

[**PRESIDENTIAL DECREE NO. 891, February 09, 1976**]

FURTHER AMENDING TITLE II, BOOK FOUR ON "EMPLOYEES COMPENSATION AND STATE INSURANCE FUND" OF PRESIDENTIAL DECREE NO. 442 ENTITLED "LABOR CODE OF THE PHILIPPINES"

WHEREAS, PD 442, as amended, otherwise known as "Labor Code of the Philippines," has integrated social security, medicare, workmen's compensation and other social security benefits to eliminate redundancy, duplication and overlap of similar benefits administered by several agencies of the Government;

WHEREAS, the national policy is to grant promptly adequate and meaningful benefits for employment-related disabilities and death;

WHEREAS, Section 21 of Presidential Decree No. 850 has amended Article 193 of the Labor Code of the Philippines by allowing, as an alternative to a straight monthly pension, 50% lump sum of the 5-year guaranteed pension;

WHEREAS, a lump sum payment under the present rate of contributions is not actuarially feasible and will seriously endanger the financial viability of the State Insurance Fund administered by the SSS and the GSIS;

WHEREAS, a reasonable increase in income benefits is financially viable; and

WHEREAS, it is necessary to harmonize, simplify and correlate the provisions of the Labor Code of the Philippines with the other provisions thereof to reflect the spirit and intent of this amendment;

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. Paragraph (y) and (z) of Article. 166 are hereby amended, and paragraph (ab) is added thereto, to read as follows:

"(y) 'Average monthly salary credit' in the case of the SSS means the result obtained by dividing the sum of the monthly salary credits in the sixty-month period immediately preceding the semester of death or permanent disability by sixty, except where the month of death or permanent disability falls within eighteen calendar months from month of coverage, in which case it is the result obtained by dividing the sum of all monthly salary credits paid prior to the month of the contingency by the total number of calendar months of coverage in the same period. In the case of the GSIS, the average monthly salary credit shall be the monthly salary or wage of the employee on the month of contingency.

"(z) 'Average daily salary credit' in the case of the SSS mean the result obtained by dividing the sum of the six highest monthly salary credits in the twelve-month period immediately preceding the semester of sickness or injury by one hundred eighty, except where the month of injury falls within twelve calendar months from the first month of coverage, in which case it is the result obtained by dividing the sum of all monthly salary