

# [ PRESIDENTIAL DECREE NO. 1641, September 21, 1979 ]

## FURTHER AMENDING TITLE II, BOOK FOUR OF THE LABOR CODE OF THE PHILIPPINES (PD 442, AS AMENDED)

**WHEREAS**, Provisions of the Employees' Compensation and State Insurance Fund of the Labor Code of the Philippines must respond to dynamic changes in social-economic development in light of spiraling cost of living; and that adjustments must be made to align such provisions with changes in social security of the country; and

**WHEREAS**, the judicious management of the State Insurance Fund that the Social Security System and the Government Service Insurance System administer for the private sector and the public service, respectively, has resulted in accumulation of sufficient reserves to enable the Employees' Compensation Commission to further upgrade the benefit structure for covered employees, without requiring additional premium contributions from employers;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

**SECTION 1.** Paragraphs (cc) and (dd) of Article 167 of Presidential Decree No. 442, as amended, are hereby revised, to read as follows:

"(cc) '*Replacement ration*'.—The sum of twenty percent and the quotient obtained by dividing three hundred by the sum of three hundred forty and the average monthly salary credit.

"(dd) '*Credited years of service*'.—For a member covered prior to January 1979, nineteen hundred seventy-five minus the calendar years of coverage, plus the number of calendar years in which six or more contributions have been paid from January 1975 up to the calendar years containing the semester prior to the contingency. For a member covered in or after January 1975, the number of calendar years in which six or more contributions have been paid from the years of coverage up to the calendar year containing the semester prior to the contingency."

**SECTION 2.** Paragraph (ee) of Article 167 of PD 442, as amended, is hereby further amended to read as follows:

"(ee) '*Monthly income benefit*'.—Means the amount equivalent to one hundred fifteen percent of the sum of:

"The average monthly salary credit multiplied by the replacement ratio; and

"One and a half percent of the average monthly salary credit for each year credited year of service in excess of ten years;

"Provided, However, That the monthly pension of surviving pensioners shall be increased by twenty percent."