

AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED ELEVEN HUNDRED AND SIXTY-ONE, AS AMENDED, OTHERWISE KNOWN AS *THE SOCIAL SECURITY ACT OF 1954*;

PRESIDENTIAL DECREE NO. 24, October 19, 1972

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WHEREAS, there were pending before Congress prior to the promulgation of Proclamation No. 1081, dated September 21, 1972, certain priority measures vital to the national development program of the Government and which are considered by the President as urgent measures;

WHEREAS, one of these priority measures is a bill proposing amendments to the Social Security Act by increasing the benefit rates granted under said law, increasing the loanable amount for housing loans, and removing some technical flaws for a more effective and efficient operation of the Social Security System (SSS); and

WHEREAS, the measure is necessary to effect reforms in SSS operations and to revitalize its structure as an important agency in the promotion of the social and economic development programs of the Government;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, do hereby amend certain sections or provisions of the Social Security Act of 1954, as amended, to wit;

SECTION 1. Section one of Republic Act Numbered Eleven Hundred and Sixty-one, as amended, is further amended to read as follows:

"SECTION 1. Short title. — This Act shall be known as the 'Social Security Law.'

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

"SEC. 2. Declaration of policy. — It is the policy of the Republic of the Philippines to establish, develop, promote and perfect a sound and viable tax-exempt social security service suitable to the needs of the people throughout the Philippines, which shall provide to covered employees and their families protection against the hazards of disability, sickness, old age, and death, with a view to promoting their well-being in the spirit of social justice."

SEC. 3. Section three of the same Act is further amended by amending paragraphs (a) and (b) to read as follows:

"SEC. 3. Social Security System.—(a) To carry out the purposes of this Act, the Social Security System with principal place of business in Manila or Quezon City, Philippines, is hereby created. The SSS shall be directed and controlled by a Social Security Commission composed of the Secretary of Labor, the SSS Administrator and six appointive members, two of whom shall represent the labor group, two, the management group and two, the general public, to be appointed by the President with the consent of the Commission on Appointments. The Chairman of the Commission shall be designated by the President of the Philippines from among the members of the Commission. The term of the appointive members shall be three years: Provided, That the terms of the first six appointive members shall be one, two and three years for every two members,

respectively. All vacancies, except through the expiration of the term, shall be filled for the unexpired term only. The appointive members of the Commission shall receive fifty pesos per diem for each meeting actually attended by them: Provided, That no compensation shall be paid for more than eight meetings a month.

"(b) The general conduct of the operations and management functions of the SSS shall be vested in an Administrator who shall serve as the chief executive officer immediately responsible for carrying out the program of the Social Security System hereby created and the policies of the Commission. The Administrator shall be a person who has had previous experience in technical and administrative fields related to the purposes of this Act. He shall be appointed by the President of the Philippines with the consent of the Commission on Appointments and shall receive a salary to be fixed by the Commission with the approval of the President, payable from the funds of the SSS."

SEC. 4. Section five of the same Act is further amended by adding thereto paragraph (d) to read as follows:

"(d) Execution of Decisions. — Any decision or award of the Commission after the same has become final and executory shall be enforced and executed in the same manner as decisions of Courts of First Instance, and the Commission shall have the power to issue to the city or provincial sheriff or the sheriff whom it may appoint such writs of execution as may be necessary for the enforcement of such decision or award and any person who shall fail or refuse to comply with such decision, award, or writ, after being required to do so shall, upon application by the Commission, be punished by the proper court for contempt."

SEC. 5. Section eight of the same Act is further amended by amending paragraphs (f), (g), (i), and (m) to read as follows:

"(f) Compensation. — All actual remuneration for employment, including the cash value of any remuneration paid in any medium other than cash except that part of the remuneration in excess of one thousand pesos received during the month.

"(g) Monthly salary credits. — The compensation base for contributions and benefits as indicated in the schedule in Section Eighteen of this Act.

"(i) Contribution.— The amounts paid to the SSS by the employee and by his employer in accordance with Section Eighteen of this Act.

"(m) Average monthly salary credit. — The result obtained by dividing the sum of the monthly salary credits in the sixty-month period ending on the last day of the second quarter preceding the quarter of retirement due to old age or total disability by sixty, or the result obtained by dividing the sum of monthly salary credits from the month of coverage to the last day of the second quarter preceding the quarter of death, or permanent disability or retirement by the number of calendar months in the same period, whichever is greater; except where the month of death or permanent disability falls within eighteen months from the month of coverage, in which case, the average monthly salary credit is the result obtained by dividing the sum of all monthly salary credits from the month of coverage to the month immediately preceding the month of death or permanent disability by the total number of calendar months in the same period."

SEC. 6. Section twelve of the same Act is further amended by amending paragraphs (a), (c) and (d) to read as follows:

"SEC. 12. Retirement benefits. — (a) A covered employee who (1) has paid at least one hundred twenty monthly contributions to the SSS, has reached the age of sixty years and is separated from employment or, if still employed, is receiving less than two hundred fifty pesos monthly compensation or (2) has paid at least one hundred twenty monthly contributions and has reached the age of sixty-five years, or (3) has paid at least thirty-six monthly contributions and has become permanently totally disabled, shall be entitled for as long as he lives but in no case for less than five years to a monthly pension amount to be computed as follows:

"Forty-five per cent of the first three hundred pesos of the average monthly salary credit or fraction thereof; plus

"Nine per cent of the excess over three hundred pesos; plus

"One tenth of one per cent of the average monthly salary credit for each monthly contribution in excess of one hundred twenty and paid as of the last day of the second quarter preceding the quarter of retirement: Provided, That a member of the SSS covered prior to June 18, 1962 and who was fifty years of age or over on the date of his coverage shall be entitled to the benefits hereunder if he has paid a number of monthly contributions equivalent to the number of calendar months of coverage at age sixty, but in no case less than twenty-four: Provided, further, That the monthly pension shall in no case be less than forty-five pesos.

* * *

"(c) The monthly pension shall be suspended —

"1. Upon the re-employment of a retired employee who is less than sixty-five years old if he receives from his employment a monthly compensation of two hundred fifty pesos or more, in which case, he shall again be subject to Section eighteen hereof, and his employer to Section nineteen; or

"2. Upon the recovery of an employee retired due to permanent total disability, or his failure to present himself for examination at least once a year upon notice by the SSS.

"(d) The monthly pension of a surviving pensioner retired before December 1, 1972 shall be increased by fifty per cent and the amount shall be his new monthly pension beginning with said date."

SEC. 7. Section thirteen of the same Act is further amended to read as follows:

"SEC. 13. Death and permanent disability benefits. — (a) Upon the covered employee's death, his beneficiaries shall be entitled to the basic lump sum amount, plus five-twelfths of one per cent of the basic lump sum amount for each monthly contribution in excess of one hundred twenty monthly contributions: Provided, That any of the following conditions is satisfied at the time of death:

"1. He shall have paid eighteen monthly contributions within the thirty-six calendar month period ending on the last day of the second quarter preceding the quarter of death.

"2. His payment ratio is not less than eighty per cent: Provided, further, That if none of the foregoing conditions are satisfied, his death benefit shall be the above amount multiplied by one and one-fourth times his payment ratio: Provided, finally, That the death benefit shall not be less than the total contributions paid by him and his employer in his behalf to the SSS nor less than five hundred pesos: Provided, however, That the covered employee who dies in the month of coverage shall be entitled to the minimum benefit.

"(b) Upon the covered employee's permanent total disability, if such disability occurs before he has paid thirty-six monthly contributions to the SSS, he shall be entitled to the basic lump sum amount: Provided, That any of the following conditions is satisfied at the time of permanent total disability:

"1. He shall have paid eighteen monthly contributions within the thirty-six calendar month period ending on the last day of the second quarter preceding the quarter of permanent total disability

"2. His payment ratio is not less than eighty percent: Provided, further, That if none of the foregoing conditions are satisfied, his permanent total disability benefit shall be the above amount multiplied by one and one-fourth times his payment ratio: Provided, finally, That the permanent total disability benefit shall not be less than the total contributions paid by him and his employer in his behalf to the SSS nor less than five hundred pesos: Provided, however, "That a covered employee who becomes permanently, totally disabled in the month of coverage shall be entitled to the minimum benefit.

"(c) If the disability is partial but permanent, the amount of benefit shall be such percentage of the sum of the benefit described in the preceding paragraph and five-twelfths of one per cent of the basic lump sum amount for each monthly contributions, in excess of one hundred twenty monthly contributions, with due regard to the degree of disability as the Commission may determine: Provided, That the percentage degree of disability shall not be additive for distinct, separate and unrelated permanent partial disabilities but shall be additive for deteriorating and related permanent partial disabilities to a maximum of one hundred per cent, in which case the employee shall be deemed as permanently totally disabled."

SEC. 8. Section fourteen of the same Act is further amended by amending paragraphs (a) and (b), designating paragraph (b) as (c) and adding thereto paragraphs (b), (d), (e), and (f) to read as follows:

"SEC. 14. Sickness benefit. — (a) Under such rules and regulations as the Commission may prescribe, any covered employee under this Act who has paid at least twelve monthly contributions and who, on account of sickness or bodily injury, is confined for more than five days in a hospital, or elsewhere with the Commission's approval shall, for each day of such confinement or fraction thereof, be paid by his employer or by the SSS if such person is unemployed, an allowance equivalent to seventy per cent of the average daily salary credit subject to the following conditions:

"1. In no case shall the total amount of such daily allowance, if any, be less than two pesos and fifty centavos nor exceed twelve pesos nor paid for a period longer than one hundred twenty days in one calendar year; nor shall any unused portion of the one hundred twenty days sickness benefit granted under this section be carried forward and added to the total period allowable in the subsequent year;

"2. No employee shall be paid any sickness benefit for more than two hundred forty days on account of the same confinement; and

"3. The employee shall notify his employer of the fact of his sickness or injury within five calendar days after the start of his confinement unless such confinement is in a hospital or the employee became sick or was injured while working or within the premises of the employer in which case notification to the employer is not necessary: Provided, That if the member is unemployed he shall directly notify the SSS of his confinement within five calendar days after the start thereof unless such confinement is in a hospital in which case notification is also not necessary: Provided, further, That in cases where notification is necessary, the confinement shall be deemed to have started not earlier than the fifth day immediately preceding the date of notification.

"(b) The Payment of such allowances shall be promptly made by the employer every regular pay day or on the fifteenth and last day of each month in the case of direct payment by the SSS for as long as such allowances are due and payable: Provided, That payment by the employer for current sick leaves of absence, if any, shall be reimbursed by the SSS up to an amount not exceeding the sickness benefit upon application for reimbursement by the employer.

"(c) One hundred per cent of the daily benefits provided in the preceding paragraph shall be reimbursed by the SSS to said employer upon receipt of satisfactory proof of such payment and legality thereof: Provided, That the employer has notified the SSS of the confinement within five calendar days after receipt of the notification from the employee: Provided, further, That if the notification to the SSS is made by the employer beyond five calendar days after receipt of the notification from the employee, said employer shall be reimbursed only for each day of confinement starting from the tenth calendar day immediately preceding the date of notification to the SSS: Provided, finally, That the SSS shall reimburse the employer or pay the unemployed member only for confinement within the one year period immediately preceding the date the claim for benefit or reimbursement is received by the SSS, except confinement in a hospital in which case the claim for benefit or reimbursement must be filed within one year from the last day of confinement.

"(d) Where the employee has given the required notification but the employer fails to notify the SSS of the confinement or to file the claim for reimbursement within the period prescribed in this section resulting in the reduction or denial of the claim such employer shall have no right to recover the daily allowances he advanced to the employee as required in this section.

"(e) The claim of reimbursement shall be adjudicated by the SSS within a period of two months from receipt thereof: Provided, That should no payment be received by the employer within one month after the period prescribed herein for adjudication the reimbursement shall thereafter earn simple interest of one per cent per month until paid.

"(f) The provisions regarding the notification required of the covered employee and the employer as well as the period within which the claim for benefit or reimbursement may be filed shall apply to all claims filed with the SSS beginning January 1, 1973."

SEC. 8-A. Section fifteen of the same Act is further amended to read as follows:

"SEC. 15. Non-transferability of benefits. — The SSS 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 the beneficiary who is a national of a foreign country which does not extend benefits to a Filipino beneficiary residing in the Philippines, or which is not recognized by the Philippines, shall not be entitled to receive any benefits under this Act: Provided, further, That notwithstanding the foregoing, where the best interests of the SSS will be served, the Commission may direct payments without regard to nationality or country of residence: Provided, further, 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: Provided, further, That such appointment shall not be necessary in case the recipient is under the custody of, or living with, the parents or spouse, in which case the benefits shall be paid to such parents or spouse, as representative payee of the recipient. 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, finally, That in case of death benefits, if no beneficiary has been designated said benefits shall be paid to the legal heirs in accordance with the law of succession.

SEC. 9. Section sixteen of the same Act is amended to read as follows:

"SEC. 16. Exemption from tax, legal process and lien.— All laws to the contrary notwithstanding, the SSS and all its assets, all contributions collected and all accruals thereto and income therefrom as well as all benefit payments, and all papers or documents which may be required in connection with the operation or execution of this Act shall be exempt from any tax, assessment, fee, charge, or customs or import duty; and all benefit payments made by the SSS shall likewise be exempt from all kinds of taxes, fees or charges, and shall not be liable to attachment, garnishment, levy or seizure by or under any legal or equitable process whatsoever, either before or after receipt by the person or persons entitled thereto, except to pay any debt of the covered employees to the SSS."

SEC. 10. Section eighteen of the same Act is further amended by designating the present provision as paragraph (a) and adding thereto paragraphs (b) and (c) to read as follows:

"SEC. 18. Employee's contribution. — (a) Beginning as of the last day of the calendar month when an employee's compulsory coverage takes effect and every month thereafter during his employment, the employer shall deduct and withhold from such employee's monthly salary, wage, compensation or earnings the employee's contribution in an amount corresponding to his salary, wage, compensation or earnings during the month in accordance with the following schedule effective on January 1 1973:

Salary

Monthly
Bracket

Range of Compensation

Monthly Salary
Credit

Employer's contribution

Employee's contribution

Total Contribution

I

1

-

49.99

25

1.20

0.30

1.50

II

50

-

99.99

75

3.00

1.50

4.50

III

100

-

149.99

125

4.40

3.10

7.50

IV

150

-

199.88

175

6.20

4.30

10.50

V

200

-

349.99

225

7.90

5.60

13.50

VI

250

-

349.99

425

14.90

10.60

25.50

VII

350

-

499.99

425

14.90

10.60

25.50

VIII

500

-

699.99

600

21.00

15.00

36.00

IX

700

-

899.99

800

28.00

20.00

48.00

X

900

-

Over

1000

35.00

25.00

60.00

"(b) Increments in employer's and employee's contributions equal to one-sixth of their respective contributions in the schedule in paragraph (a) of this section rounded to the nearest ten centavos, shall be added on January 1, 1974 and January 1, 1979.

"(c) Every employer shall issue a receipt for all contributions deducted from the employee's compensation or shall indicate such deductions on the employee's pay envelopes."

SEC. 11. Section nineteen of the same Act is further amended by designating the present provisions as paragraph (a) and adding thereto paragraph (b) to read as follows:

"SEC. 19. Employer's contribution. — (a) Beginning as of the last day of the month when an employee's compulsory coverage takes effect and every month thereafter during his employment, his employer shall pay, with respect to such covered employee, the employer's contribution in accordance with the schedule indicated in Section eighteen of this Act. Notwithstanding any contract to the contrary, an employer shall not deduct, directly or indirectly from the compensation of his employees covered by the SSS or otherwise recover from them the employer's contributions with respect to such employees.

"(b) The remittance of such contributions by the employer shall be supported by a quarterly collection list to be submitted to the SSS at the end of each calendar quarter indicating the names and SSS numbers of the employees, their actual compensation and the total contributions paid for their account during the quarter."

SEC. 12. Section twenty-two of the same Act is further amended by amending paragraph (a) and adding thereto paragraphs (d) and (e) to read as follows:

"SEC. 22. Remittance of contributions. — (a) The contributions imposed in the preceding sections shall be remitted to the SSS within the first seven days of each calendar month following the month for which they are applicable or within such time as the Commission may prescribe. Every employer required to deduct and to remit such contributions shall be liable for their payment, and if any contribution is not paid to the SSS, as herein prescribed, he shall pay besides the contribution a penalty thereon of three per cent per month from the date the contribution falls due until paid. If deemed expedient and advisable by the Commission, the collection and remittance of contributions shall be made quarterly or semi-annually in advance, the contributions payable by the employees to be advanced by their respective employers: Provided, That upon separation of an employee, any contributions so paid in advance but not due shall be credited or refunded to his employer.

"(d) The last complete record of monthly contributions paid by the employer as of the date of filing of the action for collection shall be presumed to be the monthly contributions for the account of the employees listed therein payable by and due from the employer to the SSS for each of the unpaid month, unless contradicted and overcome by other evidence: Provided, That the SSS shall not be barred from determining and collecting the true and correct contributions due the SSS even after full payment pursuant to this paragraph, nor shall the employer be relieved of his liability under section twenty-eight of this Act.

"(e) For purpose of this section, any employer who is delinquent or has not remitted all the monthly contributions due and payable may within six (6) months from the approval of this amendatory act remit said contributions to the SSS and submit the corresponding collection lists therefor without incurring the prescribed three per cent penalty. In case the employer fails to remit to the SSS the said contributions within the six

months grace period, the penalty of three per cent shall be imposed from the time the contributions first became due as provided in paragraph (A) of this section."

SEC. 13. Section twenty-four of the same Act is further amended by amending paragraphs (a) and (b) and adding thereto paragraphs (c), (d), and (e) to read as follows:

"SEC. 24. Employment records and reports. — (a) Each employer shall immediately report to the SSS the names, ages, civil statuses, occupations, salaries and dependents of all his employees who are in his employ and who are or may later be subject to compulsory coverage: Provided, That if an employee subject to compulsory coverage should die or become sick or disabled or reach age sixty without the SSS having previously received any report or written communication about him from his employer or a contribution paid in his name by his employer, the said employer shall pay to the SSS damages equivalent to the benefits to which said employee would have been entitled had his name been reported on time by the employer to the SSS, except that in case of pension benefits, the employer shall only be liable for the total five-year guaranteed pension: Provided, further, That if the contingency occurs within thirty days from the date of employment, the employer shall be relieved of his liability for damages.

"(b) Should the employer misrepresent the true date of employment of his employees or remit to the SSS contributions which are less than those required in this act, resulting in a reduction of benefits, the employer shall pay to the SSS damages to the extent of such reduction.

"(c) The records and reports duly accomplished and submitted to the SSS by the employee or the employer, as the case may be, shall be kept confidential by the SSS except in compliance with a subpoena duces tecum issued by the Courts, shall not be divulged without the consent of the administrator or any official of the SSS duly authorized by him, shall be presumed correct as to the data and other matters stated therein, unless the necessary corrections to such records and reports have been properly made by the parties concerned before the right to the benefit being claimed accrues, and shall be made the basis for the adjudication of the claim. Such adjudication shall be final.

"(d) Every employer shall keep true and accurate work records for such period and containing such information as the Commission may prescribe, in addition to an 'annual register of new and separated employees' which shall be secured from the SSS wherein the employer shall enter on the first day of employment or on the effective date of separation the names of the persons employed or separated from employment, their SSS numbers, and such other data that the Commission may require and said annual register shall be submitted to the SSS in the month of January of each year. Such records shall be open for inspection by the SSS or its authorized representatives quarterly or as often as the SSS may require. The SSS may also require each employer to submit, with respect to the persons in his employ, reports needed for the effective administration of this Act.

"(e) Effective July 1, 1973, each employer shall require as a condition to employment, the presentation of a registration number secured by the prospective employee from the SSS in accordance with such procedure as the SSS may adopt: Provided, That in case of employees who have earlier been assigned registration numbers by virtue of a previous employment, such numbers originally assigned to them should be used for purposes of this section: Provided, further, That the issuance of such registration numbers by the SSS shall not exempt the employer from complying with the provisions of paragraph (A) of this section."

SEC. 13-A. Section twenty-five of the same Act is further amended to read as follows:

"SEC. 25. Deposit and Disbursements.- All moneys paid to or collected by the SSS 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 contributions and gross income from investments, not more than twelve per cent during the fiscal year 1966-67, said percentage limit to be decreased by one-half per cent each succeeding fiscal year, but

not less than seven per cent, shall be disbursed for salaries and wages, purchases of office equipment and materials, operational expenses and the establishment of regional offices of the SSS: Provided, further, That if the expenses of the SSS in any year are less than the maximum amount permissible, the difference shall not be availed of as additional expenses of the SSS in the following years: Provided, finally, That the implementation of the decentralization of operations shall be given priority and the SSS shall submit to Congress an annual progress report on the development of this program."

SEC. 14. Section twenty-six of the same Act is further amended by amending all paragraphs and adding thereto paragraph (g) to read as follows:

"SEC. 26. Investment of reserve funds. — All revenues of the SSS as are not needed to meet the current administrative and operational expenses incidental to the carrying out of this Act shall be accumulated in a fund to be known as the 'Reserve Fund' which shall be used exclusively for the payment of the benefits under this Act, and no amount thereof shall be withdrawn or used for any other purpose. Such portions of the reserve funds as are not needed to meet the current benefit obligations thereof shall be invested to earn an average annual income of at least seven per cent: Five per cent shall be invested in bank deposits to be known as the 'contingency reserve fund' to meet and cover contingent and extraordinary disbursements for death, sickness and disability claims under this Act, and the remaining balance shall be credited to a fund to be known as the 'investment reserve fund to be invested by the Commission in any or all of the following ways only:

"(a) In interest-bearing bonds or securities of the Government of the Philippines, or bonds or securities for the payment of the interest and principal to which the faith and credit of the Republic of the Philippines is pledged.

"(b) In interest-bearing deposits or securities in any domestic bank doing business in the Philippines: Provided, That such deposits shall not exceed at any time the unimpaired capital and surplus or total private deposits of the depository bank, whichever is smaller: Provided, further, That said bank shall first have been designated as a depository for this purpose by the Monetary Board of the Central Bank of the Philippines: Provided, finally, That such investment in deposits or securities shall be equitably distributed to all designated depository banks.

"(c) In loans or interest-bearing advances to the National Government for the construction of permanent toll bridges, toll roads or government office buildings in accordance with actuarial considerations and the conditions prescribed by the law in such cases: Provided, That the tolls shall be collected by the SSS for a reasonable fee.

"(d) In direct housing loans to covered employees giving priority to the low-income groups, up to a maximum of ninety per cent of the appraised value of the properties to be mortgaged by the borrowers under such rules and regulations as the Commission may adopt, and in building projects referred to in Section four (j) of this Act for the maintenance of hospitals and institutions for the sick, aged and infirmed members and their families.

"(e) In investments which will provide credit facilities for small short-term loans to covered employees: Provided, That not more than ten per cent of the investment reserve fund at any time shall be invested for this purpose.

"(f) In other income earning projects and investments secured by first mortgages on real estate collaterals which, in the determination of the Commission, shall redound to the benefit of the SSS, its members, as well as the public welfare: Provided, That any such investments shall be made with due diligence and prudence to earn the highest possible interest consistent with safety.

"(g) As part of its investment operations the SSS shall act as insurer of all or part of its interest on properties mortgaged to the SSS or on the lives of mortgagors whose properties are mortgaged to the SSS in accordance with such rules and regulations prescribed by the Commission: Provided, That the Commission shall fix its own rates of premiums based on studies recommended by the actuary but in no case higher than the rates

approved by the insurance commissioner: Provided, further, That the SSS may insure any of its interest or part hereof with any private company or reinsurer: Provided, finally, That the general law on insurance and the rules and regulations promulgated thereunder shall have suppletory application insofar as it is not in conflict with the Social Security Law and its rules and regulations."

SEC. 15. Section twenty-eight of the same Act is further amended by amending paragraphs (a) and (b) and adding thereto paragraphs (h) and (i) to read as follows:

"SEC. 28. Penal Clause. — (a) Whoever, for the purpose of causing any payment to be made under this Act, or under an agreement thereunder, where none is authorized to be paid, shall make or cause to be made false statement or representation as to any compensation paid or received, or whoever makes or causes to be made any false statement of a material fact in any claim for any benefit payable under this Act, or application for loan with the SSS, or whoever makes or causes to be made any false statement, representation, affidavit, or document, in connection with such claim, shall be fined not less than five hundred pesos nor more than five thousand pesos or imprisoned for not less than six months nor more than one year, or both, at the discretion of the court.

"(b) Whoever shall obtain or receive any money or check under this Act or any agreement thereunder, without being entitled thereto with intent to defraud any covered employee, employer or the SSS, shall be fined not less than five hundred pesos nor more than five thousand pesos and imprisoned for not less than six months nor more than one year."

"(h) Any employer who, after deducting the monthly contributions or loan amortizations from his employee's compensation, fail to remit the said deductions to the SSS within thirty days from the date they became due shall be presumed to have misappropriated such contributions or loan amortizations and shall suffer the penalties provided in Article three hundred fifteen of the Revised Penal Code.

"(i) Criminal action arising from violation of the provisions of this Act may be commenced by the SSS or the employee concerned either under this Act or in appropriate cases under the Revised Penal Code."

SEC. 16. This Decree is hereby made part of the law of the land and shall take effect immediately.

Done in the City of Manila, this 19th day of October, in the year of Our Lord, nineteen hundred and seventy-two.

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

By the President:

(Sgd.) ALEJANDRO MELCHOR
Executive Secretary

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