AN ACT
MANDATING THE SUSPENSION OF THE SCHEDULED INCREASE IN SOCIAL SECURITY CONTRIBUTION RATE, AMENDING FOR THE PURPOSE SECTION 4 OF REPUBLIC ACT 11199, OTHERWISE KNOWN AS THE "SOCIAL SECURITY ACT OF 2018," AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The COVID-19 pandemic has not only pushed the Philippine healthcare system to the brink of collapse but has also severely affected the Philippine economy and Filipino workers. According to the recent October 2020 Labor Force Survey, the country has an 8.7% unemployment rate, equivalent to 3.8 million unemployed Filipino workers. Though this is significant improvement from the record high unemployment rate of 17.6% tallied last April 2020 at the height of the nationwide lockdown, it is still almost double the 2.1% unemployment rate recorded by the same survey one year earlier in October 2019. Another recent survey from the Social Weather Stations last September 2020 also showed a record high hunger incidence of 30.7%, which translates to an estimated 7.6 million Filipino households who experienced hunger at least once during the height of the pandemic.

Workers who were able to remain employed also faced their own challenges. As a response to the economic crisis, companies implemented alternative work arrangements to preserve resources and sustain future operations once restrictions are relaxed and the global pandemic has subsided. Companies reduced workdays and forced employees on leaves, leaving workers to receive less compensation. Some companies chose to temporarily shut down, leaving workers without pay until operations resume. According to the Department of Labor and Employment (DOLE), around 3,023,601 workers were affected due to the implementation of these alternative work arrangements and temporary shutdowns.

Because of the negative effects of the pandemic to the Philippine economy, it is of utmost importance that it is ensured that companies can recover and that
workers are continuously able to provide for their families. This bill seeks to do just that by providing relief to Filipino workers and employers through the deferment of the mandated increase of social security contributions. The key towards economic recovery now is that money is put on the hands of Filipinos, both employer and workers, for them to survive.

Thus, the passage of this bill is earnestly sought.

RAYMOND DEMOCRITO C. MENDOZA
TUCP Partylist
Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City  

EIGHTEENTH CONGRESS  
Second Regular Session  

8386  
House Bill No.  

Introduced by RAYMOND DEMOCRITO C. MENDOZA  
Representative, Trade Union Congress Party  

AN ACT  
MANDATING THE SUSPENSION OF THE SCHEDULED INCREASE IN SOCIAL  
SECURITY CONTRIBUTION RATE, AMENDING FOR THE PURPOSE SECTION 4  
OF REPUBLIC ACT 11199, OTHERWISE KNOWN AS THE "SOCIAL SECURITY  
ACT OF 2018," AND FOR OTHER PURPOSES  

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

SECTION 1. Suspension of SSS Contribution Increase –Section 4 of Republic Act  
No. 11199, otherwise known as the “Social Security Act of 2018,” is hereby  
amended to read as follows:  

SEC. 4. Powers and Duties of the Commission and SSS. –  

xxx  

(9) To implement the rate of contributions as well as the minimum 9 and  
maximum monthly salary credits in accordance with the 10 following  
schedule effective January of the year of implementation 11 as follows:  

<table>
<thead>
<tr>
<th>Year of Implementation</th>
<th>Contribution Rate</th>
<th>Share</th>
<th>Monthly Salary Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Employer</td>
<td>Employee</td>
</tr>
<tr>
<td>2019</td>
<td>12%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>2020</td>
<td>12%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>2021</td>
<td>13%</td>
<td>9%</td>
<td>4.5%</td>
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<tr>
<td>2022</td>
<td>13%</td>
<td>9%</td>
<td>4.5%</td>
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<tr>
<td>2023</td>
<td>14%</td>
<td>9.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2024</td>
<td>14%</td>
<td>9.5%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Provided, That the domestic workers or kasambahays as defined under  
Republic Act No. 10361 or the Batas Kasambahay who are receiving a  
monthly income lower than minimum monthly salary credit prescribed  
under this Act shall pay contributions based on their actual monthly salary:
Provided, further, That members, who are subject to compulsory coverage
and receiving a monthly income lower than the minimum monthly salary
credit or more than the maximum monthly salary credit, and their
employers, shall pay the SSS contributions based on the current minimum
monthly salary credit or the maximum monthly salary credit, respectively,
as provided in this Act; PROVIDED, FINALLY, THAT IN THE EVENT OF A
PANDEMIC, ACT OF GOD, ACT OF NATURE, OR SIMILAR, ANALOGOUS
CATASTROPHIC EVENT, THE INCREASE IN CONTRIBUTION RATE
PROVIDED UNDER THIS SUBSECTION SHALL BE SUSPENDED, AND
THEREAFTER, THE MANDATED INCREASE SHALL BE IMPLEMENTED ON
THE YEAR FOLLOWING THE CESSATION OF THE PANDEMIC, ACT OF GOD,
ACT OF NATURE, OR SIMILAR, ANALOGOUS CATASTROPHIC EVENT, AND
ALL SUCCEEDING INCREASE IN CONTRIBUTION SHALL BE
IMPLEMENTED IN THE FOLLOWING YEARS ACCORDINGLY.

SEC. 2. Continuity of SSS Benefits. – Nothing in this Act shall be construed to
diminish any benefits, entitlements or privileges granted to members of the Social
Security System.

SEC. 3. Implementing Rules and Regulations. – The Social Security Commission
shall promulgate the necessary rules and regulations to implement this Act not
later than sixty (60) days after its effectivity.

SEC. 4. Separability Clause. – Any portion or provision of this Act that is declared
unconstitutional or invalid shall not have the effect of nullifying other portions or
provisions hereof as long as such remaining portions can still subsist and be given
effect in their entirety.

SEC. 5. Repealing Clause. – All laws, ordinances, rules, regulations, other
issuances, or parts thereof, which are inconsistent with this Act, are hereby
repealed or modified accordingly.

SEC. 6. Effectivity. – This Act shall take effect fifteen (15) days after its publication
in the Official Gazette or in a newspaper of general circulation.