

[REPUBLIC ACT NO. 1792, June 21, 1957]

AN ACT TO AMEND REPUBLIC ACT NUMBERED ELEVEN HUNDRED AND SIXTY-ONE OTHERWISE KNOWN AS "THE SOCIAL SECURITY ACT OF 1954", AND FOR OTHER PURPOSES.

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

SECTION 1. Section Two of Republic Act Numbered Eleven hundred and sixty-one is hereby amended to read as follows:

"SEC. 2. *Declaration of policy.*—It is hereby declared to be the policy of the Republic of the Philippines, to develop, establish gradually and perfect a social security system which shall be suitable to the needs of the people throughout the Philippines and shall provide protection against the hazards of disability, sickness, old age and death."

SEC. 2. Section three of Republic Act Numbered Eleven hundred and sixty-on 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 Manila, Philippines, is hereby created. The System shall be directed and controlled by a Social Security Commission composed of the Secretary of Labor, the Secretary of Health, the Social Welfare Administrator, the General Manager of the Government Service Insurance System and three other members, one of whom shall represent the labor group and another management group, to be appointed by the President of the Philippines with the consent of the Commission on Appointments. The Chairman of the Commission shall be designated by the President of the Philippines. The term of the appointive members shall be three years: *Provided*, That the terms of the first three appointive members shall be one, two and three years, respectively. All vacancies, except through expiration of the term, shall be filled for the unexpired term only. Members of the Commission who are public officers shall not receive any additional compensation, but members who are private citizens shall receive twenty-five pesos for each meeting actually attended by them: *Provided*, That no compensation shall be paid for more than one meeting a week.

SEC. 3. Paragraphs (a) and (b) of section four of Republic Act Numbered Eleven hundred and sixty-one are hereby deleted and paragraphs (c), (d), (e), (f) and (g), of the same section four are hereby re-designated as paragraphs (a), (b), (c), (d) and (e), respectively, and the following paragraphs to be designated paragraphs (f) and (g) are hereby inserted in the said section four:

"SEC. 4. *Powers and duties of the Commission.*—For the attainment of its main objectives as set forth in section two hereof, the Commission shall have the following and duties:

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(f) To adopt from time to time a budget of expenditures, including salaries of personnel, against all funds liable to the System under this Act."

(g) To set up its accounting system and provide the necessary personnel therefor."

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SEC. 4. Sub-paragraph 7 of paragraph (j) of section eight of Republic Act Numbered Eleven hundred and sixty-one is hereby deleted and sub-paragraphs eight, nine, ten and eleven of paragraph (j) of section eight are hereby re-designated as subparagraphs seven, eight, nine, and ten, respectively, and paragraph (f) of the same section eight is hereby amended to read as follows:

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

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(f) *Compensation.*—All 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 five hundred pesos received during the month.

SEC. 5. Section nine of Republic Act Numbered Eleven hundred and sixty-one is hereby amended so as to read as follows:

"SEC. 9. *Compulsory coverage.*—Coverage in the System shall be compulsory upon all employees between the ages sixteen and sixty years, inclusive, if they have been for at least six months in the service of an employer who is a member of the System: *Provided*, That the commission may not compel any employer to become member of the System unless he shall have been in operation for at least two years and has, at the time admission, if admitted for membership during the first year of the System's operation at least fifty employees: and if admitted for membership in the following year of operation and thereafter, at least six employees: *Provided, further*, That any benefits already earned by employees under private benefit plans existing at the time of the approval of this Act shall not be discontinued, reduced or otherwise impaired: *Provided, further*, That private benefit plans which are existing and in force at the time of the compulsory coverage shall be integrated with the plan of the System in such a way that where the employer's contribution to his private plan is more than three and a half per centum he shall pay to the system only the three and a half per centum required in the Act and he shall continue his contributions to such private plan less the three and a half per centum contributed to the System so that the

employer's total contributions to his private benefit plan and to the social security system shall be the same as his contribution to his private plan before the compulsory coverage: *Provided, further,* That any changes, adjustments, modifications, eliminations or improvements in the benefits to be available under the remaining private plan, which may be necessary to adopt by reason of the reduced contribution thereto as a result of the integration, shall be subject to agreements between the employers and the employees concerned: *Provided, further,* That the private benefit plan which the employer shall continue for his employees shall remain under the employer's management and control unless there is an existing agreement to the contrary: *Provided, finally,* That nothing contained in this act shall be construed as a limitation on the right of employers and employees to agree on and adopt benefits which are over and above those provided under this Act.

SEC. 6. Paragraph (b) of section ten of Republic Act Numbered Eleven hundred and sixty-one is hereby deleted.

SEC. 7. Paragraphs (a), (b) and (c) of section twelve of Republic Act Numbered Eleven hundred and sixty-one are hereby amended to read as follows:

"SEC. 12. *Retirement Benefits.*—

"(a) Upon retirement an employee shall be entitled to a pension credit for each year of membership between the date of coverage and the retirement age equivalent to one-half of one per cent of his average monthly compensation during such year of membership, which pension shall be paid to him as long as he lives but in no case for less than two years. The monthly pension at retirement age shall be the sum such yearly credits, with a minimum of twenty-five (P 25.00), provided he has been a member of the system for at least two years.

"(b) During the re-employment of a retired employee annuity shall be suspended and he shall be subject to the provisions of section eighteen hereof, and employer to section nineteen, provided that such employee receives from his re-employment an average monthly compensation of not more than fifty (P50.00) pesos.

"(c) On reaching the age of sixty years and after having rendered at least two years of service in an employment, a covered employee shall have the option to retire under this Act."

SEC. 8. Paragraph (a) of section thirteen of Republic Act Numbered Eleven hundred and sixty-one is hereby amended so as to read as follows:

"SEC. 13. *Death and disability benefits.*—(a) Upon the covered employee's death or total and permanent disability under such conditions as the Commission may define, before becoming eligible for retirement he or, in case of his death, his beneficiaries as recorded by his employer, shall be entitled to a benefit equivalent to one hundred per centum of the average monthly compensation he has received during the year multiplied by twelve if he has been a member of the System for at least one year, or multiplied by six if he has been a member of the System for