

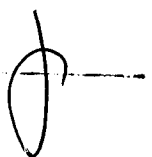
**NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)**

25 JAN 14 P1:34

SENATE

P.S.R. No. 1269

RECEIVED BY



INTRODUCED BY SENATOR RISA HONTIVEROS

RESOLUTION

CALLING FOR THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INVESTIGATION IN AID OF LEGISLATION INTO THE IMPLEMENTATION OF THE LAST TRANCHE OF THE SSS INCREASE IN CONTRIBUTION RATES AND THE ADJUSTMENT OF THE RELEVANT DAILY AND MONTHLY SALARY CREDITS FOR THE PURPOSE OF EVALUATING ITS POSSIBLE EFFECT ON THE ECONOMIC WELL-BEING OF WORKING-AGE FILIPINOS

WHEREAS, the Social Security System ("SSS") recently announced that it would be implementing a 1% contribution rate hike starting January 2025, to bring the contribution rate to 15% from the previous 14%, pursuant to Section 4 (a) (9) of Republic Act (R.A.) No. 11199, otherwise known as the Social Security Act of 2018, which is expected to generate Php51.5B to support social security programs and benefits;

WHEREAS, the COVID-19 pandemic caused significant financial hardship for ordinary wage earners and certain segments of the middle class, leading to the depletion of their savings, which was followed by years of high inflation, including sustained high food prices, which constitute two-thirds of the expenses of poor and near-poor Filipino families;

WHEREAS, in a survey conducted by the Social Weather Station ("SWS"), Filipino families who consider themselves "*mahirap*" or poor rose to 63% in the last quarter of 2024, the highest recorded since the 64% in November 2003;

WHEREAS, during the same period, the SSS reported record investment earnings, with a net income of over One Hundred Billion Pesos in 2024, the expansion of its contributor base by 30%, and the increase of its projected actuarial life to the year 2053 (as compared to an actuarial life of 2032 when R.A. No. 11199 was passed);

WHEREAS, while it is recognized that the statutory 1% increase enhances the capacity of the SSS to provide social security protection to Filipino workers against disability, sickness, old age, and death, and for maternity, labor centers such as *Sentro ng mga Nagkakaisa at Progresibong Manggagawa* ("SENTRO") have called for the deferment of the last tranche of the increase in SSS contributions, citing that rice prices have not decreased, and national minimum wage adjustments have not been acted upon, reflecting the urgent need to prioritize the welfare of ordinary Filipino

workers amid economic hardship, as well address rising living costs and stagnant wages;

WHEREAS, the SSS, given its current financial position, is apparently capable of deferring the increase, with the National Government perhaps stepping in to provide funds to meets the pension system's expenses;

WHEREAS, a deferment of the increase by a few months - or even a year - may nevertheless not be sufficient given the current economic conditions, which demand a more comprehensive and long-term solution to ensure the SSS remains a "life raft" for Filipinos in times of need, emphasizing the need for a deeper examination of the factors impacting the affordability of SSS contributions, and the potential negative consequences of imposing additional financial burdens on workers;

WHEREAS, over the past several decades, old age pensions in the Philippines have been eroded by inflation, particularly from unrelenting increases in the price of basic commodities and medical care - areas of special concern for retirees and senior citizens - while adjustments have mostly remained *ad hoc*;

WHEREAS, modalities exist that allow SSS members the option of treating part of their contributions as a savings account, which can be drawn from in times of financial crisis, thus providing a "safety net" for working-age Filipinos while continuing to ensure their long-term security in retirement; and

WHEREAS, this aligns with the authority of the SSS to develop and administer a special social security program for workers, with unique economic, social, and geographic needs, particularly those in the informal and gig-economy sectors, who often face irregular income streams and require greater access to their savings.

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED TO CALL FOR THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INVESTIGATION IN AID OF LEGISLATION INTO THE IMPLEMENTATION OF THE LAST TRANCHE OF THE SSS INCREASE IN CONTRIBUTION RATES AND THE ADJUSTMENT OF THE RELEVANT DAILY AND MONTHLY SALARY CREDITS FOR THE PURPOSE OF EVALUATING ITS POSSIBLE EFFECT ON THE ECONOMIC WELL-BEING OF WORKING-AGE FILIPINOS.

Adopted.


RISA HONTIVEROS
Senator