CORPORATE PROFILE

HEAD OF INSTITUTION: AURORA C. IGNACIO
President and Chief Executive Officer

SOCIAL SECURITY COMMISSION

Chairperson: CARLOS G. DOMINGUEZ III
Ex-Officio as Secretary of Finance

Vice Chairperson: AURORA C. IGNACIO
SSS President and CEO

Members: RICARDO L. MOLDEZ
DIANA PARDO-AGUILAR
MANUEL L. ARGEL, JR.
MICHAEL G. REGINO
ANITA B. QUITAIN
BAI NORHATA M. ALONTO

SILVESTRE H. BELLO III
Ex-Officio as Secretary of Labor and Employment

SSS MISSION

To manage a financially stable social security system which shall promote social justice through savings and provide meaningful protection and exemplary service to members and their families.

SSS VISION

A viable social security institution providing universal and equitable social protection through world-class service.

CORPORATE VALUES

The SSS aims to institutionalize a corporate culture that instills the core values of TRUST, EMPOWERMENT and TEAMWORK.
HISTORY AND MANDATE

The SSS was founded on 1 September 1957 following the passage of Republic Act No. 1161 or the Social Security Act of 1954. Its mandate is to provide meaningful protection to members and their beneficiaries against the hazards of old age, disability, death, sickness, maternity and other contingencies resulting in loss of income or financial burden, through a sound and viable tax-exempt social security system suitable to the needs of the people throughout the Philippines for the promotion of social justice.

Through the years, various amendments to the original Social Security (SS) Law were made through executive orders and Presidential decrees, particularly pertaining to expansion of coverage and enhancement of benefits. On 7 February 2019, Republic Act No. 11199 otherwise known as the “Social Security Act of 2018”, was signed into law. This Act rationalized and expanded the powers and duties of the Social Security Commission (SSC) to ensure the long-term viability of the SSS, and effectively repealed RA No. 1161, as amended by RA No. 8282 or the Social Security Act of 1997.

The Social Security Act of 2018 is anchored on the philosophical framework of instilling a “savings-and-investing culture” and the value of Work, Save, Invest, and Prosper, paving the way for a more responsive SSS. It ensures maximum profitability of investible funds and resources through a culture of excellence in management, grounded upon sound and efficient policies employing internationally recognized best practices.

The grant of unemployment or involuntary separation benefits, the mandatory coverage of Overseas Filipino Workers (OFWs), the establishment of a Provident Fund exclusive to SSS members, the condonation of penalties on delinquent contributions, and the legislated adjustments in membership premium and monthly salary credits (MSC) are among the landmark provisions of the law. The law further allows the reorganization of the SSC and the rationalization of its powers, which provide the flexibility and the tool for it to perform its fiduciary obligations, including the power to condone, enter into compromise, or release, in whole or in part, such penalties imposed upon delinquent contributions regardless of the amount.

COVERAGE

Membership. Coverage under the SSS is compulsory for all employers in the private sector and their employees who are not over 60 years of age, whether with permanent or provisional employment status, including domestic helpers. All self-employed persons are also subject to mandatory coverage under the Regular Self-Employed Program for artists, entertainers, proprietors and professionals, whereas the Expanded Self-Employed Program is made applicable regardless of trade, business or occupation (e.g., unlicensed freelance workers, drivers, market vendors, other informal sector workers). Farmers and fishermen also fall under the self-employed category.

Under the new law, coverage in the SSS is made compulsory upon all sea-based and land-based OFWs. The Department of Foreign Affairs (DFA), the
Department of Labor and Employment (DOLE) and the SSS are mandated to ensure compulsory coverage of OFWs through bilateral social security and labor agreements and other measures for enforcement. OFWs who are terminated from their employment overseas may continue to pay contributions on a voluntary basis to maintain their rights to full benefits, while 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.

Similarly, SSS members who were separated from employment or ceased to be self-employed but would like to continue paying contributions, and non-working spouses of SSS members (i.e., spouses who devote full time to managing the household and family affairs) are covered on a voluntary basis. Voluntary coverage is also available for local workers serving at foreign governments or international organizations (or their wholly-owned instrumentalities) in the Philippines, through administrative arrangements.

When a person registers for SSS coverage in any capacity, either as a salaried employee-member, self-employed member or voluntary member, he/she becomes a member for life and is entitled to the benefits, privileges and services provided by the SSS for as long as he/she meets their qualifying conditions.

As of December 2020, the SSS already has over 38.8 million members. Of this number, employed members are 30.5 million, self-employed member at 2.5 million, voluntary members at 4.6 million, and OFW members at 1.2 million.

Branch Network. SSS branches serve as the direct link between the institution and its millions of members. Thus, bringing the SSS closer to its members entails boosting its physical presence by setting up branches. As of December 2020, the SSS network in the Philippines totals 323 branches and smaller service offices, while there are 28 representative offices in countries where there are large concentrations of OFWs and migrant Filipinos and one (1) branch at the main office of the Philippine Overseas Employment Administration (POEA) was established to provide member assistance services and handle transactions of OFWs prior to their deployment abroad.

Digitalization. In recent years, the SSS has step-up its digitalization efforts to fast-track the full transition of its core and business processes to provide our members and stakeholders with a safer, faster, more convenient and economical means of transacting with the SSS. This is in compliance with the requirements of the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 or Republic Act No. 11032.

With the continuous digitalization of SSS processes, there is a need for its members and employers to familiarize themselves on how to use SSS online facilities. To support this, the SSS is constantly building up its information cache on how to use its online services through webinars and social media channels.
FINANCING

Funding for the defined-benefit social insurance program of the SSS is sourced exclusively from member contributions and investment earnings. The Philippine government does not provide any form of subsidy or budgetary support.

Financing scheme. All private sector employees and their employers contribute to finance the SSS social insurance programs. All SSS revenues that are not needed for current operational and administrative expenses go to a Reserve Fund, which is intended to cover for future benefit payment liabilities. Such portion of the Fund not needed to meet current benefit obligations is invested by the SSS, thereby allowing a gradual but reasonable build-up of reserves for its long-term financing requirements.

Conceptually, disbursements will eventually exceed collections. Thus, the scheme calls for the accumulation and investment of reserves, together with projected increases in the rate of contribution, so that the present surplus could compensate for future deficits.

Investment of the fund. The SSS is mandated to exercise the skill, care, prudence and diligence imperative in the management of public funds. In line with the requirements of safety, yield and liquidity, it is required to invest the funds to earn an annual income of not less than the average rates of treasury bills or any other acceptable market yield indicator.

The new SSS law now offers a broader range of investment options to generate more income to shore up the funds and in order to build up reserves to cover future benefit obligations. The easing up of the investment limits and cumulative ceilings as an important factor behind ensuring the financial viability of the pension fund, is a welcome development.

<table>
<thead>
<tr>
<th>Investment Limits</th>
<th>(Maximum Limit as % of Investment Reserve Fund)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Options</strong></td>
<td><strong>From</strong></td>
</tr>
<tr>
<td>in private securities</td>
<td>40%</td>
</tr>
<tr>
<td>in housing</td>
<td>35%</td>
</tr>
<tr>
<td>in real estate-related investments</td>
<td>30%</td>
</tr>
<tr>
<td>in short &amp; medium-term member loans</td>
<td>10%</td>
</tr>
<tr>
<td>in gov’t financial institutions &amp; corporations</td>
<td>30%</td>
</tr>
<tr>
<td>in infrastructure projects</td>
<td>30%</td>
</tr>
<tr>
<td>in any particular industry</td>
<td>15%</td>
</tr>
<tr>
<td>in foreign-currency denominated investments</td>
<td>7.5%</td>
</tr>
</tbody>
</table>
CONTRIBUTION RATES AND MONTHLY SALARY CREDITS

Under the new SSS law, the following legislated contribution rate and MSC (min and max) increases are set as it is imperative for the government to bring the SSS Fund Life to safe levels to promote an actuarially sound and viable social security institution.

<table>
<thead>
<tr>
<th>Year of Implementation</th>
<th>Contribution Rate</th>
<th>Share</th>
<th>Monthly Salary Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employer</td>
<td>Employee</td>
<td>Minimum</td>
</tr>
<tr>
<td>2019</td>
<td>12%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>2020</td>
<td>12%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>2021</td>
<td>13%</td>
<td>8.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2022</td>
<td>13%</td>
<td>8.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2023</td>
<td>14%</td>
<td>9.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2024</td>
<td>14%</td>
<td>9.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2025</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
</tr>
</tbody>
</table>

*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.

For OFWs, the minimum MSC shall be eight thousand pesos (₱8,000.00) or as may be determined and set by the Commission. 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.

TYPES OF BENEFITS AND QUALIFYING CONDITIONS

**Retirement.** SSS’ retirement benefits are paid in the form of either a monthly pension or lump sum. If a member has reached 60 years old, is separated from employment or has ceased to be self-employed, and has paid at least 120 monthly contributions prior to the semester of retirement, he will be eligible for monthly pension under the optional retirement scheme. For compulsory retirement, a member must have attained the age of 65, and contributed for 120 months before the semester of retirement. An SSS retiree is entitled to monthly pension for as long as he lives. However, granting of monthly pension to an SSS retiree below 65 years old will be suspended if he becomes gainfully re-employed or resumes self-employment, upon which he is again subject to mandatory coverage until his compulsory retirement. SSS members who reach retirement age but have not reached the required 120 months contributions to become eligible for pension are given a lump sum amount equal to total contributions plus interest. They are also given an option to defer their retirement claim application and instead continue their monthly contributions until they complete the required 120 months so that they can become eligible for pensions.

The lifetime basic monthly pension (BMP) of a retiree is computed as the sum of: (i) ₱300; (ii) 20% of the average monthly salary credit (AMSC); and (iii) 2% of the AMSC for each credited year of service (CYS) in excess of 10 years. This is subject to a minimum amount, computed as the higher of: i) 40% of the AMSC; or ii) ₱1,200 if the member has at least 10 but less than 20 CYS, or ₱2,400 if the member has at least 20 CYS.
The retiree is also entitled to a 13th month pension payable every December. Effective January 1, 2017, all retiree-pensioners are also entitled to an additional ₱1,000 benefit on top of their computed BMP.

Monthly dependents’ pension equal to 10% of the BMP (or a minimum of ₱250, whichever is higher) is also given to each minor child conceived on or before the date of retirement, but not exceeding five, beginning with the youngest, and without substitution. This dependents’ pension will stop in the following circumstances: 1) when the child reaches 21 years of age, 2) marries, 3) obtains employment, 4) enters into a common-law relationship upon attaining at least 18 years of age, or attains the age of 18 while having a common-law relationship; or 5) dies. However, the dependent’s pension is granted for life to children who are over 21 years old, provided they are incapacitated and incapable of self-support due to a physical or mental defect that is congenital or acquired during minority.

The SSS also provides retirement pensioners the option to receive the first 18 months’ pension (excluding dependents’ and 13th month pensions) in lump sum, discounted at a preferential rate of interest as determined by the SSS. This option is exercised upon filing of the retirement claim. Payment of pension will resume on the 19th month.

Upon the death of a retirement pensioner, his primary beneficiaries will receive 100% of the BMP, including dependents’ pension. If the pensioner is not survived by primary beneficiaries, his secondary beneficiaries will receive a lump sum amount equal to the total monthly pensions corresponding to the balance of the five-year guaranteed benefit period, excluding the dependents’ pension.

Disability. The SSS deems disability as any restriction or lack of ability (resulting from impairment) to perform an activity in the manner or within the range considered normal for a human being. Implementing the revised manual of disability assessment, the SSS disability program aims to ensure that the right cash benefit for disability is paid to truly deserving members.

An SSS member who suffers from partial or total disability is qualified for cash benefits if he has paid at least one month of contribution. However, the lifetime monthly pension is provided only in the case of permanent total disability for those who have at least 36 monthly contributions prior to the semester of disability. For SSS members with permanent partial disability, pensions are limited to a certain number of months depending on the degree of disability designated by law.

Benefits are given in lump sum to a disabled member who does not have the required 36 monthly contributions. For permanent total disability, the lump sum benefit is equal to the BMP times the number of monthly contributions, or BMP times 12, whichever is higher. For permanent partial disability, it is equal to the lump sum described above for permanent total disability, times the percentage of disability in relation to the whole body.

BMP computation is the same as in retirement, including 13th month and dependents’ pensions, but with the following guaranteed minimum: (i) ₱1,000 for those with less than 10 CYS; (ii) ₱1,200 if with at least 10 CYS but less than 20 CYS; and (iii) ₱2,400 if with more than 20 CYS.
Benefit provision will be suspended upon resumption of gainful employment or self-employment, recovery from disability, or failure to submit oneself to annual physical exam. Pensions for partial disability will also cease upon the member’s retirement or death. On the other hand, when a total disability pensioner dies, the primary beneficiaries will be entitled to 100% of the BMP plus dependents’ pension. If the member dies within the 60-month period from the start of pension and has no primary beneficiaries, the SSS will pay the secondary beneficiaries a lump sum amount equal to the difference between 60 times the monthly pension and the total monthly pensions already paid, excluding dependents’ pension.

In addition to the monthly pension, a supplemental allowance of ₱500 is paid to the total or partial disability pensioner to provide additional financial assistance to meet the extra needs arising from his disability.

A total disability pensioner is also entitled to a 13th month pension payable every December. For a partial disability pensioner, a 13th month pension shall be paid, provided that the pension duration is at least twelve (12) months.

Effective January 1, 2017, all total disability pensioners are also entitled to an additional ₱1,000 benefit on top of their computed BMP.

**Death.** If a deceased SSS member has at least 36 monthly contributions prior to the semester of death, his primary beneficiaries will be eligible for monthly pension. The BMP is the same as in retirement, including the 13th month and dependents’ pensions, while the guaranteed minimum pension is the same as in disability. In the absence of primary beneficiaries, secondary beneficiaries will get a lump sum amount equal to 36 times the BMP before the semester of death. Beneficiaries, either primary or secondary, of a deceased member who has not paid the required contributions will receive lump sum benefits equal to the BMP times the number of monthly contributions, or BMP times 12, whichever is higher.

The primary beneficiaries of a member are the dependent spouse, until he or she remarries, and dependent legitimate, legitimated, legally adopted and illegitimate children. Secondary beneficiaries are the dependent parents, or in their absence, other persons designated by the member in his membership records. If there is no designated beneficiary, the benefit shall be paid to the deceased member’s legal heirs in accordance with the law of succession under the Family Code of the Philippines.

The deceased member’s beneficiaries are entitled to a 13th month pension payable every December. Effective January 1, 2017, all death survivorship pensioners shall receive an additional ₱1,000 benefit, on top of the computed BMP. However, in case of multiple death survivorship beneficiaries, the ₱1,000 additional benefit shall be divided equally among them.

**Funeral Grant.** A funeral grant is paid to whoever shouldered the funeral expenses of the deceased member. Starting August 1, 2015, the amount of the funeral grant was increased to a variable amount ranging from a minimum of ₱20,000 to a maximum of ₱40,000, depending on the deceased member’s number of paid contributions and average monthly salary credit (AMSC).
**Sickness.** SSS' sickness benefit is in the form of daily cash allowance for the number of days in which a member (excluding pensioners) is unable to work due to illness or injury. The daily sickness allowance is equal to 90% of the member’s average daily salary credit (ADSC), payable for a maximum of 120 days in one calendar year but not exceeding 240 days for the same illness or injury.

As conditions for eligibility, a member must have: (1) contributed for at least three months within the 12-month period immediately preceding the semester of sickness; (2) has been confined either in the hospital or at home for at least four days; (3) has used up all company’s sick leave with pay for the current year; and (4) has notified his employer or the SSS in the case of self-employed and voluntary members.

For hospitalization, the claim for sickness benefits must be filed within one year from the last day of confinement. Failure to submit requirements within the prescriptive period will result to denial of the claim.

**Maternity.** The maternity benefit is a daily cash allowance granted to female members in every instance of pregnancy resulting in childbirth, miscarriage or emergency termination of pregnancy (ETP), regardless of frequency, civil status, employment status, or the legitimacy of the child, and shall be paid for a compensable period of (1) 105 days for live childbirth, regardless if via normal delivery or caesarian section, and an additional 15 days paid leave if the female worker qualified as a Solo Parent or (2) 60 days paid leave for miscarriage and ETP, including still birth.

The daily maternity benefit is equivalent to 100% of the female member’s ADSC. Employed female members shall receive full pay, which consists of their (i) SSS maternity benefit computed based on their ADSC and (ii) salary differential to be paid by the employer, if any.

Employers from the private sector shall pay for the difference between the full salary and the actual cash benefits received from the SSS. Female workers employed by exempt establishments and enterprises (subject to requirements and criteria) shall only be entitled to receive their SSS maternity benefits.

**Unemployment.** The unemployment insurance or involuntary separation benefit is a cash benefit given to all employees, including Househelpers and OFWs (sea-based and land-based) who were involuntarily separated from employment. The benefit, which must be filed within a year from the date of involuntary separation, is equivalent to fifty percent (50%) of the AMSC for a maximum of two (2) months and is granted thru a one-time payment. The following basic guidelines for the grant of said benefit must be satisfied: (1) member is not over 60 years of age at the time of involuntary separation; not over 50 if an underground or surface mineworker; and not over 55 if a racehorse jockey; (2) has paid at least 36 months contributions, 12 months of which should be in the 18-month period immediately preceding the month of involuntary separation; (3) an employee who is involuntarily separated from employment can only claim unemployment benefits once every 3 years; (4) in case of concurrence of 2 or more compensable contingencies, only the highest benefit shall be paid.

**Provident Fund for SSS Members.** A Provident Fund for SSS members for the payment of their benefits or their beneficiaries shall be established, in addition to
the benefits provided for under the Social Security Act of 2018 under such guidelines, rules and regulations that the Commission may promulgate.

This 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.

Starting January 2021, the SSS implemented the Workers’ Investment and Saving Program (WISP). A safe, convenient, principal-protected, and tax-free individual retirement savings plan, which will serve to augment member savings from the regular program.

Contributions in the WISP shall be the prescribed contribution rate times MSC in excess of ₱20,000 up to the prescribed maximum MSC. It shall always be paid together with contributions in the regular SSS program. This allows faster accumulation of a worker’s savings because of the employer share in the contribution. WISP contributions are invested following the principles of safety, high yield, and liquidity, and as provided for under the Social Security Act of 2018, intended to yield additional pension income for contributing members.

Earnings realized from the WISP shall be distributed proportionately based on the member’s contribution. The total accumulated account value (AV) of the member under the WISP shall be the basis of his/her additional benefits, which shall be given at the same time during his/her retirement, total disability, and/or death benefits.

Benefits under the WISP shall be given in annuity or lump sum, depending on the manner of payment of his/her benefit under the regular SSS program. The annuity shall be given in the form of a fixed amount of monthly pension, to be paid until the member’s AV is fully settled, covering at least 15 years. Upon the death of a WISP pensioner, any remaining balance in the accumulated AV shall be paid to his/her beneficiary in lump sum.

CONTACT INFORMATION

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