

[EXECUTIVE ORDER NO. 102, December 24, 1986]

FURTHER AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NO. 1161, AS AMENDED, OTHERWISE KNOWN AS THE "SOCIAL SECURITY LAW"

WHEREAS, the Social Security System was created pursuant to the policy declared under Republic Act No. 1161, as amended, in order to "[p]rovide 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";

WHEREAS, present economic conditions make it necessary that certain sections or provisions of the Social Security Law be further amended to upgrade the base of contributions and to adjust the benefit structure provided for thereunder so that the amounts of the benefits would be more meaningful and responsive to the needs of its members and their families;

WHEREAS, it is also necessary to effect changes in the Social Security System and its operations considering that it performs an important role in the social and economic development programs of the government;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Section 3(a) of Republic Act No. 1161, as amended, is hereby further 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 directed and controlled by a Social Security Commission composed of the Minister of Labor and Employment, 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 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 seven 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.

Members of the Commission who hear cases pending before the Commission shall also receive a per diem of seven hundred pesos."

SECTION 2. Section 4(c) of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"(c) To require the actuary to submit a valuation report on the SSS benefit program every five (5) years, or more frequently as may be necessary, and to undertake the necessary actuarial studies and calculations concerning increases in benefits and the financial stability of the SSS and to provide for the feasible increases in benefits and the addition of new ones under such rules and regulations as the Commission may adopt subject to the approval of the President: 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."

SECTION 3. Section 8 paragraphs (f) and (n) of republic Act No. 1161, as amended, are hereby further amended to read as follows:

"(f) Compensation - All actual remuneration for employment, including the mandated cost of living allowance, as well as the cash value of any remuneration paid in any medium other than cash except that part of the remuneration in excess of three thousand pesos received during the month."

"(n) Average daily salary credit. - The result obtained by dividing the sum of the six highest monthly salary credits in the twelve-month period immediately preceding the semester of contingency by one hundred eighty."

SECTION 4. Section 12(b) of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"(b) The monthly pension shall in no case be less than two hundred pesos nor paid in an aggregate amount of less than sixty times the monthly pension except to a secondary beneficiary: Provided, That the monthly pension of surviving pensioners as of December 31, 1986 shall be increased by twenty percent."

SECTION 5. Section 12-B, paragraph (d), of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"(d) Upon the death of the retired employee pensioner, his primary beneficiaries as of the date of his retirement shall be entitled to eighty percent of the monthly pension and his dependents to the dependents' pension: Provided, That if he has no primary beneficiaries and he dies within sixty months from the start of his monthly pension, his secondary beneficiaries shall be entitled to a lump sum benefit equivalent to the bigger of (1) twenty times the monthly pension or (2) the difference of sixty times the monthly pension and the total monthly pensions paid by the SSS excluding the dependents' pension."

SECTION 6. Section 13-A, paragraph (c), of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"(c) Upon the death of the permanent total disability pensioner, his primary beneficiaries as of the date of disability shall be entitled to eighty percent of the monthly pensions and his dependents to the dependents' pension: Provided, That if he has no primary beneficiaries and he dies within sixty months from the start of his monthly pension, his secondary beneficiaries shall be entitled to a lump sum benefit equivalent to the bigger of (1) twenty times the monthly pension or (2) the difference of sixty times the monthly pension and the total monthly pensions paid by the SSS excluding the dependents' pension."

SECTION 7. Section 13-B of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"SEC. 13-B. Funeral Benefit - A funeral grant of two thousand pesos shall be paid to help defray the cost of funeral expenses upon the death of a covered member, permanently totally disabled employee or retiree."

SECTION 8. Section 14, paragraph (a) (1) of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"(1) - In no case shall the total amount of such daily allowance be less than seven pesos and fifty centavos nor exceed seventy five pesos nor paid longer than one hundred twenty days in one calendar year; nor shall any unused portion of the one hundred twenty days of sickness benefit granted under this section be carries forward and added to the total number of compensable days allowable in the subsequent year;"

SECTION 9. Section 18 (a) of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"SEC. 18. Employee's contribution - (a) Beginning as of the last day of the calendar month when an employee's compulsory coverage takes effect and every month thereafter during his employment, the employer shall deduct and withhold from such employee's monthly salary, wage, compensation or earnings, the employee's contribution in an amount corresponding to his salary, wage, compensation, or earnings during the month in accordance with the following schedule effective on January 1, 1987:

<u>SALARY</u> <u>BRACKET</u>	<u>RANGE OF</u> <u>COMPENSATION</u>	<u>MONTHLY</u> <u>SALARY</u> <u>CREDIT</u>	<u>MONTHLY</u> <u>EMPLOYER</u>	<u>MONTHLY</u> <u>EMPLOYEE</u>	<u>CONTRIBUTION</u> <u>TOTAL</u>
I	₱ 1 - 149.99	₱ 125.00	₱ 6.40	₱ 4.10	₱ 10.50
II	150 - 199.99	175.00	9.00	5.70	14.70
III	200 - 249.99	225.00	11.40	7.50	18.90
IV	250 - 349.99	300.00	15.20	10.00	25.20
V	350 - 499.99	425.00	21.60	14.10	35.70
VI	500 - 699.99	600.00	30.40	20.00	50.40
VII	700 - 899.99	800.00	40.50	26.70	67.20
VIII	900 - 1099.99	1000.00	50.70	33.30	84.00