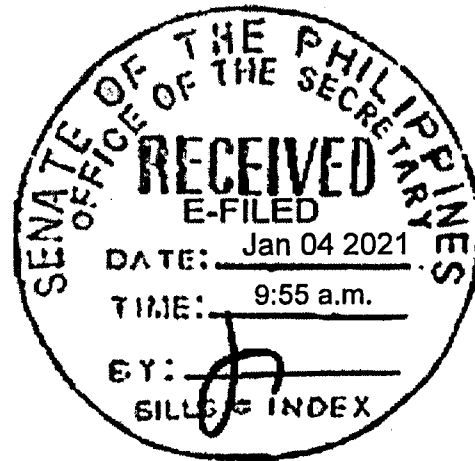


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )



SENATE  
S. B. NO. 1965

---

Introduced by **SENATOR JOEL VILLANUEVA**

---

**AN ACT  
MANDATING THE SUSPENSION OF THE SCHEDULED INCREASE  
IN SOCIAL SECURITY CONTRIBUTION RATE, AMENDING FOR THE  
PURPOSE SECTION 4 OF REPUBLIC ACT NO. 11199, OTHERWISE  
KNOWN AS THE "SOCIAL SECURITY ACT OF 2018," AND FOR  
OTHER PURPOSES**

**EXPLANATORY NOTE**

The economic impact of the COVID-19 pandemic to the Philippines have severely affected the lives of Filipino workers. According to the October 2020 Labor Force Survey, the unemployment rate in the country is at 8.7%, equivalent to around 3.8 million unemployed Filipinos. This is significantly higher than the unemployment rate in October 2019, which was only at 4.6%. Meanwhile, an SWS survey report that in August 2020 highlighted a bleaker picture on the country's employment crisis, with around 27.3 million Filipinos or 45.5% of the labor force losing their jobs during the pandemic.<sup>1</sup> Accordingly, this is due to companies deciding to downsize and retrench their workforce to cushion the blow from government quarantine restrictions in light of the pandemic.

Workers who have managed to retain employment are also not as fortunate. Some of these workers are forced to receive lower take-home pay and compensation. Many companies in the country have decided to implement alternative work arrangements, such as reduction of workdays and forced leaves to reduce expenses and sustainably maintain operations. Some companies also decided to temporarily close operations, leaving workers to wait without any pay until operations resume when quarantine measures ease. According to the Department of Labor and Employment (DOLE),<sup>2</sup> around 3,023,601 workers were affected due to the implementation of flexible work arrangements and temporary closures.

---

<sup>1</sup> SWS July 3-6 2020 National Mobile Phone Survey. Issued on August 16, 2020. Social Weather Stations.  
<sup>2</sup> DOLE Job Displacement Report. Issued on September 21, 2020.

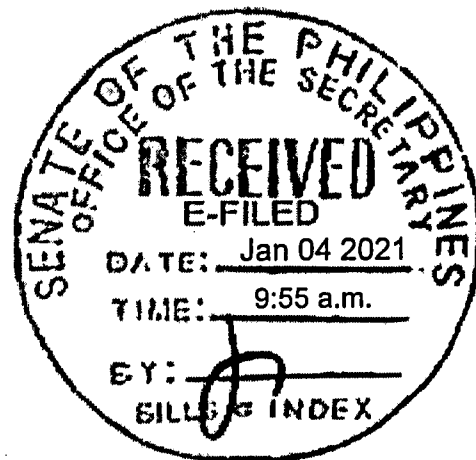
Given the current employment situation of the country as a result of the COVID-19 pandemic, there is a need to ensure that workers and companies are able to fully recover and have enough resources to do so. This bill seeks to achieve this by providing a reprieve to our battle-weary workers and employers through the suspension of the mandated increase in social security contribution rate in the event of a pandemic. This respite from increased expenses, arising from higher social security contribution, will provide businesses and employees with much needed income to survive and recover during a pandemic.

Thus, the passage of this bill is earnestly sought.



**SENATOR JOEL VILLANUEVA**

EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )



SENATE

S. B. NO. 1965

---

Introduced by SENATOR JOEL VILLANUEVA

---

**AN ACT**  
**MANDATING THE SUSPENSION OF THE SCHEDULED INCREASE**  
**IN SOCIAL SECURITY CONTRIBUTION RATE, AMENDING FOR THE**  
**PURPOSE SECTION 4 OF REPUBLIC ACT NO. 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:*

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

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

6  
7 x x x

8  
9 (9) To implement the rate of contributions as well as the minimum  
10 and maximum monthly salary credits in accordance with the  
11 following schedule effective January of the year of implementation  
12 as follows:  
13

Year of Implementation	Contribution Rate	Share		Monthly Salary Credit	
		Employer	Employee	Minimum	Maximum
2019	12%	8%	4%	P 2,000.00	P 20,000.00
2020	12%	8%	4%	P 2,000.00	P 20,000.00
2021	13%	8.5%	4.5%	P 3,000.00	P 25,000.00
2022	13%	8.5%	4.5%	P 3,000.00	P 25,000.00
2023	14%	9.5%	4.5%	P 4,000.00	P 30,000.00
2024	14%	9.5%	4.5%	P 4,000.00	P 30,000.00
2025	15%	10%	5%	P 5,000.00	P 35,000.00

1           *Provided*, That the domestic workers or kasambahays as defined  
2 under Republic Act No. 10361 or the Batas Kasambahay who are  
3 receiving a monthly income lower than minimum monthly salary  
4 credit prescribed under this Act shall pay contributions based on  
5 their actual monthly salary: *Provided, further*, That members, who  
6 are subject to compulsory coverage and receiving a monthly  
7 income lower than the minimum monthly salary credit or more than  
8 the maximum monthly salary credit, and their employers, shall pay  
9 the SSS contributions based on the current minimum monthly  
10 salary credit or the maximum monthly salary credit, respectively, as  
11 provided in this Act; *PROVIDED, FINALLY*, THAT IN THE EVENT  
12 OF A PANDEMIC, THE INCREASE IN CONTRIBUTION RATE  
13 PROVIDED UNDER THIS SUBSECTION SHALL BE  
14 SUSPENDED, AND THEREAFTER, THE MANDATED  
15 INCREASE SHALL BE IMPLEMENTED ON THE YEAR  
16 FOLLOWING THE CESSATION OF THE PANDEMIC, AND ALL  
17 SUCCEEDING INCREASE IN CONTRIBUTION SHALL BE  
18 IMPLEMENTED IN THE FOLLOWING YEARS ACCORDINGLY.

19  
20 **SEC. 2. Continuity of SSS Benefits.** – Nothing in this Act shall be construed to  
21 diminish any benefits, entitlements or privileges granted to members of the Social  
22 Security System.

23  
24 **SEC. 3. Implementing Rules and Regulations.** – The Social Security Commission  
25 shall promulgate the necessary rules and regulations to implement this Act not later  
26 than sixty (60) days after its effectivity.

27  
28 **SEC. 4. Separability Clause.** – Any portion or provision of this Act that is declared  
29 unconstitutional or invalid shall not have the effect of nullifying other portions or  
30 provisions hereof as long as such remaining portions can still subsist and be given  
31 effect in their entirety.

32  
33 **SEC. 5. Repealing Clause.** – All laws, ordinances, rules, regulations, other issuances,  
34 or parts thereof, which are inconsistent with this Act, are hereby repealed or modified  
35 accordingly.

36  
37 **SEC. 6. Effectivity.** – This Act shall take effect fifteen (15) days after its publication  
38 in the Official Gazette or in a newspaper of general circulation.

39  
40  
41 **Approved,**