

[PRESIDENTIAL DECREE NO. 24, October 19, 1972]

AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED ELEVEN HUNDRED AND SIXTY-ONE, AS AMENDED, OTHERWISE KNOWN AS "THE SOCIAL SECURITY ACT OF 1954"

WHEREAS, there were pending before Congress prior to the promulgation of Proclamation No. 1081, dated September 21, 1972, certain priority measures vital to the national development program of the Government and which are considered by the President as urgent measures;

WHEREAS, one of these priority measures is a bill proposing amendments to the Social Security Act by increasing the benefit rates granted under said law, increasing the loanable amount for housing loans, and removing some technical flaws for a more effective and efficient operation of the Social Security System (SSS); and

WHEREAS, the measure is necessary to effect reforms in SSS operations and to revitalize its structure as an important agency in the promotion of the social and economic development programs of the Government;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, do hereby amend certain sections or provisions of the Social Security Act of 1954, as amended, to wit;

SECTION 1. Section one of Republic Act Numbered Eleven Hundred and Sixty-one, as amended, is further amended to read as follows:

"SECTION 1. Short title. — This Act shall be known as the 'Social Security Law.'

SEC. 2. Section two of the same Act is further amended to read as follows:

"SEC. 2. Declaration of policy. — It is the policy of the Republic of the Philippines to establish, develop, promote and perfect a sound and viable tax-exempt social security service suitable to the needs of the people throughout the Philippines, which shall provide to covered employees and their families protection against the hazards of disability, sickness, old age, and death, with a view to promoting their well-being in the spirit of social justice."

SEC. 3. Section three of the same Act is further amended by amending paragraphs (a) and (b) 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 Manila or Quezon City, Philippines, is hereby created. The SSS shall be directed and controlled by 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 with the consent of the Commission on Appointments. The Chairman of the Commission shall be designated by the President of the Philippines from among the members of the Commission. The term of the appointive members shall be three years: *Provided*, That the terms of the first 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 fifty pesos *per diem* for each meeting actually attended by them: *Provided*, That no compensation shall be paid for more than eight meetings a month.

"(b) The general conduct of the operations and management functions of the SSS shall be vested in an Administrator who shall serve as the chief executive officer immediately responsible for carrying out the program of the Social Security System hereby created and the policies of the Commission. The Administrator shall be a person who has had previous experience in technical and administrative fields related to the purposes of this Act. He shall be appointed by the President of the Philippines with the consent of the Commission on Appointments and shall receive a salary to be fixed by the Commission with the approval of the President, payable from the funds of the SSS."

SEC. 4. Section five of the same Act is further amended by adding thereto paragraph (d) to read as follows:

"(d) *Execution of Decisions.* — Any decision or award of the Commission after the same has become final and executory shall be enforced and executed in the same manner as decisions of Courts of First Instance, and the Commission shall have the power to issue to the city or provincial sheriff or the sheriff whom it may appoint such writs of execution as may be necessary for the enforcement of such decision or award and any person who shall fail or refuse to comply with such decision, award, or writ, after being required to do so shall, upon application by the Commission, be punished by the proper court for contempt."

SEC. 5. Section eight of the same Act is further amended by amending paragraphs (f), (g), (i), and (m) to read as follows:

"(f) *Compensation.* — All actual remuneration for employment, including the cash value of any remuneration paid in any medium other than cash except that part of the remuneration in excess of one thousand pesos received during the month.

"(g) *Monthly salary credits.* — The compensation base for contributions and benefits as indicated in the schedule in Section Eighteen of this Act.

"(i) *Contribution.* — The amounts paid to the SSS by the employee and by his employer in accordance with Section Eighteen of this Act.

"(m) *Average monthly salary credit.* — The result obtained by dividing the sum of the monthly salary credits in the sixty-month period ending on the last day of the second quarter preceding the quarter of retirement

due to old age or total disability by sixty, or the result obtained by dividing the sum of monthly salary credits from the month of coverage to the last day of the second quarter preceding the quarter of death, or permanent disability or retirement by the number of calendar months in the same period, whichever is greater; except where the month of death or permanent disability falls within eighteen months from the month of coverage, in which case, the average monthly salary credit is the result obtained by dividing the sum of all monthly salary credits from the month of coverage to the month immediately preceding the month of death or permanent disability by the total number of calendar months in the same period."

SEC. 6. Section twelve of the same Act is further amended by amending paragraphs (a), (c) and (d) to read as follows:

"SEC. 12. *Retirement benefits.* — (a) A covered employee who (1) has paid at least one hundred twenty monthly contributions to the SSS, has reached the age of sixty years and is separated from employment or, if still employed, is receiving less than two hundred fifty pesos monthly compensation or (2) has paid at least one hundred twenty monthly contributions and has reached the age of sixty-five years, or (3) has paid at least thirty-six monthly contributions and has become permanently totally disabled, shall be entitled for as long as he lives but in no case for less than five years to a monthly pension amount to be computed as follows:

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

"Nine per cent of the excess over three hundred pesos; plus

"One tenth of one per cent of the average monthly salary credit for each monthly contribution in excess of one hundred twenty and paid as of the last day of the second quarter preceding the quarter of retirement: *Provided*, That a member of the SSS covered prior to June 18, 1962 and who was fifty years of age or over on the date of his coverage shall be entitled to the benefits hereunder if he has paid a number of monthly contributions equivalent to the number of calendar months of coverage at age sixty, but in no case less than twenty-four: *Provided, further*, That the monthly pension shall in no case be less than forty-five pesos.

* * *

"(c) The monthly pension shall be suspended —

"1. Upon the re-employment of a retired employee who is less than sixty-five years old if he receives from his employment a monthly compensation of two hundred fifty pesos or more, in which case, he shall again be subject to Section eighteen hereof, and his employer to Section nineteen; or

"2. Upon the recovery of an employee retired due to permanent total disability, or his failure to present himself for examination at least once a year upon notice by the SSS.

"(d) The monthly pension of a surviving pensioner retired before December 1, 1972 shall be increased by fifty per cent and the amount shall be his new monthly pension beginning with said date."

SEC. 7. Section thirteen of the same Act is further amended to read as follows:

"SEC. 13. *Death and permanent disability benefits.* — (a) Upon the covered employee's death, his beneficiaries shall be entitled to the basic lump sum amount, plus five-twelfths of one per cent of the basic lump sum amount for each monthly contribution in excess of one hundred twenty monthly contributions: *Provided*, That any of the following conditions is satisfied at the time of death:

"1. He shall have paid eighteen monthly contributions within the thirty-six calendar month period ending on the last day of the second quarter preceding the quarter of death.

"2. His payment ratio is not less than eighty per cent: *Provided, further*, That if none of the foregoing conditions are satisfied, his death benefit shall be the above amount multiplied by one and one-fourth times his payment ratio: *Provided, finally*. That the death benefit shall not be less than the total contributions paid by him and his employer in his behalf to the SSS nor less than five hundred pesos: *Provided, however*, That the covered employee who dies in the month of coverage shall be entitled to the minimum benefit.

"(b) Upon the covered employee's permanent total disability, if such disability occurs before he has paid thirty-six monthly contributions to the SSS, he shall be entitled to the basic lump sum amount: *Provided*, That any of the following conditions is satisfied at the time of permanent total disability:

"1. He shall have paid eighteen monthly contributions within the thirty-six calendar month period ending on the last day of the second quarter preceding the quarter of permanent total disability

"2. His payment ratio is not less than eighty percent: *Provided, further*, That if none of the foregoing conditions are satisfied, his permanent total disability benefit shall be the above amount multiplied by one and one-fourth times his payment ratio: *Provided, finally*, That the permanent total disability benefit shall not be less than the total contributions paid by him and his employer in his behalf to the SSS nor less than five hundred pesos: *Provided, however*, "That a covered employee who becomes permanently, totally disabled in the month of coverage shall be entitled to the minimum benefit.

"(c) If the disability is partial but permanent, the amount of benefit shall be such percentage of the sum of the benefit described in the preceding paragraph and five-twelfths of one

per cent of the basic lump sum amount for each monthly contributions, in excess of one hundred twenty monthly contributions, with due regard to the degree of disability as the Commission may determine: *Provided*, That the percentage degree of disability shall not be additive for distinct, separate and unrelated permanent partial disabilities but shall be additive for deteriorating and related permanent partial disabilities to a maximum of one hundred per cent, in which case the employee shall be deemed as permanently totally disabled."

SEC. 8. Section fourteen of the same Act is further amended by amending paragraphs (a) and (b), designating paragraph (b) as (c) and adding thereto paragraphs (b), (d), (e), and (f) to read as follows:

"SEC. 14. *Sickness benefit.* — (a) Under such rules and regulations as the Commission may prescribe, any covered employee under this Act who has paid at least twelve monthly contributions and who, on account of sickness or bodily injury, is confined for more than five days in a hospital, or elsewhere with the Commission's approval shall, for each day of such confinement or fraction thereof, be paid by his employer or by the SSS if such person is unemployed, an allowance equivalent to seventy per cent of the average daily salary credit subject to the following conditions:

"1. In no case shall the total amount of such daily allowance, if any, be less than two pesos and fifty centavos nor exceed twelve pesos nor paid for a period longer than one hundred twenty days in one calendar year; nor shall any unused portion of the one hundred twenty days sickness benefit granted under this section be carried forward and added to the total period allowable in the subsequent year;

"2. No employee shall be paid any sickness benefit for more than two hundred forty days on account of the same confinement; and

"3. The employee shall notify his employer of the fact of his sickness or injury within five calendar days after the start of his confinement unless such confinement is in a hospital or the employee became sick or was injured while working or within the premises of the employer in which case notification to the employer is not necessary: *Provided*, That if the member is unemployed he shall directly notify the SSS of his confinement within five calendar days after the start thereof unless such confinement is in a hospital in which case notification is also not necessary: *Provided, further*, That in cases where notification is necessary, the confinement shall be deemed to have started not earlier than the fifth day immediately preceding the date of notification.

"(b) The Payment of such allowances shall be promptly made by the employer every regular pay day or on the fifteenth and last day of each month in the case of direct payment by the SSS for as long as such allowances are due and payable: *Provided*, That payment by the employer for current sick