

# [ PRESIDENTIAL DECREE NO. 1202, September 27, 1977 ]

## FURTHER AMENDING REPUBLIC ACT NO. 1161 OTHERWISE KNOWN AS SOCIAL SECURITY LAW.

**WHEREAS**, under article II, Section 7 of the Constitution of the Philippines, it is the declared policy of the EState to "establish, maintain and ensure adequate social services in the field of social security to guarantee the enjoyment by the people of a decent standard of living;"

**WHEREAS**, in view of the increased membership and judicious management of funds by the Social Security System, it is now possible for the SSS to further increase benefits to its members without any new additional contribution therefor;

**WHEREAS**, it is likewise necessary to integrate maternity benefits into the SSS for the better protection of the health and welfare of the female members of our working population;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

**SECTION 1.** Section 3 (a) of a Republic Act No. 1161 is hereby amended to read as follows:

**"SEC. 3. Social Security System** — (a) To carry out the purposes of this Act, the Social Security System with principal place of business in Metro-Manila, Philippines, is hereby created. The SSS shall be under the general supervision of a Social Security Commission composed of the Secretary of Labor the SSS Administrator and six appointive members, two of whom shall represent the labor group, two, the management group and two, the general public, to be appointed by the President of the Philippines. The Chairman of the Commission shall be designated by the President from among its members. The term of (he appointive members shall be three years: *Provided*, That the terms of the six appointive members shall be one, two, and three years for every two members, respectively. All vacancies, except through the expiration of the term, shall be filled for the unexpired term only. The appointive members of the Commission shall receive two hundred pesos per diem for each meeting actually attended by them: *Provided*, that no compensation shall be paid for more than eight meetings a month."

**SEC. 2.** Section 12 of Republic Act No. 1161 is hereby amended to read as follows:

**"SEC. 12. Monthly pension**—(A) The monthly pension shall be the sum of the basic monthly amount and the graduated increment.

**"(1) Basic Monthly Amount**—The basic monthly amount shall be one hundred fifteen per cent of the sum of the following:

"Forty-five per cent of the first three hundred pesos of the average monthly salary credit or fraction thereof;

"Twenty-five per cent of the next three hundred pesos of the average monthly salary credit or fraction thereof;

"Nine per cent of each succeeding one hundred pesos of the average monthly salary credit or fraction thereof;

"One tenth of one per cent of the average monthly salary credit for each monthly salary credit for each monthly contribution in excess of one hundred twenty and paid prior to the semester of contingency."

"(2) *Graduated Increment*—The graduated increment shall be equal to seven and seven-tenths per cent of the result obtained by subtracting the basic monthly amount from three hundred forty pesos *Provided*, That the increment shall not be less than ten pesos.

"(B) The monthly pension shall in no case be less than one hundred pesos nor paid for less than sixty months except to a secondary beneficiary: *Provided*, That this monthly pension shall be the new amount of the monthly pension for surviving pensioners beginning January, 1978."

**SEC. 3.** Section 12-A of Republic Act No. 1161 is hereby amended to read as follows:

"**SEC. 12-A. *Dependent's pension***—The dependent's pension shall be equivalent to ten per cent of the monthly pension for each dependent child but not exceeding five, beginning with the youngest and without substitution."

**SEC. 4.** Section 12-B of Republic Act No. 1161 is hereby amended to read as follows:

"**SEC. 12-B. *Retirement benefits***—(a) A covered employee who had paid at least one hundred twenty monthly contributions prior to the semester of retirement, and who (1) has reached the age of sixty years and is not receiving monthly compensation of at least three hundred pesos, or (2) has reached the age of sixty-five years, shall be entitled for as long as he lives to the monthly pension: *Provided*, That his dependents born before his retirement of a marriage subsisting when he was fifty-seven years old shall be entitled to the dependent's pension.

"(b) A covered member who is sixty years old at retirement and who does not qualify for pension benefits under paragraph (a) hereof shall be entitled to a lump sum benefits equal to the total contributions paid by him and on his behalf, *Provided*, That he is separated from employment and not continuing payment of contributions to the SSS on his own.

"(c) The monthly pension and dependent's pension shall be suspended upon the re-employment of a retired employee who is less than sixty-five years old if from his employment a monthly compensation of at least three hundred pesos, in which case, he shall again be subject to section eighteen and his employer to section nineteen of this Act: *Provided*, That in the computation of benefits the period during which he was receiving pension shall not be counted."

**SEC. 5.** Section 13 of Republic Act No. 1161 is hereby amended to read as follows:

**"SEC. 13. *Death Benefits***—Upon the covered employee's death, his primary beneficiaries shall be entitled to the monthly pension, and his dependents to the dependents to the dependent's pension: *Provided*, That he has paid at least thirty-Six monthly contributions prior to the semester of death: *Provide*, further, That if the foregoing condition is not satisfied or if he has no primary beneficiaries, the death benefit shall be a lump, sum equivalent to thirty-five times the monthly pension: *Provided*, *however*, That the minimum death benefit shall not be less than the total contributions paid by him and his employer on his behalf nor less than one thousand pesos: *Provided*, *finally*, That the covered employee who dies without having paid at least three monthly contributions shall be entitled to the minimum benefit."

**SEC. 6.** Section 13-A of Republic Act No. 1161 is hereby amended to read as follows:

**"SEC. 13-A. *Permanent disability benefits***—(a) Upon the covered employee's permanent total disability, if such disability occurs after he had paid atleast thirty-six monthly contributions prior to the semester of disability he shall be entitled to the monthly pension and his dependents to the dependents' pension: *Provided*, That if the disability occurs before he has paid thirty-six monthly contributions prior to the benefit equivalent to thirty-five times the monthly pension: *Provided*, *further*, That the minimum disability benefit shall not on his behalf nor less than one thousand pesos: *Provided*, *furthermore*, That a covered employee who becomes permanently totally disabled without having paid at least three monthly contributions shall be entitled to the minimum benefit: *Provided*, *finally*, That a member who received a lump sum benefit and (2) is reemployed not earlier than one year from the date of his disability shall again be subject to compulsory coverage and considered a new member.

"(b)' The monthly pension and the dependents' pension shall be suspended upon his re-employment if he receives a monthly compensation of three hundred pesos or more or his recovery from the permanent total disability, or his failure to present himself for examination at least once a year upon notice by the SSS: *Provided*, That in case of suspension of pension by reason of re-employment, he shall again be subject to section eighteen and his employer to section nineteen of this Act: *Provided*, That, in the computation of benefits, the period during which he was receiving pension shall not be counted.

"(c) The following disabilities shall be deemed permanent total:

1. Complete loss of sight of both eye;
2. Loss of two limbs at or above the ankle or wrist;
3. Permanent complete paralysis of two limbs;
4. Brain injury resulting in incurable imbecility or insanity; and
5. Such cases as determined and approved by the SSS.

"(d) If the disability is permanent partial, and such disability occurs before thirty-six monthly contributions have been paid prior to the