

## Philippines

Exchange rate: US\$1.00 = 46.50 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 up to age 60 earning at least 1,000 pesos a month.

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 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 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 used to calculate contributions are 1,000 pesos.

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

The maximum monthly earnings used to calculate contributions are 15,000 pesos.

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

**Government:** 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.

#### 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 with at least 120 months of contributions and employment may continue.

Age 55 for miners 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.

**Dependent's supplement:** 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.

**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.

**Dependent's supplement (permanent total disability):** Paid for each of the five youngest children under age 21 (no limit if disabled). The supplement ceases before age 21 if a child marries or becomes employed.

**Supplementary allowance:** Paid to recipients of a permanent total or partial disability pension.

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. 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 disabled; employed or married children are not eligible). The spouse's benefit ceases on remarriage and the amount is split between the eligible surviving children.

**Dependent's supplement:** Paid for each of the five youngest children under age 21 (no limit if disabled) conceived on or before the date of death. The supplement ceases before age 21 if a child marries or becomes employed.

**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 disabled; 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 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 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 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 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 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 old-age pension or 250 pesos, whichever is greater.

**Schedule of payments:** Thirteen payments a year (except for newly retired pensioners who choose a partial lump sum, in which case 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 of employee and employer contributions plus 6% interest.

### **Permanent Disability Benefits**

**Disability pension:** The monthly pension is 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 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 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 15,000 pesos.

The minimum monthly pension is 1,000 pesos if the insured contributed for less than 10 years; 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.

**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:** 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 of 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 of 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 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 less than 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.

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 of 60 months of 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: 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 fund, subject to approval by the Social Security Commission.

**Survivor grant:** A lump sum is paid of 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 is paid.

### 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), 1969 (medical benefits), and 1977 (maternity).

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

### Coverage

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

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, household workers, and self-employed persons up to age 60 earning at least 1,000 pesos a month; and overseas workers.

Full coverage is provided to pensioners and retired persons aged 60 or older who have at least 120 monthly contributions since 1972, 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.

**Medical benefits:** Employed persons contribute 1.25% of gross monthly earnings, according to 27 income classes; none for pensioners and their dependents; none for certain categories of people with low or no income.

Voluntary contributors pay 300 pesos a quarter for those whose monthly family income for the last 12 months is 25,000 pesos or less and for those professions not identified by PhilHealth; 600 pesos a quarter for those whose monthly income for the last 12 months is above 25,000 pesos (until September 2011); 900 pesos a quarter for those whose monthly family income for the last 12 months is above 25,000 pesos (after September 2011).

For insured persons with monthly earnings of less than 5,000 pesos, the minimum monthly earnings used to calculate contributions for medical benefits are 4,000 pesos.

For insured persons with monthly earnings of at least 30,000 pesos, the maximum monthly earnings used to calculate contributions for medical benefits are 30,000 pesos.

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Contributions of employed persons are paid monthly; voluntary contributors pay monthly, quarterly, semi-annually, or annually; overseas workers pay annually.

### Self-employed person

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

**Medical benefits:** 300 pesos a quarter for those whose monthly family income for the last 12 months is 25,000 pesos or less and for those professions not identified by PhilHealth; 600 pesos a quarter for those whose monthly income for the last 12 months is above 25,000 pesos (until September 2011); 900 pesos a quarter for those whose monthly family income for the last 12 months is above 25,000 pesos (after September 2011).

Self-employed 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 employee's monthly earnings.

For employees with monthly earnings of less than 5,000 pesos, the minimum monthly earnings used to calculate contributions for medical benefits are 4,000 pesos.

For employees with monthly earnings of at least 30,000 pesos, the maximum monthly earnings used to calculate contributions for medical benefits are 30,000 pesos.

**Government:** The cost of medical benefits for certain categories of people with low or no income; any deficit.

The minimum and maximum monthly earnings used to calculate contributions 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 used to calculate contributions 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 must be provided.

**Medical benefits:** Employed persons must have at least 3 months of contributions in the 6 months before hospitalization; contribution conditions are waived for retirees and pensioners. Self-employed persons and voluntary contributors must have at least 3 months of contributions in the 6 months before hospitalization if no surgical procedure is involved; 9 months in the 12 months before hospitalization if a surgical procedure is involved. No- and low-income persons and overseas workers must have valid ID cards and member data records.

### Sickness and Maternity Benefits

**Sickness benefit:** A daily allowance of 90% of the insured's average daily covered earnings is paid. 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 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 100% of the insured's average daily covered earnings. The benefit is paid for 60 days for childbirth or a miscarriage (78 days for a caesarian birth).

Daily covered earnings are 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

Accredited health care providers deliver inpatient and outpatient services and 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 medicine.

Inpatient treatment is limited to 45 days a year.

### Dependents' Medical Benefits

Accredited health care providers deliver inpatient and outpatient services and 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 medicine.

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

Eligible dependents are a spouse, unmarried and unemployed children younger than age 21 (no limited if disabled), and parents aged 60 or older who are not covered.

### **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 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 (<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 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.

**Type of program:** Social insurance system.

#### **Coverage**

Employers and employed persons up to age 60, including household 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 maximum monthly earnings used to calculate contributions are 15,000 pesos.

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

**Government:** Any deficit.

### **Qualifying Conditions**

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

### **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 sickness 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 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 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 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 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 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 100% of the monthly permanent total disability pension the deceased would have been entitled to receive.

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 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 disabled) who are not married or who earn less than 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 up to 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 employees and are reimbursed by the Social Security System.

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