

**[ REPUBLIC ACT NO. 3839, June 22, 1963 ]**

**AN ACT TO AMEND CERTAIN SECTIONS OF REPUBLIC ACT  
NUMBERED ELEVEN HUNDRED AND SIXTY-ONE, AS AMENDED BY  
REPUBLIC ACT NUMBERED SEVENTEEN HUNDRED AND NINETY-  
TWO AND REPUBLIC ACT NUMBERED TWENTY-SIX HUNDRED  
AND FIFTY-EIGHT, OTHERWISE KNOWN AS "THE SOCIAL  
SECURITY ACT OF 1954."**

*Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:*

SECTION 1. Subparagraph (8), paragraph (j) of Section eight, Republic Act  
Numbered Eleven hundred and sixty-one, as amended, is further amended to read  
as follows:

"(8) Services performed in the employ of a foreign government or  
international organization, or their wholly-owned instrumentality:  
*Provided, however,* That this exemption notwithstanding, any foreign  
government, international organization, or their wholly-owned  
instrumentality employing workers in the Philippines may enter into an  
agreement with the Philippine Government for the inclusion of such  
employees in the Social Security System except those already covered by  
the United States Civil Service Retirement System: *Provided, further,*  
That the terms of such agreement shall conform with the provisions of  
this Act on coverage and amount of payment of contributions and  
benefits: *Provided finally,* That the provisions of this Act shall be  
supplementary to any such agreement."

SEC. 2. Section nine of the same Act, as amended is further amended to read as  
follows:

"SEC. 9. *Compulsory coverage.*—Coverage in the System 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 System 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 System only the

contribution required of him and he shall continue his contributions to such private plan less his contribution to the System 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."

SEC. 3. Section twelve of the same Act is amended by amending paragraph (a) thereof and adding thereto a new paragraph which shall read as follows:

"SEC. 12. *Retirement Benefits.*—(a) Upon reaching the age of sixty years and after having paid at least one hundred twenty monthly contributions to the System, covered employee shall have the option to retire and he shall be entitled for as long as he lives but in no case for less than five years to a monthly basic pension amount to be computed as follows:

"Thirty percent of the first one hundred pesos average monthly salary credits or fraction thereof;

"Eighteen percent of the second one hundred pesos average monthly salary credits or fraction thereof;

"Six percent of each succeeding one hundred pesos average monthly salary credits or fraction thereof: *Provided,* That if the total number of monthly contributions exceeds one hundred twenty at the time of retirement, the retiring employee, in addition to the monthly basic pension amount, shall be entitled to a monthly pension increment of one twenty-fourth of one *per centum* of the average monthly salary credit for each monthly salary credit for each monthly contribution in excess of one hundred twenty: *Provided, further,* That a member of the System covered prior to the effectivity of this amendatory Act or within two years thereafter and who was fifty years of age or over on the effective date of his coverage shall be entitled to the benefits hereunder if he has paid a number of monthly contributions equivalent to twelve times the difference between his age at coverage and sixty, but in no case less than twenty-four: *Provided, finally,* That the monthly pension shall in no case be less than thirty pesos for a retiring employee already covered at the time of the approval of this amendatory Act.