

FURTHER AMENDING REPUBLIC ACT NO. 1161 OTHERWISE KNOWN AS SOCIAL SECURITY LAW.

PRESIDENTIAL DECREE NO. 1202, September 27, 1977

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WHEREAS, under article II, Section 7 of the Constitution of the Philippines, it is the declared policy of the EState to "establish, maintain and ensure adequate social services in the field of social security to guarantee the enjoyment by the people of a decent standard of living;"

WHEREAS, in view of the increased membership and judicious management of funds by the Social Security System, it is now possible for the SSS to further increase benefits to its members without any new additional contribution therefor;

WHEREAS, it is likewise necessary to integrate maternity benefits into the SSS for the better protection of the health and welfare of the female members of our working population;

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

SECTION 1. Section 3 (a) of a Republic Act No. 1161 is hereby amended 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 Metro-Manila, Philippines, is hereby created. The SSS shall be under the general supervision of 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 of the Philippines. The Chairman of the Commission shall be designated by the President from among its members. The term of (he appointive members shall be three years: Provided, That the terms of the 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 two hundred pesos per diem for each meeting actually attended by them: Provided, that no compensation shall be paid for more than eight meetings a month."

SEC. 2. Section 12 of Republic Act No. 1161 is hereby amended to read as follows:

"SEC. 12. Monthly pension—(A) The monthly pension shall be the sum of the basic monthly amount and the graduated increment.

"(1) Basic Monthly Amount—The basic monthly amount shall be one hundred fifteen per cent of the sum of the following:

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

"Twenty-five per cent of the next three hundred pesos of the average monthly salary credit or fraction thereof;

"Nine per cent of each succeeding one hundred pesos of the average monthly salary credit or fraction thereof;

"One tenth of one per cent of the average monthly salary credit for each monthly salary credit for each monthly

contribution in excess of one hundred twenty and paid prior to the semester of contingency."

"(2) Graduated Increment—The graduated increment shall be equal to seven and seven-tenths per cent of the result obtained by subtracting the basic monthly amount from three hundred forty pesos. Provided, That the increment shall not be less than ten pesos.

"(B) The monthly pension shall in no case be less than one hundred pesos nor paid for less than sixty months except to a secondary beneficiary: Provided, That this monthly pension shall be the new amount of the monthly pension for surviving pensioners beginning January, 1978."

SEC. 3. Section 12-A of Republic Act No. 1161 is hereby amended to read as follows:

"SEC. 12-A. Dependent's pension—The dependent's pension shall be equivalent to ten per cent of the monthly pension for each dependent child but not exceeding five, beginning with the youngest and without substitution."

SEC. 4. Section 12-B of Republic Act No. 1161 is hereby amended to read as follows:

"SEC. 12-B. Retirement benefits—(a) A covered employee who had paid at least one hundred twenty monthly contributions prior to the semester of retirement, and who (1) has reached the age of sixty years and is not receiving monthly compensation of at least three hundred pesos, or (2) has reached the age of sixty-five years, shall be entitled for as long as he lives to the monthly pension: Provided, That his dependents born before his retirement of a marriage subsisting when he was fifty-seven years old shall be entitled to the dependent's pension.

"(b) A covered member who is sixty years old at retirement and who does not qualify for pension benefits under paragraph (a) hereof shall be entitled to a lump sum benefits equal to the total contributions paid by him and on his behalf, Provided, That he is separated from employment and not continuing payment of contributions to the SSS on his own.

"(c) The monthly pension and dependent's pension shall be suspended upon the re-employment of a retired employee who is less than sixty-five years old if from his employment a monthly compensation of at least three hundred pesos, in which case, he shall again be subject to section eighteen and his employer to section nineteen of this Act: Provided, That in the computation of benefits the period during which he was receiving pension shall not be counted."

SEC. 5. Section 13 of Republic Act No. 1161 is hereby amended to read as follows:

"SEC. 13. Death Benefits—Upon the covered employee's death, his primary beneficiaries shall be entitled to the monthly pension, and his dependents to the dependent's pension: Provided, That he has paid at least thirty-Six monthly contributions prior to the semester of death: Provide, further, That if the foregoing condition is not satisfied or if he has no primary beneficiaries, the death benefit shall be a lump sum equivalent to thirty-five times the monthly pension: Provided, however, That the minimum death benefit shall not be less than the total contributions paid by him and his employer on his behalf nor less than one thousand pesos: Provided, finally, That the covered employee who dies without having paid at least three monthly contributions shall be entitled to the minimum benefit."

SEC. 6. Section 13-A of Republic Act No. 1161 is hereby amended to read as follows:

"SEC. 13-A. Permanent disability benefits—(a) Upon the covered employee's permanent total disability, if such disability occurs after he had paid at least thirty-six monthly contributions prior to the semester of disability he shall be entitled to the monthly pension and his dependents to the dependents' pension: Provided, That if the disability occurs before he has paid thirty-six monthly contributions prior to the benefit equivalent to thirty-five times the monthly pension: Provided, further, That the minimum disability benefit shall not on his

behalf nor less than one thousand pesos: Provided, furthermore, That a covered employee who becomes permanently totally disabled without having paid at least three monthly contributions shall be entitled to the minimum benefit: Provided, finally, That a member who received a lump sum benefit and (2) is reemployed not earlier than one year from the date of his disability shall again be subject to compulsory coverage and considered a new member.

"(b)' The monthly pension and the dependents' pension shall be suspended upon his re-employment if he receives a monthly compensation of three hundred pesos or more or his recovery from the permanent total disability, or his failure to present himself for examination at least once a year upon notice by the SSS: Provided, That in case of suspension of pension by reason of re-employment, he shall again be subject to section eighteen and his employer to section nineteen of this Act: Provided, That, in the computation of benefits, the period during which he was receiving pension shall not be counted.

"(c) The following disabilities shall be deemed permanent total:

1. Complete loss of sight of both eye;
2. Loss of two limbs at or above the ankle or wrist;
3. Permanent complete paralysis of two limbs;
4. Brain injury resulting in incurable imbecility or insanity; and
5. Such cases as determined and approved by the SSS.

"(d) If the disability is permanent partial, and such disability occurs before thirty-six monthly contributions have been paid prior to the semester of disability, the benefit shall be such percentage of the lump sum benefit described in the preceding paragraph with due regard to the degree of disability as the Commission may determine.

"(f) If the disability is permanent partial, and such disability occurs after thirty-six monthly contributions have been paid prior to the semester of disability, the benefit shall be the monthly pension for permanent total disability payable not longer than the period designated in the following schedule:

COMPLETE AND PERMANENT
LOSS OF THE USE OF
NUMBER OF
MONTHS

One thumb

8

One index finger

6

One middle finger

5

One ring finger

4

One little finger

2

One big toe

5

Any toe

2

One hand

31

One arm

40

One foot

25

One leg

37

One ear

8

Both ears

16

Hearing of one ear

8

Hearing of both ears

40

Sight of one eye

20

"(f) The percentage degree of disability, which is equivalent to the ratio that the designated number of months of compensability bears to sixty, 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 permanent totally disabled."

SEC. 7. Republic Act No. 1161 is hereby amended by adding a new section after Section 14 thereof, to read as follows:

"SEC. 14-A. Maternity Leave Benefits—Any female employee covered under this Act for whom at least three monthly maternity contributions in the twelve-month period immediately preceding the semester of her childbirth, abortion, or miscarriage have been paid in accordance with section eighteen (a) hereof and who is currently employed shall be paid a daily maternity benefit equivalent to one hundred per cent of her average daily salary credit for forty-five days subject to the following conditions :

- That the employee shall have notified her employer of her pregnancy and the probable date of her childbirth which notice shall be transmitted to the SSS in accordance with the rules and regulations it may provide.
- That payment shall be advanced by the employer in two equal installments within thirty days from the filing of the maternity leave application;
- That payment of daily maternity benefits shall be a bar to the recovery of sickness benefits provided by this Act for the same compensable period of forty-five days for the same childbirth, abortion, or miscarriage;
- That the maternity benefits provided under this Section shall be paid only for the first four deliveries after March 13, 1973;
- That the SSS shall immediately reimburse the employer of one hundred per centum of the amount of maternity benefits advanced to the employee by the employer upon receipt of satisfactory proof of such payment and legality thereof;
- That if an employee should Live birth or suffer abortion or miscarriage without the required contributions having been remitted for her by her employer to the SSS. or without the latter having been previously notified by the employer of time of the pregnancy, the employer shall pay to the SSS damages equivalent to the benefits which said employees would otherwise have been entitled to, and the SSS shall in turn pay such amount to the employee concerned.

Provided, however, That for contingencies occurring during of social from January 1, 1978 to June 30, 1978. the payment of social security contributions shall instead be required for entitlement to maternity benefits."

SEC. 8. Section 17 of Republic Act No. 1161 is hereby amended to read as follows:

"SEC. 17. Fee of Agents, Attorneys, Etc.— No agent, attorney or other person in charge of the preparation, filing or pursuing any claim or benefit under this Act shall demand or charge for his service any fee, and any stipulation to the contrary shall be null and void. The retention or deduction of any amount from any benefit granted under this Act for the payment of fees for such services is prohibited: Provided, however, That any member of the Philippine Bar who appears as counsel in any case heard by the Social Security Commission shall be entitled to attorney's fees not exceeding ten percent of the benefits awarded by the commission, which fees shall not be payable before the actual payment of the benefits, and any stipulation to the contrary shall be null and void.

"Any violation of the provisions of this Section shall be punished by a fine of not less than five hundred pesos nor more than five thousand pesos, or imprisonment for not less than six months nor more than one year, or both, at the discretion of the court."

SEC. 9. Section 18(a) is hereby amended by adding a new paragraph to read as follows:

"The maximum covered earnings or compensation of all SSS members shall be limited to P1,000 per month as provided in the foregoing schedule unless otherwise provided for by the Social Security Commission through rules and regulations taking into consideration actuarial calculations and rate of benefits."

SEC. 10. Republic Act No. 1161 is hereby amended by adding a new section after Section 18 thereof, to read as follows:

"SEC. 18-A. Additional Contributions for Maternity Benefits.— The employer shall remit to the SSS an additional contribution equivalent to 0.40 of the monthly salary credit of all his employees and if any contribution is not paid to the SSS as herein prescribed, he shall pay, besides the contribution, a penalty of 3% per month from the date the contribution falls due until paid.

"The contribution provided hereunder shall be collected, administered and disbursed in the same manner, conditions, requirements and safe-guards as those provided for other funds collected and kept by the SSS in accordance with this Act and shall be kept separate and distinct from all such other funds of the SSS."

SEC. 11. Section 22(d) of Republic Act No. 1161 is hereby amended to read as follows:

"SEC. 22(d). The last complete record of monthly contributions paid by the employer or the average of the monthly contributions paid during the past three years as of the date of filing of the action for collection shall be presumed to be the monthly contributions 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."

SEC. 12. Section 24(a) of Republic Act No. 1161 is hereby amended to read as follows:

"SEC. 24(a) Employment Records and Reports — (a) immediately report to the SSS the names, ages, civil statuses, occupations, salaries and dependents of all his employees who are subject to compulsory coverage: Provided, That if an employee subject to compulsory coverage should die or become sick or disabled or reach the age of 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 be liable to pay the SSS damages equivalent to five years' monthly pension, including dependents' 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."

SEC. 13. Section 28(i) of Republic Act No. 1161 is hereby amended to read as follows:

"(i) Criminal action arising from a violation of the provision 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: Provided, That such criminal action may be filed by the SSS in the city or municipality where the SSS provincial or regional office is located if the violation was committed within its territorial jurisdiction or in Metro Manila, at the option of the SSS."

SEC. 14. Effectivity—This decree shall take effect on January 1, 1978.

Done in the City of Manila, this 27th day of September, in the year of Our Lord, nineteen hundred and seventy-seven.

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

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

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