

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FOURTEENTH CONGRESS
Second Regular Session

House Resolution - 956



Introduced by
Gabriela Women's Party Representatives
LIZA LARGOZA-MAZA and LUZVIMINDA ILAGAN; and
Anakpawis Partylist Representative RAFAEL V. MARIANO

RESOLUTION

DIRECTING THE HOUSE OF REPRESENTATIVES COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE MOVE OF SOCIAL SECURITY SYSTEM (SSS) PRESIDENT ROMULO NERI TO CHANNEL P12.5 BILLION AS SSS PROPOSED COUNTERPART TO THE ADMINISTRATION'S "ECONOMIC RESILIENCY PLAN," AS WELL AS ITS IMPLICATIONS TO THE BENEFITS OF PRIVATE SECTOR WORKERS WHO ARE THE RIGHTFUL FUND BENEFICIARIES, AND RECOMMEND MEASURES INCLUDING THE REVIEW AND POSSIBLE AMENDMENTS TO THE SSS CHARTER IN ORDER TO SAFEGUARD THE SOCIAL SECURITY FUNDS FOR THE BENEFIT OF ITS MEMBERS

WHEREAS, President Gloria Arroyo proposed in 2008 a P100 billion crisis fund for infrastructure projects. Meanwhile her economic advisers early this year approved a P300 billion "economic resiliency plan" intended for the rehabilitation and upgrading of existing infrastructures, job creation, protection of the poorest of the poor, protection of overseas Filipino workers (OFWs) and support to business activities;

WHEREAS, the resiliency plan aims to ensure sustainable growth, as well as attain the higher end of growth targets for 2009 pegged by the Development Budget Coordination Committee at 3.7 percent to 4.7 percent;

WHEREAS, the Philippine Star reported on January 19, 2009 that Socioeconomic Planning Secretary Ralph Recto disclosed that the P300 billion fund would be rolled out within the next two years, starting 2009 until election year 2010, to prepare the country to the possibilities "after the crisis";

WHEREAS, Social Security System (SSS) President Romulo Neri said in a report by the Philippine Daily Inquirer on January 19, 2009, that the government financial institutions were tasked to provide a counterpart amounting to P100 billion or one-third of the crisis fund;

WHEREAS, in the same report by the Inquirer, Neri said that the SSS is contributing P12.5 billion of the private sector workers' fund to the economic package, which "may be allocated to products with sovereign guarantee" as provided in the SSS charter;

WHEREAS, the SSS Charter provides:

"SEC.2. Declaration of Policy. - It is the policy of the State to establish, develop, promote and perfect a sound and viable tax-exempt social security system suitable to the needs of the people throughout the Philippines which shall promote social justice and provide meaningful protection to members and their beneficiaries against the

hazards of disability, sickness, maternity, old age, death, and other contingencies resulting in loss of income or financial burden. Towards this end, the State shall endeavor to extend social security protection to workers and their beneficiaries.

X x x

"SEC. 26. Investment of Reserve Funds. - All revenues of the SSS that are not needed to meet the current administrative and operational expenses incidental to the carrying out of this Act shall be accumulated in a fund to be known as the "Reserve Fund." Such portions of the Reserve Fund as are not needed to meet the current benefit obligations thereof shall be known as the "Investment Reserve Fund" which the Commission shall manage and invest with the skill, care, prudence and diligence necessary under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would exercise in the conduct of an enterprise of a like character and with similar aims. Pursuant thereto, and in line with the basic principles of safety, good yield and liquidity, the Commission shall invest the funds to earn an annual income not less than the average rates of treasury bills or any other acceptable market yield indicator..." ;

WHEREAS, the use of SSS funds for the "economic resiliency plan" should be properly explained to the fund owners – the private sector employees and workers. In addition, the investments that shall be made by the SSS should undergo in-depth study and shall pass the requirement on investment as provided in the SSS Charter, that is, "...to earn an annual income not less than the average rates of treasury bills or any other acceptable market yield indicator...";

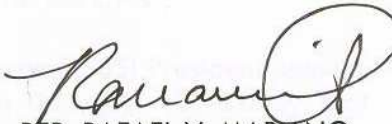
WHEREAS, SSS members as fund owners have the right to determine and decide on where their contributions should be invested or channeled into;

NOW THEREFORE, BE IT RESOLVED that the House of Representatives Committee on Government Enterprises and Privatization conduct an inquiry, in aid of legislation, on the move of Social Security System (SSS) President Romulo Neri to channel p12.5 billion as the agency's proposed counterpart to the administration's "economic resiliency plan," as well as its implications to the benefits of private sector workers who are the rightful fund beneficiaries, and recommend measures including the review and possible amendments to the SSS charter in order to safeguard the social security funds for the benefit of its members

Adopted,


REP. LIZA LARGOZA-MAZA


REP. LUZVIMINDA C. ILAGAN


REP. RAFAEL V. MARIANO