

1 Republic of the Philippines  
2 HOUSE OF REPRESENTATIVES  
3 Quezon City

4 17<sup>TH</sup> CONGRESS  
5 First Regular Session

6 HOUSE BILL NO. 2505  
7



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9  
10 Introduced by ABONO REPRESENTATIVES  
11 VINI NOLA A. ORTEGA and CONRADO M. ESTRELLA III  
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## 14 EXPLANATORY NOTE

15  
16 Since time immemorial, our small farmers and farmworkers have tirelessly toiled  
17 long days under the heat of the sun, braved numerous typhoons, and displayed  
18 resilience during droughts and other natural and man-made calamities in order to  
19 ensure that every Filipino has food to eat in their tables at home. They are our unsung  
20 heroes. Their painstaking efforts and valuable contributions to our country and the  
21 Filipino people deserve a long overdue recognition. It is high time that the plight of our  
22 small farmers and farmworkers be alleviated through social legislation in line with  
23 President Rodrigo R. Duterte's policy statement of having sustainable development of  
24 the agriculture sector throughout the country. In return to their sacrifices and  
25 unparalleled contributions, this measure is hereby proposed for their mandatory  
26 coverage under Republic Act No. 8282, otherwise known as the Social Security System  
27 (SSS) Law.  
28

29 According to the Philippine Statistics Authority (PSA), the Philippines has a total  
30 land area of about 30 million hectares and approximately 9.67 million hectares of which  
31 are classified as agricultural. The agricultural land area represents 32.22% of the total  
32 land area of the country. This explains why the data from the May 2014 Quick Stat show  
33 that in January 2014, in terms of employment, the agriculture sector takes up 10.93  
34 million persons out of the total 36.42 million workforce which accounts to 30% of the  
35 total employment.  
36

37 **Farmers** are among those who consistently posted highest poverty incidences  
38 among the nine basic sectors<sup>1</sup> (i.e. fishermen, farmers, youth, children, women, migrant  
39 and formal sector, self-employed, senior citizens, and individual in urban areas) in the  
40 Philippines as of 2012 at 38.3%.

41  
42 Farmers (as per survey conducted by the PSA) refer to employed individuals 15  
43 years old and over whose primary occupation is farming, plant growing, or animal  
44 production.

45  
46 As of 2002-2003 based from data provided by the Bureau of Agricultural Statistics  
47 of the Philippine Statistics Authority, the average annual income per farm household  
48 arising solely from farming is PhP57,628.00, excluding income from other sources (e.g.  
49 pensions, remittances from abroad, donations, contributions, etc.) The last update is  
50 August 2011.

51  
52 According to PhilRice Executive Director Eufemio Erasco, a rice farmer's average  
53 income ranges from P25,000 to P30,000 per planting season, or P50,000 to P60,000 a  
54 year. This is below the P80,000 annual rural poverty threshold.<sup>2</sup>

55  
56 Considering the figures mentioned above, our farmers need now more than ever  
57 legislative measures alleviating their plight from their present state. A step towards this  
58 direction is by providing mandatory coverage under the SSS through the assistance of  
59 the local government units to which our farmers belong.

60  
61 Social security covers the people's need for social protection. Thus, it forms an  
62 integral part of social legislation. It offers benefits for all circumstances, like birth,  
63 sickness, accident, disability, old age or death. In the beginning, social protection only  
64 focused on occupations and the benefits can be availed of only after an occurrence of a  
65 defined event.

66  
67 It must be pointed out that RA 8282 (SSS Law) only covers an individual farmer  
68 while RA 7607 (Magna Carta for Small Farmers) only generally provides for the right of  
69 farmers to be covered by social security. The said laws are not fully implemented and  
70 are in fact, inadequate to truly and mandatorily cover our small farmers and farm  
71 workers for SSS benefits.

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<sup>1</sup> Basic sectors are not mutually exclusive, i.e., there are overlaps for sectors (women may also be counted as senior citizens, farmers, etc.)

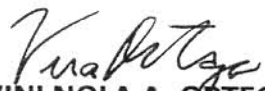
<sup>2</sup> <http://business.inquirer.net/167544/govt-urged-to-take-into-account-incomes-of-farmers-fishers>; last accessed 5:47pm, 29 June 2016.


72  
73 Under this measure, small farmers' and farm workers' social security is based on  
74 the principle of compulsory coverage. This means that the coverage relationship is  
75 established automatically, as soon as an insurable activity is commenced and the  
76 covered member is duly identified and registered in the Book of Registry of small  
77 farmers and farm workers of the SSS, through the assistance of the city/municipal  
78 agriculture office to establish the legitimacy of said covered members.  
79

80 Compulsory membership implies that the coverage under this measure does not  
81 result from a voluntary application, as in the above-mentioned laws, but from the  
82 existence of certain conditions as defined by law (e.g.: entering employment status,  
83 starting a self-employed activity). Thus, compulsory coverage is established without  
84 declaration of intent on the part of the covered member. The covered member/farmer  
85 shall personally register under the SSS upon meeting the requirements determined  
86 below. Entering the coverage scheme is independent of prior registration or payment of  
87 contributions. This provides for a system consisting of another category of members  
88 (small farmers/farm workers) other than that already enumerated under the SSS Law.  
89

90 Ultimately, this measure provides that social security benefits and/or services are  
91 applied equally for all, irrespective of position and standing in society. The idea behind  
92 this is to place farmers in equal footing with other employees in the objective that  
93 everyone shall be protected by social security in the same and best possible means. In  
94 this way, the social aspect of the statutory social security system can be realized  
95 especially with respect to our small farmers and farm workers.  
96

97 My dear colleagues, let us truly empower our small farmers and farm workers by  
98 actively supporting this measure and we respectfully seek your valuable assistance for  
99 the immediate passage thereof to give true meaning, life and spirit of the said earlier  
100 laws enacted which are the subject of amendment of this undertaking.  
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103   
104 VINI NOLA A. ORTEGA  
105 Representative  
106 ABONO Party-list  
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108

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110 CONRADO M. ESTRELLA III  
111 Representative  
ABONO Party-list

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Introduced by **ABONO REPRESENTATIVES**  
**VINI NOLA A. ORTEGA AND CONRADO M. ESTRELLA III**

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**AN ACT**  
**ESTABLISHING MANDATORY COVERAGE IN THE SOCIAL SECURITY SYSTEM (SSS)**  
**OF SMALL FARMERS AND FARMWORKERS, AMENDING FOR THE PURPOSE**  
**SECTIONS 9(a), 9-A(5) and 10 OF REPUBLIC ACT NO. 8282 AND SECTIONS 8(3)**  
**AND 23(9) OF REPUBLIC ACT NO. 7606, AND FOR OTHER PURPOSES**

**SECTION 1.** Sections 9(a), 9-A (5) and 10 of Republic Act No. 8282 (Social Security Law), are hereby amended to read as follows:

Xxxx                xxxx                xxxx

*"SEC. 9. Coverage. - (a) xxx, including small farmers and farmworkers,:*

*"SEC. 9-A. xxx, small farmers and farmworkers. – xxx, small farmers and farmworkers, xxx:*

Xxxx                xxxx                xxxx

*"5. All small farmers and farmworkers as defined in Republic Act No. 7607 xxx." Xxxx*

*"SEC. 10. Effective Date of Coverage. – xxx Provided, That the compulsory coverage of the xxx, small farmers and farmworkers as defined in RA 7607, xxx."*

**SEC. 2.** Sections 8 (3) and 23 (9) of Republic Act No. 7607 (Magna Carta for Small Farmers), are amended to read as follows:

*"Sec. 8. Farmers' Rights. — The farmers have the right to:*

*Xxxx                    xxxx                    xxxx;*

*(3) Be mandatory covered by social security to serve as protection from event such as calamities, death, sickness and disability;*

*"Sec. 23. Incentives. — xxxx*

*Xxx                    xxx                    xxx*

*(9) Farmers' mandatory insurance coverage by the Social Security System subject to its charter shall be extended to small farmers and farmworkers; and xxx"*

**SEC. 3. Determination of Legitimate Covered Members.** — The SSS Commission, upon endorsement by the Municipal Agriculture Office (MAO) of every locality shall submit the verified certified list of legitimate small farmers and farm workers within the area of his jurisdiction, accompanied by a verified certification as to the occupation and annual aggregate family income by the city/municipal social welfare officer of the same locality as part of the validation process.

For this purpose, the SSS shall have its Registry Book of small farmers and farmworkers which shall contains the basic personal information of the said persons, such as complete name, complete permanent residential address, date of birth, occupation, date of registration and beneficiaries, and others to establish the legitimacy and entitlement of the covered member, as part of its records.

To attain compulsory and widest coverage and give significance of this Act to fully implement its purpose, the SSS shall schedule the conduct of its series caravan for the registration of the covered members in every legislative district nationwide.

**Sec. 4. Monthly Contribution Premium and Sources of Funding.** — The SSS shall compute and provide the affordable, practical and reasonable monthly contribution premium of the covered members, taking into consideration the certification made under oath by the city/municipal social welfare officer as to the occupation and annual aggregate family income of the covered member.



The 50% monthly payment of premiums shall be covered under the Subsidy Program of the SSS and the remaining 50% shall be subsidized by the local government units (LGUs) concerned where such Small Farmer and/or Farmworker resides and is registered. The LGUs' Budget for Social Funds and/or General Purpose Fund shall provide subsidy of said monthly payment of premiums.

*Provided*, that in the case of fourth, fifth and sixth class LGUs, the National Government shall provide the fifty percent (50%) subsidy for the said covered members for a period of ten (10) years and the other 50% by the Subsidy Program of the SSS.

This subsidy program shall cover 100% of the premiums to be paid per covered member from the date of effectivity of coverage up to ten (10) years thereafter.

After the tenth (10<sup>th</sup>) year, the Small Farmer and/or Farmworker shall contribute 5% of the monthly contribution premium. For every year thereafter, the contribution of the Small Farmer and/or Farmworker shall be increased by 5%. The maximum amount of the increase in contribution shall not exceed 50%, meaning that the incremental increase shall cease on the tenth (10<sup>th</sup>) year following the tenth anniversary of coverage. Thereafter, the share in contributions of the Small Farmer and/or Farmworker and the LGU concerned or the National Government for fourth, fifth, and sixth class LGUs shall be on a 50%-50% basis, respectively.

**Sec. 5. Separability Clause.** – If any provision of this Act is declared invalid, the other provisions not affected thereby shall remain valid.

**Sec. 6. Repealing Clause.** – All laws, proclamations, executive orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed, modified or amended accordingly: *Provided*, that no person shall be deemed to be vested with any property or other right by virtue of the enactment or operation of this Act.

**Sec. 7. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved: