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SENATE
P.S. Res. No. 1279

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Introduced by Senator Grace Poe

RESOLUTION
CALLING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED INEFFICIENCY OF THE SOCIAL SECURITY SYSTEM IN COLLECTING CONTRIBUTIONS FROM DELINQUENT EMPLOYERS, WITH THE END IN VIEW OF ENHANCING THE EFFICIENCY OF ITS COLLECTION MECHANISMS AMID SIGNIFICANT PREMIUM INCREASES AND ENSURING THE SUSTAINABILITY OF ITS FUNDS FOR THE BENEFIT OF ALL MEMBERS

1 WHEREAS, the Social Security System (SSS) is mandated by Republic Act No.
2 8282, otherwise known as the Social Security Act of 1997, to promote social justice
3 by providing meaningful social protection to its members, including pension benefits,
4 disability insurance, and other essential services;

5 WHEREAS, the efficient collection of contributions from employers, employees,
6 and self-employed members is crucial to ensuring the sustainability and viability of the
7 SSS fund, which serves as a lifeline for millions of Filipino workers and their families;

8 WHEREAS, Republic Act No. 11199 (RA 11199) or the Social Security Act of 2018
9 instituted reforms to the SSS system such as unemployment insurance or involuntary
10 separation benefits and OFW compulsory coverage;

11 WHEREAS, the same law provides for a schedule of monthly member
12 contribution, with a programmed increase in monthly salary credit (MSC) bracket as
13 well as increase in member contribution rate to 15% in 2025 from the previous 14%
14 in 2023 and 2024. Employers will carry 10% while employees will shoulder the
15 remaining 5% of the said 15% contribution rate;

16 WHEREAS, SSS President and Chief Executive Officer (PCEO) Robert Joseph De
17 Claro clarified in a statement that with the last tranche of contribution rate and MSC

1 increase, the SSS Fund’s life is projected to double by 28 years—extending until 2053
2 compared to the 2018 actuarial evaluation of it only lasting until 2032¹;

3 WHEREAS, the Department of Finance (DOF) has since instructed SSS to study
4 the increase and to clearly communicate to the public its effect, including its benefits
5 to the workers. DOF has also given its support to previous scheduled contribution
6 increases, calling it necessary to fund the past pension increase and to ensure the
7 long-term viability of the SSS Fund²;

8 WHEREAS, while the scheduled increase will be used to fund the benefit
9 packages and reforms under the law, it does not discount the reality that an increase
10 in contributions at this time will cause additional hardship to employees already
11 struggling with the increasing trend in inflation and the rising costs of living;

12 WHEREAS, labor groups, particularly Sentro ng mga Nagkakaisa at Progresibong
13 Manggagawa (Sentro), have expressed opposition to the scheduled premium hike of
14 15%, arguing that the SSS should first address collection inefficiencies before
15 increasing member contributions. They emphasize that improving collection from
16 delinquent employers could bolster the fund without additional burdens on compliant
17 members³;

18 WHEREAS, the Commission on Audit (COA) has called out the SSS for its anemic
19 performance in going after private companies with unpaid or unremitted premium
20 contributions from their employees⁴;

21 WHEREAS, in its 2022 audit report on SSS, state auditors found that only P2.48
22 billion or less than three percent of the P94.97 billion target was collected as of the
23 end of 2022. Now in its latest 2023 annual audit report, COA found that SSS has only

¹ GMA News Online. “SSS defends contribution rate hike, says it doubled fund life”. (7 January 2025). Accessed from: <https://www.gmanetwork.com/news/topstories/nation/932037/sss-defends-contribution-rate-hike-says-it-would-double-fund-life/story/>

² Department of Finance. “New SSS Contribution Rate to Ensure Pension Fund Viability, Increase Benefits for Members, Beneficiaries”. (23 December 2020). Accessed from: <https://www.dof.gov.ph/new-sss-contribution-rate-to-ensure-pension-fund-viability-increase-benefits-for-members-beneficiaries/>

³ The Freeman. “Labor group bucks SSS premium hike”. (7 January 2025). Accessed from: <https://www.philstar.com/the-freeman/cebu-news/2025/01/07/2412432/labor-group-bucks-sss-premium-hike>

⁴ Malaya Business insight. “COA flags SSS for inefficiency, P89B uncollected from delinquent employers”. (6 January 2025). Accessed from: [https://malaya.com.ph/news/national-news/coa-flags-sss-for-inefficiency-p89b-uncollected-from-delinquent-employers/#:~:text=THE%20Commission%20on%20Audit%20\(COA,employees%20totaling%20P93.747%20billi on.](https://malaya.com.ph/news/national-news/coa-flags-sss-for-inefficiency-p89b-uncollected-from-delinquent-employers/#:~:text=THE%20Commission%20on%20Audit%20(COA,employees%20totaling%20P93.747%20billi on.)

1 collected P4.581 billion or 4.89 percent of the total P93.747 billion established
2 collectibles. This leaves at least P89.17 billion that are yet to be collected from 420,627
3 employers;

4 WHEREAS, COA said that this has a direct impact on the agency's ability to carry
5 out its mandate, adding that it "deprives SSS of much-needed funds for the timely
6 delivery of social security protection, claims, and benefits, to its members and
7 beneficiaries"⁵;

8 WHEREAS, the recommendations under the 2022 SSS Actuarial Valuation to
9 further enhance contribution collection and employer compliance should be
10 implemented by the SSS as it rolls out any increase in contributions. The heightened
11 enforcement of sanctions, stronger ties with other agencies like the Bureau of Internal
12 Revenue, and improvement of inspectorate units are just as important in increasing
13 collection rates more than just relying on increasing the contributions alone;

14 WHEREAS, these reports highlight the need for SSS to face the challenges in its
15 collection efficiency, including unremitted contributions, delinquent employers, and
16 compliance issues among self-employed and voluntary members, which hinder the full
17 realization of its mandate;

18 WHEREAS, while SSS PCEO De Claro claims in the latest press briefing that their
19 collections have improved, there still remains a significant amount of collectibles from
20 delinquent accounts which is crucial to ensuring the fund's sustainability and
21 maintaining public trust in the system;

22 WHEREAS, any increase in contributions will be rendered ineffective in extending
23 the SSS fund life as projected if the agency's collection rates continue to remain
24 dismal;

25 WHEREAS, while the SSS law itself provides for incremental increases in
26 contributions to strengthen the fund and that these adjustments align with actuarial
27 studies that project the fund's sustainability under current economic and demographic
28 conditions, the SSS must also ensure stronger enforcement mechanisms to address
29 systemic collection inefficiencies and ensure accountability among stakeholders;

⁵ 2023 COA Annual Audit Report on the Social Security System, Executive Summary, page 3.

1 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, as it is hereby resolved,
2 to call the appropriate Senate committee/s to conduct an inquiry, in aid of legislation,
3 on the reported inefficiency of the social security system in collecting contributions
4 from delinquent employers, with the end in view of enhancing the efficiency of its
5 collection mechanisms amid significant premium increases and ensuring the
6 sustainability of its funds for the benefit of all members.

Adopted,



GRACE POE₂₁