# Collect SSS dues before rate hike | Inquirer Opinion

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Compared to the state-run Government Service Insurance System or GSIS, which provides qualified members up to 80 percent of their average monthly salary in monthly pension, its private sector counterpart, the SSS or Social Security System, offers a lean pension barely enough to cover maintenance medication.

Such skimpy benefits might explain the protests that greeted the SSS announcement of a 15-percent hike in member contributions starting this month, with 10 percent to be shouldered by the employer and the remaining 5 percent by the employee.

The increase in contribution rate is provided under Republic Act No. 11199 or the Social Security Act of 2018, that mandates a 1-percent increase in contribution every two years starting from 12 percent in 2019 until it reaches 15 percent in 2025.

“These changes are designed to strengthen the Social Security System, and provide better benefits and long-term financial security for all members,” the SSS said in its website.

In a statement, SSS president and CEO Robert Joseph de Claro said the adjustment is expected to generate an additional P51.5 billion in collection for 2025, and double the fund life to 28 years, or until 2053. In 2022, the SSS said the higher contributions have resulted in an extension of the fund life until 2054.

## Hefty incentives

But the timing of the increase is “absolutely tone-deaf, given the continuous rise in prices of basic goods and services,” as noted by Gabriela Women’s party list Rep. Arlene Brosas.

In contrast to the swift application of the rate increase, veteran labor rights advocate Neri Colmenares noted that the previous Duterte administration’s promised pension increase of P1,000 has yet to be delivered. Labor groups also called on the government to fulfill its obligation to contribute to the SSS fund under the law, which it has failed to do for the past 70 years.

Senate Minority Leader Aquilino “Koko” Pimentel III, who backed calls to suspend the scheduled increase, meanwhile demanded transparency in the grant of hefty incentives and other perks to the executives of the pension fund.

The SSS website shows a table of generous compensation given its executives, including a P40,000 per diem per board meeting, or a total of P960,000 a year for the maximum 24 meetings a year, and P24,000 per diem for committee meetings, or P576,000 a year for the maximum 24 meetings. This, on top of housing and vehicle loans, performance bonuses, and other incentives.

The pension fund also saw its revenue soar to an all-time high of P362.20 billion in 2023 that exceeded its target revenue of P330.80 billion by 9.5 percent. Then SSS president and CEO Rolando Macasaet attributed this to new paying members, improved collection from delinquent employers, the 2023 contribution rate hike, and investments that generated P53.08 billion.

## Sheer inefficiency

Such outstanding liquidity might explain the SSS’ seeming laxity, or sheer inefficiency, in collecting from delinquent employers in previous years based on reports by the Commission on Audit (COA).

In its 2023 audit report, the COA flagged SSS for its uncollected contributions from 420,267 delinquent business and household employers worth P89.166 billion. Similarly, the COA’s 2022 audit report found that 466,881 employers had unremitted contributions of P92.492 billion. The bulk of the amount—P83.82 billion from over 285,000 employers—remain uncollected in the last five years.

Non-remittance “deprives the SSS of much-needed funds for the prompt delivery of social security protection, claims, and benefits to its members and beneficiaries,” the COA said, citing the Social Security Act of 2018 which states that the benefits of a covered employee are not prejudiced by the employer’s failure or refusal to remit the prescribed contribution.

State auditors also found P84.53 billion in uncollected SSS loans as of the end of 2021, “that hindered the system from reinvesting the funds to generate income.”

## Delinquent employers

Instead of raising its contribution rate, shouldn’t the SSS first focus on its billions of collectibles to beef up its funds?

While the SSS offers an installment payment scheme, the COA report reveals that 349,189 of the 420,267 delinquent employers did not avail of it as of 2023. But do they even know about this scheme?

Aside from closely monitoring the collection performances of its branches, the pension fund can seek legal or court action on those who refuse to heed regular billing notices, simplify collection procedures, and mount an extensive information campaign encouraging workers and employees to seek redress for their unremitted contributions, thereby identifying errant employers.

Obviously, before imposing a contribution hike, the SSS must first plug the leaks in collections and trim the fat from its executives’ bloated compensation package ironically funded by heavily burdened members who have had no choice on the matter.