

Philippines

Exchange rate: US\$1.00 equals 43.74 pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1954 (old age, disability, and survivors), with 1997 amendment.

Type of program: Social insurance system.

Coverage

Private-sector employees up to age 60 earning at least 1,000 pesos a month; household workers up to age 60 earning at least 1,000 pesos a month; and all self-employed persons up to age 60 with at least 1,000 pesos of monthly income.

Voluntary coverage for Filipino citizens working abroad; insured persons who are no longer eligible for compulsory coverage; and nonworking spouses of insured persons.

Special systems for government employees and military personnel.

Source of Funds

Insured person: 3.33% of gross monthly earnings, according to 29 income classes.

Voluntarily insured persons pay the combined insured person and employer contributions of 10.4% of gross monthly earnings, according to 29 income classes. The contributions for a voluntarily insured nonworking spouse are based on 50% of the gross monthly earnings of the working spouse.

The minimum monthly earnings for contribution calculation purposes are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum monthly earnings for contribution calculation purposes are 15,000 pesos.

The above contributions also finance cash sickness and maternity benefits and funeral benefits.

Self-employed person: 10.4% of gross monthly earnings, according to 29 income classes.

The minimum monthly earnings for contribution calculation purposes are 1,000 pesos.

The maximum monthly earnings for contribution calculation purposes are 15,000 pesos.

The above contributions also finance cash sickness and maternity benefits and funeral benefits.

Employer: 7.07% of the employee's monthly earnings.

The minimum monthly earnings for contribution calculation purposes are 1,000 pesos.

The maximum monthly earnings for contribution calculation purposes are 15,000 pesos.

The above contributions also finance cash sickness and maternity benefits and funeral benefits.

Government: Meets any deficit.

The minimum and maximum monthly earnings for contribution calculation purposes are adjusted periodically by the Social Security Commission, subject to the approval of the President of the Philippines.

Qualifying Conditions

Old-age pension: Age 60 with at least 120 months of contributions before the 6-month period (January–June, April–September, July–December, or October–March) in which the pension is first paid. Employment or self-employment must cease. Age 65, regardless of employment, with at least 120 months of contributions.

Age 55 for mine workers who worked underground for at least 5 years and who are involuntarily unemployed or have ceased self-employment.

The pension is suspended if an old-age pensioner resumes employment or self-employment before age 65. There is no employment test after age 65.

Old-age grant: Age 60 with less than 120 months of contributions.

Disability pension: Must be assessed with a permanent total or partial disability of at least 20% and have at least 36 months of contributions before the 6-month period (January–June, April–September, July–December, or October–March) in which the disability began.

A Social Security System doctor assesses the degree of disability annually.

The pension is suspended if the disability pensioner recovers, resumes employment (in the case of a total disability), or fails to report for the annual physical examination.

Disability grant: Must be assessed with a permanent total or partial disability but have less than 36 months of contributions.

Survivor pension: Paid for the death of an old-age or disability pensioner or an insured person before retirement. The insured had at least 36 months of contributions before the 6-month period (January–June, April–September, July–December, or October–March) in which the death occurred.

Eligible survivors are the surviving spouse and up to five dependent children younger than age 21 (no age limit if child has a disability; employed or married children are not eligible). The spouse's benefit ceases on remarriage and is transferred to the eligible surviving children.

Survivor grant: Paid if the deceased had less than 36 months of contributions.

Eligible survivors are the surviving spouse and up to five dependent children under age 21 (no age limit if child has a disability; employed or married children are not eligible). In the absence of a spouse and dependent children, the benefit is paid to dependent parents or to the person named by the deceased.

Funeral grant: Paid to the person who paid for the funeral.

Old-Age Benefits

Old-age pension: The monthly pension is equal to 300 pesos, plus 20% of the insured's average monthly covered earnings and 2% of the insured's average monthly covered earnings for each year of service exceeding 10 years or 40% of the insured's average monthly covered earnings, whichever is greater.

Average monthly covered earnings are equal to the sum of the last 60 months of covered earnings immediately before the 6-month period (January–June, April–September, July–December, or October–March) in which the pension is first paid divided by 60, or the sum of all monthly covered earnings paid before the 6-month period (January–June, April–September, July–December, or October–March) in which the pension is first paid divided by the number of monthly contributions paid in the same period, whichever is greater.

The minimum monthly earnings for benefit calculation purposes are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum monthly earnings for benefit calculation purposes are 15,000 pesos.

The minimum monthly pension is 1,200 pesos if the insured contributed for at least 10 years but for less than 20 years; 2,400 pesos with at least 20 years of contributions.

There is no maximum monthly pension.

Partial lump sum: The insured may choose to receive the first 18 months' pension (not including dependent supplements and the 13th pension payment in the first year) as a lump sum.

Dependent's supplement: 10% of the old-age pension or 250 pesos, whichever is greater, is paid for each of the five youngest children under age 21 (no limit if disabled) conceived on or before the insured's date of retirement. The supplement ceases before age 21 if a child marries or becomes employed.

Schedule of payments: Thirteen payments a year (except for newly retired pensioners who choose a partial lump sum. In such cases, the periodic pension is paid from the 19th month).

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in prices and wages and the financial health of the fund, subject to approval by the Social Security Commission.

Old-age grant: A lump sum is paid equal to employee and employer contributions plus 6% interest.

Permanent Disability Benefits

Disability pension: The monthly pension is equal to 300 pesos, plus 20% of the insured's average monthly covered earnings and 2% of the insured's average monthly covered earnings for each year of service exceeding 10 years or 40% of the insured's average monthly covered earnings, whichever is greater.

Average monthly covered earnings are equal to the sum of the last 60 months of covered earnings immediately before the 6-month period (January–June, April–September, July–December, or October–March) in which the disability began divided by 60, or the sum of all monthly covered earnings paid before the 6-month period (January–June, April–September, July–December, or October–March) in which the disability began divided by the number of monthly contributions paid in the same period, whichever is greater.

The minimum monthly earnings for benefit calculation purposes are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum monthly earnings for benefit calculation purposes are 15,000 pesos.

The minimum pension is 1,000 pesos a month if the insured has less than 10 years of contributions; 1,200 pesos with at least 10 years but less than 20 years; or 2,400 pesos with at least 20 years of contributions.

There is no maximum disability pension.

Dependent's supplement (permanent total disability): 10% of the disability pension or 250 pesos, whichever is greater, is paid for each of the five youngest children under age 21 (no limit if disabled) conceived on or before the disability began. The supplement ceases before age 21 if a child marries or becomes employed.

Partial disability: A percentage of the full pension is paid according to the assessed degree of disability. The total pension benefit is paid as a lump sum if the payment period is less than 12 months.

Supplementary allowance (permanent total and partial disability): 500 pesos a month.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in prices and wages and the financial health of the fund, subject to approval by the Social Security Commission.

Disability grant: For a permanent total disability, a lump sum is paid equal to the insured's monthly pension multiplied by the number of monthly contributions or 12 times the monthly pension, whichever is greater.

For a permanent partial disability, a lump sum is paid equal to the insured's monthly pension multiplied by the number

of monthly contributions multiplied by the assessed degree of disability or 12 monthly pensions multiplied by the assessed degree of disability, whichever is greater.

Survivor Benefits

Survivor pension: The pension is equal to 100% of the monthly old-age pension that would have been paid to the deceased.

The minimum monthly pension is 1,000 pesos if the deceased contributed for at least 10 years; 1,200 pesos with at least 10 but less than 20 years; 2,400 pesos with at least 20 years of contributions.

There is no maximum survivor pension.

Dependent's supplement: 10% of the deceased's pension or 250 pesos, whichever is greater, is paid for each of the five youngest children under age 21 (no limit if child has a disability) conceived on or before the date of death. The supplement ceases before age 21 if a child marries or becomes employed.

Survivors of an old-age or a permanent total disability pensioner receive 100% of the deceased's pension plus dependent supplements. In the absence of a surviving spouse and dependent children and if the insured died within 60 months after first receiving a pension, a lump sum equal to 60 months' pension minus the value of the pension already paid is payable to dependent parents. In the absence of dependent parents, the benefit is paid to the person named by the deceased.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Benefits are adjusted on an ad hoc basis according to changes in prices and wages and the financial health of the fund, subject to approval by the Social Security Commission.

Survivor grant: A lump sum equal to the deceased's monthly old-age pension multiplied by the number of monthly contributions or 12 times the monthly pension, whichever is greater.

Funeral grant: A lump sum of 20,000 pesos.

Administrative Organization

A tripartite Social Security Commission is responsible for the general management, supervision, and regulation of the program.

Social Security System (<http://www.sss.gov.ph>) collects contributions and pays benefits under the direction and control of the Social Security Commission.

Sickness and Maternity

Regulatory Framework

First and current laws: 1954 (sickness), with 1997 amendment; 1969 (medical benefits), with 1995 amendment; and 1977 (maternity), with 1997 amendment.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

Cash sickness and maternity benefits: Private-sector employees up to age 60; household workers earning at least 1,000 pesos a month; and all self-employed persons with at least 1,000 pesos of monthly income.

Voluntary coverage for Filipino citizens working abroad; insured persons who are no longer eligible for compulsory coverage; and nonworking spouses of insured persons.

Special system for government employees (sickness benefits only).

Medical benefits: Private- and public-sector employees up to age 60; household workers earning at least 1,000 pesos a month; and all self-employed persons with at least 1,000 pesos of monthly income.

Full coverage is provided to pensioners and retired persons, and limited coverage is provided to certain categories of people with low or no income.

Voluntary coverage for Filipinos recruited by a foreign-based employer for employment abroad and certain other groups of persons.

Source of Funds

Insured person

Cash sickness and maternity benefits: See source of funds under Old Age, Disability, and Survivors, above.

Medical benefits: Employed persons contribute 1.25% of gross monthly earnings, according to 22 income classes; none for pensioners and their dependents or for certain categories of people with low or no income; voluntary contributors pay 100 pesos a month.

For insured persons with monthly earnings of less than 5,000 pesos, the minimum monthly earnings for contribution calculation purposes for medical benefits are 4,000 pesos.

For insured persons with monthly earnings of at least 30,000 pesos, the maximum monthly earnings for contribution calculation purposes for medical benefits are 30,000 pesos.

Contributions are paid monthly, except for voluntary contributors who may pay contributions monthly, quarterly, semiannually, or annually.

Self-employed person

Cash sickness and maternity benefits: See source of funds under Old Age, Disability, and Survivors, above.

Medical benefits: 100 pesos a month.

Self-employed persons may pay contributions monthly, quarterly, semiannually, or annually.

Employer

Cash sickness and maternity benefits: See source of funds under Old Age, Disability, and Survivors, above.

Medical benefits: 1.25% of the employee's monthly earnings.

For employees with monthly earnings of less than 5,000 pesos, the minimum monthly earnings for contribution calculation purposes for medical benefits are 4,000 pesos.

For employees with monthly earnings of at least 30,000 pesos, the maximum monthly earnings for contribution calculation purposes for medical benefits are 30,000 pesos.

Government: Pays the cost of medical benefits for certain categories of people with low or no income; meets any deficit.

The minimum and maximum monthly earnings for contribution calculation purposes for cash sickness and maternity benefits are adjusted periodically by the Social Security Commission, subject to the approval of the President of the Philippines.

The minimum and maximum monthly earnings for contribution calculation purposes for medical benefits are adjusted periodically by the Philippine Health Insurance Corporation Board.

Qualifying Conditions

Cash sickness benefits: Must have at least 3 months of contributions in the 12 months immediately before the 6-month period (January–June, April–September, July–December, or October–March) in which the incapacity began. The insured must be hospitalized or incapacitated at home for at least 4 days. Medical certification must be provided.

Cash maternity benefits: Must have at least 3 months of contributions in the 12 months immediately before the 6-month period (January–June, April–September, July–December, or October–March) in which the birth or miscarriage occurred. Benefits are paid for up to four births, including miscarriages. Medical certification of the pregnancy and a birth certificate are necessary.

Medical benefits: Must have at least 3 months of contributions in the 6 months before the incapacity began; contribution conditions are waived for pensioners, retired persons, and certain categories of people with low or no income.

Sickness and Maternity Benefits

Sickness benefit: A daily allowance is paid equal to 90% of the insured's average daily covered earnings. The benefit is paid after a 3-day waiting period (except for an injury or an acute disease) for up to 120 days in a calendar year. The benefit payment period must not exceed 240 days for the same illness.

Daily covered earnings are equal to the sum of the 6 highest months of covered earnings in the 12 months before the 6-month period (January–June, April–September, July–December, or October–March) in which the incapacity began divided by 180.

Maternity benefit: The benefit is equal to 100% of the insured's average daily covered earnings. The benefit is paid for 60 days for a miscarriage or a noncaesarian childbirth; 78 days for a caesarian childbirth.

Daily covered earnings are equal to the sum of the 6 highest months of covered earnings in the 12 months before the 6-month period (January–June, April–September, July–December, or October–March) in which the birth or miscarriage occurred divided by 180.

Workers' Medical Benefits

Services are delivered by accredited health care providers who are paid directly by the health fund according to a fixed schedule.

Cost sharing: There is some cost sharing for general and specialist care, hospital care, laboratory and X-ray fees, surgery, and medicines.

Inpatient treatment is limited to 45 days a year.

Dependents' Medical Benefits

Services are delivered by accredited health care providers who are paid directly by the health fund according to a fixed schedule.

Cost sharing: There is some cost sharing for general and specialist care, hospital care, laboratory and X-ray fees, surgery, and medicines.

Inpatient treatment for all eligible dependents is limited to a total of 45 days a year.

Eligible dependents are the spouse; children younger than age 21 (no limit if child has a disability); and parents (biological, adoptive or stepparents) aged 60 or older with income below a specified amount who are not covered by other means.

Administrative Organization

Cash sickness and maternity benefits: A tripartite Social Security Commission is responsible for the general management, supervision, and regulation of the program.

Employers pay sickness and maternity benefits directly to their employees and are reimbursed by the Social Security

System. The Social Security System pays benefits to self-employed and voluntary members.

Social Security System (<http://www.sss.gov.ph>) collects contributions and administers benefits under the direction and control of the Social Security Commission.

Medical benefits: Department of Health provides policy coordination and guidance.

Philippine Health Insurance Corporation collects contributions for the medical care program and administers the provision of benefits. Medical care is provided by accredited providers.

Work Injury

Regulatory Framework

First and current law: 1974 (work injury), implemented in 1975, with 1996 amendment.

Type of program: Social insurance system.

Coverage

Employers and employed persons up to age 60, including domestic employees.

There is no voluntary coverage.

Exclusions: Self-employed persons.

Special systems for government employees and military personnel.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 10 pesos for monthly earnings below 15,000 pesos and 0.2% for monthly earnings of at least 15,000 pesos. The contribution does not vary according to the assessed risk level of the employer or the accident rate.

The maximum monthly earnings for contribution calculation purposes are 15,000 pesos.

The maximum monthly earnings for contribution calculation purposes are adjusted periodically by the Employees' Compensation Commission.

Government: Meets any deficit.

Qualifying Conditions

Work injury benefits: Must have at least 1 month of contributions.

Temporary Disability Benefits

The benefit is equal to 90% of the insured's average daily covered earnings. The benefit is paid from the first day of disability for a work-related injury or sickness for up to

120 days; may be extended up to 240 days if further treatment is required.

Daily covered earnings are equal to the sum of the 6 highest months of covered earnings during the last 12 months before the 6-month period (January–June, April–September, July–December, or October–March) in which the incapacity began, divided by 180.

The minimum daily benefit is 10 pesos.

The maximum daily benefit is 200 pesos.

The benefit is suspended if the beneficiary does not provide a doctor's monthly medical report.

Permanent Disability Benefits

Permanent disability pension: The monthly pension is equal to 115% of the insured's old-age pension (115% of the sum of 300 pesos, 20% of the insured's average monthly covered earnings, and 2% of the insured's average monthly covered earnings for each year of service exceeding 10 years or 115% of 40% of the insured's average monthly covered earnings, whichever is greater).

Average monthly covered earnings are equal to the sum of the last 60 months of covered earnings immediately before the 6-month period (January–June, April–September, July–December, or October–March) in which the disability began divided by 60, or the sum of all monthly covered earnings paid before the 6-month period (January–June, April–September, July–December, or October–March) in which the disability began divided by the number of monthly contributions paid in the same period, whichever is greater.

The minimum monthly pension is 2,000 pesos.

There is no maximum monthly pension.

Dependent's supplement (permanent total disability): 10% of the disability pension or 250 pesos, whichever is greater, is paid for each of the five youngest children younger than age 21 (no limit if disabled). The supplement ceases before age 21 if a child marries or starts work.

Partial disability: The pension is the same as the permanent total disability pension but is paid for a limited period according to the schedule in law for each specified disability. If the awarded duration of the pension is less than a year, the pension is paid as a lump sum.

Supplementary pension (permanent total and partial disability): 575 pesos a month.

The insured must have an assessed degree of disability of at least 20%. The degree of disability is assessed annually by a Social Security System doctor. The pension is suspended if the beneficiary is gainfully employed (in the case of a total disability), fails to undergo an annual physical examination, does not provide a doctor's quarterly medical report, or is fully rehabilitated.

Workers' Medical Benefits

Benefits include medical, surgical, and hospital services; appliances; and rehabilitation.

Survivor Benefits

Survivor pension: The pension is equal to 100% of the monthly permanent total disability pension that would have been paid to the deceased.

Dependent's supplement: 10% of the deceased's monthly pension is paid for each of the five youngest children younger than age 21 (no limit if disabled). The supplement ceases before age 21 if a child marries or starts work.

In the absence of an eligible spouse or dependent children, the pension (excluding dependent supplements) is paid to dependent parents for up to 60 months.

The minimum monthly pension is 2,000 pesos.

There is no maximum monthly pension.

Survivors of a permanent total disability pensioner: The pension is equal to 100% of the insured's monthly permanent disability pension, plus dependent supplements.

The pension is shared between the spouse and dependent children younger than age 21 (no limit if the child has a disability) who are not married or earning at least 300 pesos a month from employment.

In the absence of an eligible spouse or dependent children, the insured's monthly pension (excluding dependent supplements) is paid to dependent parents for a maximum of 60 months, minus the number of months the pension was paid to the deceased before his or her death.

Funeral grant: 10,000 pesos is paid to the person who paid for the funeral.

Administrative Organization

Department of Labor and Employment (<http://www.dole.gov.ph>) provides general supervision.

Employees' Compensation Commission (<http://www.ecc.gov.ph>), part of the Department of Labor, initiates and coordinates program policies and determines contribution rates.

Employers pay temporary disability benefits directly to their employees and are reimbursed by the Social Security System.

Social Security System (<http://www.sss.gov.ph>) collects contributions and pays permanent disability benefits.