

# [ PRESIDENTIAL DECREE NO. 1368, May 01, 1978 ]

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

**WHEREAS**, the prudent administration of the Employees' Compensation Program and the judicious management of the State Insurance Fund have resulted in the accumulation of surplus that is sufficient to enable the Employees' Compensation Commission to enlarge the benefit structure for covered employees without necessarily requiring additional premium contributions from employers;

**WHEREAS**, the Employees' Compensation Commission, in pursuance of its desire to achieve labor justice for victims of work-connected contingencies, must ensure and maintain adequate and prompt delivery of social security services in terms of continually upgraded benefits to keep pace with changing social-economic development; and

**WHEREAS**, the Government Service Insurance System and the Social Security System which are major administering agencies of the Employees' Compensation Program and the State Insurance Fund under the umbrella of the Employees' Compensation Commission have instituted already the upgrading of benefits for non-work-related claims for their respective members;

**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 that:

**SECTION 1.** Paragraphs (k), (1) and (y) of Article 167 of the Labor Code, as amended, are hereby amended further, and Paragraphs (cc), (dd) and (ee) are added thereto, to read as follows:

**ART. 167.** *Definition of terms.*—As used under this Title, unless the context indicates otherwise:

"(k) 'Injury' means any harmful change in the human organism from any accident sustained at work while at the workplace, or elsewhere while executing an order for the employer."

"(1) 'Sickness' means any illness definitely accepted as an occupational disease listed by the Commission, or any illness caused by employment, subject to proof that the risk of contracting the same is increased by working conditions. For this purpose, the Commission is empowered to determine and approve occupational diseases and work-related illnesses that may be considered compensable based on peculiar hazards of employment."

"(y) 'Average monthly salary credit' in the case of the SSS means the result obtained by dividing the sum of the monthly salary credits in the sixty-month period immediately preceding the semester of death or permanent disability by sixty, except where the month of death or permanent disability falls within eighteen calendar months from the

month of coverage, in which case it is the result obtained by dividing the sum of all monthly salary credits paid prior to the month of the contingency by the total number of calendar months of coverage in the same period.'

"(cc) 'Basic Benefit' means the amount equivalent to one hundred fifteen percent of the benefit herein computed as follows:

"Forty-five percent of the first three hundred pesos of average monthly salary credit, or fraction thereof; plus

"Twenty-five percent of the next three hundred pesos of average monthly salary credit, or fraction thereof; plus

"Nine percent of each succeeding one hundred pesos of average monthly salary credit, or fraction thereof; plus

"One-tenth of one percent of the average monthly salary credit for each month of paid coverage in the System in excess of one hundred twenty months of paid coverage prior to the semester of contingency.

"(dd) 'Graduated increment' means the amount equivalent to seven and seven-tenths percent of the result obtained by subtracting the basic benefit from three hundred forty pesos: *Provided*, That the graduated increment shall not be less than ten pesos.

"(ee) 'Monthly income benefit' means the amount equivalent to one hundred fifteen percent of the result obtained by adding the basic benefit and the graduated increment: *Provided*, That the monthly income benefit shall in no case be less than the minimum of the SSS, nor more than the monthly salary credit, whichever is higher."

**SEC. 2.** Paragraph (b) of Art. 176 of the Labor Code, as amended, is hereby amended further and a new paragraph is added thereto to read as follows:

"(b) The Vice Chairman of the Commission shall be alternated each year between the GSIS General Manager and the SSS Administrator. The presence of four Members shall constitute a *quorum*. Each Member shall receive a per diem of two hundred pesos for every meeting that is actually attended by him, exclusive of actual, ordinary and necessary travel and representation expenses. In his absence, any Member may designate an official of the institution he serves on full-time basis as his representative to act in his behalf."

"(d) The Commission shall have the status and category of a government corporation, and it is hereby deemed attached to the Department of Labor for policy coordination and guidance."

**SEC. 3.** Paragraph (d) of Art. 177 of the Labor Code, as amended is hereby amended further to read as follows:

**"Art. 177. Powers and duties.—\* \* \*.**

"(d) To initiate policies and programs toward adequate occupational health and safety and accident prevention in the working environment,

rehabilitation other than those provided for under Art. 190 hereof, and other related programs and activities, and to appropriate funds therefor."

**SEC. 4.** Article 179 of the Labor Code, as amended, is hereby amended further to read as follows:

**"Art. 179. *Investment of funds.***—Provisions of existing laws to the contrary notwithstanding, all revenues as are not needed to meet current operational expenses under this Title shall be accumulated in a fund to be known as the State Insurance Fund, which shall be used exclusively for payment of the benefits under this Title, and no amount thereof shall be used for any other purpose. All amounts accruing to the State Insurance Fund, which is hereby established in the SSS and GSIS, respectively, shall be deposited with any authorized depository bank approved by the Commission, or invested with due and prudent regard for the liquidity needs of the System."

**SEC. 5.** Paragraph (a) of Art. 191 of the Labor Code, as amended, is hereby amended further to read as follows:

**"Art. 191. *Temporary total disability.***—(a) Under such regulations as the Commission may approve, any employee under this Title who sustains an injury or contracts sickness resulting in temporary total disability shall for each day of such disability or fraction thereof be paid by the System an income benefit equivalent to ninety percent of his average daily salary credit, subject to the following conditions: the daily income benefit shall not be less than two pesos and fifty centavos, nor more than twenty pesos, nor paid for a continuous period longer than one hundred twenty days, except as otherwise provided in the Rules, and the System shall be notified of the injury or sickness."

**SEC. 6.** Paragraphs (a) and (b) of Art. 192 of the Labor Code, as amended, are hereby amended further to read as follows:

**"Art. 192. *Permanent total disability.***—(a) Under such regulations as the Commission may approve, any employee under this Title who contracts sickness or sustains an injury resulting in his permanent total disability shall, for each month until his death, be paid by the System during such a disability, an amount equivalent to the monthly income benefit, plus ten percent thereof for each dependent child, but not exceeding five, beginning with the youngest and without substitution: *Provided*, That the monthly income benefit shall be the new amount of the monthly benefit for all covered pensioners, effective upon approval of this Decree.

"(b) The monthly income benefit shall be guaranteed for five years, and shall be suspended if the employee is gainfully employed or recovers from his permanent total disability, or fails to present himself for examination at least once a year upon notice by the System."

**SEC. 7.** Paragraphs (b) and (c) of Art. 193 of the Labor Code, as amended, are hereby amended further, and Paragraphs (f) and (g) are added thereto, to read as follows:

**"Art. 193. *Permanent partial disability.***—\* \* \*