

**IMPLEMENTING
RULES AND REGULATIONS
OF REPUBLIC ACT NO. 11199
OR THE SOCIAL SECURITY
ACT OF 2018**

Implementing Rules and Regulations of the Social Security Act of 2018

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**IMPLEMENTING RULES AND REGULATIONS
OF REPUBLIC ACT NO. 11199 OR THE SOCIAL SECURITY ACT OF 2018**

*An Act Rationalizing and Expanding the Powers and Duties of the Social Security Commission
To Ensure the Long-Term Viability of the Social Security System, Repealing for the
Purpose Republic Act No. 1161, As Amended By Republic Act No. 8282, Otherwise Known
as the “Social Security Act Of 1997”*

**RULE 1
Title**

SEC 1. SHORT TITLE. - This Implementing Rules and Regulations, hereinafter referred to as the IRR, is hereby promulgated pursuant to Section 30 of Republic Act (R.A.) No. 11199 for the effective implementation of the *Social Security Act of 2018*. [Sec 1]

SEC 2. INTERPRETATION OF THE IRR. - Any doubt in the interpretation of this IRR shall be resolved by the Social Security Commission in a manner which would bring about the realization of the State’s policy to develop, promote and perfect a sound and viable tax-exempt social security system in the Republic of the Philippines.

**RULE 2
Declaration of Policy**

SEC 1. POLICY OF THE STATE. - 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 Republic of the Philippines which shall promote social justice through savings, and ensure meaningful social security 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. [Sec 2, 1st par]

SEC 2. SOCIAL SECURITY PROTECTION TO WORKERS. - The State endeavors to extend social security protection to Filipino workers, local and overseas, and their beneficiaries. [Sec 2, 1st par]

SEC 3. WORK, SAVE, INVEST AND PROSPER. - In the pursuit of the State policy to establish, develop, promote and perfect a sound and viable tax-exempt social security system, a social security program shall be developed emphasizing the value of work, save, invest and prosper. The maximum profitability of investible funds and resources is ensured through a culture of excellence in management grounded upon sound and efficient policies employing internationally recognized best practices. [Sec 2, 2nd par]

**RULE 3
The Social Security System**

SEC 1. CREATION OF THE SSS. - To carry out the purposes of the *Social Security Act of 2018*, the Social Security System (SSS) is created as a corporate body to function and operate as an independent and accountable government-owned and -controlled corporation (GOCC) within the governance standards and principles of R.A. No. 10149 or the *GOCC Governance Act of 2011*, except as otherwise provided in the *Social Security Act of 2018*. [Sec 3, (a) 1st par]

The SSS shall be directed and controlled by the Social Security Commission, hereinafter referred to as “Commission”.

SEC 2. PRINCIPAL PLACE OF BUSINESS. - The principal place of business of SSS is in Metro Manila, Republic of the Philippines. [Sec 3, (a), 1st par]

SEC 3. POWERS AND DUTIES OF THE SSS –The SSS shall exercise the following powers and duties subject to the approval, confirmation or review of the Commission: [Sec 4, (b)]

- i. To submit an Annual Report not later than April 30, to the President of the Republic of the Philippines and to the Congress of the Philippines covering its activities in the administration and enforcement of the *Social Security Act of 2018* during the preceding year including information and recommendations on broad policies for the development and perfection of the SSS program; [Sec 4, (b), (1)]
- ii. To require the Chief Actuary to submit a Valuation Report on the SSS benefit program every three (3) years, or more frequently as may be necessary; [Sec 4, (b), (2)]
- iii. To undertake the necessary actuarial studies and calculations concerning increases in benefits taking into account inflation and the financial stability of the SSS, the individual income gap and poverty threshold for the elderly as well as similar benefits provided by other social protection programs of the government; [Sec 4, (b), (2)]
- iv. 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 provided that the actuarial soundness of the reserve fund shall be guaranteed through measures that restore and maintain the social security pension fund life to cover the average work years of active members as well as the average pension years of pensioners; [Sec 4, (b), (2)]
- v. To establish offices to cover as many provinces, cities and congressional districts, including foreign countries, whenever and wherever it may be expedient, necessary and feasible and to inspect or cause to be inspected periodically such offices; [Sec 4, (b), (3)]
- vi. To pursue collaboration with the Department of Foreign Affairs (DFA) on the establishment of representative offices in foreign countries, taking into consideration the Filipino communities in the said country in order to strengthen its presence and intensify promotion of overseas Filipino worker (OFW) coverage programs;
- vii. To enter into agreements or contracts for such service and aid including but not limited to government, private or multi-lateral agencies, as may be needed for the proper, efficient and stable administration of the SSS; [Sec 4, (b), (4)]
- viii. To adopt or approve the annual and supplemental budget of receipts and expenditures including salaries and allowances of the SSS personnel, against all funds available to the SSS and to authorize such capital and operating expenditures and disbursements as may be necessary and proper for the effective management and operation of the SSS; [Sec 4, (b), (5)]
- ix. To set up its own accounting system and provide the necessary personnel therefor; [Sec 4, (b), (6)]

- x. To require reports, compilations and analyses of statistical and economic data and to make investigations as may be needed for the proper administration and development of the SSS; [Sec 4, (b), (7)]
- xi. To acquire, develop and/or dispose of property, real or personal, on its own, or through a joint venture arrangement with the public and/or private sector as may be necessary or expedient for the attainment of the purposes of the *Social Security Act of 2018*; [Sec 4, (b), (8) 1st par]
 - a) no injunction or restraining order issued by any Court, tribunal or office shall bar, impede or delay the sale, development and/or disposition by the SSS of its properties except on questions of ownership and national or public interest; [Sec 4, (b), (8) 2nd par]
- xii. To acquire, receive, or hold, by way of purchase, expropriation or otherwise, public or private property for the following purposes:
 - a) undertaking housing projects preferably for the benefit of low-income members, and
 - b) maintenance of hospitals and institutions for the sick, aged and disabled, as well as schools for the SSS members and their immediate families; [Sec 4, (b), (9)]
- xiii. To enter into agreement with the Government Service and Insurance System (GSIS) or any other entity, enterprise, corporation or partnership for the benefit of SSS and/or GSIS members transferring from one system to another subject to the provisions of R.A. No. 7699 or the *Portability Law*; [Sec 4, (b), (10)]
- xiv. To sue and be sued in court; and [Sec 4, (b), (11)]
- xv. To perform such other corporate acts or exercise such powers as it may deem appropriate for the proper enforcement of the *Social Security Act of 2018*. [Sec 4, (b), (12)]

SEC 4. EXEMPTION FROM R.A. NO. 6758 AND R.A. NO. 7430 – The SSS shall be exempt from the provisions of R.A. No. 6758 (*An Act Prescribing A Revised Compensation and Position Classification System in the Government*) and R.A. No. 7430 (*An Act Providing for Optimum Utilization of Personnel in Government Service Through a System of Attrition, Providing Penalties for Violation Thereof, and for Other Purposes*). [Sec 3, (c)]

The applicable guidelines and policies of the Governance Commission for GOCCs shall be considered in fixing and determining the compensation, allowances and other benefits of SSS personnel, including its President and CEO.

SEC 5. THE PRESIDENT AND CHIEF EXECUTIVE OFFICER. – The President shall serve as the Chief Executive Officer (CEO) of the SSS. [Sec 3, (b), 1st par]

- i. **APPOINTMENT** – The President and CEO shall be appointed by the President of the Republic of the Philippines. [Sec 3, (b), 1st par]

- ii. *FUNCTIONS AND DUTIES.* – The President and CEO shall be responsible for the following:
 - a) The general conduct of the operations and management functions of the SSS, and [Sec 3, (b), 1st par]
 - b) The carrying out of the SSS programs and the policies of the Commission. [Sec 3, (b), 1st par]
- iii. *QUALIFICATIONS FOR APPOINTMENT.* – The President and CEO must be a person of known competence, probity, integrity and has recognized expertise in social security, pension fund, insurance, investment, banking and finance, economics, management, law or actuarial science. [Sec 3, (b), 1st par]
- iv. *CAUSES FOR REMOVAL.* – In accordance with the requirements of due process, the President and CEO may be removed from office for a valid cause or for any of the following grounds: [Sec 3, (b), 2nd par]
 - a) He/she becomes physically or mentally incapacitated from discharging the duties and responsibilities of the office and such incapacity lasted for more than six (6) months; [Sec 3, (b), 2nd par]
 - b) He/she is guilty of acts or omissions which are of fraudulent or illegal character or which are manifestly opposed to the aims and interests of the SSS; [Sec 3, (b), 2nd par]
 - c) He/she no longer possesses the qualifications specified in the *Social Security Act of 2018*; [Sec 3, (b), 2nd par]
 - d) He/she does not meet the standards of performance based on the evaluation of the Governance Commission for GOCCs under R.A. No. 10149 or the *GOCC Governance Act of 2011*. [Sec 3, (b), 2nd par]
- v. *POWER TO APPOINT SSS PERSONNEL.* - The President and CEO has the power to appoint the personnel of the SSS below the rank of Vice-President. The personnel appointed by the President and CEO, except those below the rank of Assistant Manager, shall be subject to confirmation by the Commission. The personnel of the SSS shall be selected only from civil service eligibles and be subject to civil service rules and regulations. [Sec 3, (c)]

Upon recommendation of the President and CEO, the Commission shall appoint the Chief Actuary and such other personnel with the rank of Vice-President and above as may be deemed necessary.

RULE 4 The Social Security Commission

SEC 1. THE COMMISSION. - The Commission is the governing board and policy-making body that directs and controls the SSS. [Sec 3 (a), 2nd par]

SEC 2. COMPOSITION. – [Sec 3 (a), 2nd par] The Commission is composed of the following:

- i. The Secretary of the Department of Finance as the *ex-officio* Chairperson;
- ii. The President and CEO as the Vice-Chairperson. The SSS President and CEO shall automatically act as the Chairperson of the Commission in the absence of the Secretary of Finance;
- iii. The Secretary of the Department of Labor and Employment (DOLE), as an *ex-officio* Member, and;
- iv. Six (6) Appointive Members –
 - a) Three (3) of whom shall represent the workers’ group, at least one (1) of whom shall be a woman, and
 - b) Three (3) representatives from the employers’ group, at least one (1) of whom shall be a woman.

SEC 3. APPOINTMENT. – The President of the Republic of the Philippines shall appoint all members of the Commission. [Sec 3, (a), 2nd par]

SEC 4. QUALIFICATIONS FOR APPOINTMENT TO THE COMMISSION. – To be appointed as a member of the Commission, one must have the following qualifications:

- i. Of known competence, probity and integrity; [Sec 3, (a), 2nd par]
- ii. Of recognized expertise in any of the fields of social security, pension fund, insurance, investment, banking and finance, economics, management, law or actuarial science; [Sec 3, (a), 2nd par]
- iii. With at least ten (10) years of managerial or leadership experience; [Sec 3, (a), 2nd par]
- iv. Shall be among the nominees of workers’ and employers’ organizations as regards the six (6) representatives of the workers and employers groups; and [Sec 3, (a), 2nd par]
- v. Duly endorsed by the Governance Commission for GOCCs following the fit and proper rule and standards on integrity, experience, education, training and competence. [Sec 3, (a), 2nd par]

SEC 5. TERMS OF OFFICE. –The Members of the Commission shall serve the following terms of office:

- i. For regular Appointive Members, they shall serve for three (3) years, extendible for another term of three (3) years; and [Sec 3, (a), 2nd par]
- ii. The terms of offices of the first six (6) appointive members shall be one (1), two (2), and three (3) years for every two (2) members, respectively, notwithstanding Section 17 of R.A. No. 10149 or the *GOCC Governance Act of 2011*. [Sec 3, (a), 2nd par]

SEC 6. HOLD-OVER CAPACITY. – All Members of the Commission shall continue to hold office until their successors shall have been appointed and duly qualified. [Sec 3, (a), 2nd par]

SEC 7. FILLING-UP OF VACANCY. – All vacancies, prior to the expiration of the term of office, shall be filled for the unexpired term only. [Sec 3, (a), 2nd par]

SEC 8. FIDUCIARY DUTIES OF THE MEMBERS OF THE COMMISSION. - The fiduciary duties of a member of the Commission shall include the following: [Sec 3, (a), 3rd par]

- i. Act with utmost and undivided loyalty to the SSS; [Sec 3, (a), 3rd par, (1)]
- ii. Act with due care, extraordinary diligence and skill in the conduct of business and exercise utmost good faith in all transactions relating to his/her duties to the SSS and its properties; [Sec 3, (a), 3rd par, (2)]
- iii. Adhere to the strict rule of honesty and fairness in his/her dealings with and for the SSS between himself/herself and his/her principal as other agent; [Sec 3, (a), 3rd par, (2)]
- iv. Act for the benefit of the SSS and not for his/her own benefit; [Sec 3, (a), 3rd par, (3)]
- v. Not to profit as individual by virtue of his/her position; [Sec 3, (a), 3rd par, (4)]
- vi. Ensure that profits received by him/her from the SSS' properties or businesses revert to the SSS and to hold the same as trustee for the benefit of the SSS and its members; [Sec 3, (a), 3rd par, (4)]
- vii. Avoid conflicts of interest; [Sec 3, (a), 3rd par, (5)]
- viii. Not to acquire an interest adverse to or in conflict with that of the SSS, while acting for the SSS or when dealing individually with third persons; [Sec 3, (a), 3rd par, (5)]
- ix. Declare any interest he/she may have in any particular matter before the Commission; and [Sec 3, (a), 3rd par, (5)]
- x. Apply sound business principles to ensure the financial soundness of the SSS. [Sec 3, (a), 3rd par, (6)]

SEC 9. COMPENSATION, PER DIEMS, ALLOWANCES. - The compensation, *per diems*, allowances and incentives of the Appointive Members of the Commission shall be in accordance with and subject to R.A. No. 10149 or the *GOCC Governance Act of 2011*. [Sec 3, (a), 4th par]

SEC 10. POWERS AND DUTIES OF THE COMMISSION. - [Sec 4, (a)] For the attainment of its main objectives as set forth in the *Social Security Act of 2018*, the Commission shall have the following powers and duties:

- i. To formulate, adopt, amend and/or rescind such rules and regulations as may be necessary to carry out the provisions and purposes of the *Social Security Act of 2018*; [Sec 4, (a), (1)]
- ii. To establish a Provident Fund for SSS members for the payment of their benefits or their beneficiaries in addition to the benefits provided for under the *Social Security Act of*

2018 under such guidelines, rules and regulations that it may promulgate, which will consist of the contributions of employers and employees, self-employed, OFW and voluntary-paying members, including a consideration of the existing voluntary Provident Funds of SSS members, i.e. the Personal Equity and Savings Option (P.E.S.O.) Fund and the OFW Flexi-Fund and the creation of a transitory voluntary provident fund until a mandatory provident fund is established in 2021 based on the monthly salary credit (MSC) in excess of twenty thousand pesos (P20,000.00) up to the prescribed maximum MSC and their earnings.

The member may contribute voluntarily in excess of the prescribed contribution rate and/or the maximum MSC. [Sec 4, (a), (2)]

- iii. To maintain a Provident Fund for the benefit of the SSS officials and employees or their heirs consisting of contributions made by both the SSS and its officials and employees and their earnings, under such terms and conditions that it may prescribe; [Sec 4, (a), (3)]
- iv. To conduct continuing actuarial and statistical studies and valuations to determine the financial condition of the SSS; [Sec 4, (a), (4)]
- v. To re-adjust the benefits, contributions, premium rates, interest rates or the allocation or re-allocation of the funds to the contingencies covered taking into consideration such actuarial and statistical studies and valuations and the limitations provided for in the *Social Security Act of 2018*; [Sec 4, (a), (4)]
- vi. To approve restructuring proposals for the payment of due but unremitted contributions and unpaid loan amortizations under such terms and conditions that it may prescribe; [Sec 4, (a), (5)]
 - a) The guidelines on the installment payment scheme for employers and on the creation of delinquency settlement review committee shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*. [SSS Circular No. 2018-008, Circular No. 2011-002 (16 February 2011) and SSC Resolution No. 156-s.2018]
- vii. To authorize and accredit 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 under the following conditions: [Sec 4, (a), (6)]
 - a) The SSS shall accredit the cooperative or association;
 - b) The persons authorized to collect shall be bonded, and
 - c) The guidelines on the accreditation of cooperatives as collecting agents shall continue to apply, subject to Section 33 of the *Social Security Act of 2018* [SSS Circular No. 2011-001 (16 February 2011)].
- viii. 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 of the *Social*

Security Act of 2018, under such terms and conditions that it may prescribe; [Sec 4, (a), (7)]

- ix. To condone, enter into a compromise or release, in whole or in part, such penalties imposed upon delinquent social security contributions, any law to the contrary notwithstanding, regardless of the amount involved subject to the following: [Sec 4, (a), (8), 1st par]
- a) Such valid terms and conditions it may prescribe through rules and regulations, [Sec 4, (a), (8), 1st par] provided, that immediately after the passage of the *Social Security Act of 2018*, the Commission shall institute a condonation of penalties of delinquent employers under R.A. No. 10361 or the *Domestic Workers Act* or the *Batas Kasambahay*; [Sec 4, (a), (8), 2nd par]
 - b) The financial position of the employer demonstrates a clear inability to pay the assessed delinquency; [Sec 4, (a), (8), 1st par]
 - c) Such inability to pay has arisen from 1) economic crisis, 2) serious business losses or financial reverses, or 3) natural calamity or man-made disaster without fault on the part of the employer; [Sec 4, (a), (8), 1st par]
 - d) Any employer who is delinquent or has not remitted all contributions due and payable to the SSS may avail of the remedy, including the following:
 - d.1. Those not yet registered with the SSS;
 - d.2. Those with pending or approved proposal under the installment payment scheme of the SSS; [SSS Circular No. 9-P and SSC Resolution No. 380 (10 June 2002)]
 - d.3. Those with pending or approved application under the program for acceptance of properties offered through *dacion en pago* of the SSS; [SSS Circular No. 6-P and SSC Resolution No. 29 (16 January 2002)]
 - d.4. Those with cases pending before the Commission, Courts or Office of the Prosecutor involving collection of contributions and/or penalties; and [SSS Circular No. 2010-004 – IRR of RA No. 9903]
 - d.5. Those against whom judgment had been rendered involving collection of contributions and/or penalties but have not complied with the judgment.
 - e) To avail of this remedy, the delinquent employer must present the following to show its inability to pay the assessed delinquency:
 - e.1. In case of economic crisis, a pronouncement of the presence of such crisis by the National Economic and Development Authority, Monetary Board or any competent authority and the financial statements of the employer for the last three (3) years;
 - e.2. In case of serious business losses or financial reverses, the financial statements of the employer for the last three (3) years; and

e.3. In case of natural calamity or man-made disaster, a pronouncement of the existence of such calamity or disaster by the National Disaster Risk Reduction and Management Council and/or the Department of National Defense and the financial statements of the employer for the last three (3) years.

f) The total unremitted contributions may be settled in installment for a maximum period of four (4) years. [SSS Circular No. 2018-008]

x. To submit to the President of the Republic of the Philippines, the Senate and the House of Representatives, an annual report on the exercise of its powers to condone, enter into a compromise or release, in whole or in part, such penalties imposed upon delinquent social security contributions to determine that said power is reasonably exercised and the SSS is not unduly prejudiced. The said report shall state the following facts and information:

- a) Names and addresses of employers whose penalty delinquencies have been subjected to compromise or condonation;
- b) Amount/s involved;
- c) Amount/s compromised or condoned; and
- d) Underlying reason/s and justification/s thereon. [Sec 4, (a), (8), 2nd par]

xi. To determine, adopt and implement such Schedule/s of contributions showing, among others, the Salary Brackets, the Range of Compensation, the MSCs, the amounts of the Employer and Employee Shares as provided for and in accordance with the applicable provisions of the *Social Security Act of 2018*. [Sec 4, (a), (9), 1st par]

a) Legislated Contribution Rates, Minimum and Maximum MSCs - [Sec 4, (a), (9), 1st par]

a.1. The rates of contribution as well as the minimum and maximum MSCs shall be in accordance with the following schedule effective January of the year of implementation, *viz*:

Year of Implementation	Contribution Rate	Share		Monthly Salary Credit	
		Employer	Employee	Minimum	*Maximum
2019	12%	8%	4%	₱2,000.00	₱20,000.00
2020	12%	8%	4%	₱2,000.00	₱20,000.00
2021	13%	8.5%	4.5%	₱3,000.00	₱25,000.00
2022	13%	8.5%	4.5%	₱3,000.00	₱25,000.00
2023	14%	9.5%	4.5%	₱4,000.00	₱30,000.00
2024	14%	9.5%	4.5%	₱4,000.00	₱30,000.00
2025	15%	10%	5%	₱5,000.00	₱35,000.00

*The MSC to be used for purposes of calculating premiums for and benefits from the Social Security Fund is capped at ₱20,000. Any contribution corresponding to the MSC in excess of ₱20,000 but less than the maximum MSC goes to the mandatory Provident Fund.

a.2. Domestic workers or “*kasambahays*”, as defined under R.A. No. 10361 or the *Domestic Workers Act* or the *Batas Kasambahay*, who are receiving a monthly income lower than the minimum MSC shall pay contributions based on their

actual monthly salary but not lower than one thousand pesos (P1,000.00) [Sec 4, (a), (9), 1st par] and under the following guidelines:

1. The term *domestic work* refers to work performed in or for a household or households;
 2. The term *domestic worker* or *kasambahay* refers to any person engaged in domestic work within an employment relationship such as, but not limited to, the following:
 - 2.a) General househelp, nursemaid or *yaya*, cook, gardener, or laundry person, but shall exclude any person who performs domestic work only occasionally or sporadically and not on an occupational basis, and
 - 2.b) The term shall not include children who are under foster family arrangement, and are provided access to education and given an allowance incidental to education, *i.e. baon*, transportation, school projects and school activities.
 3. The term *employer* refers to any person who engages and controls the services of a domestic worker and is party to the employment contract;
 4. A domestic worker who has rendered at least one (1) month of service shall be covered by the SSS and shall be entitled to all the benefits provided for by the *Social Security Act of 2018*;
 5. The domestic worker shall be entitled to all other benefits under existing laws;
 6. Premium payments or contributions shall be shouldered by the employer. However, if the domestic worker is receiving a wage of five thousand pesos (P5,000.00) and above per month, the domestic worker shall pay the proportionate share in the premium payments or contributions, as provided in RA No. 10361 or the *Domestic Workers Act* or the *Batas Kasambahay*, and
 7. The guidelines on the social security coverage of domestic workers, implementation of the *kasambahay* unified registration system and on the registration of household employers and assignment of employer number shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*. [SSC Circular No. 21-V, SSS Circular No. 2013-001 (22 January 2013) and Circular No. 2013-017 (11 December 2013)]
- a.3. For OFWs, the minimum MSC shall be eight thousand pesos (P8,000.00) or as may be determined and set by the Commission;
 - a.4. SSS members who are subject to compulsory coverage and receiving monthly income lower than the minimum MSC or more than the maximum MSC, and their employers, shall pay the contributions based on the current minimum MSC or the maximum MSC, respectively; [Sec 4, (a), (9), 1st par]

a.5. Table 1 – Contribution Schedule for Employed and SE/VM Members

RANGE OF COMPENSATION	EMPLOYED				SELF-EMPLOYED, VOLUNTARY MEMBER, AND NON-WORKING SPOUSE**	
	MONTHLY SALARY CREDIT*	SS CONTRIBUTION			MONTHLY SALARY CREDIT*	SS CONTRIBUTION
		ER	EE	TOTAL		
Below 2,250	2,000	160.00	80.00	240.00	2,000	240.00
2,250 - 2,749.99	2,500	200.00	100.00	300.00	2,500	300.00
2,750 - 3,249.99	3,000	240.00	120.00	360.00	3,000	360.00
3,250 - 3,749.99	3,500	280.00	140.00	420.00	3,500	420.00
3,750 - 4,249.99	4,000	320.00	160.00	480.00	4,000	480.00
4,250 - 4,749.99	4,500	360.00	180.00	540.00	4,500	540.00
4,750 - 5,249.99	5,000	400.00	200.00	600.00	5,000	600.00
5,250 - 5,749.99	5,500	440.00	220.00	660.00	5,500	660.00
5,750 - 6,249.99	6,000	480.00	240.00	720.00	6,000	720.00
6,250 - 6,749.99	6,500	520.00	260.00	780.00	6,500	780.00
6,750 - 7,249.99	7,000	560.00	280.00	840.00	7,000	840.00
7,250 - 7,749.99	7,500	600.00	300.00	900.00	7,500	900.00
7,750 - 8,249.99	8,000	640.00	320.00	960.00	8,000	960.00
8,250 - 8,749.99	8,500	680.00	340.00	1,020.00	8,500	1,020.00
8,750 - 9,249.99	9,000	720.00	360.00	1,080.00	9,000	1,080.00
9,250 - 9,749.99	9,500	760.00	380.00	1,140.00	9,500	1,140.00
9,750 - 10,249.99	10,000	800.00	400.00	1,200.00	10,000	1,200.00
10,250 - 10,749.99	10,500	840.00	420.00	1,260.00	10,500	1,260.00
10,750 - 11,249.99	11,000	880.00	440.00	1,320.00	11,000	1,320.00
11,250 - 11,749.99	11,500	920.00	460.00	1,380.00	11,500	1,380.00
11,750 - 12,249.99	12,000	960.00	480.00	1,440.00	12,000	1,440.00
12,250 - 12,749.99	12,500	1,000.00	500.00	1,500.00	12,500	1,500.00
12,750 - 13,249.99	13,000	1,040.00	520.00	1,560.00	13,000	1,560.00
13,250 - 13,749.99	13,500	1,080.00	540.00	1,620.00	13,500	1,620.00
13,750 - 14,249.99	14,000	1,120.00	560.00	1,680.00	14,000	1,680.00
14,250 - 14,749.99	14,500	1,160.00	580.00	1,740.00	14,500	1,740.00
14,750 - 15,249.99	15,000	1,200.00	600.00	1,800.00	15,000	1,800.00
15,250 - 15,749.99	15,500	1,240.00	620.00	1,860.00	15,500	1,860.00
15,750 - 16,249.99	16,000	1,280.00	640.00	1,920.00	16,000	1,920.00
16,250 - 16,749.99	16,500	1,320.00	660.00	1,980.00	16,500	1,980.00
16,750 - 17,249.99	17,000	1,360.00	680.00	2,040.00	17,000	2,040.00
17,250 - 17,749.99	17,500	1,400.00	700.00	2,100.00	17,500	2,100.00
17,750 - 18,249.99	18,000	1,440.00	720.00	2,160.00	18,000	2,160.00
18,250 - 18,749.99	18,500	1,480.00	740.00	2,220.00	18,500	2,220.00
18,750 - 19,249.99	19,000	1,520.00	760.00	2,280.00	19,000	2,280.00
19,250 - 19,749.99	19,500	1,560.00	780.00	2,340.00	19,500	2,340.00
19,750 and above	20,000	1,600.00	800.00	2,400.00	20,000	2,400.00

* The minimum MSC for Employed, Self-employed, Voluntary member and Non-Working Spouse is two thousand pesos (P2,000.00).

** The contribution of the Non-Working Spouse shall be based on fifty percent (50%) of the MSC of his/her working spouse.

In case the fifty percent (50%) of the working spouse's declared monthly income does not correspond to any MSC in the Contribution Schedule, the immediately higher MSC shall be the basis.

a.6. Table 2 – Contribution Schedule for Domestic Workers or *Kasambahays*

RANGE OF COMPENSATION	KASAMBAHAY			
	MONTHLY SALARY CREDIT	SS CONTRIBUTION*		
		ER	EE	TOTAL
Below 1,250	1,000	120.00	-	120.00
1,250 - 1,749.99	1,500	180.00	-	180.00
1,750 - 2,249.99	2,000	240.00	-	240.00
2,250 - 2,749.99	2,500	300.00	-	300.00
2,750 - 3,249.99	3,000	360.00	-	360.00
3,250 - 3,749.99	3,500	420.00	-	420.00
3,750 - 4,249.99	4,000	480.00	-	480.00
4,250 - 4,749.99	4,500	540.00	-	540.00
4,750 - 4,999.99	5,000	600.00	-	600.00
5,000 - 5,249.99	5,000	400.00	200.00	600.00
5,250 - 5,749.99	5,500	440.00	220.00	660.00
5,750 - 6,249.99	6,000	480.00	240.00	720.00
6,250 - 6,749.99	6,500	520.00	260.00	780.00
6,750 - 7,249.99	7,000	560.00	280.00	840.00
7,250 - 7,749.99	7,500	600.00	300.00	900.00
7,750 - 8,249.99	8,000	640.00	320.00	960.00
8,250 - 8,749.99	8,500	680.00	340.00	1,020.00
8,750 - 9,249.99	9,000	720.00	360.00	1,080.00
9,250 - 9,749.99	9,500	760.00	380.00	1,140.00
9,750 - 10,249.99	10,000	800.00	400.00	1,200.00
10,250 - 10,749.99	10,500	840.00	420.00	1,260.00
10,750 - 11,249.99	11,000	880.00	440.00	1,320.00
11,250 - 11,749.99	11,500	920.00	460.00	1,380.00
11,750 - 12,249.99	12,000	960.00	480.00	1,440.00
12,250 - 12,749.99	12,500	1,000.00	500.00	1,500.00
12,750 - 13,249.99	13,000	1,040.00	520.00	1,560.00
13,250 - 13,749.99	13,500	1,080.00	540.00	1,620.00
13,750 - 14,249.99	14,000	1,120.00	560.00	1,680.00
14,250 - 14,749.99	14,500	1,160.00	580.00	1,740.00
14,750 - 15,249.99	15,000	1,200.00	600.00	1,800.00
15,250 - 15,749.99	15,500	1,240.00	620.00	1,860.00
15,750 - 16,249.99	16,000	1,280.00	640.00	1,920.00
16,250 - 16,749.99	16,500	1,320.00	660.00	1,980.00
16,750 - 17,249.99	17,000	1,360.00	680.00	2,040.00
17,250 - 17,749.99	17,500	1,400.00	700.00	2,100.00
17,750 - 18,249.99	18,000	1,440.00	720.00	2,160.00
18,250 - 18,749.99	18,500	1,480.00	740.00	2,220.00
18,750 - 19,249.99	19,000	1,520.00	760.00	2,280.00
19,250 - 19,749.99	19,500	1,560.00	780.00	2,340.00
19,750 and above	20,000	1,600.00	800.00	2,400.00

* Under R.A. No. 10361 or the *Domestic Workers Act* or the *Batas Kasambahay*, the employer pays the entire contribution if the kasambahay earns less than five thousand pesos (₱5,000.00) per month.

a.7. Table 3 – Contribution Schedule for OFW Members

RANGE OF COMPENSATION	LAND-BASED OFWs WITH BILATERAL LABOR AGREEMENT, AND SEA-BASED OFWs				LAND-BASED OFWs WITHOUT BILATERAL LABOR AGREEMENT	
	MONTHLY SALARY CREDIT*	SS CONTRIBUTION			MONTHLY SALARY CREDIT*	SS CONTRIBUTION
		ER	EE	TOTAL		
Below 8,250	8,000	640.00	320.00	960.00	8,000	960.00
8,250 - 8,749.99	8,500	680.00	340.00	1,020.00	8,500	1,020.00
8,750 - 9,249.99	9,000	720.00	360.00	1,080.00	9,000	1,080.00
9,250 - 9,749.99	9,500	760.00	380.00	1,140.00	9,500	1,140.00
9,750 - 10,249.99	10,000	800.00	400.00	1,200.00	10,000	1,200.00
10,250 - 10,749.99	10,500	840.00	420.00	1,260.00	10,500	1,260.00
10,750 - 11,249.99	11,000	880.00	440.00	1,320.00	11,000	1,320.00
11,250 - 11,749.99	11,500	920.00	460.00	1,380.00	11,500	1,380.00
11,750 - 12,249.99	12,000	960.00	480.00	1,440.00	12,000	1,440.00
12,250 - 12,749.99	12,500	1,000.00	500.00	1,500.00	12,500	1,500.00
12,750 - 13,249.99	13,000	1,040.00	520.00	1,560.00	13,000	1,560.00
13,250 - 13,749.99	13,500	1,080.00	540.00	1,620.00	13,500	1,620.00
13,750 - 14,249.99	14,000	1,120.00	560.00	1,680.00	14,000	1,680.00
14,250 - 14,749.99	14,500	1,160.00	580.00	1,740.00	14,500	1,740.00
14,750 - 15,249.99	15,000	1,200.00	600.00	1,800.00	15,000	1,800.00
15,250 - 15,749.99	15,500	1,240.00	620.00	1,860.00	15,500	1,860.00
15,750 - 16,249.99	16,000	1,280.00	640.00	1,920.00	16,000	1,920.00
16,250 - 16,749.99	16,500	1,320.00	660.00	1,980.00	16,500	1,980.00
16,750 - 17,249.99	17,000	1,360.00	680.00	2,040.00	17,000	2,040.00
17,250 - 17,749.99	17,500	1,400.00	700.00	2,100.00	17,500	2,100.00
17,750 - 18,249.99	18,000	1,440.00	720.00	2,160.00	18,000	2,160.00
18,250 - 18,749.99	18,500	1,480.00	740.00	2,220.00	18,500	2,220.00
18,750 - 19,249.99	19,000	1,520.00	760.00	2,280.00	19,000	2,280.00
19,250 - 19,749.99	19,500	1,560.00	780.00	2,340.00	19,500	2,340.00
19,750 and above	20,000	1,600.00	800.00	2,400.00	20,000	2,400.00

* The minimum MSC for OFWs is eight thousand pesos (P8,000.00).

- a.8. The Commission shall provide and prescribe the corresponding contribution schedule of members for the succeeding years, reflecting the increases in contribution rate and in minimum and maximum MSCs as provided in Section 4, paragraph (a), subparagraph (9) of the *Social Security Act of 2018*.
- xii. To determine and fix the rate of penalty on unpaid loan amortizations from time to time through rules and regulations based on the applicable actuarial studies, rate of benefits, inflation and other relevant socio-economic data; [Sec 4, (a), (9), 2nd par]
- xiii. To develop and administer a special social security program for workers with unique economic, social and geographic situations as it may determine; [Sec 4, (a), (10)]

- a) The program may have different contributions and benefits that are proportionately calculated to be fair, equitable, actuarially sound and viable. It shall enjoy the same legal privileges as the regular social security program; [Sec 4, (a), (10)]
- xiv. To fix the reasonable compensation, allowances and other benefits of all positions in the SSS including its President and CEO, as a result of a comprehensive job analysis and audit of actual duties and responsibilities under the following terms and conditions:
- a) The comprehensive job analysis and audit of actual duties and responsibilities shall be submitted by the SSS to the Commission after the effectivity of the *Social Security Act of 2018*;
- b) The compensation plan shall be comparable with the prevailing compensation plan in the GSIS, the *Bangko Sentral ng Pilipinas* (BSP) and other government financial institutions; [Sec 3, (d)]
- The compensation plan shall be composed of the basic pay or salaries, fringe benefits, incentives and non-financial rewards which provide reasonable levels of compensation packages within existing resources.
- c) The SSS shall undertake a benchmarking study to determine if the compensation plan is at par with the GSIS, the BSP and other government financial institutions;
- d) The compensation plan shall be reviewed periodically by the Commission no more than once every four (4) years based on a comprehensive job analysis and audit of actual duties and responsibilities, as may be required, and
- e) The periodic review of the compensation plan shall be without prejudice to merit reviews or increases granted to qualified officials and employees, and is subject to but not limited to productivity, efficiency, meritorious or exemplary performance and retention of dearth positions.
- The applicable guidelines and policies of the Governance Commission for GOCCs shall be considered by the Commission in fixing and determining the compensation, allowances and other benefits of SSS personnel, including its President and CEO.
- xv. 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 under the *Social Security Act of 2018* and this IRR. [Sec 4, (a), (11)]

RULE 5

Office of the SSS Chief Actuary

SEC 1. OFFICE OF THE CHIEF ACTUARY. - The SSS shall create an Office of the Chief Actuary. [Sec 3, (c), 1st par]

SEC 2. APPOINTMENT. – The Commission, upon recommendation of the President and CEO, shall appoint the Chief Actuary. [Sec 3, (c), 1st par]

SEC 3. DUTIES AND FUNCTIONS. – The following are the duties and functions of the Chief Actuary:

- i.* To conduct actuarial studies and present recommendations to the Commission on premiums, investments and other related matters; [Sec 3, (c), 1st par]
- ii.* To conduct continuing actuarial and statistical studies and valuations to determine the financial condition of the SSS, to recommend whether or not to readjust the benefits, contributions, premium rates, interest rates, or the allocation or re-allocation of the funds to the contingencies covered [Sec 4, (a), (4)] and to propose measures that restore and maintain the social security pension fund life to cover the average work years of active members as well as the average pension years of pensioners;
- iii.* To conduct the necessary actuarial studies and calculations concerning increases in benefits, taking into account inflation and the financial stability of the SSS, the individual income gap and poverty threshold for the elderly, and similar benefits provided by other social protection programs of the government; [Sec 3, (c), 1st par] [Sec 4, (b), (2)]
- iv.* To submit a report on the valuation of the social security fund every three (3) years, or more frequently as necessary; [Sec 4, (b), (2)]
- v.* To provide reports, compilations and analyses of statistical and economic data; [Sec 4, (b), (7)]
- vi.* To make a determination on the actuarial soundness of the social security fund and certify that such actuarial soundness is guaranteed before the grant of any feasible increases in benefits every four (4) years, including the addition of new ones, and feasible pension increase to raise the minimum pensions under the *Social Security Act of 2018*; and [Sec 12, (b)]
- vii.* To conduct suitable periodic actuarial studies of SSS operations to determine how much amount is needed for the maintenance of an adequate working balance of the funds of the SSS for purposes of requesting for government contribution or annual appropriation [Sec 20].

SEC 4. JUST CAUSES FOR REMOVAL. – The Chief Actuary can only be removed for just causes including, among others, the following:

- i.* Gross incompetence,
- ii.* Gross inefficiency,
- iii.* Disloyalty,
- iv.* Conflict of interest,
- v.* Dishonesty, and
- vi.* Serious misconduct. [Sec 3, (c), 2nd par]

RULE 6
Settlement of Disputes

SEC 1. JURISDICTION OF THE COMMISSION. – Any dispute arising under the *Social Security Act of 2018* with respect to coverage, benefits, contributions and penalties thereon or any other matter related thereto, shall be cognizable by the Commission. [Sec 5, (a)]

SEC 2. FILING OF PETITION. – All petitions shall be filed with the Office of the Executive Clerk of the Commission or his/her Deputy, or at any Regional Commission Legal Department in accordance with the rules and regulations promulgated by the Commission.

SEC 3. VENUE OF HEARINGS. – Petitions shall be heard at the Office of the Executive Clerk of the Commission or his/her Deputy, or at any Regional Commission Legal Department in accordance with the rules and regulations promulgated by the Commission.

SEC 4. CONDUCT OF HEARINGS.—Any case filed 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 complete submission of evidence and the determination that the case is ripe for resolution. [Sec 5, (a)]

SEC 5. RULES AND REGULATIONS OF THE COMMISSION. – The filing, determination and settlement of such disputes shall be governed by the rules and regulations promulgated by the Commission subject to Section 33 of the *Social Security Act of 2018*. [Sec 5, (a)]

RULE 7
Finality of Decision and Appeal

SEC 1. FINALITY OF DECISION. - Any decision of the Commission, in the absence of an appeal therefrom, shall become final and executory fifteen (15) days after the date of notification [Sec 5, (b)] except that any order, resolution, award or decision of the Commission which is adverse to or against the SSS shall immediately become final and executory.

SEC 2. EXHAUSTION OF ADMINISTRATIVE REMEDIES. - Judicial review of the Commission’s decision shall be permitted only after the party claiming to be aggrieved thereby has exhausted the remedies before the Commission. [Sec 5, (b)]

SEC 3. JUDICIAL REVIEW. - The decision of the Commission may be reviewed both upon the law and the facts by the Court of Appeals except that in appeals involving purely questions of law, it shall be reviewed by the Supreme Court, unless otherwise provided under the Rules of Court. [Sec 5, (c)]

SEC 4. PROCEDURE FOR APPEAL. - The procedure concerning appeals from the Regional Trial Court shall be followed as far as practicable and consistent with the purposes of the *Social Security Act of 2018*. [Sec 5, (c)]

SEC 5. PERIOD TO APPEAL. – Appeal from a decision of the Commission must be taken within fifteen (15) days from notification of such decision. [Sec 5, (c)]

SEC 6. NO APPEAL BOND. – No appeal bond is required. [Sec 5, (c)]

SEC 7. SUMMARY NATURE OF PROCEEDINGS. – 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. [Sec 5, (c)]

SEC 8. EFFECT OF AN APPEAL. – No appeal shall act as a *supersedeas* or a stay of the order of the Commission unless the Commission, the Court of Appeals or the Supreme Court shall so order. [Sec 5, (c)]

SEC 9. COUNSEL FOR THE COMMISSION IN APPELLATE CASES. – The Commission shall be deemed to be a party to any judicial action involving any of its decisions, 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. [Sec 5, (b)]

RULE 8

Execution of Decisions of the Commission

SEC 1. ISSUANCE OF WRITS OF EXECUTION. – 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, subject to applicable rules promulgated by the Commission, to enforce such final decision or execute such writ. [Sec 5, (d)]

SEC 2. NON-COMPLIANCE WITH DECISION, AWARD OR WRIT. – 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 5, (d)]

RULE 9

Auditor

SEC 1. EX-OFFICIO AUDITOR. – The Chairperson of the Commission on Audit (COA) shall be the *ex-officio* Auditor of the SSS. [Sec 6, (a)]

SEC 2. MANNER AND FREQUENCY OF AUDIT. – The COA Chairperson or his/her 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 are checked and audited under existing laws. [Sec 6, (a)]

SEC 3. POWERS AND DUTIES OF COA. – The COA Chairperson or his/her representative shall have, as far as practicable, the same powers and duties as he/she has with respect to the checking and auditing of public accounts, funds and properties in general. [Sec 6, (a)]

RULE 10

Counsel

SEC 1. EX-OFFICIO COUNSEL. – The Secretary of the Department of Justice (DOJ) shall be the *ex-officio* Counsel of the SSS. [Sec 6, (b)]

SEC 2. LEGAL ADVISER. – The DOJ Secretary or his/her representative shall act as the official legal adviser and counsel of the SSS. (DOJ Circular No. 27 s. 2001) [Sec 6, (b)]

RULE 11

Oaths, Witnesses and Production of Records

SEC 1. OATHS AND AFFIRMATIONS. - Any SSS official or employee authorized by the Commission shall have the power to administer oaths and affirmations. [Sec 7]

SEC 2. DEPOSITIONS. – The taking of depositions by any authorized SSS official or employee shall be subject to the applicable provisions of the Rules of Court without prejudice to the rules adopted by the Commission. [Sec. 3, Rule I, The 2016 Rules of Procedure of the Social Security Commission] [Sec 7]

SEC 3. CERTIFICATION OF OFFICIAL ACTS. – Whenever required by law and other issuances, any SSS official or employee authorized by the Commission, may certify official acts subject to rules adopted by the Commission. [Sec 7]

SEC 4. ISSUANCE OF SUBPOENA. –The Commission and/or any of its authorized SSS official or employee shall have the power to issue *subpoena ad testificandum* and *subpoena duces tecum* to compel any person to testify and to produce books, papers, correspondence and other records deemed necessary as evidence in connection with any question arising under the *Social Security Act of 2018*. [Sec. 3 (b), Rule IV and Sec. 4, Rule V, The 2016 Rules of Procedure of the Social Security Commission] [Sec 7]

SEC 5. CONTUMACY. - Any case of contumacy shall be dealt with in accordance with law. The Commission may file a case for contempt against any person who, without lawful excuse, fails or refuses to make oath, give testimony, or produce documentary evidence, in connection with any question arising under the *Social Security Act of 2018*. Unless otherwise provided by law, the case shall be filed before the Regional Trial Court of the place where the contempt has been committed. [Sec. 3, Rule I and Sec. 4, Rule V, The 2016 Rules of Procedure of the Social Security Commission, and Sec. 12, Rule 71 of the Revised Rules of Court] [Sec 7]

RULE 12

Definition of Terms

For purposes of this IRR, the following terms, unless the context indicates otherwise, shall mean:

SEC 1. SSS - The Social Security System created by the *Social Security Act of 2018*. [Sec 8, (a)]

SEC 2. COMMISSION - The Social Security Commission created by the *Social Security Act of 2018*. [Sec 8, (b)]

SEC 3. EMPLOYER - Any person, natural or juridical, domestic or foreign, who carries on in the Philippines any trade, business, industry, undertaking, or activity of any kind and uses the services of another person who is under his/her orders as regards the employment, except the Philippine Government and any of its political subdivisions, branches or instrumentalities,

including corporations owned or controlled by the Philippine Government, provided that a self-employed person shall be both employee and employer at the same time. [Sec 8, (c)]

SEC 4. EMPLOYEE - Any person who performs services for an employer in which either or both mental or physical efforts are used and who receives compensation for such services, where there is an employer-employee relationship, provided that a self-employed person shall be both employee and employer at the same time. [Sec 8, (d)]

As a general rule, the determination of the existence or non-existence of an employer-employee relationship for the purpose of determining the coverage in the SSS shall be within the sole jurisdiction of the Commission. [SSS Office Order 2017-032 (29 May 2017)]

SEC 5. DEPENDENTS – The dependents shall refer to the following:

- i. The legal spouse entitled by law to receive support from the member; [Sec 8, (e), (1)]
- ii. The legitimate, legitimated or legally adopted and illegitimate child who is:
 - a) Unmarried,
 - b) Not gainfully employed, and
 - c) Has not reached twenty-one (21) years of age, or if over 21 years of age, he/she is congenitally or while still a minor has been permanently incapacitated and incapable of self-support, physically or mentally. [Sec 8, (e), (2)]

A child who has entered in a common-law relationship and has not reached the age of eighteen (18) is still a dependent. However, upon reaching the age of 18, the child is no longer qualified as a dependent.

- iii. The parent who is receiving regular support from the member. [Sec 8, (e), (3)]

SEC 6. COMPENSATION – All actual remuneration for employment, except the part of the remuneration received during the month in excess of the maximum MSC as provided under the *Social Security Act of 2018* and this IRR, [Sec 8, (f)] including but not limited to the following:

- i. Salaries and wages;
 - ii. Commission expense;
 - iii. Bonuses (except Christmas bonus);
 - iv. Overtime pay;
 - v. Maternity leave with pay;
 - vi. Sick leave with pay;
 - vii. Vacation leave with pay;
 - viii. Mandated cost of living allowance;
 - ix. Workers compensation benefit;
 - x. Transportation, board and lodging allowance, if not subject to liquidation at the end of a given period;
 - xi. Tuition, matriculation and school fees as payment for services rendered;
 - xii. Commission advances and monthly allowances;
 - xiii. Cash value of any remuneration paid in any medium other than cash;
 - xiv. Salaries earned while on board foreign vessel; and
 - xv. Share in the catch project.
- (Circular No. 22-P, 12 August 2005) [Sec 8, (f)]

SEC 7. MONTHLY SALARY CREDIT. - The compensation base for contributions and benefits as indicated in the *Social Security Act of 2018*. In the computation of benefits, the maximum MSC to be considered shall be twenty thousand pesos (P20,000.00) until adjusted as provided for in Section 4, paragraph (a), sub-paragraph (9) of the *Social Security Act of 2018*. [Sec 8, (g)]

SEC 8. MONTHLY. - The period from one end of the last payroll period of the preceding month to the end of the last payroll period of the current month if compensation is on hourly, daily or weekly basis. If on any other basis, '*monthly*' shall mean a period of one (1) month. [Sec 8, (h)]

SEC 9. CONTRIBUTION. - The amount paid to the SSS by and on behalf of the members in accordance with the schedule of contributions provided and prescribed under the *Social Security Act of 2018*. [Sec 8, (i)]

SEC 10. EMPLOYMENT. – Any service performed by an employee for his/her employer, except the following:

- i. Services where there is no employer-employee relationship in accordance with existing labor laws, rules, regulations and jurisprudence; [Sec 8, (j), (1)]
- ii. Service performed in the employ of the Philippine Government or instrumentality or agency thereof; [Sec 8, (j), (2)]
 - a) The guidelines on the coverage of government officers or employees who are also working or employed in the private entities shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*. [SSC Circular No. 25 (16 July 1958)]
- iii. Service performed in the employ of a foreign government or international organization, or their wholly-owned instrumentality. This exemption notwithstanding, any foreign government, international organization or their wholly-owned instrumentality employing workers in the Philippines or employing Filipinos outside of the Philippines, may enter into an agreement with the Philippine Government for the inclusion of such employees in the SSS except those already covered by their respective civil service retirement systems. The terms of such agreement shall conform with the provisions of the *Social Security Act of 2018* on coverage and amount of payment of contributions and benefits and the provisions of the *Social Security Act of 2018* Act shall be supplementary to any such agreement; [Sec 8, (j), (3)]
- iv. Such other services performed by temporary and other employees which may be excluded by regulation of the Commission; and [Sec 8, (j), (4)]
- v. Employees of *bona fide* independent contractors shall not be deemed employees of the employer engaging the service of said contractors. [Sec 8, (j), (4)]
 - a) The relevant provisions and guidelines in DOLE Order No. 10, series of 1997 with respect to the determination of existence of a legitimate contracting or subcontracting, shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

SEC 11. INVOLUNTARY UNEMPLOYMENT. – The situation where a member became unemployed due to: (1) economic downturn, (2) natural or human-induced calamities/disasters, (3) authorized causes of termination including termination due to installation of labor-saving devices, redundancy, retrenchment or downsizing, and closure or cessation of operations, and (4) other analogous cases.

SEC 12. PRIMARY BENEFICIARIES. - The following are considered as primary beneficiaries:

- i. The dependent spouse who has not re-married [Sec 8, (k)], cohabited or entered in a “live-in” relationship before or after the death of the member, and
- ii. The dependent legitimate, legitimated or legally adopted and illegitimate children. Where there are legitimate or illegitimate children, the former shall be preferred. The dependent illegitimate children shall be entitled to fifty percent (50%) of the share of the legitimate, legitimated or legally adopted children. In the absence of the dependent legitimate, legitimated or legally adopted children of the member, his/her dependent illegitimate children shall be entitled to one hundred percent (100%) of the benefits. [Sec 8, (k)]

SEC 13. SECONDARY BENEFICIARIES. – In the absence of primary beneficiaries, the secondary beneficiaries are as follows:

- i. The dependent parents of the deceased member; and
- ii. In the absence of dependent parents, any other person/s designated and reported by the member to the SSS [Sec 8, (k)]. The person designated by the member shall be someone who has a right to claim for support from the deceased member under the Family Code of the Philippines, including dependent children who have reached the age of majority.

SEC 14. CONTINGENCY. – The retirement, death, disability, injury or sickness, maternity and unemployment or involuntary separation of the member. [Sec 8, (l)]

SEC 15. AVERAGE MONTHLY SALARY CREDIT (AMSC). - The AMSC shall be the higher of the following:

- i. Sum of the last sixty (60) MSCs immediately preceding the semester of contingency, divided by sixty (60), or
- ii. Sum of all the MSCs paid prior to the semester of contingency, divided by the number of monthly contributions paid in the same period. [Sec 8, (m)]

For disability benefits, the injury or sickness which caused the disability shall be deemed as the permanent disability for purposes of computing the AMSC. [Sec 8, (m)]

SEC 16. AVERAGE DAILY SALARY CREDIT (ADSC). - The result obtained by dividing the sum of the six (6) highest MSCs in the twelve-month period immediately preceding the semester of contingency by one hundred eighty (180). [Sec 8, (n)]

SEC 17. SEMESTER. - A period of two (2) consecutive quarters ending in the quarter of contingency. [Sec 8, (o)]

SEC 18. QUARTER. - A period of three (3) consecutive calendar months ending on the last day of March, June, September and December. [Sec 8, (p)]

SEC 19. CREDITED YEARS OF SERVICE (CYS). – The CYS shall be computed as follows:

i. For members covered prior to January 1985:

$$\text{CYS} = \text{A} + \text{B} + \text{C}$$

ii. For members covered on or after January 1985:

$$\text{CYS} = \text{B} + \text{C}$$

Where:

A = number of calendar years from date of coverage up to 1984

B = from 1985 to 2001, number of calendar years with at least six (6) monthly contributions

C = from January 2002 up to the calendar years containing the semester prior to the contingency, the total number of contributions divided by 12

The Commission may provide for a different number of contributions in a calendar year for it to be considered as a CYS. [Sec 8, (q)]

SEC 20. MEMBER. - The worker who is covered under Section 9, Section 9-A and Section 9-B of the *Social Security Act of 2018*. [Sec 8, (r)]

SEC 21. SELF-EMPLOYED. - Any person whose income is not derived from employment, as defined under the *Social Security Act of 2018*, as well as those workers enumerated in Section 9-A of the *Social Security Act of 2018*. [Sec 8, (s)]

A self-employed person shall be both employee and employer at the same time.

SEC 22. NET EARNINGS. - Net income before income taxes plus non-cash charges such as depreciation and depletion appearing in the regular financial statement of the issuing or assuming institution. [Sec 8, (t)]

SEC 23. FIXED CHARGES. – Recurring expense such as amortization of debt discount and rentals for leased properties, including interest on funded and unfunded debt. [Sec 8, (u)]

RULE 13 SSS Coverage

SEC 1. COMPULSORY COVERAGE OF EMPLOYEES AND THEIR EMPLOYERS. - Coverage in the SSS shall be compulsory upon all employees including domestic workers or “kasambahays” not over sixty (60) years of age (up to the day of his/her 60th birthday) and their employers. [Sec 9, (a)]

SEC 2. COVERED EMPLOYEES WITH PRIVATE BENEFIT PLANS. - The following rules shall govern the covered employees with private benefit plans:

- i. The benefit already earned by the employees under private benefit plans existing at the time of the approval of the *Social Security Act of 2018* shall not be discontinued, reduced or otherwise impaired; [Sec 9, (a)]
- ii. Private benefit plans which are existing and in force at the time of compulsory coverage shall be integrated with the plan of the SSS. If the employer's contribution to his/her private plan is more than that required of him/her in the *Social Security Act of 2018*, he/she shall pay to the SSS only the contribution required of him/her and he/she shall continue his/her contribution to such private plan less his/her contribution to the SSS so that the employer's total contribution to his/her benefit plan and to the SSS shall be the same as his/her contribution to his/her private benefit plan before the compulsory coverage; [Sec 9, (a)]
- iii. 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 contributions thereto as a result of the integration, shall be subject to agreements between the employers and employees concerned; [Sec 9, (a)]
- iv. The private benefit plan which the employer shall continue for his/her employees shall remain under the employer's management and control unless there is an existing agreement to the contrary; [Sec 9, (a)]
- v. Nothing in the *Social Security Act of 2018* shall be construed as a limitation to the right of employers and employees to agree on and adopt benefits which are over and above those provided under the *Social Security Act of 2018*; and [Sec 9, (a)]
- vi. The guidelines on the single employer registration process shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*. [SSC Circular No. 2009-004 (29 March 2009)]

SEC 3. COMPULSORY COVERAGE OF THE SELF-EMPLOYED. - Coverage in the SSS shall be compulsory upon self-employed persons as may be determined by the Commission under such rules and regulations it may prescribe, including but not limited to the following:

- i. All self-employed professionals; [Sec 9-A, 1st par]
- ii. Partners and single proprietors of businesses; [Sec 9-A, 1st par]
- iii. Actors and actresses, directors, scriptwriters and news correspondents who do not fall within the definition of the term "*employee*" in Section 8 (d) of the *Social Security Act of 2018*; [Sec 9-A, 1st par]
- iv. Professional athletes, coaches, trainers and jockeys; and [Sec 9-A, 1st par]
- v. Individual farmers and fishermen. [Sec 9-A, 1st par]

Unless otherwise specified herein, all provisions of the *Social Security Act of 2018* applicable to covered employees shall also be applicable to the covered self-employed persons. [Sec 9-A, 2nd par]

SEC 4. VOLUNTARY SSS COVERAGE. - The following may be covered by the SSS on a voluntary basis:

- i. A spouse of a member who devotes full time to managing the household and family affairs, but does not engage in other vocation or employment which is subject to compulsory or mandatory coverage; [Sec 9, (b)]
- ii. An OFW upon the termination of his/her employment overseas; [Sec 9-B, (f)]
- iii. A covered employee who was separated from employment who continues to pay his/her contributions; and [Sec 11]
- iv. A self-employed member who realizes no income in any given month who continues to pay his/her contributions. [Sec 11-A]

A voluntary member (VM) shall pay his/her contribution in accordance with the guidelines on payment deadline applicable to self-employed members.

RULE 14

Coverage of Overseas Filipino Workers

SEC 1. COMPULSORY OFW COVERAGE. - Coverage in the SSS shall be compulsory upon all sea-based and land-based OFWs as defined under R.A. No. 8042 or the *Migrant Workers and Overseas Filipinos Act of 1995* as amended [by R.A. No. 10022], provided they are not over sixty (60) years of age. [Sec 9-B, (a), 1st par]

- i. An OFW refers to a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he/she is not a citizen, or on-board a vessel navigating the foreign seas other than a government ship used for military or non-commercial purposes, or on an installation located offshore or on the high seas. A “*person to be engaged in a remunerated activity*” refers to an applicant worker who has been promised or assured employment overseas.
- ii. An OFW shall be allowed to register for initial coverage with the SSS up to the day of his/her 60th birthday.

SEC 2. ALL BENEFIT PROVISIONS APPLICABLE. - All benefit provisions under the *Social Security Act of 2018* shall apply to all covered OFWs. The benefits include, among others, retirement, death, disability, funeral, sickness, maternity and unemployment insurance or involuntary separation benefits. [Sec 9-B, (a), 2nd par]

SEC 3. SEA-BASED OFWS AND THEIR MANNING AGENCIES. – Sea-based OFWs are compulsory members of the SSS. Manning Agencies are agents of their principals and considered as the employers of sea-based OFWs. For purposes of the implementation of the *Social Security Act of 2018*, they are jointly and severally or solidarily liable with their principals with respect to the civil liabilities incurred for any violation of the *Social Security Act of 2018*, any law to the contrary notwithstanding. [Sec 9-B, (b), 1st par]

- i. Manning Agency refers to any person, partnership or corporation duly licensed by DOLE to engage in the recruitment and placement of seafarers for ships plying international waters and for related maritime activities.
- ii. Principal refers to an employer or foreign placement agency hiring or engaging Filipino workers for overseas employment through a local licensed private recruitment/manning agency.
- iii. Joint and several liability refers to the liability of the principal/employer and the recruitment/manning agency, for any and all claims arising out of the implementation of the employment contract involving Filipino workers for overseas deployment. If the recruitment/manning agency is a juridical being, the corporate officers and directors and partners, as the case may be, shall themselves be jointly and severally liable with the corporation or partnership for the aforesaid claims and damages.
- iv. Manning agencies shall be responsible for performing functions of the employer under the *Social Security Act of 2018* and this IRR that include, among others, the timely reporting for coverage of sea-based OFWs, regular remittance of required contributions and advance payment of short-term benefits.

SEC 4. CRIMINAL LIABILITY OF MANNING AGENCIES. - The persons having direct control, management or direction of the manning agencies shall be held criminally liable for any act or omission penalized under the *Social Security Act of 2018* notwithstanding Section 28, paragraph (f) thereof. [Sec 9-B, (b), 2nd par]

SEC 5. LAND-BASED OFWS. - Land-based OFWs are compulsory members of the SSS and are considered in the same manner as self-employed persons, until a Bilateral Labor Agreement (BLA) shall have been entered into, under the following provisions of the *Social Security Act of 2018* and such other rules and regulations that the Commission shall prescribe: [Sec 9-B, (c)]

- i. If the land-based OFW realizes no income in any given month, he/she shall not be required to pay contributions for that month; [Sec 11-A]
- ii. The contributions of land-based OFWs shall be fixed and determined in accordance with the provisions of the *Social Security Act of 2018*; [Sec 19-A in relation to Sec 4 (a) (4)]
- iii. The monthly earnings declared by a land-based OFW at the time of his/her registration with the SSS shall be the basis of his/her initial MSC and the corresponding amount of monthly contribution; [Sec 19-A, 1st proviso]
- iv. A land-based OFW member shall pay both the employer and the employee contributions; and [Sec 19-A, 1st proviso]
- v. The monthly earnings declared by a land-based OFW at the time of his/her registration shall remain the basis of his/her MSC unless he/she makes another declaration of his/her monthly earnings, in which case such latest declaration becomes the new basis of his/her MSC. [Sec 19-A, 2nd paragraph]

SEC. 5.a. MSC FOR LAND-BASED OFWs. - The minimum MSC for land-based OFWs shall be eight thousand pesos (₱8,000.00) [SSC Resolution No. 90 dated 25 January 2017], provided that those who are receiving monthly earnings lower than ₱8,000.00 shall pay the contribution based on the said minimum MSC. [Sec 4 (a) (9), 2nd proviso]

Changes in the MSC of a land-based OFW member shall be in accordance with the following policies: [SSC Resolution No. 728 dated 20 August 2014]

- i. For the initial contribution payment, he/she shall be allowed to change his/her MSC to an MSC higher or lower than the one indicated at the time of registration, depending on actual deployment and realization of earnings abroad without having to present any proof thereof, provided that the new MSC is not lower than the prevailing minimum MSC for OFWs. Said contribution shall be deemed as the new declaration of earnings and shall be the basis in determining compliance with the allowable change in succeeding MSC.
- ii. A land-based OFW member who is below fifty-five (55) years old shall be allowed to change his/her MSC without limit in frequency and in number of salary brackets in a given calendar year, but in no case shall it be lower than the prevailing minimum MSC for OFWs. Submission of written request or declaration of earnings is not required.
- iii. A land-based OFW member who is 55 years old and above shall be allowed to increase his/her MSC only once in a given calendar year and by one (1) salary bracket only from the last posted MSC, regardless of whether proof of earnings is presented or not, except for the following cases whereby certain rules shall apply accordingly:
 - a) In case of a change in his/her membership type from employed/self-employed/voluntary to OFW-member for the first time, he/she shall be allowed to increase his/her MSC without limit and without having to present proof of earnings; and
 - b) In case of a higher maximum MSC under a new applicable schedule of contributions, he/she shall be allowed to increase his/her MSC up to the new maximum MSC, without having to present proof of earnings, provided that his/her last posted MSC corresponds to the maximum MSC under the immediately preceding schedule of contributions.

The corresponding MSC of the first contribution in the above cases shall be the basis in determining compliance with the allowable change in succeeding MSC. No limit shall be imposed in case of decrease in MSC, but in no case shall it be lower than the prevailing minimum MSC for OFWs.

- iv. An OFW-member may opt to pay his/her monthly contributions in advance regardless of the number of months or years. However, he/she may be required to settle underpayment/s in the future resulting from any policy change affecting the applicable schedule of contributions for the advance payments made.

SEC 5.b. DEADLINE FOR PAYMENT OF LAND-BASED OFWs. - The deadline for payment of contributions of land-based OFW members shall be as follows: [SSC Resolution No. 728 dated 20 August 2014]

- i. Contributions for the months of January to September of a given calendar year may be paid up to December 31 of the same year; and
- ii. Contributions for the months of October to December of a given calendar year may be paid up to January 31 of the succeeding year.
No contribution paid retroactively by a land-based OFW-member based on the above deadline shall be used in determining his/her eligibility to any benefit arising from a contingency wherein the date of payment is within or after the semester of contingency.

SEC 6. MANDATE OF DFA AND DOLE. – The DFA, the DOLE and all its agencies involved in deploying OFWs for employment abroad are mandated to negotiate BLAs with the OFWs’ host countries to ensure that the employers of land-based OFWs, similar to the principals of sea-based OFWs, pay the required contributions, in which case these land-based OFWs shall no longer be considered in the same manner as self-employed persons under the *Social Security Act of 2018*. Instead, they shall be considered as compulsorily covered employees with employer and employee shares in contributions that shall be provided for in the BLAs and their implementing administrative agreements, [Sec 9-B, (d)] provided that in countries which already extend social security coverage to OFWs, the DFA through the Philippine Embassies and the DOLE shall negotiate further agreements to serve the best interests of the OFWs. [Sec 9-B, (d), proviso]

SEC 7. BILATERAL SOCIAL SECURITY AND LABOR AGREEMENTS AND OTHER MEASURES FOR ENFORCEMENT. - The DFA, the DOLE and the SSS shall ensure compulsory coverage of OFWs through bilateral social security and labor agreements and other measures for enforcement. [Sec 9-B, (e)]

- i. Compulsory coverage of OFWs in countries where the Republic of the Philippines has Social Security Agreements (SSAs) shall be based on the applicable legislation of either the Philippines or the other country. The SSA shall stipulate, among others, the standard provisions on the following, consistent with the International Labour Organization (ILO) Conventions on Social Security:
 - a) Equality of Treatment - entitlement of covered persons to social security coverage under same conditions as nationals of host country;
 - b) Export of Benefits - continuous receipt of benefits wherever a covered person decides to reside, even in home country;
 - c) Totalization of Insurance Period - combining insurance periods in both countries for benefit eligibility; and
 - d) Mutual Administrative Assistance - coordination between designated liaison agencies of both countries to implement provisions of the SSA.
- ii. Compulsory coverage of OFWs in countries where the Republic of the Philippines has BLAs requiring payment of contributions shall be based on the provisions of the Agreement and its implementing arrangement. The minimum terms and conditions that the DFA, DOLE and the SSS shall pursue in the negotiation and establishment of BLAs shall include the following:

- a) The areas of cooperation to be undertaken by the Republic of the Philippines and the host country under the BLA shall include ensuring the social security coverage of OFWs under the Philippine SSS and incorporating the provisions on said coverage and the payment of contributions in the standard employment contract for OFWs to be adopted for the purpose;
 - b) The responsibilities of the Republic of the Philippines under the BLA shall include ensuring that OFWs are registered for coverage with the SSS;
 - c) The responsibilities of the host country under the BLA shall include ensuring that the employer of OFWs shall comply with its obligation under the standard employment contract to pay the contributions of the OFWs;
 - d) The Philippine SSS shall actively participate in the negotiation of the BLA and its implementation through the Joint Committee to be formed for the purpose.
- iii. For land-based OFWs in countries without any SSA or BLA with the Republic of the Philippines, the measures for enforcement of compulsory coverage shall include, among others, the collection of contribution payments by the Philippine Overseas Employment Administration (POEA) and/or the concerned attached DOLE agencies, through its applicable documentation and deployment processes such as the issuance of Overseas Employment Certificate (OEC), as follows:
- a) For new hires, direct/name hires and government-to-government hires - one (1) monthly contribution; and
 - b) For re-hires/returning workers/Balik-Manggagawa - three (3) monthly contributions.
- iv. The DFA, the DOLE and the SSS shall enter into an agreement on the implementation of their joint mandate to ensure the compulsory coverage of OFWs, covering the following undertakings, among others:
- a) Creation of a Joint Committee to craft the enabling issuances/instruments;
 - b) Establishment of data linkages and compliance monitoring schemes;
 - c) Arrangements on OFW member servicing and benefit disbursements, including the required documentation for unemployment benefit claims;
 - d) Rationalization of SSS representation in Foreign Service Posts; and
 - e) Conduct of information campaigns.

SEC 8. VOLUNTARY MEMBERSHIP UPON TERMINATION. - Upon termination of their employment overseas, OFWs may continue to pay contributions on a voluntary basis to maintain their rights to full benefits. [Sec 9-B, (f)]

SEC 9. OTHER OVERSEAS FILIPINOS. Filipino permanent migrants, including Filipino immigrants, permanent residents and naturalized citizens of their host countries may be covered by the SSS on a voluntary basis. [Sec 9-B, (g)]

Other overseas Filipinos shall pay contributions in accordance with the guidelines on MSC and payment deadline applicable to land-based OFWs.

RULE 15

Effective Date of SSS Coverage

SEC 1. COMPULSORY COVERAGE OF THE EMPLOYER. - Compulsory coverage of the employer shall take effect on the first day of his/her operation. [Sec 10]

SEC 2. COMPULSORY COVERAGE OF THE EMPLOYEE. - Compulsory coverage of the employee shall take effect on the first day of his/her employment. [Sec 10]

SEC 3. COMPULSORY COVERAGE OF THE SELF-EMPLOYED. - Compulsory coverage of the self-employed person shall take effect upon his/her registration with the SSS. Registration shall mean payment of first contribution. [Sec 10, proviso]

SEC 4. EFFECTIVE DATE OF COVERAGE OF THE OFWs. – The effective date of coverage of the OFW shall be as follows:

- i.* Compulsory coverage of a sea-based OFW shall take effect on the first day of his/her employment;
- ii.* Compulsory coverage of a land-based OFW covered under BLAs shall take effect based on the provisions of the Agreement and its implementing arrangement;
- iii.* Compulsory coverage of a land-based OFW not covered under BLAs shall take effect on the applicable month and year of the first contribution payment; and
- iv.* Voluntary coverage of land-based overseas Filipinos shall take effect on the applicable month and year of the first contribution payment.

RULE 16

Effect of Separation From Employment

SEC 1. CESSATION OF EMPLOYER’S OBLIGATION TO PAY CONTRIBUTIONS. - When an employee under compulsory coverage is separated from employment, his/her employer’s contributions on his/her account and his/her obligation to pay the contributions of his/her employees shall cease at the end of the month of separation. [Sec 11]

SEC 2. CREDITING OF CONTRIBUTIONS. - The separated employee shall be credited with all contributions paid on his/her behalf and is entitled to the social security benefits in accordance with issued guidelines and the provisions of the *Social Security Act of 2018*. [Sec 11]

SEC 3. VOLUNTARY MEMBERSHIP UPON SEPARATION. - The separated employee may continue to pay his/her contributions voluntarily to maintain his/her right to full benefit [Sec 11] subject to the following guidelines: [Office Order No. 2014-064 (14 November 2014)]

- i.* If the coverage as VM is for the first time, he/she shall have the option to choose any MSC from the existing contributions schedule, regardless of age and last posted MSC prior to becoming a VM;
- ii.* Membership type of covered employee, self-employed or OFW may be changed to VM by indicating *voluntary* as payor type in the contribution payment form. Such change

- in membership type upon payment of contribution shall be deemed as member's declaration that he/she ceased to be employed, self-employed or OFW and that he/she realized no income or earnings either as employee, self-employed or OFW for the period for which the voluntary contribution/s was/were paid;
- iii. A member who is sixty (60) years old and above but not yet sixty-five (65) with one hundred twenty (120) monthly contributions or more may continue paying as VM up to 65 years old. On the other hand, a member who is 65 years old and above with less than 120 monthly contributions may continue paying contributions as VM until he/she completes 120 monthly contributions;
 - iv. The guidelines on the revision and consolidation of coverage and contribution collection policies for self-employed and VM below 55 years old including OFWs and non-working (NW) spouses [SSS Office Order No. 2014-064 (14 November 2014)], shall continue to apply subject to Section 33 of the *Social Security Act of 2018*, as follows:
 - a) A VM shall be allowed to change his/her MSC to a MSC higher or lower than the one indicated in his/her registration form depending on actual realization of earnings without having to present any proof thereof. Said contribution shall be deemed as the new declaration of earnings and shall be the basis in determining compliance with the allowable change in succeeding MSC;
 - b) A VM who is below 55 years old shall be allowed to change his/her MSC without limit in frequency and in number of salary brackets in a given calendar year, but in no case shall it be lower than the prevailing minimum MSC. Submission of written request or declaration of earnings is not required.
 - c) A VM who is 55 years old and above shall be allowed to increase his/her MSC only once in a given calendar year and by one (1) salary bracket only from the last posted MSC, regardless of whether proof of earnings is presented or not, except for the following cases whereby certain rules shall apply accordingly:
 - c.1. In case of a change in his/her membership type from employed/self-employed/OFW-member to voluntary for the first time, he/she shall be allowed to increase his/her MSC without limit and without having to present proof of earnings; and
 - c.2. In case of a higher maximum MSC under a new applicable schedule of contributions, he/she shall be allowed to increase his/her MSC up to the new maximum MSC, without having to present proof of earnings, provided that his/her last posted MSC corresponds to the maximum MSC under the immediately preceding schedule of contributions.
- The corresponding MSC of the first contribution in the above cases shall be the basis in determining compliance with the allowable change in succeeding MSC. No limit shall be imposed in case of decrease in MSC, but in no case shall it be lower than the prevailing minimum MSC.
- d) A VM may opt to pay his/her monthly contributions in advance regardless of the number of months or years. However, he/she shall be required to settle

underpayment/s in the future that result from any policy change affecting the applicable schedule and the rate of contributions for the advance payments made;

- v. A VM shall pay his/her contribution in accordance with the guidelines on payment deadline applicable to self-employed members.

RULE 17

Effect of Interruption of Business or Professional Income

SEC 1. NO SELF-EMPLOYMENT INCOME, NO OBLIGATION TO PAY. - If the Self-employed member realizes no income in any given month, he/she shall not be required to pay his/her contributions for that month. [Sec 11-A]

SEC 2. VOLUNTARY MEMBERSHIP ALLOWED. – A self-employed member may be allowed to continue paying contributions under the same rules and regulations applicable to a separated employee member. [Sec 11-A]

SEC 3. NO RETROACTIVE PAYMENT. - No retroactive payment of contributions shall be allowed other than as prescribed under Section 22-A (*Remittance of Contributions of the Self-Employed*) of the *Social Security Act of 2018*. [Sec 11-A, proviso]

RULE 18

Monthly Pension

SEC 1. DEFINITION. - The *Monthly Pension* is a monthly specified cash amount that a qualified member or a qualified beneficiary will receive on account of permanent total disability, retirement or death.

SEC 2. AMOUNT OF MONTHLY PENSION. - The monthly pension shall be the highest of:

- i. $P300.00 + (20\% \times \text{AMSC}) + (2\% \times \text{AMSC}) \times (\text{CYS} - 10)$; or
- ii. $40\% \times \text{AMSC}$; or
- iii. Minimum monthly pension

For Retirement:

- P1,200.00, if with at least 10 CYS
- P2,400.00 if with at least 20 CYS

For Death/Disability benefit:

- P1,000.00 if with less than 10 CYS,
- P1,200.00, if with at least 10 CYS, or
- P2,400.00 if with at least 20 CYS.

Provided that the monthly pension shall not be paid in a total amount of less than sixty (60) months.

SEC 3. PENSION INCREASE. - The Commission, upon determination of the actuarial soundness of the funds of SSS, may provide pension increase other than the amounts specified in the *Social Security Act of 2018*. [Sec 12, (b)]

RULE 19

Additional Benefit Allowance

SEC 1. ADDITIONAL BENEFIT ALLOWANCE. - An additional monthly benefit allowance amounting to One Thousand Pesos (P1,000.00) is granted to all retirement, death and disability pensioners receiving monthly pensions on or after January 2017 pursuant to the Memorandum from the Executive Secretary dated 22 February 2017, by authority of the President of the Republic of the Philippines. It shall be separate and distinct from the monthly pension.

SEC 2. DEPENDENT'S PENSION NOT COVERED. - The additional monthly benefit allowance shall not cover the dependent's pension.

SEC 3. FURTHER GRANT OF ADDITIONAL BENEFIT ALLOWANCE. - The Commission may determine the grant of further additional benefit allowance/s, aside from the benefit hereinbefore mentioned, provided, that the actuarial soundness of the Reserve Fund shall be guaranteed.

SEC 4. REQUIREMENT FOR GRANT OF OTHER ADDITIONAL ALLOWANCES. - All other additional allowances to monthly pension subsequent to the Memorandum from the Executive Secretary dated 22 February 2017 shall be subject to the requirement of fund viability and sustainability as determined by the Commission based on the recommendation of the Office of the Chief Actuary guaranteeing the actuarial soundness of the grant of such additional benefit allowance/s.

RULE 20

Dependent's Pension

SEC 1. DEPENDENT'S PENSION. - Where monthly pension is payable on account of death, permanent total disability or retirement, dependents' pension equivalent to ten percent (10%) of the monthly pension or two hundred fifty pesos (P250.00), whichever is higher, shall also be paid for each dependent child conceived or legally adopted on or before the date of the contingency. [Sec 12-A in relation to Sec 8, (e), (2)]

- i. The dependent's pension shall be paid to dependent children, not exceeding five (5), beginning from the youngest and without substitution. [Sec 12-A]
- ii. Where there are legitimate and illegitimate children, the former shall be preferred. [Sec 12-A, proviso]

RULE 21
Retirement Benefit

SEC 1. RETIREMENT BENEFIT. - The *Retirement Benefit* is a monthly pension or lump sum granted to a member who can no longer work due to old age.

SEC 2. ENTITLEMENT TO MONTHLY PENSION. – A member must have at least one hundred twenty (120) monthly contributions prior to semester of retirement; and

- i. Has reached sixty (60) years old and is separated from employment or has ceased to be self-employed, except:
 - a) In the case of an underground mineworker [R.A. No. 8558], at least 55 years old effective 13 March 1998; and
 - b) In the case of an underground or a surface mineworker [R.A. No. 10757], at least fifty (50) years old effective 27 April 2016; or
- ii. Is at least sixty-five (65) years old, except:
 - a) In the case of an underground mineworker effective 13 March 1998 [R.A. No. 8558] or a surface mineworker effective 27 April 2016 [R.A. No. 10757], at least sixty (60) years old, and
 - b) In the case of a racehorse jockey [R.A. No. 10789], at least 55 years old effective 24 May 2016.

SEC 3. ADVANCE PENSION. - An applicant for retirement benefit has the option to receive the first eighteen (18) months pension and additional benefit allowance, in lump sum, discounted at a preferential rate of interest as may be determined by the SSS and subject to the following conditions:

- i. The option can only be exercised upon filing of initial retirement claim;
- ii. The dependent's pension and thirteenth (13th) month pension shall not be included in the advance 18-months pension; and
- iii. Should there be an increase in the monthly pension within the 18-month period, the same shall also be subject to a discounted interest rate.

The payment of the regular monthly pension shall commence on the nineteenth (19th) month.

SEC 4. 13TH MONTH PENSION. – A retired member is entitled to a thirteenth (13th) month pension equivalent to the amount of the monthly pension due and additional benefit allowance, payable every month of December of the applicable year.

SEC 5. LUMP SUM BENEFIT. – A lump sum benefit is a one-time payment granted to a covered member who has reached the required retirement age and who does not qualify for full pension benefit under the *Social Security Act of 2018*, provided, that he/she is separated from employment and is not continuing payment of contributions to the SSS on his/her own. The

amount of benefit is equivalent to the total contributions paid by the member and/or on his/her behalf. [Sec 12-B, (b)]

SEC 6. OPTION TO CONTINUE PAYING CONTRIBUTIONS. – A separated member who has paid less than one hundred twenty (120) monthly contributions has the option to continue paying his/her contributions as a voluntary-paying member to complete the required one hundred twenty (120) monthly contributions to qualify for full pension benefit [Sec. 11 and 11-A]

SEC 7. SUSPENSION OF MONTHLY BENEFITS. - The monthly benefits shall be suspended upon the re-employment or resumption of self-employment of a retired member who is less than sixty-five (65) years old, less than sixty (60) years old in the case of an underground or a surface mineworker; [Sec 12-B, (c)]

- i. Upon re-employment or resumption of self-employment, the retired member shall again be subject to compulsory coverage.
- ii. Upon reaching the age of sixty-five (65), or sixty (60) years old in the case of an underground or a surface mineworker, the member can file again a claim for retirement benefit.

The monthly benefits of a retired member who, upon notice by the SSS, fails to report or present oneself for interview or through other verification processes shall be suspended. The annual confirmation of pensioners (ACOP) guidelines shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

SEC 8. DEATH OF A RETIRED MEMBER. - Upon the death of a retired member, his/her primary beneficiaries, as of the date of his/her retirement, shall be entitled to receive one hundred percent (100%) of the monthly pension. [Sec 12-B, (d)]

- i. If the retired member has no primary beneficiaries and dies within sixty (60) months from the start of his/her monthly pension, his/her secondary beneficiaries shall be entitled to a lump sum benefit equivalent to the total monthly pension corresponding to the balance of the five-year guaranteed period, excluding the dependent's pension and additional benefit allowance.
- ii. If there are no primary and secondary beneficiaries, the lump sum payment in the amount specified in the preceding paragraph shall form part of his/her estate and shall be paid to his/her legal heirs in accordance with the law of succession. [Sec 15]

Primary beneficiaries after the date of retirement shall be entitled to death benefit subject to the prescribed rules and regulations issued by the Commission.

SEC 9. AMOUNT OF MONTHLY PENSION OF MEMBER WHO RETIRES AFTER THE AGE OF SIXTY (60). - The monthly pension of a member who retires after the age of sixty (60), or fifty (50) years old in the case of an underground or a surface mineworker, or 55 years old in the case of a racehorse jockey, and who has contributed the required one hundred twenty (120) monthly contributions shall be the higher of the following: [Sec 12-B, (e)]

- i. The monthly pension computed at the earliest time the member could have retired had he/she been separated from employment or ceased to be self-employed, plus all adjustments thereto; or

- ii. The monthly pension computed at the time when the member actually retires.

SEC 10. EARLY FILING OF RETIREMENT BENEFIT. - The SSS shall pay the retirement benefits on the day of contingency to qualified members who have submitted the necessary documents at least six (6) months before his/her intended date of retirement, or sixtieth (60th) birthday in the case of an underground or a surface mineworker, or fifty-fifth (55th) birthday in the case of a racehorse jockey. [Sec 15, 1st proviso]

RULE 22 Death Benefit

SEC 1. DEATH BENEFIT. - The *Death Benefit* is a cash benefit either in monthly pension or lump sum paid to the beneficiaries of a deceased member.

SEC 2. ENTITLEMENT TO MONTHLY PENSION. - Upon the death of a member who has paid at least thirty-six (36) monthly contributions before the semester of death, his/her primary beneficiaries shall be entitled to a monthly pension. [Sec 13]

SEC 3. LUMP SUM BENEFIT. - Lump sum benefit is a one-time cash benefit paid as follows: [Sec 13]:

- i. If the deceased member has paid at least thirty-six (36) monthly contributions before the semester of death and has no primary beneficiaries, his/her secondary beneficiaries shall be entitled to a lump sum benefit equivalent to 36 times the monthly pension.
- ii. If the deceased member has paid less than 36 monthly contributions before the semester of death, his/her primary beneficiaries or in the absence thereof, the secondary beneficiaries shall be entitled to a lump sum amount equivalent to the higher of the following:
 - a) The monthly pension times the number of monthly contributions paid prior to the semester of death, or
 - b) Twelve (12) times the monthly pension.

SEC 4. 13TH MONTH PENSION. - Primary beneficiaries are entitled to a thirteenth (13th) month pension equivalent to the amount of the monthly pension due and additional benefit allowance, payable every month of December of the applicable year.

SEC 5. SUSPENSION OF MONTHLY BENEFITS. - The monthly benefits of a primary beneficiary who, upon notice by the SSS, fails to report or present oneself for interview or through other verification processes shall be suspended. The ACOP guidelines shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

RULE 23
Permanent Disability Benefit

SEC 1. THE PERMANENT DISABILITY BENEFIT. - The *Permanent Disability* Benefit is a cash benefit granted to a member who becomes permanently disabled either partially or totally.

SEC 2. PERMANENT TOTAL DISABILITY. – The following disabilities shall be deemed permanent total: [Sec 13-A (d)]

- i. Complete loss of sight of both eyes;
- ii. Loss of two limbs at or above the ankle or wrists;
- iii. Permanent complete paralysis of two limbs;
- iv. Brain injury resulting to incurable imbecility or insanity; and
- v. Such cases as determined and approved by the SSS and/or the Commission.

SEC 3. PERMANENT PARTIAL DISABILITY. – If disability is permanent partial and such disability occurs after thirty-six (36) monthly contributions have been paid prior to the semester of disability, the benefit shall be the monthly pension for permanent total disability payable not longer than the period designated in the following schedule: [Sec 13-A, (f)]

Complete and Permanent Loss of/Use of	Number of Months
One thumb	10
One index finger	8
One middle finger	6
One ring finger	5
One little finger	3
One big toe	6
One hand	39
One arm	50
One foot	31
One leg	46
One ear	10
Both ears	20
Hearing of one ear	10
Hearing of both ears	50
Sight of one eye	25

SEC 4. DEGREE OF DISABILITY. - The percentage degree of disability which is equivalent to the ratio that the designated number of months of compensability bears to seventy-five (75), rounded to the next higher integer, 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 percent (100%), in which case, the member shall be deemed as permanently totally disabled. [Sec 13-A, (g)]

SEC 5. ENTITLEMENT TO MONTHLY PENSION. - The disabled member is entitled to a monthly pension if he/she has paid at least thirty-six (36) monthly contributions prior to the semester of disability. [Sec 13-A, (a)]

In case of permanent partial disability, the monthly pension benefit shall be given in lump sum if it is payable for less than twelve (12) months. [Sec 13-A, (h)]

SEC 6. LUMP SUM BENEFIT. – For members who have not met the required thirty-six (36) monthly contributions prior to the semester of disability, a lump sum disability benefit is granted. [Sec 13-A, (a)]

- i. For permanent total disability, the lump sum disability benefit shall be the higher of:
 - a) The monthly pension times the number of monthly contributions paid to the SSS, or [Sec 13-A, (a)]
 - b) Twelve (12) times the monthly pension. [Sec 13-A, (a)]
- ii. For permanent partial disability, the benefit shall be the percentage of the lump sum benefit described in the *Social Security Act of 2018*, with due regard to the degree of disability as the Commission may determine. [Sec 13-A, (e)]

SEC 7. SUPPLEMENTAL DISABILITY ALLOWANCE. – In addition to the monthly pension, a *Supplemental Disability Allowance* is paid to the partial or total disability pensioners to provide additional financial assistance to meet the extra needs arising from such disability.

SEC 8. 13TH MONTH PENSION. – A permanent disability pensioner is entitled to a thirteenth (13th) month pension equivalent to the amount of the monthly pension due and additional benefit allowance, which is payable every month of December of the applicable year.

SEC 9. DEEMED PAID CONTRIBUTIONS. - For the purpose of adjudicating retirement, death and permanent total disability pension benefits, contributions shall be deemed paid for the months during which the member received partial disability pension; provided, that such contributions shall be based on the last contribution prior to disability. [Sec 13-A, (i)].

The guidelines on deemed paid contributions [SSC Resolution No. 401-s.2016 (22 June 2016) and Office Order 2016-048] shall continue to apply as follows, subject to Section 33 of the *Social Security Act of 2018*:

- i. Contributions shall be deemed paid for the months during which the member received partial disability pension for purposes of adjudicating retirement pension benefits provided that such contributions shall be based on his/her last contribution prior to his/her partial disability;
- ii. Deemed paid contributions prior to the semester of retirement benefit shall be considered not only as qualifying contributions but also in the computation of monthly pension;
- iii. However, in cases where the inclusion of the deemed paid contributions in the computation of initial retirement benefit shall result to lower amount, the computed retirement benefit without the deemed paid contributions shall prevail; and

- iv. Also, if inclusion of deemed paid contributions in the re-computation/adjustment of retirements benefit results to a lower amount, the existing monthly pension shall prevail.

SEC 10. SUSPENSION OF MONTHLY BENEFITS. - The monthly benefits shall be suspended upon: [Sec 13-A, (b)]

- i. Reemployment or resumption of self-employment;
- ii. Recovery from permanent total disability; or
- iii. Failure to report or present oneself for examination at least once a year upon notice by the SSS. The ACOP guidelines shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

SEC 11. REEMPLOYMENT/RESUMPTION OF SELF-EMPLOYMENT/ RECOVERY FROM PERMANENT TOTAL DISABILITY. -

- i. A member who has received a lump sum benefit for permanent total disability and is reemployed or has resumed self-employment not earlier than one (1) year from the date of disability shall again be subject to compulsory coverage and shall be considered a new member. [Sec 13-A, (a), last sentence]
- ii. A permanent total disability pensioner who was granted the benefit for more than sixty (60) months and has recovered from such disability shall not be entitled to another 60-month guaranteed pension payment for retirement benefit. The 60-month guaranteed pension payment is granted only once.

SEC 12. DEATH OF A PERMANENT TOTAL DISABILITY PENSIONER. - Upon the death of the permanent total disability pensioner, the following rules shall apply:

- i. The primary beneficiaries as of the date of disability, shall be entitled to one hundred percent (100%) of the monthly pension; [Sec 13-A, (c)]
- ii. If the permanent total disability pensioner has no primary beneficiaries and dies within sixty (60) months from the start of the monthly pension, the secondary beneficiaries shall be entitled to a lump sum benefit equivalent to the total monthly pensions corresponding to the balance of the five-year guaranteed period, excluding the dependents' pension, additional benefit allowance and supplemental disability allowance; and [Sec 13-A (c), proviso]
- iii. If there are no primary and secondary beneficiaries, the lump sum benefit specified in the immediately preceding paragraph shall form part of his/her estate and shall be paid to his/her legal heirs in accordance with the law of succession. [Sec. 15]

SEC 13. RETIREMENT OR DEATH OF A PERMANENT PARTIAL DISABILITY PENSIONER. - The disability pension shall cease upon retirement or death of a member who is on partial disability pension. [Sec 13-A, (j)]

SEC 14. PRESCRIPTIVE PERIOD FOR FILING DISABILITY CLAIMS. - Applications for disability benefit claim shall be filed within ten (10) years from the date of occurrence of disability.

RULE 24
Funeral Benefit

SEC 1. FUNERAL BENEFIT. – The *Funeral Benefit* is intended to help defray the cost of funeral expenses upon the death of a member, including permanently totally disabled or retired member. [Sec 13-B]

SEC 2. AMOUNT OF FUNERAL BENEFIT. – The funeral benefit is equivalent to the following amounts paid either in cash or in kind, depending on the date of contingency and may be adjusted as may be determined by the Commission: [Sec 13-B]

- i.* Twelve thousand pesos (P12,000.00), effective May 24, 1997;
- ii.* Fifteen thousand pesos (P15,000.00), effective September 1, 1998;
- iii.* Twenty thousand pesos (P20,000.00), effective September 1, 2000; or
- iv.* A variable amount ranging from a minimum of twenty thousand pesos (P20,000.00) to a maximum of forty thousand pesos (P40,000.00), depending on the member's number of contributions and AMSC, effective August 1, 2015.

RULE 25
Sickness Benefit

SEC 1. SICKNESS BENEFIT. – The *Sickness Benefit* is a daily cash allowance paid by the employer to the member who is unable to work due to sickness or injury for each day of compensable confinement or a fraction thereof, or by the SSS, if such person is unemployed or is SE, OFW, VM who have been previously covered either as employed/SE/OFW and NW spouse.

SEC 2. ELIGIBILITY. – To qualify for the grant of the sickness benefit, the member must meet the following requirements:

- i.* Has paid at least three (3) monthly contributions within the twelve-month (12) period immediately before the semester of sickness or injury; [Sec 14, (a)]

No contributions paid retroactively by SE/VM/OFWs shall be used in determining his/her eligibility to sickness benefit wherein the date of payment is within or after the semester of contingency;
- ii.* Was confined for at least four (4) days either in a hospital or elsewhere as defined by the SSS; [Sec 14, (a)]
- iii.* Has notified the employer, if employed, or the SSS, if unemployed or SE/VM of the sickness or injury; [Sec. 14, (a), 3] and
- iv.* Has used up all current company sick leave with pay for the current year, if employed, except sea-based OFWs. [Sec. 14, (b)]

SEC 3. SICKNESS NOTIFICATION REQUIREMENT. – The rules on notification in the grant of sickness benefit are as follows:

- i. For hospital confinement, notification to employer is not necessary, however, the employer shall inform the SSS of such confinement in the prescribed manner within one (1) year from date of discharge; [Sec. 14, (c)]
- ii. For confinement elsewhere, as may be defined by the SSS, the employee shall notify the employer of the sickness or injury in the prescribed manner within five (5) calendar days after the start of confinement. The employer shall in turn notify the SSS within five (5) calendar days after receipt from employee; [Sec. 14, (a) (3)]
- iii. For sickness/injury that occurred while working or within premises of the employer, notification by employee to employer is not necessary. However, the employer shall notify the SSS of such sickness/injury in the prescribed manner within five (5) calendar days after onset of sickness/injury; [Sec. 14, (a) (3)]
- iv. The unemployed or SE member, land-based OFWs, or VM including NW spouse, shall directly notify the SSS of the confinement in the prescribed manner within five (5) calendar days after the start of confinement, except when such confinement is in a hospital, notification to the SSS in the prescribed manner shall be within one (1) year from date of discharge; and [Sec. 14, (a) (3)]
- v. OFWs are given thirty-five (35) calendar days in filing sickness benefits. This applies only for confinement elsewhere as defined by the SSS.

SEC 4. SICKNESS NOTIFICATION BY THE EMPLOYER. – The rules on notification in the grant of sickness benefit are as follows:

- i. For hospital confinement, the employer shall notify the SSS in the prescribed manner within one (1) year from date of discharge; [Sec. 14, (c)]
- ii. For confinement elsewhere as defined by the SSS, the employer shall notify the SSS in the prescribed manner within five (5) calendar days after receipt of notification from the employee; [Sec. 14, (c)] and
- iii. For sickness/injury that occurred while working or within company's premises, the employer shall notify the SSS of such sickness/injury/confinement in the prescribed manner within five (5) calendar days after onset of sickness/injury. [Sec. 14, (a) (3)]

SEC 5. AMOUNT OF BENEFIT. – The daily sickness allowance shall be equivalent to ninety-percent (90%) of the member's average daily salary credit. [Sec 14, (a)]

SEC 6. GUIDELINES FOR THE GRANT OF SICKNESS BENEFIT. – The grant of sickness benefit is subject to the following guidelines:

- i. A member may be granted a maximum sickness benefit of one hundred twenty (120) days in one (1) calendar year; [Sec 14, (a) (1)]
- ii. The sickness benefit shall be paid for not more than two hundred forty (240) days on account of the same illness or confinement; [Sec 14; (a) (2)]
- iii. Any unused portion of the allowable one hundred twenty (120) days sickness benefit cannot be carried forward nor added to the total number of compensable days allowable in the following year; [Sec 14, (a) (1)]

- iv.* In cases where notification is necessary, the confinement shall be deemed to have started not earlier than the fifth (5th) day immediately preceding the date of notification; [Sec 14, (a) (3)]
- v.* The compensable confinement shall begin on the first (1st) day of sickness and the payment of such allowances shall be made by the employer every regular payday or on the fifteenth (15th) and last day of each month, and similarly in the case of direct payment by the SSS, for as long as such allowances are due and payable, provided that, such allowance shall begin only after all sick leaves of absence with full pay to the credit of the employee-member shall have been exhausted, as applicable; [Sec 14, (b)]
- vi.* One hundred percent (100%) of the daily benefits provided in the preceding paragraph shall be reimbursed by the SSS to said employer upon receipt of satisfactory proof of such payment and legality thereof, subject to the following: [Sec 14, (c)]
 - a)* The employer has notified the SSS of such confinement in the prescribed manner within five (5) calendar days after receipt of notification from the employee-member; and
 - b)* The SSS shall reimburse the employer or pay the unemployed member only for confinement within the one-year period immediately preceding the date the claim for benefit or reimbursement is received by the SSS, except confinement in a hospital in which case the claim for benefit or reimbursement must be filed within one (1) year from the last day of confinement.
- vii.* For notification to the SSS made by the employer beyond five (5) calendar days after receipt of the notification from the employee-member, said employer shall be reimbursed only for each day of confinement starting from the tenth (10th) calendar day immediately preceding the date of notification to the SSS; [Sec 14, (c)]
- viii.* Where the employee has given the required notification to the employer, but the latter fails to notify the SSS of the confinement within the prescribed period resulting in the reduction of the benefit or denial of the claim, such employer shall have no right to recover the daily sickness allowance advanced to the employee-member; [Sec 14, (d)]
- ix.* The claim of reimbursement shall be adjudicated by the SSS within a period of two (2) months from receipt thereof, provided, that should no payment be received by the employer within one (1) month after the period prescribed herein for adjudication, the reimbursement shall thereafter earn simple interest of one percent (1%) per month until paid; [Sec 14, (e)]
- x.* The provisions regarding the notification required of the member and the employer as well as the period within which the claim for benefit or reimbursement may be filed shall apply to all claims filed with the SSS; [Sec 14, (f)]
- xi.* When the start of the sickness confinement period falls on the semester wherein the member will not qualify for sickness benefit, the confinement period shall be shortened in such a way that the first (1st) day of confinement shall be adjusted forward to the next semester wherein he/she would qualify for the remaining period of confinement; and

- xii. Sickness and disability benefits may be availed of simultaneously, provided, that the following conditions are satisfied:
- a) Sickness/injury and disability are not related; and
 - b) Member meets all the qualifying conditions for the grant of sickness and disability benefits.

RULE 26
Maternity Leave Benefit

SEC 1. IMPLEMENTING RULES AND REGULATIONS. - The Implementing Rules and Regulations (IRR) of R.A. No. 11210 or *105-Day Expanded Maternity Leave Law* applicable to female workers in the private sector, informal economy and voluntary contributors to the SSS is hereby deemed incorporated herein.

RULE 27
Unemployment Insurance or Involuntary Separation Benefits

SEC 1. UNEMPLOYMENT INSURANCE OR INVOLUNTARY SEPARATION BENEFIT.
– The unemployment insurance or involuntary separation benefit is a monthly cash payment equivalent to fifty percent (50%) of the AMSC for a maximum of two (2) months, subject to the rules and regulations that the Commission may prescribe. [Sec 14-B]

SEC 2. ELIGIBILITY. – The grant of unemployment insurance or involuntary separation benefit may be availed by members subject to the following conditions: [Sec 14-B]

- i. Not over sixty (60) years old at the time of involuntary separation, except;
 - a) In the case of underground mineworker or surface mineworker [R.A. No. 10757], not over fifty (50) years old; or
 - b) In the case of racehorse jockey [R.A. No. 10789], not over 55 years old.
- ii. Has paid at least thirty-six (36) monthly contributions, twelve (12) months of which should be in the eighteen (18) month period immediately preceding the unemployment or involuntary separation;
- iii. Involuntarily separated from employment provided that such separation did not arise from fault or negligence of the employee and which may be attributed to any of, but not limited to, the following:
 - a) Installation of labor-saving devices;
 - b) Redundancy;
 - c) Retrenchment to prevent loss;
 - d) Closure or cessation of operation; or
 - e) Disease/illness.

SEC 3. LIMITATION. – A covered employee who is involuntarily unemployed can only claim unemployment benefits once every three (3) years starting from the date of involuntary separation or unemployment. [Sec 14-B, 1st proviso]

SEC 4. OVERLAPPING BENEFITS. – In case of concurrence of two (2) or more contingencies within the same compensable period, only the highest benefit shall be paid. [Sec 14-B, 2nd proviso]

SEC 5. PRESCRIPTIVE PERIOD FOR FILING OF UNEMPLOYMENT INSURANCE OR INVOLUNTARY SEPARATION BENEFIT CLAIMS. – A claim for unemployment insurance or involuntary separation benefits shall be filed within one (1) year from the date of separation or unemployment.

RULE 28

Non-Transferability of Benefits

SEC 1. PAYMENT OF BENEFITS. – The SSS shall promptly pay the benefits provided for in the *Social Security Act of 2018* to such persons as may be entitled thereto in accordance with the provisions of the *Social Security Act of 2018*. [Sec 15]

SEC 2. BENEFICIARY WHO IS A NATIONAL OF A FOREIGN COUNTRY. – The beneficiary who is a national of a foreign country which does not extend benefits to a Filipino beneficiary residing in the Republic of the Philippines, or which is not recognized by the Republic of the Philippines, shall not be entitled to receive any benefit under the *Social Security Act of 2018*, provided, that notwithstanding the foregoing, where the best interest of the SSS will be served, the Commission may direct payment of social security benefits without regard to nationality or country of residence. [Sec 15, 2nd and 3rd provisos]

SEC 3. GUARDIANSHIP OF DEPENDENTS/BENEFICIARIES. – If the recipient of the benefits payable under the *Social Security Act of 2018* is a minor or a person incapable of administering his/her own affairs, the Commission shall appoint a representative under such terms and conditions as it may deem proper, provided that such appointment shall not be necessary in case the recipient is under the custody of or living with the parents or spouse of the SSS member in which case the benefits shall be paid to such parents or spouse, as representative payee of the recipient. [Sec 15, 4th and 5th provisos]

SEC 4. NON-TRANSFERABILITY OF BENEFITS. – Benefits payable under the *Social Security Act of 2018* are not transferable and no power of attorney or other document executed by those entitled thereto in favor of any agent, attorney or any other person for the collection thereof on their behalf shall be recognized, except when the payees are physically unable to collect personally such benefits. [Sec 15]

RULE 29

Exemption From Tax, Legal Process and Lien

SEC 1. TAX EXEMPTION OF SSS AND ITS ASSETS, INCOME, CONTRIBUTIONS, ETC. – All laws to the contrary notwithstanding, the SSS and all its assets and properties, all contributions collected, all accruals thereto and income or investment earnings therefrom, as well as supplies, equipment and papers or documents shall be exempt from any tax, assessment, fee,

charge, customs or import duty. Any tax assessment imposed against the SSS shall be null and void. [Sec 16]

SEC 2. NON-APPLICATION OF TAX MEASURES. – No tax measure of whatever nature enacted shall apply to the SSS, unless it expressly revokes the declared policy of the State granting tax-exemption to the SSS and freedom from any assessment, fee, charge, customs or import duty expressly provided for in Section 2 of the *Social Security Act of 2018*. [Sec 16]

SEC 3. EXEMPTION OF BENEFIT PAYMENTS FROM TAX AND GARNISHMENT, ETC.
– All laws to the contrary notwithstanding, all benefit payments made by the SSS shall be exempt from all kinds of taxes, fees or charges, and shall not be liable to attachments, garnishments, levy or seizure by or under any legal or equitable process whatsoever, either before or after receipt by the person or persons entitled thereto, except to pay any debt of the member to the SSS. [Sec 16]

RULE 30

Fee of Agents, Attorneys, Etc.

SEC 1. PROHIBITION ON CHARGING OF FEES. – No agent, attorney or other person in charge of the preparation, filing or pursuing any claim for benefit under the *Social Security Act of 2018* shall demand or charge for his/her services any fee. Any stipulation to the contrary shall be null and void. [Sec 17]

SEC 2. PROHIBITION ON RETENTION OR DEDUCTION. – The retention or deduction of any amount from any benefit granted under the *Social Security Act of 2018* for the payment of fees for the services herein before referred to is prohibited. [Sec 17]

SEC 3. ALLOWABLE ATTORNEY'S FEES. – Notwithstanding the foregoing prohibitions, any member of the Philippine Bar who appears as counsel in any case heard by the Commission shall be entitled to attorney's fees not exceeding ten percent (10%) of the benefits awarded by the Commission. The attorney's fees shall not be payable before the actual payment of the benefits. Any stipulation to the contrary shall be null and void. [Sec 17]

SEC 4. PENALTY FOR VIOLATION. – Any violation of this provision of the *Social Security Act of 2018* and this IRR shall be punished by a fine of not less than five hundred pesos (P500.00) nor more than five thousand pesos (P5,000.00), or imprisonment for not less than six (6) months nor more than one (1) year, or both, at the discretion of the Court. [Sec 17]

RULE 31

Employee's Contributions

SEC 1. EMPLOYEE'S CONTRIBUTIONS. - On the last day of the calendar month when an employee's compulsory coverage takes effect and every month thereafter during his/her 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/her salary, wage, compensation or earnings during the month in accordance with the MSCs, the schedule and the rate of contributions as may be determined and fixed by the Commission, subject to the provisions of Section 4, paragraph (a), sub-paragraph (9) of the *Social Security Act of 2018*. [Sec 18]

SEC 2. APPLICABILITY OF MONTHLY SALARY CREDITS, SCHEDULE AND RATE OF CONTRIBUTION TO OTHER MEMBERS. - The MSCs, the schedule and the rate of contributions shall also apply to SE, VM and other members. [Sec 18, 2nd par]

SEC 3. ISSUANCE OF RECEIPTS FOR DEDUCTED CONTRIBUTIONS. - Every employer shall issue a receipt for all contributions deducted from the employee's compensation or shall indicate such deductions on the employee's pay slips or envelopes. [Reinstated and adopted from R.A. No. 1161, as amended by Sec. 12, P.D. No. 1636, S-1979]

RULE 32

Employer's Contributions

SEC 1. EMPLOYER'S CONTRIBUTIONS. - Beginning on the last day of the month when an employee's compulsory coverage takes effect and every month thereafter during his/her employment, his/her employer shall pay, with respect to such covered employee, the employer's contribution in accordance with the schedule and the rate of contributions as may be determined and fixed by the Commission in accordance with the *Social Security Act of 2018*. [Sec 19, (a)]

SEC 2. DEDUCTION OF EMPLOYER'S SHARE FROM EMPLOYEE'S COMPENSATION. - Notwithstanding any contract to the contrary, an employer shall not deduct, directly or indirectly, from the compensation of his/her employees covered by the SSS or otherwise recover from them the employer's contributions with respect to such employees. [Sec 19, (a)]

SEC 3. MULTIPLE EMPLOYERS. - The guidelines on the collection and remittance of employee's and employer's monthly contributions where an employee receives regular or variable compensation from more than one employer shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*. [Circular No. 3 (6 Sep 1957) and Circular No. 7 (17 Oct 1957)]

SEC 4. SUBMISSION OF QUARTERLY COLLECTION LISTS. - The remittance of contributions by the employer shall be supported by a quarterly collection list such as the SSS Form R-3 to be submitted to the SSS at the end of each calendar quarter indicating the following:

- i. Correct ID number of the employer,
- ii. The correct names and the SSS numbers of the employees and
- iii. The total contributions paid for their accounts during the quarter. [Sec 19, (b)]

The guidelines on the mandatory submission of monthly electronic contribution collection lists [SSC Circular No. 2012-009 (23 March 2012)] as well as monthly electronic collection lists and loan collection lists [SSC Circular No. 2014-007 (30 May 2014) and Circular No. 2017-010 (19 Oct 2017)] shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

RULE 33

Contributions of the Self-Employed Member

SEC 1. SELF-EMPLOYED CONTRIBUTIONS. - The contributions to the SSS of the Self-Employed member shall be fixed and determined in accordance with the schedule and the rate of contributions as may be fixed by the Commission in accordance with the *Social Security Act of 2018*. [Sec 19-A]

SEC 2. MONTHLY COMPENSATION OF SELF-EMPLOYED MEMBER. -The monthly earnings declared by the SE member at the time of his/her registration with the SSS shall be considered as his/her monthly compensation and he/she shall pay both the employer and the employee contributions. [Sec 19-A, 1st proviso]

SEC 3. CONTRIBUTIONS OF SELF-EMPLOYED MEMBERS EARNING ONE THOUSAND PESOS OR BELOW. - The contributions of SE persons earning one thousand pesos (P1,000.00) monthly or below may be reduced, fixed or determined by the Commission [Sec 19-A, 2nd proviso] through the issuance of appropriate guidelines in accordance with Section 4, (a), (4) and Section 4, (a), (10), of the *Social Security Act of 2018*.

SEC 4. BASIS OF MONTHLY SALARY CREDIT OF SELF-EMPLOYED MEMBER. - The monthly earnings declared by the SE member at the time of his/her registration shall remain the basis of his/her MSC, unless he/she makes another declaration of his/her monthly earnings, in which case such latest declaration becomes the new basis of his/her MSC. [Sec 19-A, 2nd par]

SEC 5. REVISION AND CONSOLIDATION OF COVERAGE AND CONTRIBUTION COLLECTION. - The guidelines on the revision and consolidation of coverage and contribution collection policies for SE and VMs including OFWs and NW spouses [SSS Office Order No. 2014-064 (14 November 2014)], subject to Section 33 of the *Social Security Act of 2018* shall continue to apply, as follows:

- i. A SE member, regardless of age, shall be allowed to change his/her MSC to a MSC higher or lower than the one indicated in his/her registration form depending on actual realization of earnings without having to present any proof thereof. Said contribution shall be deemed as the new declaration of earnings and shall be the basis in determining compliance with the allowable change in succeeding MSC;
- ii. A SE member who is below 55 years old shall be allowed to change his/her MSC without limit in frequency and in number of salary brackets in a given calendar year, but in no case shall it be lower than the prevailing minimum MSC. Submission of written request or declaration of earnings is not required.
- iii. A SE member who is 55 years old and above shall be allowed to increase his/her MSC only once in a given calendar year and by one (1) salary bracket only from the last posted MSC, regardless of whether proof of earnings is presented or not, except for the following cases whereby certain rules shall apply accordingly:
 - a) In case of a change in his/her membership type from employed/voluntary/OFW-member to SE member for the first time, he/she shall be allowed to increase his/her MSC without limit and without having to present proof of earnings; and
 - b) In case of a higher maximum MSC under a new applicable schedule of contributions, he/she shall be allowed to increase his/her MSC up to the new maximum MSC, without having to present proof of earnings, provided that his/her last posted MSC corresponds to the maximum MSC under the immediately preceding schedule of contributions.

The corresponding MSC of the first contribution in the above cases shall be the basis in determining compliance with the allowable change in succeeding MSC.

No limit shall be imposed in case of decrease in MSC, but in no case shall it be lower than the prevailing minimum MSC.

- iv. A SE member may opt to pay his/her monthly contributions in advance regardless of the number of months or years. However, he/she shall be required to settle underpayment(s) in the future that result from any policy change affecting the applicable schedule and the rate of contributions for the advance payments made.

RULE 34

Government Contribution

SEC 1. ANNUAL APPROPRIATION. – As the contribution of the Government to the operation of the SSS, Congress shall annually appropriate out of any funds in the National Treasury not otherwise appropriated, the necessary sum or sums to meet the estimated expenses of the SSS for each ensuing year. [Sec 20]

SEC 2. APPROPRIATION TO ENSURE VIABILITY OF SSS. – In addition to such contribution, Congress shall likewise appropriate from time to time such sum or sums as may be needed to assure the maintenance of an adequate working balance of the funds of the SSS as disclosed by suitable periodic actuarial studies to be made of the operations of the SSS. [Sec 20]

Subject to the prescribed procedures, the SSS shall request the Government for the appropriation of funds to maintain adequate working balance of its funds, as the need arises.

RULE 35

Government Guarantee

SEC 1. GOVERNMENT GUARANTEE. – The Government of the Republic of the Philippines guarantees the payment of benefits prescribed in the *Social Security Act of 2018* and accepts general responsibility for the solvency of the SSS. [Sec 21]

SEC 2. NON-DIMINUTION OF BENEFITS. – The benefits prescribed in the *Social Security Act of 2018* shall not be diminished. [Sec 21]

RULE 36

Remittance of Contributions

SEC 1. REMITTANCE OF CONTRIBUTIONS. - The contributions imposed under the *Social Security Act of 2018* shall be remitted to the SSS within the first ten (10) days of each calendar month following the month for which they are applicable or within such time as the Commission may prescribe. [Sec 22 (a)]

The guidelines on the revised payment deadlines for contributions [SSC Circular No. 2011-003 (16 May 2011) per SSC Resolution No. 345-s.2011 (16 March 2011)], shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

SEC 2. TWO PERCENT (2%) PENALTY PER MONTH. - Every employer required to deduct and to remit such contributions shall be liable for their payment. If any contribution is

not paid to the SSS as prescribed, the delinquent employer shall pay besides the contribution a penalty thereon of two percent (2%) per month from the date the contribution falls due until paid. [Sec 22 (a)]

The prescribed 2% penalty is of a punitive character, hence, subject to the determination and approval by the Commission, all statements of accounts issued by the SSS for unremitted contributions by employers shall be recomputed to the effect that the penalty was reduced from 3% to 2% per month.

SEC 3. QUARTERLY, SEMI-ANNUAL OR ADVANCE REMITTANCE. - If deemed expedient and advisable by the Commission, the collection and remittance of contributions shall be made quarterly or semi-annually in advance, the contributions payable by the employees to be advanced by their respective employers, provided that upon separation of an employee, any contribution so paid in advance but not due shall be credited or refunded to his/her employer. [Sec 22 (a)]

SEC 4. CONTRIBUTIONS COLLECTED IN THE SAME MANNER AS TAXES. - The contributions payable under the *Social Security Act of 2018* in cases where an employer refuses or neglects to pay the same shall be collected by the SSS in the same manner as taxes are made collectible under the National Internal Revenue Code, as amended. [Sec 22 (b)]

- i. **WARRANTS OF DISTRAINT, LEVY AND/OR GARNISHMENT.** - For this purpose, the Commission shall promulgate such policies and adopt such other legal remedies under existing tax laws, not otherwise provided herein, including but not limited to, issuance of the summary remedy of warrant of distraint, levy and/or garnishment. (SSS Circular No. 2018-007, dated March 22, 2018 as an Annex) The guidelines on the warrants of distraint, levy and/or garnishment, [SSS Circular No. 2018-007 (22 March 2018)] shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

SEC 5. COVERED EMPLOYEE, NOT PREJUDICED. - The failure or refusal of the employer to pay or remit the contributions herein prescribed shall not prejudice the right of the covered employee to the benefits of his/her SSS coverage. [Sec 22 (b)]

SEC 6. PRESCRIPTIVE PERIOD. - The right to institute the necessary action against the employer may be commenced within twenty (20) years from the time the delinquency is known or the assessment is made by the SSS, or from the time the benefit accrues, as the case may be. [Sec 22 (b)]

SEC 7. OTHER AVAILABLE ACTIONS. - Should any person natural or juridical, defaults in the payment of contributions, the Commission may also collect the contributions in either of the following ways: [Sec 22 (c)]

- i. By filing an action in Court, which shall hear and dispose of the case in preference to any other civil action; or [Sec 22 (c)]
- ii. By issuing a warrant to the Sheriff of any province or city commanding him/her to levy upon and sell any real and personal property of the debtor. The Sheriff's sale by virtue of said warrant shall be governed by the same procedures prescribed for executions against property upon judgments by a Court of record. [Sec 22 (c)]

SEC 8. PRESUMED CONTRIBUTIONS FOR LEGAL ASSESSMENT. - The last complete record of monthly contributions paid by the employer or the average of the monthly contributions paid during the past three (3) years as of the date of filing of the action for collection shall be presumed to be the monthly contributions payable by and due from the employer to the SSS for each of the unpaid month, unless contradicted and overcome by other evidence. [Sec 22 (d)]

SEC 9. SSS NOT BARRED FROM COLLECTING TRUE AND CORRECT CONTRIBUTIONS. - The SSS shall not be barred from determining and collecting the true and correct contributions due the SSS even after full payment pursuant to Section 22, paragraph (d) of the *Social Security Act of 2018*, nor shall the employer be relieved of his/her liability under Section 28 of the *Social Security Act of 2018*. [Sec 22 (d), proviso]

RULE 37

Remittance of Contributions of Self-Employed Member

SEC 1. REMITTANCE OF SELF-EMPLOYED CONTRIBUTIONS. - Self-employed members shall remit their monthly contributions quarterly on such dates and schedules as the Commission may specify through rules and regulations. [Sec 22-A]

SEC 2. NO RETROACTIVE PAYMENT. - No retroactive payment of contributions shall be allowed, except as provided in Section 22-A of the *Social Security Act of 2018* and this rule. [Sec 22-A, proviso]

SEC 3. PRIMACY OF EMPLOYMENT OVER SELF-EMPLOYMENT. - The guidelines and the policies on the primacy of employment over self-employment [SSC Circular No. 37-P per SSC Resolution No. 181 (25 April 2007)] shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

SEC 4. PAYMENT ON THE MONTH FOLLOWING THE APPLICABLE QUARTER. - Payment for one or two or all the months for a calendar quarter may be made on the month following the applicable quarter. [SSS Office Order No. 2014-064 (14 November 2014) re Revision and consolidation of coverage and contribution collection policies for SE and VMs including OFWs and NW spouses].

SEC 5. DEADLINE FOR PAYMENT OF SELF-EMPLOYED MEMBERS - The deadline for payment of contributions of SE members shall be as follows:

- i.* Contributions for the months of January to September of a given calendar year may be paid up to December 31 of the same year; and
- ii.* Contributions for the months of October to December of a given calendar year may be paid up to January 31 of the succeeding year.

No contribution paid retroactively by a SE member based on the above deadline shall be used in determining his/her eligibility to any benefit arising from a contingency wherein the date of payment is within or after the semester of contingency.

RULE 38

Method of Collection and Payment

SEC 1. COLLECTION AND PAYMENT OF CONTRIBUTIONS. - The SSS shall require a complete and proper collection and payment of contributions and proper identification of the employer and the employee. [Sec 23]

SEC 2. PAYMENT OF CONTRIBUTIONS. - Payment of contributions and other obligations may be made in cash, checks, stamps, coupons, tickets or other reasonable devices that the Commission may accept and adopt under such guidelines it may issue. [Sec 23]

SEC 3. DACION EN PAGO. - The guidelines in the acceptance of properties offered through *dacion en pago* [SSC Circular No. 6-P per SSC Resolution No. 29 (16 January 2002)] shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

SEC 4. ENHANCED CONTRIBUTIONS COLLECTION PROCESS. - The guidelines on the enhanced contributions collection process [SSC Circular No. 2017-010 (19 October 2017) per SSC Resolution No. 687-A-s.2017 (4 October 2017)] shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

SEC 5. ACCREDITED COLLECTING AND PAYING AGENTS. - The prevailing Commission guidelines on collecting and paying agents shall apply, subject to Section 33 of the *Social Security Act of 2018*.

RULE 39

Employment Records and Reports

SEC 1. DUTY OF AN EMPLOYER. – It is the duty of the employer to report its employees for SSS coverage and it is liable for its failure to do so. [Sec 24 (a)]

- i. DUTY TO REPORT NAMES, AGES, CIVIL STATUS, OCCUPATIONS, SALARIES, DEPENDENTS.* - Each employer shall immediately report to the SSS the names, ages, civil status, occupations, salaries and dependents of all his/her employees who are subject to compulsory SSS coverage. [Sec 24 (a)]
- ii. EMPLOYER'S LIABILITY FOR FAILURE TO REPORT EMPLOYEE/S ON TIME.* - If the employee subject to compulsory coverage dies or becomes sick or disabled or reaches the age of sixty (60) without the SSS having previously received any report or written communication about him/her from his/her employer, the said employer shall pay to the SSS damages which is equivalent to the benefits to which said employee member would have been entitled had his/her name been reported on time by the employer to the SSS. [Sec 24 (a)]
 - a. EMPLOYER'S LIABILITY TO PAY DAMAGES.* - In case of pension benefits, the employer shall be liable to pay the SSS damages equivalent to the accumulated pension due as of the date of settlement of the claim or to the five (5) years' pension, whichever is higher, including dependents' pension. [Sec 24 (a)]

- b. EMPLOYER RELIEVED FROM LIABILITY TO PAY DAMAGES. - If the contingency occurs within thirty (30) days from the date of employment, the employer shall be relieved of his/her liability for damages. [Sec 24 (a)]

The guidelines on the obligation to report all employees for coverage [SSC Circular No. 60 (5 November 1965)] and on the liability of employee's initial and subsequent employers [SSC Circular No. 62 (26 May 1966)] shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

- iii. SUBSIDIARY LIABILITY WITH AN INDEPENDENT CONTRACTOR. - Any person or entity engaging the services of an independent contractor shall be subsidiarily liable with such contractor for any civil liability incurred by the latter under the *Social Security Act of 2018*. The same person or entity engaging the services of an independent contractor shall require such contractor to post a surety bond to guarantee the payment of the worker's benefits. [Sec 24 (a)]

SEC 2. EMPLOYER MISREPRESENTATION. [Sec 24 (b)] -

- i. EMPLOYER'S LIABILITY FOR MISREPRESENTING TRUE DATE OF EMPLOYMENT OR REMITTING CONTRIBUTIONS WHICH ARE LESS THAN THOSE REQUIRED. - Should the employer misrepresent the true date of employment of the employee member or remit the contributions which are less than those required in the *Social Security Act of 2018* or fail to remit any contribution due prior to the date of contingency, resulting in a reduction of benefits, such employer shall pay to the SSS damages equivalent to the difference between the amount of benefit to which the employee member or his/her beneficiary is entitled had the proper contributions been remitted to the SSS and the amount payable on the basis of the contributions actually remitted. [Sec 24 (b)]

- a) If the employee member or his/her beneficiary is entitled to pension benefits, the damages shall be equivalent to the accumulated pension due as of the date of settlement of the claim or to the five (5) years' pension, whichever is higher, including dependents' pension. [Sec 24 (b)]

- ii. EMPLOYER'S LIABILITY TO PAY CONTRIBUTIONS AND PENALTIES THEREON. - In addition to the liability to pay damages, the employer shall also be liable for the payment of the corresponding unremitted contributions and penalties thereon. [Sec 24 (b), last par]

SEC 3. DETERMINATION OF EMPLOYER LIABILITY. - The guidelines on the determination of employer liability [SSC Resolution No. 401-s.2016 (22 June 2016) and Office Order No. 2016-048] shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*, as follows:

- i. The employer is declared liable for damages if the employer:
- a) Fails to report the member for SSS coverage prior to date of contingency;
 - b) Misrepresents the true date of employment of the employee;
 - c) Remits contributions lesser than those required under the law; or
 - d) Fails to remit any contributions due prior to the date of contingency resulting in a reduction of benefits;

However, if the contingency occurs within thirty (30) days from the date of employment, the employer shall be relieved of his/her liability for damages.

- ii. Retirement benefit is paid to a member if no reply/payment is received from the employer/s concerned within thirty (30) days from the date of service of demand letter;
- iii. Any person engaging the services of an independent contractor shall be subsidiarily liable with such contractor for any civil liability incurred by the latter under the *Social Security Act of 2018*. The liability herein provided is without prejudice to the contractor's criminal liability if warranted;
- iv. Computation of employer liability; and
 - a) For non-reporting, the employer shall pay the SSS damages equivalent to the following:
 - a.1. If lump sum benefit, amount of benefit which said employee member would have been entitled to.
 - a.2. If pension, accumulated pension due from the date of contingency up to the date of settlement of claim or to the five (5) years' pension, whichever is higher including dependents' and 13th month pensions.
 - b) For misrepresentation of the true date of employment of his/her employees or remittance to the contributions which are less than those required under the *Social Security Act of 2018* or fail to remit any contribution due prior to the date of contingency, the employer shall pay to the SSS the following:
 - b.1. If lump sum, difference between the amount of benefit which the employee member is entitled to.
 - b.2. If pension, difference on the accumulated pension due from the date of contingency up to the date of settlement of claim or to the five (5) years' pension, whichever is higher including dependents' and 13th month pensions.
 - c) In addition to items a) and b) above, the employer shall also be liable for the payment of the corresponding unremitted contributions and penalties thereon apart from penal sanctions, if warranted.
 - d) If the member has two or more employers, each employer's liability shall be based on the contributions the member has under the liable employer.

SEC 4. CONFIDENTIALITY OF RECORDS AND REPORTS. – The records and reports duly accomplished and submitted to the SSS by the employer or the member, as the case may be, shall be kept confidential by the SSS except in compliance with a *subpoena duces tecum* issued by the Courts and other government agencies/offices as may be authorized by law. [Sec 24, (c)]

SEC 5. PROHIBITION TO DIVULGE RECORDS AND REPORTS. – The said records and reports shall not be divulged without the consent of the employer or member, as the case may be,

or the President and CEO or any official of the SSS duly authorized by him/her, or unless otherwise allowed under the applicable provisions of R.A. No. 10173 or the *Data Privacy Act of 2012*. [Sec 24, (c)]

SEC 6. PRESUMPTION OF CORRECTNESS. – The said records and reports shall be presumed correct as to the data and other matters stated therein, unless the necessary corrections to such records and reports have been properly made by the parties concerned before the right to the benefit being claimed accrues. [Sec 24, (c)]

SEC 7. BASIS FOR ADJUDICATION OF CLAIM. – The said records and reports shall be made the basis for the adjudication of claims for benefits under the *Social Security Act of 2018*. [Sec 24, (c)]

SEC 8. EFFECT OF PAYMENT IN GOOD FAITH. – If, as a result of adjudication as stated in the immediately preceding provision, the SSS in good faith pays a monthly pension to a beneficiary who is inferior in right to another beneficiary or with whom another beneficiary is entitled to share, such payments shall discharge the SSS from liability unless and until such other beneficiary notifies the SSS of his/her claim prior to the payments. [Sec 24, (c)]

SEC 9. TRUE AND ACCURATE WORK RECORDS. - Every employer shall keep true and accurate work records for such period and containing such information as the Commission may prescribe, in addition to an Annual Register of New and Separated Employees which shall be secured from the SSS wherein the employer shall enter on the first (1st) day of employment or on the effective date of separation, the names of the persons employed or separated from employment, their SSS numbers, and such other data that the Commission may require and said annual register shall be submitted to the SSS in the month of January of each year. [Sec 24 (d)]

- i. **RECORDS OPEN FOR INSPECTION.** - Such records shall be open for inspection by the SSS or its authorized representatives quarterly or as often as the SSS may require. [Sec 24 (d)]
- ii. **OTHER REPORTORIAL REQUIREMENT.** - The SSS may also require each employer to submit, with respect to the persons in his/her employ, reports needed for the effective administration and implementation of the *Social Security Act of 2018*. [Sec 24 (d)]

SEC 10. SSS REGISTRATION NUMBER AS A CONDITION FOR EMPLOYMENT. - Each employer shall require, as a condition to employment, the presentation of a registration number secured by the prospective employee from the SSS in accordance with such procedures as the SSS and/or the Commission may adopt. [Sec 24 (e)]

- i. **SS NUMBERS FROM PREVIOUS EMPLOYMENT.** - In case of employees who have earlier been assigned registration numbers by virtue of a previous employment, such numbers originally assigned to them shall be used for purposes of Section 24, paragraph (d) of the *Social Security Act of 2018*. [Sec 24 (e)]
- ii. **ISSUANCE OF SS NUMBERS DOES NOT EXEMPT EMPLOYER FROM SS LAW COMPLIANCE.** - The issuance of such registration numbers by the SSS shall not exempt the employer from complying with the provisions of Section 24, paragraph (d) of the *Social Security Act of 2018*. [Sec 24 (e)]

- iii. GUIDELINES ON CHANGING OR UPDATING SSS MEMBER DATA RECORD. - The guidelines on the documentary requirements for registration in the SSS and in requesting for correction, change and updating of SSS member data record [SSC Circular No. 2015-012 per SSC Resolution No. 323-s.2015] shall continue to apply, subject to Section 33 of the *Social Security Act of 2018*.

SEC 11. ADMISSIBILITY OF MICROFILMED SSS RECORDS AND OTHER ARCHIVED MEDIA. - Notwithstanding any law to the contrary, microfilm, or non-erasable optical disk and other similar archival media copies of original SSS records and reports, or copies of such records and reports duly certified by the official custodian thereof, shall have the same evidentiary value as the originals and be admissible as evidence in all legal proceedings. [Sec 24 (f)]

SEC 12. SSS COVERAGE AS A REQUIREMENT IN THE ISSUANCE OF BUSINESS LICENSE OR PERMIT. - Notwithstanding any law to the contrary, local government units shall, prior to issuing any annual business license or permit, require submission of certificate of SSS coverage and compliance with the provisions of the *Social Security Act of 2018*. [Sec 24 (g)]

- i. **SSS CLEARANCE.** - The certification or clearance shall be issued by the SSS within five (5) working days from receipt of the request. [Sec 24 (g)]

RULE 40

Report and Registration of the Self-Employed Member

SEC 1. DUTY OF THE SELF-EMPLOYED TO REGISTER. - Each covered SE member shall, within thirty (30) days from the first (1st) day he/she started the practice of his/her profession or business operations, register and report to the SSS his/her name, age, civil status, and occupation, average monthly net income and his/her dependents. [Sec 24-A]

RULE 41

Deposit and Disbursements [Sec 25]

SEC 1. MANNER OF ADMINISTERING AND DISBURSING SSS FUNDS. - All money paid to or collected by the SSS every year pursuant to the *Social Security Act of 2018*, and all accruals thereto, shall be deposited, administered and disbursed in the same manner and under the same conditions and requirements as provided by law for other public special funds. [Sec 25]

SEC 2. STATUTORY LIMIT FOR ADMINISTRATIVE AND OPERATIONAL EXPENSES. - Not more than twelve percent (12%) of the total yearly contributions plus three percent (3%) of other revenues shall be disbursed for administrative and operational expenses such as salaries and wages, supplies and materials, depreciation and the maintenance of offices of the SSS. [Sec 25, 1st proviso]

SEC 3. DIFFERENCE NOT AVAILABLE AS ADDITIONAL EXPENSES IN THE FOLLOWING YEARS. - If the expenses in any year are less than the maximum amount permissible, the difference shall not be availed of as additional expenses in the following years. [Sec 25, 2nd proviso]

RULE 42
Investment of Reserve Funds

SEC 1. RESERVE FUND. - All revenues of the SSS that are not needed to meet the current administrative and operational expenses incidental to the implementation and carrying out of the *Social Security Act of 2018* shall be accumulated in a fund to be known as the *Reserve Fund*. [Sec 26, 1st par]

SEC 2. INVESTMENT RESERVE FUND. - Portions of the *Reserve Fund* that are not needed to meet the current benefit obligations shall be known as the *Investment Reserve Fund* (IRF) which the Commission shall manage and invest with the skill, care, prudence and diligence necessary to earn an annual income not less than the average rates of treasury bills or any other acceptable market yield indicator in any or in all of the following undertaking, under such rules and regulations that the Commission may prescribe. [Sec 26, 1st par]

SEC 3. INVESTMENT REQUIREMENTS. - The investments should satisfy the requirements of liquidity, safety/security and yield in order to ensure the actuarial solvency of the funds of the SSS. [Sec 26, 1st par]

SEC 4. ANNUAL REPORT OF INVESTMENTS. - The SSS shall submit an *Annual Report on All Investments* made to both the Senate and the House of Representatives. [Sec 26, 1st par]

SEC 5. INVESTMENT AREAS AND STATUTORY LIMITATIONS. - The areas of SSS' investments and the specific statutory limitations are as follows:

- i. In bonds, securities, promissory notes or other evidence of indebtedness of the Philippine Government, or in bonds, securities, promissory notes or other evidence of indebtedness to which the full faith, credit and unconditional guarantee of the Philippine Government is pledged provided that at least fifteen percent (15%) of the IRF shall be invested for these purposes; [Sec 26, (a)]
- ii. In bonds, securities, promissory notes or other evidence of indebtedness of the Philippine Government, or any of its agencies or instrumentalities to finance domestic infrastructure projects such as roads, bridges, ports, telecommunications and other similar projects subject to the following conditions:
 - a) The instruments issued by an agency or instrumentality of the government shall be guaranteed by the Philippine Government or any government financial institution or acceptable multilateral agency;
 - b) The SSS shall have priority over the revenues of the projects; and
 - c) Such investment shall not exceed thirty percent (30%) of the IRF. [Sec 26, (b)]
- iii. In bonds, securities, promissory notes or other evidence of indebtedness of government financial institutions or government corporations with acceptable credit or guarantee provided that such investment shall not exceed thirty percent (30%) of the IRF; [Sec 26, (c)]
- iv. In bonds, securities, deposits, promissory notes or other evidence of indebtedness of any bank doing business in the Philippines and in good standing with the BSP to finance

- ix. In bonds, debentures, securities, promissory notes or other evidence of indebtedness of any prime corporation or multilateral institutions to finance domestic projects, subject to the following: [Sec 26 (h)]
 - a) The issuing or assuming entity or its predecessors shall not have defaulted in the payment of interest on any of its securities; [Sec 26 (h)]
 - b) During each of any three (3) including the last two (2) of the five (5) fiscal years next preceding the date of acquisition by the SSS of such bonds, debentures or other evidence of indebtedness, the net earnings of the issuing or assuming institution available for its fixed charges, as defined in the *Social Security Act of 2018*, shall have been not less than one and one-quarter times the total of its fixed charges for such year; and [Sec 26 (h)]
 - c) Such investments shall not exceed forty percent (40%) of the IRF; [Sec 26 (h)]
- x. In preferred or common shares of stocks listed or to be listed in the stock exchange and other securities trading markets or options or warrants to such stock or, subject to prior approval of the BSP, such other risk management instruments of any prime or solvent corporation or financial institution created or existing under the laws of the Republic of the Philippines with proven track record of profitability over the last three (3) years and payment of dividends at least once over the same period provided that such investment shall not exceed forty percent (40%) of the IRF; [Sec 26 (i)]
- xi. In domestic or foreign mutual funds in existence for at least three (3) years, subject to the following: [Sec 26 (j)]
 - a) Such investments shall not exceed forty percent (40%) of the IRF, and [Sec 26 (j)]
 - b) Investments in foreign mutual funds shall not exceed one percent (1%) of the IRF in the first (1st) year which shall be increased by one percent (1%) for each succeeding year, but in no case shall it exceed fifteen percent (15%) of the IRF; [Sec 26 (i)]
- xii. In foreign currency deposits or investment-grade rated foreign currency-denominated debts, prime and non-speculative equities, and other BSP approved financial instruments or other assets issued in accordance with the existing laws of the countries where such financial instruments are issued, subject to the following: [Sec 26 (k)]
 - a) These instruments or assets are listed in bourses of the respective countries where these instruments or assets are issued; [Sec 26 (k)]
 - b) The issuing company has proven track record of profitability over the last three (3) years and payment of dividends at least once over the same period; and [Sec 26 (k)]
 - c) Such investments shall not exceed one percent (1%) of the IRF in the first (1st) year which shall be increased by one percent (1%) for each succeeding year, but in no case shall it exceed fifteen percent (15%) of the IRF; [Sec 26 (k)]

- xiii. In loans secured by such collaterals like cash, pensions, government securities or guarantees of multilateral institutions including loans to pensioners provided that such investments shall not exceed thirty percent (30%) of the IRF, and [Sec 26 (i)]
- xiv. In other BSP approved investment instruments with the same intrinsic quality as those previously enumerated, subject to the policies and guidelines which the Commission may formulate. [Sec 26 (m)]

The principles of safety, yield and liquidity, as well as extraordinary due diligence, skill, care, and prudence shall at all times be applied in any and all of the foregoing areas of investment.

Additional investment guidelines can be issued by the Commission for the partial or full application of the adjusted limits as provided by law to provide greater flexibility and maximize returns on investment opportunities.

SEC 6. NO PORTION OF THE IRF OR INCOME SHALL ACCRUE TO GENERAL FUND OF THE GOVERNMENT. - No portion of the IRF or income thereof shall accrue to the general fund of the National Government or to any of its agencies or instrumentalities, including GOCCs, except as may be allowed under the *Social Security Act of 2018*. [Sec 26, 2nd par]

SEC 7. CUMULATIVE CEILINGS. - No portion of the IRF shall be invested for any purpose or any instrument, institution or industry over and above the prescribed cumulative ceilings as follows:

- 60% in private securities,
- 5% in housing,
- 30% in real estate related investments,
- 25% in short and medium-term member loans,
- 30% in government financial institutions and corporations,
- 15% in any particular industry,
- 15% in foreign-currency denominated investments,
- 5% in private-sponsored infrastructure projects without guarantee,
- 5% in private and government sponsored infrastructure projects with guarantee, and
- 5% in private and government sponsored infrastructure projects. [Sec 26, 3rd par]

The principles of safety, yield and liquidity, as well as extraordinary due diligence, skill, care, and prudence shall at all times be applied in any and all of the foregoing areas of investment.

Additional investment guidelines can be issued by the Commission for the partial or full application of the adjusted limits as provided by law to provide greater flexibility and maximize returns on investment opportunities.

RULE 43 Fund Managers

SEC 1. FUND MANAGERS. - The SSS may appoint local or, in the absence thereof, foreign fund managers to manage the IRF as part of its investment operations and as it may deem appropriate in accordance with the guidelines the Commission may issue. [Sec 26-A]

RULE 44
Mortgagor Insurance Account

SEC 1. MORTGAGOR INSURANCE. - As part of its investment operations, the SSS shall act as insurer of all or part of its interest on SSS properties mortgaged to the SSS, or lives of mortgagors whose properties are mortgaged to the SSS. [Sec 26-B (a)]

SEC 2. MORTGAGOR INSURANCE ACCOUNT. - For this purpose, the SSS shall establish a separate account to be known as the *Mortgagors' Insurance Account* (MIA) subject to the following: [Sec 26-B, (a)]

- i. All amounts received by the SSS in connection with the aforesaid insurance operations shall be placed in the MIA; [Sec 26-B, (a)]
- ii. The assets and liabilities of the MIA shall at all times be clearly identifiable and distinguishable from the assets and liabilities in all other accounts of the SSS; and [Sec 26-B, (a)]
- iii. Notwithstanding any provision of law to the contrary, the assets held in the MIA shall not be chargeable with the liabilities arising out of any other business the SSS may conduct but shall be held and applied exclusively for the benefit of the owners or beneficiaries of the insurance contracts issued by the SSS under this Rule. [Sec 26-B, (a)]

SEC 3. SSS MAY INSURE ITS INTEREST WITH ANY PRIVATE COMPANY OR REINSURER. - The SSS may insure any of its interest or part thereof with any private company or reinsurer. [Sec 26-B, (b)]

SEC 4. INSURANCE COMMISSION EXAMINATION. - The Insurance Commission (IC) or its authorized representatives shall make an examination into the financial condition and methods of transacting business of the SSS, subject to the following: [Sec 26-B, (b)]

- i. Such examination shall be made at least once in two (2) years; [Sec 26-B, (b)]
- ii. Such examination shall be limited to the insurance operation of the SSS as authorized under Section 26-B, paragraph (b) of the *Social Security Act of 2018* and shall not embrace the other operations of the SSS; [Sec 26-B, (b)]
- iii. The report of the said examination shall be submitted to the Commission and a copy thereof shall be furnished the Office of the President of the Republic of the Philippines within a reasonable time after the close of the examination; [Sec 26-B, (b)]
- iv. For each examination, the SSS shall pay to the IC an amount equal to the actual expense of the IC in the conduct of examination, including the salaries of the examiners and of the IC Actuary who have been assigned to make such examination for the actual time spent in said examination; and [Sec 26-B, (b)]
- v. The general law on insurance and the rules and regulations promulgated thereunder shall have suppletory application insofar as it is not in conflict with the *Social Security Act of 2018* and its rules and regulations. [Sec 26-B, (b)]

RULE 45
Records and Reports

SEC 1. RECORDS OF SSS OPERATIONS, THE FUNDS OF SSS AND ALL ACCOUNTS OF PAYMENTS/DISBURSEMENTS. – The President and CEO shall keep and cause to keep records of operations of the funds of the SSS and of disbursements thereof and all accounts of payments made out of said funds [Sec 27] with all the systems able to integrate with the financial accounting system.

SEC 2. ANNUAL REPORT OF SSS OPERATIONS. - During the month of January of each year, the President and CEO shall prepare for submission to the President of the Republic of the Philippines and to the Congress of the Philippines a report of SSS operations during the preceding year, which shall include the following:

- i. Statistical data on:
 - a) Number of persons covered and benefited;
 - b) Their occupations and employment status;
 - c) The duration and amount of benefits paid; and
 - d) The finances of the SSS at the close of the said year; and
- ii. Recommendations. [Sec 27]

SEC 3. PUBLICATION OF SSS ANNUAL REPORT. – The President and CEO shall also cause to be published in two (2) newspapers of general circulation in the Philippines a synopsis of the Annual Report, showing in particular the status of the finances of the SSS and the benefits administered. [Sec 27]

RULE 46
Penal Clauses

SEC 1. FALSE STATEMENT, REPRESENTATION, AFFIDAVIT OR DOCUMENT. – Whoever, for the purpose of causing any payment to be made under the *Social Security Act of 2018*, or under an agreement thereunder, where none is authorized to be paid, shall make or cause to be made false statement or representation as to any compensation paid or received or whoever makes or causes to be made any false statement of a material fact in any claim for any benefit payable under the *Social Security Act of 2018* , or application for loan with the SSS, or whoever makes or causes to be made any false statement, representation, affidavit or document in connection with such claim or loan, shall suffer the penalties provided for Falsification by Private Individual and Use of Falsified Document under Article one hundred seventy-two (172) of the Revised Penal Code. [Sec 28 (a)]

SEC 2. FRAUDULENT ACQUISITION OR RECEIPT OF MONEY OR CHECK. – Whoever shall obtain or receive any money or check under the *Social Security Act of 2018* or any agreement thereunder, without being entitled thereto with intent to defraud any member, employer or the SSS, shall be fined not less than five thousand pesos (P5,000.00) nor more than twenty thousand pesos (P20,000.00) and imprisoned for not less than six (6) years and one (1) day nor more than twelve (12) years. [Sec 28 (b)]

SEC 3. UNAUTHORIZED PURCHASE, SALE, USE, TRANSFER, EXCHANGE OR PLEDGE OF STAMPS, COUPONS, ETC. – Whoever buys, sells, offers for sale, uses, transfers or takes or gives in exchange, or pledges or gives in pledge, except as authorized in the *Social Security Act of 2018*, this IRR or in other regulations issued pursuant thereto, any stamp, coupon, ticket, book or other device, prescribed pursuant to Section twenty-three (23) thereof by the Commission for the collection or payment of contributions required herein, shall be fined not less than five thousand pesos (P5,000.00) nor more than twenty thousand pesos (P20,000.00), or imprisoned for not less than six (6) years and one (1) day nor more than twelve (12) years, or both, at the discretion of the Court. [Sec 28 (c)]

SEC 4. FRAUDULENT ALTERATION, FORGERY OR COUNTERFEITING OF STAMPS, COUPONS, ETC. - Whoever, with intent to defraud, alters, forges, makes or counterfeits any stamp, coupon, ticket, book or other device prescribed by the Commission for the collection or payment of any contribution required herein, or uses, sells, lends, or has in his/her possession any such altered, forged or counterfeited materials, or makes, uses, sells or has in his/her possession any such altered, forged, material in imitation of the material used in the manufacture of such stamp, coupon, ticket, book or other device, shall be fined not less than five thousand pesos (P5,000.00) nor more than twenty thousand pesos (P20,000.00) or imprisoned for not less than six years (6) and one (1) day nor more than twelve (12) years, or both, at the discretion of the Court. [Sec 28 (d)]

SEC 5. NON-COMPLIANCE WITH THE SOCIAL SECURITY ACT OF 2018, THIS IRR AND OTHER REGULATIONS. – Except as otherwise provided in the *Social Security Act of 2018* and this IRR, any person who fails or refuses to comply with the provisions of the *Social Security Act of 2018*, this IRR or other regulations promulgated by the Commission pursuant thereto, shall be punished by a fine of not less than five thousand pesos (P5,000.00) nor more than twenty thousand pesos (P20,000.00), or imprisonment for not less than six (6) years and one (1) day nor more than twelve (12) years, or both, at the discretion of the Court. [Sec 28, (e), 1st sentence]

SEC 6. FAILURE OR REFUSAL TO REGISTER EMPLOYEES OR SELF-EMPLOYED INDIVIDUALS. – Whoever fails or refuses to register employees or himself/herself, in case of the covered self-employed, shall be punished by a fine of not less than five thousand pesos (P5,000.00) nor more than twenty thousand pesos (P20,000.00) and imprisonment for not less than six (6) years and one (1) day nor more than twelve (12) years. [Sec 28, (e), 2nd sentence]

SEC 7. FAILURE OR REFUSAL TO DEDUCT AND REMIT CONTRIBUTIONS. – Whoever fails or refuses to deduct contributions from the compensation of one's employee/s, or from his/her income, in the case of the covered SE, and to remit the same to the SSS, shall be punished by a fine of not less than five thousand pesos (P5,000.00) nor more than twenty thousand pesos (P20,000.00) and imprisonment for not less than six (6) years and one (1) day nor more than twelve (12) years. [Sec 28, (e), 2nd sentence]

SEC 8. LIABILITY OF MANAGING HEAD, DIRECTORS OR PARTNERS. – If the act or omission penalized by the *Social Security Act of 2018* and this IRR be committed by an association, partnership, corporation or any other institution, its managing head, directors or partners shall be liable for the penalties provided in the *Social Security Act of 2018* for the offense: *Provided, however*, that in the case of sea-based OFWs, the person/s having direct control, management, or direction of the manning agencies, who are considered employers of sea-based OFWs, shall be criminally liable for any act or omission penalized under the *Social Security Act of 2018* [Sec 28 (f)] in relation to Sec 9 (b).

SEC 9. SSS EMPLOYEE'S APPROPRIATION OR MISAPPROPRIATION OF FUNDS OF SSS OR ITS PROPERTIES. – Any employee of the SSS who receives or keeps funds or property belonging, payable or deliverable to the SSS and who shall appropriate the same, or shall take or misappropriate, or shall consent, or through abandonment or negligence, shall permit any other person to take such property or funds, wholly or partially, or shall otherwise be guilty of misappropriation of such funds or property, shall suffer the penalties provided for Malversation of Public Funds or Property under Article two hundred seventeen (217) of the Revised Penal Code. [Sec 28 (g)]

SEC 10. EMPLOYER'S MISAPPROPRIATION OF CONTRIBUTIONS OR LOAN AMORTIZATIONS OF ITS EMPLOYEES. – Any employer who, after deducting the monthly contributions or loan amortizations from his/her employee's compensation, fails to remit the said deduction to the SSS within thirty (30) days from the date they became due, shall be presumed to have misappropriated such contributions or loan amortizations and shall suffer the penalties provided for Swindling or Estafa under Article three hundred fifteen (315) of the Revised Penal Code. [Sec 28 (h)]

SEC 11. WHO MAY INSTITUTE A CRIMINAL ACTION. - Criminal action arising from a violation of the provisions of the *Social Security Act of 2018* may be commenced by the SSS or the employee concerned either under the *Social Security Act of 2018* or in appropriate cases under the Revised Penal Code. [Sec 28 (i), 1st sentence]

The right to institute the criminal action against the employer for offenses made punishable herein by imprisonment for six (6) years or more shall prescribe after twelve (12) years from the time of the commission of the offense, if known, or from the time of the discovery thereof, in accordance with Act No. 3326, as amended [(An Act to Establish Periods of Prescription for Violations Penalized by Special Acts and Municipal Ordinances and to Provide When Prescription Shall Begin to Run) and G.R. No. 74689 Roberto Benedicto versus Hon. Abad Santos and SSS, 21 March 1990]

SEC 12. VENUE OF CRIMINAL ACTION. - Criminal action arising from a violation of the provisions of the *Social Security Act of 2018* and this IRR may be filed by the SSS in the City or Municipality where the SSS office is located, if the violation was committed within its territorial jurisdiction or in Metro Manila, at the option of the SSS. [Sec 28 (i), 2nd sentence]

RULE 47 Government Aid

SEC 1. GOVERNMENT ASSISTANCE. - The establishment of the SSS shall not disqualify the members and employers from receiving such government assistance, financial or otherwise, as may be provided. [Sec 29]

RULE 48 Implementing Rules and Regulations

SEC 1. PROMULGATION OF IMPLEMENTING RULES AND REGULATIONS. – This IRR is hereby promulgated pursuant to Section 30 of the *Social Security Act of 2018*.

RULE 49
Transitory Clause

SEC 1. TRANSITORY PROVISION. - All employers who are delinquent or have not remitted all contributions due and payable to the SSS including those with cases pending before the Commission, the Courts and/or Prosecutor's Office, involving the collection of contributions and/or penalties, those against whom judgment had been rendered either by the Courts or the Commission but have not yet complied with said judgment and those who have not registered with the SSS all or some of their employees and therefore have not paid their corresponding contributions, may, within six (6) months from the effectivity of the *Social Security Act of 2018*, remit said contributions or submit a proposal to pay the same in installment within a period as approved by the Commission from the effectivity of the *Social Security Act of 2018* without incurring the prescribed two percent (2%) penalty per month from the date the contribution falls due until paid, in accordance with the rules and regulations that the Commission may prescribe and subject to the following: [Sec 31]

- i. The employer must submit the corresponding collection lists together with the remittance or proposal to pay in installments; and [Sec 31, 1st proviso]
- ii. In case the employer fails to remit contributions within the six-month grace period or defaults in the payment of any amortization provided in the approved proposal, the SSS shall assess the contributions liability of the employer and the prescribed penalty shall be imposed from the time the contributions first became due as provided in Section 22 (a) of the *Social Security Act of 2018*. [Sec 31, 2nd proviso]
 - a) In case the employer defaults in the payment of any amortization provided in the approved installment plan, the said payment plan shall be automatically terminated and the employer shall be criminally prosecuted pursuant to the applicable provision/s of the *Social Security Act of 2018*.

SEC 2. RE-IMPOSITION OF TWO PERCENT (2%) PENALTY. - All delinquent contributions still unpaid after the six-month period of non-imposition of the penalty provided for under the *Social Security Act of 2018*, except those subject of approved installment plan, shall be subject anew to the two percent (2%) penalty per month under Section 22 (a) of the *Social Security Act of 2018* computed from the time the contributions first became due and demandable, and the employer shall be criminally prosecuted pursuant to the applicable provision/s of the *Social Security Act of 2018*.

SEC 3. WITHDRAWAL OF PENDING CASE. - Upon approval and payment in full or in installments of contributions due and payable to the SSS, any pending case against the employer shall be withdrawn without prejudice to the following: [Sec 31, 3rd proviso]

- i) Refiling of the case in the event the employer fails to remit in full the required delinquent contributions or defaults in the payment of any installment under the approved proposal; and [Sec 31, 3rd proviso]
- ii) The re-imposition of the prescribed penalty from the time the contributions first became due as provided in Section 22 paragraph (a) of the *Social Security Act of 2018*. [Sec 31, 3rd proviso]

RULE 50
Separability Clause

SEC 1. SEPARABILITY CLAUSE. - If, for any reason, any part, section, or provision of the *Social Security Act of 2018* and this IRR is held invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect. [Sec 32]

RULE 51
Repealing Clause

SEC 1. REPEALING CLAUSE. --All other proclamations, executive orders, rules and regulations as well as Commission Resolutions, Decisions and Orders and SSS Orders, Circulars, Rules and Regulations or parts thereof inconsistent with this IRR are hereby repealed, modified or amended accordingly. [Sec 33]

SEC 2. SAVING CLAUSE. - No person shall be deemed to be vested with any property or other right by virtue of the enactment or operation of the *Social Security Act of 2018* and the promulgation of this IRR. [Sec 33, proviso]

RULE 52
Effectivity

SEC 1. EFFECTIVITY. - This IRR shall take effect fifteen (15) calendar days after its complete publication in the Official Gazette or in a newspaper of general circulation and upon filing of three (3) certified copies with the Office of the National Administrative Register. [Sec 34]

Note: This IRR was published in *The Philippine Star* on June 2, 2019.