

AN ACT TO AMEND CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED ELEVEN HUNDRED AND SIXTY-ONE, AS AMENDED BY REPUBLIC ACT NUMBERED SEVENTEEN HUNDRED AND NINETY-TWO AND REPUBLIC ACT NUM...

REPUBLIC ACT NO. 3839, June 22, 1963

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Subparagraph (8), paragraph (j) of Section eight, Republic Act Numbered Eleven hundred and sixty-one, as amended, is further amended to read as follows:

"(8) Services performed in the employ of a foreign government or international organization, or their wholly-owned instrumentality: Provided, however, That this exemption notwithstanding, any foreign government, international organization, or their wholly-owned instrumentality employing workers in the Philippines may enter into an agreement with the Philippine Government for the inclusion of such employees in the Social Security System except those already covered by the United States Civil Service Retirement System: Provided, further, That the terms of such agreement shall conform with the provisions of this Act on coverage and amount of payment of contributions and benefits: Provided finally, That the provisions of this Act shall be supplementary to any such agreement."

SEC. 2. Section nine of the same Act, as amended is further amended to read as follows:

"SEC. 9. Compulsory coverage.—Coverage in the System shall be compulsory upon all employees not over sixty years of age and their employers: Provided, That any benefit already earned by employees under private benefit plans existing at the time of the approval of this Act shall not be discontinued, reduced or otherwise impaired: Provided, further, That private plans which are existing and in force at the time of compulsory coverage shall be integrated with the plan of the System in such a way where the employer's contribution to his private plan is more than that required of him in this Act he shall pay to the System only the contribution required of him and he shall continue his contributions to such private plan less his contribution to the System so that the employer's total contribution to his private benefit plan and to the Social Security System shall be the same as his contribution to his private plan before the compulsory coverage: Provided, further, That any changes, adjustments, modifications, eliminations or improvements in the benefits to be available under the remaining private plan, which may be necessary to adopt by reason of the reduced contribution thereto as a result of the integration, shall be subject to agreements between the employers and employees concerned: Provided, further, That the private benefit plan which the employer shall continue for his employees shall remain under the employer's management and control unless there is an existing agreement to the contrary: Provided, finally, That nothing in this Act shall be construed as a limitation on the right of employers and employees to agree on and adopt benefits which are over and above those provided under this Act."

SEC. 3. Section twelve of the same Act is amended by amending paragraph (a) thereof and adding thereto a new paragraph which shall read as follows:

"SEC. 12. Retirement Benefits.—(a) Upon reaching the age of sixty years and after having paid at least one

hundred twenty monthly contributions to the System, covered employee shall have the option to retire and he shall be entitled for as long as he lives but in no case for less than five years to a monthly basic pension amount to be computed as follows:

"Thirty percent of the first one hundred pesos average monthly salary credits or fraction thereof;

"Eighteen percent of the second one hundred pesos average monthly salary credits or fraction thereof;

"Six percent of each succeeding one hundred pesos average monthly salary credits or fraction thereof: Provided, That if the total number of monthly contributions exceeds one hundred twenty at the time of retirement, the retiring employee, in addition to the monthly basic pension amount, shall be entitled to a monthly pension increment of one twenty-fourth of one per centum of the average monthly salary credit for each monthly salary credit for each monthly contribution in excess of one hundred twenty: Provided, further, That a member of the System covered prior to the effectivity of this amendatory Act or within two years thereafter and who was fifty years of age or over on the effective date of his coverage shall be entitled to the benefits hereunder if he has paid a number of monthly contributions equivalent to twelve times the difference between his age at coverage and sixty, but in no case less than twenty-four: Provided, finally, That the monthly pension shall in no case be less than thirty pesos for a retiring employee already covered at the time of the approval of this amendatory Act.

"(d) The monthly pension of a member retired before the approval of this amendatory Act shall be recomputed in accordance with paragraph (a) of this section and the increased amount shall be his new monthly pension beginning with the month following the approval of this amendatory Act"

SEC. 4. Section fifteen of the same Act, as amended is further amended to read as follows:

"SEC. 15. Non-transfer ability of benefits.—The System shall pay the benefits provided for in this Act to such persons as may be entitled thereto in accordance with the provisions of this Act: Provided, That if the recipient is a minor or a person incapable of administering his own affairs, the Commission shall appoint a representative under such terms and conditions as the Commission may deem proper. Such benefits are not transferable, and no power of attorney or other document executed by those entitled thereto in favor of any agent, attorney, or any other individual for the collection thereof in their behalf shall be recognized except when they are physically and legally unable to collect personally such benefits: Provided, however, That in the case of death benefits, if no beneficiary has been designated or the designation thereof is void, said benefits shall be paid to the legal heirs in accordance with the laws of succession."

SEC. 5. Section twenty-five of the same Act, as amended, is further amended to read as follows:

"SEC. 25. Deposit and disbursement.—All moneys paid to or collected by the System every year under this Act, and all accruals thereto shall be deposited, administered and disbursed in the same manner and under the same conditions and requirements as provided by law for other public special funds: Provided, That of the total yearly collection of such moneys and their accruals, not more than nine per centum during fiscal years nineteen hundred sixty-three to nineteen hundred sixty-four and nineteen hundred sixty-four to nineteen hundred sixty-five, eight per centum during fiscal years nineteen hundred sixty-five to nineteen hundred sixty-six and nineteen hundred sixty-six to nineteen hundred sixty-seven, and seven per centum in any year thereafter shall be disbursed for the payment of salaries and wages and purchases of office equipments and materials and operational expenses and the establishment of regional offices of the System for any year: Provided, further, That if the expenses of the System in year are less than the maximum amount permissible the difference shall not be availed of as additional expenses of the System in the following years."

SEC. 6. This Act shall take effect upon its approval.

Approved, June 22, 1963.

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