

Philippines

Exchange rate: U.S.\$1.00 equals 50.10 pesos.

Old Age, Disability, and Survivors

Regulatory Framework

First and current law: 1954, with 1997 amendment.

Type of program: Social insurance system.

Coverage

Compulsory for all private-sector employees up to age 60; domestic employees earning at least 1,000 pesos a month; and all self-employed persons with 1,000 pesos or more in monthly income.

Voluntary coverage for Filipinos recruited by a foreign-based employer for employment abroad.

Special system for government employees and military personnel.

Source of Funds

Insured person: 3.33% of earnings, according to 29 wage brackets. Self-employed persons pay both the insured person and employer contributions, 8.4% of earnings according to 29 income classes.

Employer: 5.07% of payroll, according to 29 wage brackets.

Government: Any deficit.

Maximum earnings for contribution and benefit purposes are 15,000 pesos a month.

All of the above contributions also finance sickness, maternity, and funeral benefits.

Qualifying Conditions

Old-age pension: Age 60 with 120 months of contributions prior to the semester of retirement and having ceased to be employed or self-employed.

Deferred retirement: Retirement is required at age 65, whether employed or not, with 120 months of contributions.

Early retirement: Age 55 for an underground mineworker who has been separated from employment or who has ceased self-employment and who has been an underground mineworker for at least 5 years.

Disability pension: Permanent total or partial disability with 36 months of contributions before the semester of the onset of disability.

Disability grant: A disability grant is awarded if the insured has less than 36 months of contributions.

Survivor pension: Death of the insured person with 36 months of contributions prior to the semester of death, or the death of an old-age pensioner.

Survivor grant: A lump-sum survivor grant is awarded if the insured had less than 36 months of contributions.

Old-Age Benefits

Old-age pension: The monthly pension equals 300 pesos, plus 20% of the average monthly credited earnings, plus 2% of the average monthly credited earnings for each year of service in excess of 10 years or 40% of average monthly credited earnings, whichever is higher.

The minimum pension is 1,200 pesos a month 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.

Partial lump sum: The insured has the option to receive the first 18 monthly pension payments in a lump sum.

Dependent supplement: 10% of the old-age pension or 250 pesos, whichever is higher, for each of the five youngest children under age 21 conceived on or before retirement (no age limit if the child is incapacitated and incapable of self-support due to a congenital mental defect or a defect acquired during childhood).

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Periodic adjustment of benefits based on price and wage changes and on the financial health of the fund.

Refund of contributions: Employee and employer contributions plus 6% interest are refunded to individuals who are ineligible for a pension.

Permanent Disability Benefits

Disability pension: The pension is calculated in the same way as the old-age pension, above.

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.

Dependent supplement: 10% of the disability pension or 250 pesos, whichever is higher, for each of the five youngest children under age 21 conceived on or before the onset of disability (no age limit if the child is incapacitated and incapable of self-support due to a congenital mental defect or a defect acquired during childhood).

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

Partial disability: The pension is computed in the same way as for total disability, but the length of the payment period is related to the degree of the assessed disability. The total pension benefit is paid in a lump sum if the payment period is less than 12 months.

Schedule of payments: Thirteen payments a year.

Benefit adjustment: Periodic adjustment of benefit payments based on price and wage changes and on the financial health of the fund.

Disability grant: For permanent total disability, a lump sum equal to the insured's monthly pension times the number of monthly contributions or 12 times the monthly pension, whichever is higher. The grant for a permanent partial disability is a lump sum equal to the insured's monthly pension times the number of monthly contributions times the assessed percentage of disability in relation to the whole body, or 12 times the monthly pension times the assessed percentage of disability, whichever is higher.

Survivor Benefits

Survivor pension: 100% of insured's monthly old-age pension, payable to a surviving spouse and dependent children.

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

Dependent supplement: 10% of the insured's pension or 250 pesos, whichever is higher, to each of the five youngest children under age 21 conceived on or before the date of death (no age limit if the child is incapacitated and incapable of self-support due to a congenital mental defect or a defect acquired during childhood).

Survivors of an old-age or a permanent total disability pensioner: 100% of the insured's pension plus dependent supplements. If there is no surviving spouse and no dependent children and the insured dies within 60 months after first receiving a pension, a lump sum equal to 60 months' pension less the value of the pension drawn is payable to dependent parents or other dependents.

Schedule of payments: Thirteen payments a year.

Survivor grant: The lump sum is equal to the insured's monthly pension times the number of monthly contributions, or 12 monthly pensions, whichever is higher, and is payable to the surviving spouse and dependent children. If there is no surviving spouse and no dependent children, a lump-sum grant equal to 36 times the insured's monthly pension is payable to dependent parents or other dependents.

Funeral grant: 20,000 pesos, in cash or kind. (The family may use the memorial service assistance program package provided by accredited life insurance companies.)

Administrative Organization

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

An administrator, president, and chief executive officer are responsible for the administration of the Social Security System.

Sickness and Maternity

Regulatory Framework

First and current laws: 1954 (sickness benefit), with 1997 amendment; 1969 (medical care), with 1996 amendment; and 1977 (maternity), with 1997 amendment.

Type of program: Social insurance system providing cash and medical benefits.

Coverage

Cash sickness and maternity benefits: Compulsory for all private-sector employees up to age 60; domestic employees earning at least 1,000 pesos a month; and all self-employed persons with 1,000 pesos or more in monthly income.

Voluntary coverage for Filipinos recruited by a foreign-based employer for employment abroad.

Special system for government employees except for maternity benefits.

Medical care: Compulsory for all private-sector employees not over age 60, domestic employees earning at least 1,000 pesos a month, and all self-employed persons with 1,000 pesos or more in monthly income.

Coverage is also provided to pensioners and retirees and their dependents. Limited coverage is provided to certain categories of people with no or low income. Filipinos recruited by a foreign-based employer for employment abroad are covered on a voluntary basis.

Source of Funds

Insured person

Cash sickness benefit: See Old Age, Disability, and Survivors, above.

Cash maternity benefit: None.

Medical benefits: Employed persons, 1.25% of wage according to 15 wage classes; none for pensioners and their dependents or for certain categories of people with no or low income.

Employer

Cash sickness benefit: See Old Age, Disability, and Survivors, above.

Cash maternity benefit: 0.4% of payroll, according to 29 wage classes.

Medical benefits: 1.25% of payroll, according to 15 wage classes.

Government: Funding of medical benefits for certain categories of people with no or low income, and any deficit.

Maximum earnings for contribution purposes are 15,000 pesos a month for cash sickness and maternity benefits.

Maximum earnings for contribution purposes are 10,000 pesos a month for medical benefits.

Qualifying Conditions

Cash sickness benefit: Three months of contributions within the last 12 months immediately preceding the semester of sickness. Hospitalized or confined to bed for at least 4 days and has administrative approval.

Cash maternity benefit: Three months of contributions within the last 12 months immediately preceding the semester of childbirth or miscarriage. The insured is covered for four deliveries, including miscarriages. The self-employed and voluntary members are also covered.

Medical benefits: Three months of contributions within the last 12 months before the first day of illness; contribution conditions are waived for retirees, pensioners, and certain categories of people with no or low income.

Sickness and Maternity Benefits

Cash sickness benefit: A daily cash allowance equal to 90% of the insured's average daily wage credited earnings. Benefit is payable after a 3-day waiting period (unless for an injury or an acute disease) for up to 120 days in a calendar year. The payment of benefit is not to exceed 240 days for the same illness.

Cash maternity benefit: 100% of the average daily wage during the highest-paid 6 months of the 12 months preceding the semester of delivery or miscarriage. Benefit is payable for 60 days for noncaesarian deliveries and 78 days for caesarian deliveries.

Workers' Medical Benefits

Services rendered by health care providers are paid directly by the health fund according to a fixed schedule. Limited reimbursement of medical costs covers 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

Same as for the insured person.

Administrative Organization

Cash sickness and maternity benefits: A tripartite Social Security Commission manages the cash sickness and maternity program.

A president and a chief executive officer are responsible for the administration of the program.

Employers pay sickness and maternity benefits directly to their own employees and are reimbursed from the Social Security System.

Medical benefits: Philippine Health Insurance Corporation manages the medical care program. The Department of Health provides policy coordination and guidance.

Work Injury

Regulatory Framework

First and current law: 1974, with 1996 amendment.

Type of program: Social insurance system.

Coverage

Employed persons including domestic employees and Filipinos recruited by a foreign-based employer for employment abroad.

Exclusions: Self-employed persons.

Special system for government employees and military personnel.

Source of Funds

Insured person: None.

Employer: 1% of payroll, according to 10 wage brackets.

Government: None.

Maximum earnings for contribution purposes are 3,000 pesos a month.

Qualifying Conditions

Work injury benefits: One month of contributions.

Temporary Disability Benefits

90% of the average daily wage of the 6 highest-paid months during the last 12 months.

The minimum benefit is 10 pesos a day.

The maximum benefit is 200 pesos a day.

Benefit is payable from the first day of disability due to an injury or a work-related sickness for up to 240 days in a calendar year.

Permanent Disability Benefits

Permanent disability pension: 115% of the sum of 300 pesos plus 20% of the average monthly credited earnings plus 2% of the average monthly credited earnings for each year of contributions in excess of 10 years, or 115% of 40% of average monthly credited earnings, or 2,000 pesos, whichever is higher.

Dependent supplement: 10% of the insured's pension or 250 pesos, whichever is higher, for each of the five youngest children under age 21.

Partial disability: Calculated in the same way as for total disability, but the duration of the benefit is proportionate to the assessed degree of incapacity, according to the schedule.

The minimum pension is 2,000 pesos a month.

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

Workers' Medical Benefits

Medical, surgical, and hospital services; appliances and rehabilitation.

Survivor Benefits

Survivor pension: 100% of the insured's monthly pension.

Dependent supplement: 10% of the insured's monthly pension for each of the five youngest children under age 21.

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

Survivor grant: The insured's monthly pension is payable to some categories of survivor for up to 60 months. The grant must not be less than 120,000 pesos in total.

Funeral grant: 10,000 pesos.

Administrative Organization

Department of Labor provides general supervision.

The president and a chief executive officer are responsible for the administration of benefits.

Employees' Compensation Commission initiates and coordinates program policies and determines contribution rates.