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EXECUTIVE ORDER NO 28

FURTHER AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 1161,
AS AMENDED, OTHERWISE KNOWN AS THE SOCIAL SECURITY LAW.

WHEREAS, paragraph (c) of Sec. 4 of Republic Act No. 1161, as amended, authorizes the Social Security Commission to provide for the feasible increases in benefits and the addition of new ones under such rules and regulations as the Commission may adopt subject to the approval of the President, provided that the actuarial stability or solvency of the Reserve Fund shall be guaranteed, and provided further that such increases in benefits shall not require any increase in contribution;

WHEREAS, the benefit structure for the low income group must constantly be upgraded to keep pace with the changing patterns of the social and economic development;

WHEREAS, actuarial studies conducted by the Social Security System show that certain income benefits provided for under Republic Act No. 1161, as amended, can be increased without increasing the contributions and without adversely affecting the actuarial stability or solvency of the Social Security System Reserve Fund;

WHEREAS, an employer-member of the Social Security System who fails to remit the monthly contributions when they fall due is required to pay in addition to the contributions, a penalty of three percent (3%) per month from the date the contributions fall due, until they are paid;

WHEREAS, the imposition of a three percent (3%) penalty per month has added to the burden of the employers inasmuch as after sometime the amount of penalty could even be more than the contributions due;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Section 12(b) of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"SEC. 12(b). The monthly pension shall in no case be less than two hundred pesos nor paid in an aggregate amount of less than sixty times the monthly pension except to a secondary beneficiary."

SEC. 2. Section 13-B of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

"SEC. 13-B. Funeral Benefit - A funeral grant of one thousand five hundred pesos shall be paid to help defray the cost of funeral expenses upon the death of a covered member, permanently totally disabled employee or retiree

SEC. 3. Paragraph (a) of Section 14 and No. (1) thereof, of Republic Act No. 1161, as amended, are hereby further amended to read as follows:

"SEC. 14. Sickness Benefit - (a) A covered employee who has paid at least three monthly contributions in the twelve-month period immediately preceding the semester of sickness and is confined for more than three days in a hospital or elsewhere with the Commission's approval, shall, for each day of compensable confinement or fraction thereof, be paid by his employer, or the SSS, if such person is unemployed, an allowance equivalent to ninety percent of his average daily salary credit, subject to the following conditions:

(1) In no case shall the total amount of such daily allowance be less than four pesos nor exceed twenty five pesos nor paid longer than one hundred twenty days in one calendar year; nor shall any unused portion of the one hundred twenty days of sickness benefit granted under this section be carried forward and added to the total number of compensable days allowable in the subsequent year;"

SEC. 4. Section 22(e) of Republic Act No. 1161, as amended, is hereby further amended to read as follows:

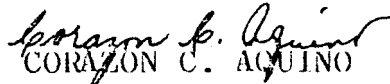
"SEC. 22(e). For purposes of this section, any employer who is delinquent or has not remitted all the monthly contributions due and

payable may within six (6) months from the issuance of this Executive Order remit said contributions to the SSS and submit the corresponding collection lists therefor without incurring the prescribed three percent penalty. In case the employer fails to remit to the SSS the said contributions within the six months grace period, the penalty of three percent shall be imposed from the time the contributions first became due as provided in paragraph (a) of this section."

SEC. 5. All laws, orders, rules and regulations and other issuances or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

SEC. 6. This Executive Order shall take effect immediately except with respect to the increase in benefits which will take effect on August 1, 1986.

DONE in the City of Manila, this 16th day of July , in the year of Our Lord, nineteen hundred and eighty-six.


CORAZON C. AQUINO

President of the Philippines

By the President


JOKER P. ARROYO
Executive Secretary