

[PRESIDENTIAL DECREE NO. 177, April 23, 1973]

FURTHER AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED ELEVEN HUNDRED AND SIXTY-ONE, OTHERWISE KNOWN AS "THE SOCIAL SECURITY LAW," AS AMENDED

WHEREAS, on the 19th day of October, 1972, Presidential Decree No. 24, amended certain Sections of Republic Act No. 1161, as amended, otherwise known as "The Social Security Law"; and

WHEREAS, in order to bring about a more effective implementation of the law and make the SSS even more responsive to the needs of its members, it is necessary to further amend the Social Security Law;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, do hereby order and decree that the Social Security Law be amended to bring about a more effective implementation of the law and make the Social Security System more responsive to the needs of its members as follows:

SECTION 1. Section 8(k) of the Social Security Law, as amended, is hereby further amended to read as follows:

"(k) *Beneficiaries*. — Those designated as such by the covered employee from among the following:

"The legitimate spouse, the legitimate, legitimated, acknowledged natural children, natural children by legal fiction, and other illegitimate children, and their legitimate descendants, and the legitimate parents.

"In the absence of any of the foregoing, any other person designated by him."

SEC. 2. Section 9 of the same Act is hereby further amended by designating the present provision as paragraph (a) and adding thereto paragraph (b) to read as follows:

"**SEC. 9. *Compulsory Coverage*.** — (A) Coverage in the SSS shall be compulsory upon all employees not over sixty years of age and their employers: *Provided*, That any benefit already earned by employees under private benefit plans existing at the time of the approval of this Act shall not be discontinued, reduced or otherwise impaired: *Provided, further*, That private plans which are existing and in force at the time of compulsory coverage shall be integrated with the plan of the SSS in such a way where the employer's contribution to his private plan is more than that required of him in this Act he shall pay to the SSS only the contribution required of him and he shall continue his contribution to such private plan less his contribution to the SSS so that the employer's total contribution to his private benefit plan and to the Social Security System shall be the same as his contribution to his private plan before the compulsory coverage: *Provided, further*, That 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 contribution thereto as a result of the integration, shall be subject to agreements between the employers and employees concerned: *Provided, further,* That the private benefit plan which the employer shall continue for his employees shall remain under the employer's management and control unless there is an existing agreement to the contrary: *Provided, finally,* That nothing in this Act shall be construed as a limitation on the right of employers and employees to agree on and adopt benefits which are over and above those provided under this Act.

"(B) Filipinos recruited in the Philippines by foreign-based employers for employment abroad may be covered by the SSS on a voluntary basis under such rules and regulations as the Commission may prescribe."

SEC. 3. Section 12 (a) and (c) are hereby further amended to read as follows:

"SEC. 12. Retirement benefits. — (a) A covered employee who (3) has paid at least one hundred twenty monthly contributions to the SSS, has reached the age of sixty years and is separated from employment or, if still employed, is receiving less than two hundred fifty pesos monthly compensation, or (2) has paid at least one hundred twenty monthly contributions and has reached the age of sixty-five years, or (3) has paid at least thirty-six monthly contributions and has become permanently totally disabled, shall be entitled for as long as he lives but in no case for less than five years to a monthly pension amount to be computed as follows:

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

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

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

One-tenth of one percent of the average monthly salary credit for each monthly contribution in excess of one hundred twenty and paid as of the last day of the second quarter preceding the quarter of retirement: *Provided,* That a member of the SSS covered prior to June 18, 1962 and who was fifty years of age or over on the date of his coverage shall be entitled to the benefits hereunder if he has paid a number of monthly contributions equivalent to the number of calendar months of coverage at age sixty, but in no case less than twenty-four: *Provided, further,* That the monthly pension shall in no case be less than forty-five pesos: *Provided, finally,* That the foregoing schedule shall take effect on January 1, 1974.

"(c) The monthly pension shall be suspended —