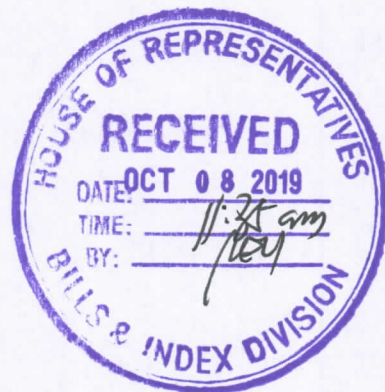


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 5122



Introduced by **Hon. Sol Aragon**

EXPLANATORY NOTE

The bill seeks to grant universal social pension for senior citizens who are not receiving a pension and those who are receiving a pension in the amount of PHP. 3,500 and below. To provide inclusive and sustainable coverage, this bill proposes a minimum grant of One Thousand Pesos (PHP 1,000) per month to all senior citizens, subject to review every two years, taking into consideration such factors as inflation and availability of funds.

Older persons are increasing in absolute numbers and more or less in proportion to overall population increases. Based on 2010 estimates, older persons aged 60 years and over account for 6.23 million or 6.7% of the total population. Life expectancy at birth has risen from 55 years in the early 1950s, to around 69 years today, while an individual reaching the age of 60 today can expect to live for another 17 years. This increase in life expectancy, coupled with reductions in fertility rates, translates to an ageing population. According to population projections undertaken by the Philippine Statistics Authority, the number of Filipinos over the age of 60 is set to nearly triple in the next 30 years, from 7.6 million in 2015 to 22.6 million in 2045. Over the same period, the proportion of the total population over the age of 60 will double from 7.5% to 15.9%.

While this trend is something to be celebrated, growing older can only be truly considered a success if our elders can live their later years with dignity and security. Despite constitutionally mandated social security for senior citizens, not all older people receive financial support from their children. When they do, it is often inadequate to cover basic needs such as health expenditures. This is mainly due to widespread poverty and vulnerability of Filipino families, with working adults forced to make a trade-off between supporting the elder people and investing in young children. Depending completely on their children for financial support also threatens the dignity of older persons—many of whom fear becoming dependent and feel too proud or ashamed to ask for support.

Many factors have led to economic insecurity of older Filipinos. These include the challenges of securing a job as an individual advances in age because of ill health and disability, family responsibilities, and age discrimination in the workplace.

Moreover, most Filipinos cannot currently expect to receive a pension in their old age. In 2016, only a little over a quarter of senior citizens (29%) received pensions based on previous working history (SSS, GSIS, and other pensions). There are two major barriers to expanding coverage of these pensions. First, the majority of Filipino workers are working in the informal employment sector (estimated between 70% and 75%). Second, many workers simply do not have disposable income to save for pension. Furthermore, receipt of pension does not guarantee income security as about a third of SSS retirees (34%) receive less than PHP 2,000 per month, and half (52%) receive less than PHP 3,000 per month.

The Social Pension Program which was first completed in 2011 by virtue of Republic Act No. 9994 or the Expanded Senior Citizens Act of 2010 has made a significant dent in reducing the coverage gap. From 134,000 beneficiaries in 2011, the program expanded to 2.8 million or 33% indigent senior citizens in 2017. However, with the coverage of these schemes combined, there would still be around 3 million or 38% of senior citizens with no pension at all.

In a review conducted by the Coalition of Services of the Elderly (COSE) and HelpAge International, the social pension for indigent seniors has significantly increased the income and expenditure but it remains limited. Two main issues limit the impact of social pension.

First, the means-tested nature of schemes excludes—by design—a large proportion of vulnerable older people whose incomes are too eager to contribute to social security earlier in their lives, but who fail to meet the strict eligibility criteria for the current social pension. Targeting errors also mean many of the poorest older people are left out. A key finding of the research is that there are major issues to be addressed in the process of targeting and validation of older people. A common observation of both implementers and older people was that many older people recipients appear to not be the poorest, while many of the poorest miss out. One major issue identified is that the *Listahanan* database—which is based on household data—does not adequately measure issues related to the vulnerability of individual older people. The increasing role of LGUs in the targeting process is unlikely to resolve the issues of accuracy and may create additional challenges. One is that the highly subjective nature of decision-making can leave space for clientelism and corruption in the targeting process. Another issue is that LGUs struggle to mobilize the necessary human resources to undertake the time-intensive process, which can lead to older people being enrolled without adequate validation.

Second, the benefit level of PHP 500 is low relative to both Filipino and international benchmarks, providing a limited level of income security. The benefit of PHP 500 amounts to less than half (41%) of the 2014 poverty line (PHP 1,225 per month) and just 28% of the national poverty line (PHP 1,756). The inadequacy of the benefit is exacerbated by the fact that it is not indexed to inflation. With rises in prices over the last 5 years, the real value of social

pension benefit has depreciated from the PHP 500 when RA 9994 was passed to approximately PHP 415—a 17% reduction in the real value of the benefit.

Older persons have contributed immensely to the nation in all manner of ways throughout their lives by: paying taxes, by contributing to the growth of the economy, and by raising the future generation of Filipinos. Thus, this bill seeks to amend the social pension provision of RA 9994 and expand the coverage of social pension to all senior citizens while indexing the current benefit amount to inflation.

In view of the foregoing, the approval of this bill is earnestly sought.



HON. SOL ARAGONES
Representative, Third District of Laguna

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

5122

House Bill No. _____

Introduced by **Hon. Sol Aragones**

AN ACT

**INCREASING THE MONTHLY SOCIAL PENSION OF SENIOR CITIZENS AND
EXPANDING THE COVERAGE THEREOF, AMENDING FOR THE PURPOSE
SECTIONS 2 AND 5 OF REPUBLIC ACT NO. 7432, AS AMENDED BY REPUBLIC
ACT NO. 9257, FURTHER AMENDED BY REPUBLIC ACT NO. 9994, OTHERWISE
KNOWN AS THE “EXPANDED SENIOR CITIZENS ACT OF 2010”**

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

SECTION 1. Section 2 of Republic Act No. 7432, as amended by Republic Act No.
9257, further amended by Republic Act No. 9994, otherwise known as the “Expanded Senior
Citizens Act of 2010”, is hereby further amended to read as follows:

“Sec. 2. Definition of Terms. – For purposes of this Act, these terms are defined
as follows:

xxx xxx xxx

“(h) [~~Indigent senior citizen refers to any elderly who is frail, sickly, or with
disability, and without pension or permanent source of income, compensation or financial
assistance from his/her relatives to support his/her basic needs, as determined by the
Department of Social Welfare and Development (DSWD) in consultation with the National
Coordinating and Monitoring Board.~~] **SOCIAL PENSION REFERS TO THE MONTHLY
STIPEND OR MONETARY GRANT FROM THE GOVERNMENT TO MEET THE**

DAILY SUBSISTENCE AND OTHER MEDICAL NEEDS OF SENIOR CITIZENS WHICH SHALL NOT BE LESS THAN ONE THOUSAND PESOS (P1,000.00) PER MONTH.

SECTION 2. Section 5 of the same Act, as amended, is hereby further amended to read as follows:

“Sec. 5. Government Assistance. – The government shall provide the following:

xxx xxx xxx

“(h) Additional Government Assistance

“(1) Social Pension

“[Indigent] ALL senior citizens WHO ARE NOT RECEIVING A PENSION OR THOSE WHO ARE RECEIVING A PENSION IN THE AMOUNT OF THREE THOUSAND FIVE HUNDRED PESOS (Php3,500.00) AND BELOW FROM THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), SOCIAL SECURITY SYSTEM (SSS), AND PENSION AND GRATUITY MANAGEMENT CENTER (PGMC), shall be entitled to a monthly stipend OF AT LEAST [amounting to Five hundred pesos (Php500.00)] ONE THOUSAND PESOS (P1,000.00) to augment the daily subsistence and other medical needs of senior citizens, WHICH AMOUNT SHALL BE [subject to a review] REVIEWED every two (2) years by Congress, in consultation with the DSWD OR ANY AGENCY THAT SHALL BE SO DESIGNATED BY AN ACT OF CONGRESS, TAKING INTO ACCOUNT THE NATIONAL INFLATION RATE AND OTHER RELEVANT ECONOMIC INDICATORS.

A SENIOR CITIZEN MAY OPT NOT TO RECEIVE THE MONTHLY SOCIAL PENSION AND DONATE ONE’S PENSION PAYMENTS TO THE OSCA OR TO ANY GOVERNMENT-ACCREDITED NON GOVERNMENT

1 ORGANIZATION (NGO) FOR SENIOR CITIZENS OPERATING IN THE SAME
2 CONGRESSIONAL DISTRICT WHERE THE DONOR RESIDES: PROVIDED,
3 THAT THE DONATION SHALL BE UTILIZED TO MEET THE MEDICAL
4 NEEDS OF OTHER SENIOR CITIZENS IN THE CONGRESSIONAL DISTRICT
5 WHERE THE OSCA AND THE GOVERNMENT-ACCREDITED NGO FOR
6 SENIOR CITIZENS ARE SITUATED.

7 xxx xxx xxx

8 **SECTION 3.** If any provision of this Act is declared invalid or unconstitutional, the
9 other provisions not affected thereby shall continue to be in full force and effect.

10 **SECTION 4.** All laws, decrees, executive orders or rules and regulations contrary to
11 or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

12 **SECTION 5.** This Act shall take effect fifteen (15) days after its publication in the
13 Official Gazette or in any newspaper of general circulation.

14 *Approved,*