

FURTHER AMENDING TITLE II, BOOK FOUR OF THE LABOR CODE OF THE PHILIPPINES (PD 442, AS AMENDED)

PRESIDENTIAL DECREE NO. 1692, May 01, 1980

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WHEREAS, Paragraph (e) of Article 177 of PD 442, as amended further by PD 1641, provides, among others, that the Employees Compensation Commission may upgrade benefits and add new ones, subject to approval of the President, provided that the actuarial stability of the State Insurance Fund shall be guaranteed, and that such increase in benefit shall not require any increase in contribution, except as provided for in paragraph (b) thereof;

WHEREAS, income benefits for secondary beneficiaries have been found rather too low considering that the same are based on one lump sum payment, whereas primarily beneficiaries enjoy life pension; and

WHEREAS, upgrading the benefit structure for secondary beneficiaries is necessary in the light of the gradual erosion of the value of the peso and in order to cushion the harsh effect of inflation;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President and Prime Minister of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

SECTION 1. Article 194 of PD 442, as amended, is hereby further amended, to read as follows:

"ART. 194. Death. — (a) Under such regulations as the Commission may approve, the System shall pay to the primary beneficiaries upon the death of the covered employee under this Title an amount equivalent to his monthly income benefit for as long as the beneficiaries are entitled thereto, plus ten percent thereof for each dependent child, but not exceeding five, beginning with the youngest and without substitution: Provided, however, That the monthly income benefit shall be guaranteed for five years: Provided, further, That if he has no primary beneficiary, the System shall pay to his secondary beneficiaries a lump sum equivalent to sixty times the monthly income benefit: Provided, finally, That the minimum income benefit shall not be less than twelve thousand pesos;

"(b) Under such regulations as the Commission may approve, the System shall pay to the primary beneficiaries upon the death of a covered employee who is under permanent total disability under this Title, eighty percent of the monthly income benefit for as long as they are entitled thereto, and his dependents to the dependents' pension: Provided, that the marriage must have been validly subsisting at the time of disability: Provided, further, That if he has no primary beneficiary, the System shall pay to his secondary beneficiaries a lump sum benefit equivalent to sixty times the monthly pension, excluding the dependents' pension: Provided, finally, That the lump sum benefit shall not be less than twelve thousand pesos."

SEC. 2. The funds necessary to implement this Decree shall be drawn from the resources of the State Insurance Fund. The implementation of this Decree shall not involve an increase in employer or employee contributions and in the event that the Fund is unable to immediately support the additional benefits, implementation shall be phased by the Employees' Compensation Commission so as to be within the capability of the Fund.

SEC. 3. This Decree shall take effect immediately.

Done in the City of Manila, this 1st day of May, in the year of Our Lord, nineteen hundred and eighty.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JOAQUIN T. VENUS, JR.
Presidential Assistant

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