

Philippines

Exchange rate: US\$1.00 = 47.05 pesos.

Old Age, Disability, and Survivors

Regulatory Framework

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

Type of program: Social insurance system.

Coverage

Private-sector employees, household workers, and self-employed persons.

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: 3.63% (rising to 4.13% in May 2017) of gross monthly earnings, according to 31 income classes.

Voluntarily insured persons pay the combined insured person and employer contributions of 11% (rising to 12.5% in May 2017) of gross monthly earnings, according to 31 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 used to calculate contributions are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum monthly earnings used to calculate contributions are 16,000 pesos (rising to 20,000 pesos in May 2017).

The insured person's contributions also finance cash sickness and maternity benefits.

Self-employed person: 11% (rising to 12.5% in May 2017) of gross monthly earnings, according to 31 income classes.

The minimum monthly earnings used to calculate contributions are 1,000 pesos.

The maximum monthly earnings used to calculate contributions are 16,000 pesos (rising to 20,000 pesos in May 2017).

The self-employed person's contributions also finance cash sickness and maternity benefits.

Employer: 7.37% (rising to 8.37% in May 2017) of the employee's gross monthly earnings.

The minimum monthly earnings used to calculate contributions are 1,000 pesos.

The maximum monthly earnings used to calculate contributions are 16,000 pesos (rising to 20,000 in May 2017).

The employer's contributions also finance cash sickness and maternity benefits.

Government: Any deficit.

The minimum and maximum monthly earnings used to calculate contributions are periodically adjusted 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 six-month period (January-June, April-September, July-December, or October-March) in which the pension is first paid.

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

For pensioners up to age 65 (age 60 for underground miners), employment or self-employment must cease; the pension is suspended if the pensioner resumes employment or self-employment.

Dependent's supplement: Paid for each of the insured's five youngest unmarried, unemployed children younger than age 21 (no limit if disabled) conceived on or before the insured's date of retirement.

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

Disability pension: Assessed with a permanent total or partial disability with at least 36 months of contributions before the six-month period (January-June, April-September, July-December, or October-March) in which the disability began.

Dependent's supplement (permanent total disability): Paid for each of the insured's five youngest unmarried, unemployed children younger than age 21 (no limit if disabled) conceived on or before the date the disability began.

Supplementary allowance: Paid to disability pensioners.

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

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

Disability grant: Assessed with a permanent total or partial disability and has less than 36 months of contributions.

Survivor pension: The deceased had at least 36 months of contributions before the six-month period (January-June, April-September, July-December, or October-March) in which the death occurred.

Eligible survivors include a spouse and up to five dependent, unmarried, unemployed children younger than age 21 (no limit if disabled).

Dependent's supplement: Paid for each of the deceased's five youngest unmarried, unemployed children younger than age 21 (no limit if disabled) conceived on or before the date of death.

Survivor grant: The deceased had less than 36 months of contributions before the six-month period (January-June, April-September, July-December, or October-March) in which the death occurred.

Eligible survivors include a spouse and up to five dependent, unmarried, unemployed children under age 21 (no limit if disabled). If there is no spouse or dependent child, 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 pension is the highest of: 300 pesos plus 20% of the insured's average monthly covered earnings and 2% of the insured's average monthly covered earnings for each credited year of service exceeding 10 years; 40% of the insured's average monthly covered earnings; 1,200 pesos with at least 10 but less than 20 credited years of service; or 2,400 pesos with at least 20 credited years of service.

Average monthly covered earnings are the sum of the last 60 months of covered earnings immediately before the six-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 six-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 insured's credited years of service are the insured's total months of contributions divided by 12 for contributions since 2002; every year in which the insured has at least six months of contributions for contributions from 1985 to 2001; 1985 minus the year the insured began making contributions for contributions before 1985.

The minimum monthly earnings used to calculate benefits are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum monthly earnings used to calculate benefits are 16,000 pesos.

There is no maximum monthly pension.

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

Dependent's supplement: 10% of the insured's old-age pension or 250 pesos, whichever is greater, is paid.

Schedule of payments: 13 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 system, subject to approval by the Social Security Commission.

Old-age grant: A lump sum of employee and employer contributions plus interest is paid.

Permanent Disability Benefits

Disability pension: The pension is the highest of: 300 pesos plus 20% of the insured's average monthly covered earnings and 2% of the insured's average monthly covered earnings for each credited year of service exceeding 10 years; 40% of the insured's average monthly covered earnings; 1,000 pesos with less than 10 credited years of service; 1,200 pesos with at least 10 but less than 20 credited years of service; or 2,400 pesos with at least 20 credited years of service.

Average monthly covered earnings are the sum of the last 60 months of covered earnings immediately before the six-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 six-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 insured's credited years of service are the insured's total months of contributions divided by 12 for contributions since 2002; every year in which the insured has at least six months of contributions for contributions from 1985 to 2001; 1985 minus the year the insured began making contributions for contributions before 1985.

The minimum monthly earnings used to calculate benefits are 1,000 pesos (5,000 pesos for voluntarily insured overseas workers).

The maximum monthly earnings used to calculate benefits are 16,000 pesos.

There is no maximum disability pension.

Dependent's supplement (permanent total disability): 10% of the insured's disability pension or 250 pesos, whichever is greater, is paid.

Partial disability: A percentage of the full pension is paid according to the assessed degree of disability. A lump sum is paid if the insured had less than 12 months of contributions.

Supplementary allowance: 500 pesos a month is paid.

Schedule of payments: 13 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 system, subject to approval by the Social Security Commission.

Disability grant: For a permanent total disability, a lump sum of the monthly pension the insured would have been entitled to receive multiplied by the number of monthly contributions or 12 times the monthly pension, whichever is greater, is paid.

For a permanent partial disability, a lump sum of the monthly pension the insured would have been entitled to receive 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, is paid.

Survivor Benefits

Survivor pension: 100% of the old-age or disability pension the deceased received or was entitled to receive is split among eligible survivors (illegitimate children receive 50% of the share allocated to legitimate children).

The spouse's benefit ceases on remarriage and the amount is split among the eligible surviving children.

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

The deceased's credited years of service are the deceased's total months of contributions divided by 12 for contributions since 2002; every year in which the deceased had at least six months of contributions for contributions from 1985 to 2001; 1985 minus the year the deceased began making contributions for contributions before 1985.

There is no maximum survivor pension.

Dependent's supplement: 10% of the monthly old-age or disability pension the deceased received or was entitled to receive or 250 pesos, whichever is greater, is paid.

If there is no surviving spouse or dependent child and if the deceased died within 60 months of first receiving a pension, a lump sum of the remaining balance of 60 months of pension is paid to dependent parents, or if there are no dependent parents, to the person named by the deceased.

Schedule of payments: 13 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 system, subject to approval by the Social Security Commission.

Survivor grant: A lump sum of the monthly old-age pension the deceased would have been entitled to receive multiplied by the number of months of contributions or 12, whichever is greater, is paid.

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

Administrative Organization

Social Security Commission, composed of a tripartite board of representatives from the government, employers, and workers, provides general supervision, management, and regulation.

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

Sickness and Maternity

Regulatory Framework

First and current laws: 1954 (sickness), 1969 (medical benefits), and 1977 (maternity).

Type of program: Social insurance system.

Coverage

Cash sickness and maternity benefits: Private-sector employees, household workers, and self-employed persons.

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 (cash sickness benefits only).

Medical benefits: Citizens of the Philippines.

Source of Funds

Insured person

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

Medical benefits: 1.25% of the lower limit of the insured's salary bracket, according to 25 salary brackets.

The minimum monthly earnings used to calculate contributions are 8,000 pesos.

The maximum monthly earnings used to calculate contributions are 35,000 pesos.

Employed persons pay contributions monthly; overseas workers pay annually; other voluntarily insured persons may pay contributions monthly, quarterly, semi-annually, or annually.

Self-employed person

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

Medical benefits: 2,400 pesos a year with gross monthly earnings up to 25,000 pesos; 3,600 pesos a year with gross monthly earnings above 25,000 pesos.

Overseas workers pay annually; other self-employed persons and voluntarily insured persons may pay contributions monthly, quarterly, semi-annually, or annually.

Employer

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

Medical benefits: 1.25% of the lower limit of the employee's salary bracket, according to 25 salary brackets.

The minimum monthly earnings used to calculate contributions are 8,000 pesos.

The maximum monthly earnings used to calculate contributions are 35,000 pesos.

Government

Cash sickness and maternity benefits: Any deficit.

The minimum and maximum monthly earnings used to calculate contributions are adjusted periodically by the Social Security Commission, subject to the approval of the President of the Philippines.

Medical benefits: 2,400 pesos a year for certain categories of people with low or no income.

The minimum and maximum monthly earnings used to calculate contributions are adjusted periodically by the Philippine Health Insurance Corporation Board.

Qualifying Conditions

Cash sickness benefits: Must have at least three months of contributions in the 12 months immediately before the six-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 four days. Must provide medical certification.

Cash maternity benefits: Must have at least three months of contributions in the 12 months immediately before the six-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 pregnancies, including miscarriages. Must provide medical certification of the pregnancy and a birth certificate.

Medical benefits: Employed persons must have at least three months of contributions in the six months before hospitalization. Self-employed persons and voluntarily insured persons must have at least three months of contributions in the six months before hospitalization if no surgical procedure is involved; nine months in the 12 months before hospitalization if a surgical procedure is involved. Contribution conditions are waived for registered retirees and pensioners, certain categories of people with low or no income, and overseas workers.

Sickness and Maternity Benefits

Sickness benefit: 90% of the insured's average daily covered earnings is paid after a three-day waiting period (except for an injury or an acute disease) for up to 120 days

in a calendar year. The benefit payment period may not exceed 240 days for the same illness.

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

Maternity benefit: 100% of the insured's average daily covered earnings is paid for 60 days each for up to four births or miscarriages (78 days for a caesarian birth or an ectopic pregnancy that requires surgery).

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

Workers' Medical Benefits

Accredited health care providers offer inpatient and outpatient services that are paid directly by the health fund according to a fixed schedule (fee for service and case rates for select medical and surgical procedures).

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

There is no cost sharing for certain categories of people with low or no income and their dependents who are treated at government hospitals and facilities.

Inpatient treatment is limited to 45 days a year. Inpatient treatment abroad is reimbursed according to an established fee schedule for claims submitted within 180 days of discharge.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

No additional premium is required for a spouse, unmarried and unemployed children (including foster children) younger than age 21 (no limit if disabled), and parents aged 60 or older who are not independently enrolled or who are assessed with a disability.

Administrative Organization

Cash sickness and maternity benefits: Social Security Commission, composed of a tripartite board of representatives from the government, employers, and workers, provides general supervision, management, and regulation.

Employers pay sickness and maternity benefits directly to employees and are reimbursed by the Social Security System. The Social Security System pays benefits directly to self-employed and voluntary members.

Social Security System (<https://www.sss.gov.ph/>) collects contributions and administers benefits.

Medical benefits: Department of Health (<http://www.doh.gov.ph/>) provides policy coordination and guidance.

Philippine Health Insurance Corporation (<http://www.philhealth.gov.ph/>) collects contributions for the medical care program and oversees the provision of benefits. Medical care is provided by accredited providers.

Work Injury

Regulatory Framework

First and current law: 1928 (workmen's compensation) and 1974 (work injury), implemented in 1975.

Type of program: Social insurance system.

Coverage

Private-sector employees; household workers; and public-sector employees, including firefighters and military, police, and correctional personnel.

Voluntary coverage is not available.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 30 pesos with monthly earnings of at least 14,750 pesos; 10 pesos with monthly earnings below 14,750 pesos.

The Employees' Compensation Commission periodically adjusts the maximum monthly earnings used to calculate contributions.

Government: Any deficit.

Qualifying Conditions

There is no minimum qualifying period.

Temporary Disability Benefits

90% of the insured's average daily covered earnings is paid from the first day of disability for a work-related injury or illness for up to 120 days; may be extended up to 240 days if further treatment is required.

Daily covered earnings are the sum of the six highest months of covered earnings during the last 12 months before the six-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 the permanent disability pension the insured would have received under Old Age, Disability, and Survivors, plus 15%.

The minimum monthly pension is 2,000 pesos.

Dependent's supplement (permanent total disability): 10% of the insured's disability pension or 250 pesos, whichever is greater, is paid for each of the insured's five youngest unmarried, unemployed children younger than age 21 (no limit if disabled).

Partial disability: The pension is the same as the permanent total disability pension but is paid for a limited period according to a 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 is paid.

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; rehabilitation; appliances; medicine; and skills and entrepreneurial training.

Survivor Benefits

Survivor pension: 100% of the permanent total disability pension the deceased received or was entitled to receive is paid.

Dependent's supplement: 10% of the permanent total disability pension the deceased received or was entitled to receive is paid for each of the insured's five youngest unmarried, unemployed children younger than age 21 (no limit if disabled).

The pension is shared between the spouse and dependent, unmarried children younger than age 21 (no limit if disabled) earning less than 300 pesos a month.

If there is no eligible spouse or dependent child, the insured's monthly pension (excluding dependent supplements) is paid to dependent parents for up to 60 months, minus the number of months the pension was paid to the deceased before his or her death.

Funeral grant: A lump sum of 20,000 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/>), under the Department of Labor, initiates and coordinates program policies and determines contribution rates.

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

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

Unemployment

Regulatory Framework

Labor law requires employers to pay severance to employees who are dismissed due to illness, downsizing, or redundancy. The amount is half a month's pay for each year of service if dismissal is due to illness or downsizing; one month's pay for each year of service if dismissal is due to redundancy.

The Public Employment Service Office provides free employment promotion services to unemployed workers.