

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1323

HOUSE OF REPRESENTATIVES	
RECEIVED	
DATE:	07 JUL 2016
TIME:	6:24 PM
BY:	Poseh
REGISTRATION UNIT BILLS AND INDEX SERVICE	

Introduced by: Representative JOHNNY T. PIMENTEL

EXPLANATORY NOTE

The receipt of pension has become the source for the sustenance of most of our retirees. During their twilight years after their long service of hard work, provision of the pension serves as the embodiment of the government's promise to promote social justice and protection against the hazards of their old age, sickness and disability.

Nevertheless, our present law on pension fails to keep abreast on the realities of the needs of the beneficiaries. Since the amendment through Republic Act 8282 amending the Social Security Law in 1996, endowment for members with at least 10 credited years of service remain to be P1,200 at the minimum. On the other hand, members with at least 20 credited years of service receive P2,400 at the minimum. It must be noted that there is a significant disparity on the value of the prescribed pension considering that the same has been based on the rates 20 years ago. This disparity needs to be corrected.

This Bill seeks to re-establish the government's fidelity to the principle of the protection of social justice and the needs of retirees.

The approval of this Bill is earnestly sought.


JOHNNY T. PIMENTEL

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AN ACT

**INCREASING PENSIONS UNDER THE SOCIAL SECURITY SYSTEM,
AMENDING FOR THIS PURPOSE SECTION 12 OF RA 1161, AS
AMENDED**

SECTION 1. Section 12 of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

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

- (1) The sum of the following:
 - (i) Three hundred pesos (P300); plus
 - (ii) Twenty percent (20%) of the average monthly salary credit; plus
 - (iii) Two percent (2%) of the average monthly salary credit for each credited year of service in excess of ten (10) years; or
- (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 pension shall be [One thousand two hundred pesos (P1,200)] **THREE THOUSAND FIVE HUNDRED PESOS (P3,500.00)** for members with at least (10) credited years of service and [Two

thousand four hundred pesos (P2,400)] **FIVE THOUSAND PESOS (P5,000)** for those with twenty (20) credited years of service."

SECTION 2. *Separability Clause.* – If any part of this Act shall be held invalid, other provisions which are not affected shall continue to be in force.

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

SECTION 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,