

[REPUBLIC ACT NO. 8282, May 01, 1997]

**AN ACT FURTHER STRENGTHENING THE SOCIAL SECURITY
SYSTEM THEREBY AMENDING FOR THIS PURPOSE REPUBLIC ACT
NO. 1161, AS AMENDED, OTHERWISE KNOWN AS THE SOCIAL
SECURITY LAW**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

SECTION 1. Republic Act No. 1161, as amended, otherwise known as the "Social
Security Law," is hereby further amended to read as follows:

"SEC. 1. *Short Title.* – This Act shall be known as the 'Social Security Act
of 1997'.

"SEC. 2. *Declaration of Policy.* – It is the policy of the State to establish,
develop, promote and perfect a sound and viable tax-exempt social
security system suitable to the needs of the people throughout the
Philippines which shall promote social justice and provide meaningful
protection to members and their beneficiaries against the hazards of
disability, sickness, maternity, old age, death, and other contingencies
resulting in loss of income or financial burden. Towards this end, the
State shall endeavor to extend social security protection to workers and
their beneficiaries.

"SEC. 3. *Social Security System.* – (a) To carry out the purposes of this
Act, the Social Security System, hereinafter referred to as 'SSS', a
corporate body, with principal place of business in Metro Manila,
Philippines, is hereby created. The SSS shall be directed and controlled
by a Social Security Commission, hereinafter referred to as 'Commission',
composed of the Secretary of Labor and Employment or his duly
designated undersecretary, the SSS president and seven (7) appointive
members, three (3) of whom shall represent the workers' group, at least
one (1) of whom shall be a woman; three (3), the employers' group, at
least one (1) of whom shall be a woman; and one (1), the general public
whose representative shall have adequate knowledge and experience
regarding social security, to be appointed by the President of the
Philippines. The six (6) members representing workers and employers
shall be chosen from among the nominees of workers' and employers'
organizations, respectively. The Chairman of the Commission shall be
designated by the President of the Philippines from among its members.
The term of the appointive members shall be three (3) years: *Provided,*
That the terms of the first six (6) appointive members shall be one (1),

two (2) and three (3) years for every two (2) members, respectively: *Provided, further,* That they shall continue to hold office until their successors shall have been appointed and duly qualified. All vacancies, prior to the expiration of the term, shall be filled for the unexpired term only. The appointive members of the Commission shall receive at least two thousand five hundred pesos (P2,500) per diem for each meeting actually attended by them, but not to exceed Ten thousand pesos (P10,000) a month: *Provided,* That members of the Commission who hear and evaluate cases pending before the Commission shall also receive a per diem of at least Two thousand five hundred pesos (P2,500), but not to exceed Fifteen thousand pesos (P15,000) a month. *Provided, further,* That said members of the Commission shall also receive reasonable transportation and representation allowances as may be fixed by the Commission, but not to exceed Ten thousand pesos (P10,000) a month.

"(b) The general conduct of the operations and management functions of the SSS shall be vested in the SSS President who shall serve as the chief executive officer immediately responsible for carrying out the program of the SSS and the policies of the Commission. The SSS President 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 and shall receive a salary to be fixed by the Commission with the approval of the President of the Philippines, payable from the funds of the SSS.

"(c) The Commission, upon the recommendation of the SSS President, shall appoint an actuary and such other personnel as may be deemed necessary; fix their reasonable compensation, allowances and other benefits, prescribe their duties and establish such methods and procedures as may be necessary to insure the efficient, honest and economical administration of the provisions and purposes of this Act: *Provided, however,* That the personnel of the SSS below the rank of Vice-President shall be appointed by the SSS President: *Provided, further,* That the personnel appointed by the SSS President, except those below the rank of assistant manager, shall be subject to the confirmation by the Commission: *Provided, further,* That the personnel of the SSS shall be selected only from civil service eligible and be subject to civil service rules and regulations: *Provided, finally,* That the SSS shall be exempt from the provisions of Republic Act No. 6758 and Republic Act No. 7430.

"SEC. 4. *Powers and Duties of the Commission and SSS.* – (a) The Commission. – For the attainment of its main objectives as set forth in Section 2 hereof, the Commission shall have the following powers and duties:

"(1) To adopt, amend and rescind, subject to the approval of the President of the Philippines, such rules and regulations as may be necessary to carry out the provisions and purposes of this Act;

"(2) To establish a provident fund for the members which will consist of voluntary contributions of employers and/or employees, self-employed

and voluntary members and their earnings, for the payment of benefits to such members or their beneficiaries, subject to such rules and regulations as it may promulgate and approved by the President of the Philippines;

"(3) To maintain a Provident Fund which consists of contributions made by both the SSS and its officials and employees and their earnings, for the payment of benefits to such officials and employees or their heirs under such terms and conditions as it may prescribe;

"(4) To approve restructuring proposals for the payment of due but unremitted contributions and unpaid loan amortizations under such terms and conditions as it may prescribe;

"(5) To authorize cooperatives registered with the cooperative development authority or associations registered with the appropriate government agency to act as collecting agents of the SSS with respect to their members: *Provided*, That the SSS shall accredit the cooperative or association: *Provided, further*, That the persons authorized to collect are bonded;

"(6) To compromise or release, in whole or in part, any interest, penalty or any civil liability to SSS in connection with the investments authorized under Section 26 hereof, under such terms and conditions as it may prescribe and approved by the President of the Philippines; and

"(7) To approve, confirm, pass upon or review any and all actions of the SSS in the proper and necessary exercise of its powers and duties hereinafter enumerated.

"(b) *The Social Security System.* – Subject to the provision of Section four (4), paragraph seven (7) hereof, the SSS shall have the following powers and duties:

"(1) To submit annually not later than April 30, a public report to the President of the Philippines and to the Congress of the Philippines covering its activities in the administration and enforcement of this Act during the preceding year including information and recommendations on broad policies for the development and perfection of the program of the SSS;

"(2) To require the actuary to submit a valuation report on the SSS benefit program every four (4) years, or more frequently as may be necessary, to undertake the necessary actuarial studies and calculations concerning increases in benefits taking into account inflation and the financial stability of the SSS, and to provide for feasible increases in benefits every four (4) years, including the addition of new ones, under such rules and regulations as the Commission may adopt, subject to the approval of the President of the Philippines: *Provided*, That the actuarial soundness of the reserve fund shall be guaranteed: *Provided, further*, That such increases in benefits shall not require any increase in the rate of contribution;(1) To submit annually"(3) To establish offices of the SSS

to cover as many provinces, cities and congressional districts, whenever and wherever it may be expedient, necessary and feasible, and to inspect or cause to be inspected periodically such offices;

"(4) To enter into agreements or contracts for such service and aid, as may be needed for the proper, efficient and stable administration of the SSS;

"(5) To adopt, from time to time, a budget of expenditures including salaries of personnel, against all funds available to the SSS under this Act;

"(6) To set up its accounting system and provide the necessary personnel therefore;

"(7) To require reports, compilations and analyses of statistical and economic data and to make investigation as may be needed for the proper administration and development of the SSS;

"(8) To acquire and dispose of property, real or personal, which may be necessary or expedient for the attainment of the purposes of this Act;

"(9) To acquire, receive, or hold, by way of purchase, expropriation or otherwise, public or private property for the purpose of undertaking housing projects preferably for the benefit of low-income members and for the maintenance of hospitals and institutions for the sick, aged and disabled, as well as schools for the members and their immediate families;

"(10) To sue and be sued in court; and

"(11) To perform such other corporate acts as it may deem appropriate for the proper enforcement of this Act.

"SEC. 5. *Settlement of Disputes.* – (a) Any dispute arising under this Act with respect to coverage, benefits, contributions and penalties thereon or any other matter related thereto, shall be cognizable by the Commission, and any case filed with respect thereto shall be heard by the Commission, or any of its members, or by hearing officers duly authorized by the Commission and decided within the mandatory period of twenty (20) days after the submission of the evidence. The filing, determination and settlement of disputes shall be governed by the rules and regulations promulgated by the Commission.

"(b) *Appeals to Courts.* – Any decision of the Commission, in the absence of an appeal there from as herein provided, shall become final and executory fifteen (15) days after the date of notification, and judicial review thereof shall be permitted only after any party claiming to be aggrieved thereby has exhausted his remedies before the Commission. The Commission shall be deemed to be a party to any judicial action involving any such decision, and may be represented by an attorney employed by the Commission, or when requested by the Commission, by

the Solicitor General or any public prosecutor.

"(c) *Court Review.* – The decision of the Commission upon any disputed matter may be reviewed both upon the law and the facts by the Court of Appeals. For the purpose of such review the procedure concerning appeals from the Regional Trial Court shall be followed as far as practicable and consistent with the purposes of this Act. Appeal from a decision of the Commission must be taken within fifteen (15) days from notification of such decision. If the decision of the Commission involves only questions of law, the same shall be reviewed by the Supreme Court. No appeal bond shall be required. The case shall be heard in a summary manner, and shall take precedence over all cases, except that in the Supreme Court, criminal cases wherein life imprisonment or death has been imposed by the trial court shall take precedence. No appeal shall act as a *supersedeas* or a stay of the order of the Commission unless the Commission itself, or the Court of Appeals or the Supreme Court, shall so order.

"(d) *Execution of Decisions.* – The Commission may, *motu proprio* or on motion of any interested party, issue a writ of execution to enforce any of its decisions or awards, after it has become final and executory, in the same manner as the decision of the Regional Trial Court by directing the city or provincial sheriff or the sheriff whom it may appoint to enforce such final decision or execute such writ; 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, pursuant to Rule 71 of the Rules of Court, be punished for contempt.

"SEC. 6. *Auditor and Counsel.* – (a) The Chairman of the Commission on Audit shall be the *ex-officio* Auditor of the SSS. He or his representative shall check and audit all the accounts, funds and properties of the SSS in the same manner and as frequently as the accounts, funds and properties of the government are checked and audited under existing laws; and he shall have, as far as practicable, the same powers and duties as he has with respect to the checking and auditing of public accounts, funds and properties in general.

"(b) The Secretary of Justice shall be the *ex-officio* counsel of the SSS. He or his representative shall act as legal adviser and counsel thereof.

"SEC. 7. *Oaths, Witnesses, and Production of Records.* – When authorized by the Commission, an official or employee thereof shall have the power to administer oath and affirmation, take depositions, certify to official acts and issue *subpoena* and *subpoena duces tecum* to compel the attendance of witnesses and the production of books, papers, correspondence and other records deemed necessary as evidence in connection with any question arising under this Act. Any case of contumacy shall be dealt with by the Commission in accordance with law.

"SEC. 8. *Terms Defined.* – For the purposes of this Act, the following terms shall, unless the context indicates otherwise, have the following meanings: