000.00)  
8 across-the-board increase in the monthly pension under the Social Security System.

9 SECTION 2. Section 12 of Republic Act No. 1161, as amended by Republic Act No.  
10 8282, is hereby further amended to read as follows:

11 "SEC. 12. *Monthly Pension.* – (a) The monthly pension shall be the highest of  
12 the following amounts:

13 (1) The sum of the following:

- 14 i. Three hundred pesos (P300); plus  
15 ii. Twenty percent (20%) of the average monthly salary credit; plus  
16 iii. Two percent (2%) of the average monthly salary credit for each credited  
17 year of service in excess of ten (10) years; or

18 (2) Forty percent (40%) of the average monthly salary credit; or

(3) One thousand pesos (P1,000): *Provided*, That the monthly pension shall in no case be paid for an aggregate amount of less than sixty (60) months.

(b) Notwithstanding the preceding paragraph, the minimum MONTHLY pension shall be [One thousand two hundred pesos (P1,200)] **THREE THOUSAND TWO HUNDRED (3,200)** for members with at least ten (10) credited years of service and [Two thousand four hundred pesos (P2,400)] **FOUR THOUSAND FOUR HUNDRED PESOS (P4,400)** for those with twenty (20) credited years of service.”

SECTION 3. Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

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

Approved,