# Helping seniors through retirement

https://opinion.inquirer.net/178604/helping-seniors-through-retirement

Two bills giving additional privileges to senior citizens were recently in the news: one ensures access to employment and the other exempts them from paying income taxes.

House Bill No. 10985 or the proposed “Employment Opportunities for Senior Citizens and Private Entities’ Incentives Act,” was passed on final reading by the House of Representatives this week. The measure ensures access to employment opportunities for seniors who still have the capacity and interest to work. Possible jobs include clerical or secretarial work, consultancy, cleaning or janitorial services, event organizing, teaching, kitchen help, sales assistance, and business process outsourcing.

House Bill No. 10989, filed earlier this month and is pending at the House committee on senior citizens, seeks to exempt senior citizens who are still working from paying taxes.

The bill’s explanatory note stated that 75 percent of the country’s 9.22 million senior citizens were not covered by social security or did not have retirement plans. Among pensioners, 60 percent receive below P5,000 every month while 42 percent remain in the labor force. The measure seeks to increase their “meager savings” through tax exemption so that they can have adequate financial protection by the time they retire.

## Financial literacy

Indeed, a monthly pension of P5,000 is hardly enough to cover necessities, especially with inflation, and it will be difficult for retirees with no substantial retirement plan to manage their finances. Several studies have attributed this to the lack of financial education among Filipinos.

“The lack of retirement planning is exacerbated by the general gaps in financial knowledge among Filipinos to manage their retirement finance. Either the funds are left in savings accounts, which produce near zero income, or they are depleted due to bad business decisions or spent on unnecessary extravagance. The lack of financial literacy, discipline and annuity type of pension payout can contribute to early depletion of retirement funds,” said the state think tank Philippine Institute for Development Studies.

Financial advisor Celina Magallona said it could also be cultural and rooted in Filipinos’ fatalistic or “bahala na” attitude.

A consequence of this lack of retirement plan is that many retirees continue to find employment to secure their financial future. This should not be seen as negative in itself and employing retirees is not a new concept. Several countries like Singapore and Taiwan have such programs. Singapore’s retirement law, for example, mandates employers to offer re-employment to eligible employees 63-68 years old, as long as they are willing and able to.

## Funding problems

These proposed legislative measures can indeed help protect seniors from discrimination and ageism. On top of these, however, seniors must also be assisted in securing their finances before retirement through financial literacy programs.

The government must also assess how current programs are implemented because it is a reflection of how the state takes care of its elderly population.

Several programs for senior citizens are facing funding problems, including the social pension for the indigent members of the population. The Department of Social Welfare and Development said this week that it had no funding yet for the over 600,000 waitlisted indigent senior citizens who were supposed to receive a P1,000 monthly social pension. This benefit is mandated under Republic Act No. 9994 or the Expanded Senior Citizens Act of 2010 which was enacted in July 2022. There are fears that the problem of insufficient funds for the program will continue with the number of beneficiaries increasing every year—it is seen to balloon to 800,000 from 622,000 this year.

## Perennial problem

Aside from budgeting woes, the process of availing benefits for senior citizens remains challenging. Seniors who have reached a certain milestone age applying for cash incentives under Republic Act No. 10868 or the Centenarian Act of 2016 have faced various difficulties and it is not fair for them to go through a rigorous process of what is already provided by law.

Certainly, there is no lack of well-intentioned programs for the elderly. The perennial problem is always the implementation. The government must make the process of availing these benefits more accessible and hassle-free, bearing in mind that the intended beneficiaries are no longer as mobile and fit. It must also make sure that it can fund laws that it enacts.

More importantly, seniors are in the twilight of their lives, and the least that the state—which has benefited from their talent and skills during their prime—can do is to ensure that they enjoy these benefits while they still can.