

FURTHER AMENDING CERTAIN PROVISIONS OF TITLE II, BOOK IV OF THE LABOR CODE OF THE PHILIPPINES

PRESIDENTIAL DECREE No. 1921, May 01, 1984

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WHEREAS, the Employee's Compensation Commission in pursuance its objectives to achieve labor justice for victim of employment-related contingencies, must constantly keep pace with and remain responsive to challenges of emerging concepts of employees compensation in particular and social security in general, and the changing patterns of social and economic development;

WHEREAS, as a result of discussions and consultations with the GSIS and PMCC, it is necessary to harmonize simplify and correlate provisions of the Labor Code of the Philippines with other laws, decrees and issuances administered and implemented by administering agencies of the Employees' Compensation Program;

WHEREAS, the present economic crisis requires the Government to institute emergency and extraordinary measures toward providing further protection and financial relief to workers and their families, to help mitigate the harsh effects of inflation on their living expenses; and

WHEREAS, Through 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, the Fund has accumulated enough reserves to enlarge the benefit structure of covered employees without the need for 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 law and the Constitution, do hereby order and decree:

SECTION 1. Paragraph (i), (j), (k), and (ee) of Article 167 of the Labor Code of the Philippines (PD 442, Amended) are hereby amended further to read as follows:

'Article 167. Definition of Terms.—As used in this Title, unless the context indicates otherwise:

"(i) 'Dependents' means the legitimate, legitimated, legally adopted or acknowledged natural child who is unmarried, not gainfully employed, and not over twenty-one years of age or over twenty-one years of age provided he is incapable of self-support due to a physical or mental defect which is congenital or acquired during minority; the legitimate spouse living with the employees; and the parents of said employee wholly dependent upon him for regular support."

"(j) 'Beneficiaries' means the dependent spouse until he remarries and dependent children, who are the primary beneficiaries. In their absence, the dependent parents and, subject to the restrictions imposed on dependent children and legitimate descendants who are the secondary beneficiaries.. Provided, that the dependent acknowledged natural child shall be considered a primary beneficiary when there are no other dependent children who are qualified and eligible for monthly income benefit."

"(k) 'Injury' means any harmful change in the human organism from any accident arising out of and in the course of the employment."

"(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 credited year of service in excess of ten years;

"Provided, That the monthly income benefit shall in no case be less than Two Hundred Fifty pesos. Sec. 2. Article 173 of PD 442, as Amended is hereby amended further to read as follows:

"Article 173. Extent of liability. Unless otherwise provided, the liability of the State Insurance Fund under this Title shall be exclusive and in place of all other liabilities of the employer to the employee or his dependents or anyone otherwise entitled to recover damages on behalf of the employee or his dependents. The payment of compensation under this Title shall not bar the recovery of benefits as provided for in Section 699 of the Revised Administrative Code, Republic Act numbered eleven hundred sixty-one, as amended, Republic Act numbered six hundred ten, as amended, Republic Act numbered forty-eight hundred sixty-four, as amended, and other laws whose benefits are administered by the System or by other agencies of the government."

SEC. 3. Paragraph (g) of Art. 177 of PD 442, as Amended are hereby amended further to read as follows:

"Article 177. Powers and duties.— x x x x x

"(g) To adopt annually a budget of expenditures of the Commission and its staff chargeable against the State Insurance Fund: Provided, that the SSS and GS'IS shall advance on a quarter basis the remittances of allotment of the loading fund for the commission's operational expenses based on its annual budget duly approved by the Ministry of the Budget and Management."

SEC. 4. Paragraphs (a), (b), and (d), of Art. 194 of PD 44 Amended, are hereby amended further to read as follows:

"Article 194. Death.—Under such regulations as the Commission may approve, the System shall pay to the primary-beneficiaries upon the death of the covered employee under the Title an amount equivalent to his monthly income benefit, plus ten percent thereof for each dependent child, but not exceeding five, beginning with the youngest and without substitution except provided for in paragraph (j) of Article 167, hereof: 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 the monthly income benefit but not to exceed sixty months. Provided, Finally, That the minimum death benefit shall not be less than Fifteen 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 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 beneficiaries, the System shall pay to his secondary beneficiaries the monthly pension excluding the dependent's pension, of the remaining balance of the five-year guaranteed period: Provided, Finally, That the minimum death benefit shall be less than fifteen thousand pesos."

"(d) Funeral Benefit. A funeral benefit of One Thousand five Hundred Pesos shall be paid upon the death of a covered employee or permanently totally disabled pensioner.

SEC. 5. Art. 201 of PD 442, as Amended, is hereby amended further to read as follows:

"Article 201. Prescriptive Period. No claim for Compensation shall be given due course unless said claim is filed with the System within three years from the time the cause of action accrued."

SEC. 6. Repeal of laws. All laws, decrees, letters of instructions and executive orders inconsistent with, or contrary to this Decree are hereby repealed.

SEC. 7. Effectivity. This Decree shall take effect June 1, 1984.

Done in the City of Manila, this 1st day of May, in the Year of Our Lord, Nineteen Hundred and Eigthy-Four.

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

By the President:

(Sgd.)JUAN C. TUVERA
Presidential Executive Assistant

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