

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

PRESIDENTIAL DECREE NO. 1641, September 21, 1979

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WHEREAS, Provisions of the Employees' Compensation and State Insurance Fund of the Labor Code of the Philippines must respond to dynamic changes in social-economic development in light of spiraling cost of living; and that adjustments must be made to align such provisions with changes in social security of the country; and

WHEREAS, the judicious management of the State Insurance Fund that the Social Security System and the Government Service Insurance System administer for the private sector and the public service, respectively, has resulted in accumulation of sufficient reserves to enable the Employees' Compensation Commission to further upgrade the benefit structure for covered employees, without requiring additional premium contributions from employers;

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

SECTION 1. Paragraphs (cc) and (dd) of Article 167 of Presidential Decree No. 442, as amended, are hereby revised, to read as follows:

"(cc) 'Replacement ration'.—The sum of twenty percent and the quotient obtained by dividing three hundred by the sum of three hundred forty and the average monthly salary credit.

"(dd) 'Credited years of service'.—For a member covered prior to January 1979, nineteen hundred seventy-five minus the calendar years of coverage, plus the number of calendar years in which six or more contributions have been paid from January 1975 up to the calendar years containing the semester prior to the contingency. For a member covered in or after January 1975, the number of calendar years in which six or more contributions have been paid from the years of coverage up to the calendar year containing the semester prior to the contingency."

SECTION 2. Paragraph (ee) of Article 167 of PD 442, as amended, is hereby further amended to read as follows:

"(ee) 'Monthly income benefit'.—Means the amount equivalent to one hundred fifteen percent of the sum of:

"The average monthly salary credit multiplied by the replacement ratio; and

"One and a half percent of the average monthly salary credit for each year credited year of service in excess of ten years;

"Provided, However, That the monthly pension of surviving pensioners shall be increased by twenty percent."

SECTION 3. Paragraph (e) of Article 177 of PD 442, as amended, is hereby further amended to read as follows:

"(e) To make the necessary actuarial studies and calculations concerning the grant of constant help and income benefits for permanent disability or death, and the rationalization of the benefits for permanent disability and

death under the Title with benefits payable by the System for similar contingencies; Provided; That the Commission may upgrade benefits and new ones, subject to approval of the President; and Provided, further, that the actuarial stability of the State Insurance Fund shall be guaranteed; Provided, Finally, That such increases in benefits shall not require any increases in contribution, except as provided for in paragraph (b) hereof."

SECTION 4. Paragraph (a = of Article 191 of PD 442 as amended, is hereby further amended to read as follows:

"Art. 191. Temporary total disability.—(a) Under such regulations as the Commission may approve, any employee under this Title who sustains an injury or contracts sickness resulting in temporary total disability shall for each day of such a disability or fraction thereof be paid by the system an income benefit equivalent to ninety percent of his average daily salary credit, subject to the following conditions: the daily income benefit shall not be less than Four pesos, nor more than TWENTY FIVE pesos, nor paid for a continuous period longer than one hundred twenty days, and the System shall be notified of the injury or sickness."

SECTION 5. Paragraph (b) of Article 192 of PD 442, as amended, is hereby further amended to read as follows:

"(b) the monthly income benefit shall be guaranteed for five years, and shall be suspended if the employee is gainfully employed, or recovers from his permanent total disability, or fails to present himself for examination at least once a year upon notice by the System, except as otherwise provided for in other laws, decrees, orders or Letters of Instructions."

SECTION 6. Paragraph (b) of Article 194 of PD 442, as amended is hereby further amended, and paragraph (d) is added thereto, to read as follows:

"(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 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 the smaller of (1) thirty-five times the monthly pension, or (2) the difference of sixty times the monthly pension, and the total monthly pensions paid by the System, excluding the dependent's pension,

"(d) Funeral benefits.- A funeral benefit of one thousand pesos shall be paid upon the death of a covered employee or permanently totally disabled pensioner."

SECTION 7. Article 208-A of PD 442, as amended, is hereby further amended to read as follows:

"Art. 108-A. Repeal of Laws. All existing laws, Presidential Decrees and Letters of Instructions which are inconsistent with or contrary to this Decree, are hereby repealed: Provided, That in the case of the GSIS, conditions for entitlement to benefits shall be covered by the Labor Code, as amended: Provided, However, That the formulas for computation of benefits, as well as the contribution base, shall be those provided for under Commonwealth Act numbered one hundred eighty-six, as amended by Presidential Decree No. 1146, plus twenty percent thereof."

SECTION 8. Effectivity.—This Decree shall take effect on January 1, 1980.

Done in the City of Manila, this 21st day of September, in the year of Our Lord, nineteen hundred and seventy-nine.

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

By the President:

(Sgd.) JUAN C. TUVERA

Presidential Assistant

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