

*Quo Vadis, SSS**

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As the Social Security System turns 54 on September 1 this year, it is time to look back on the aspirations of its founding fathers and to assess the agency's relevance in the 21st century. Since the 1950s, the State's obligation to provide jobs and social security has been accepted by the international community as set in the United Nations' Universal Declaration of Human Rights that was adopted in 1948. Related thereto, the SSS was created in 1957 to assist the State in this obligation through the provision of pensions to employees who have lost their jobs and income because of disability, retirement and death, so that they and their dependents will not be a burden or threat to society due to the resulting poverty and want. Was the International Labour Organization's (ILO) Convention 102 on Social Security Minimum Standards adoption in 1952, which consequently guided many countries, just a timely coincidence with the 1957 start of operations of the Philippine SSS?

Today, the SSS has 28.9 million members, with assets worth 302 billion pesos and 5,100 employees nationwide. It services 1.56 million regular monthly pensioners, mostly widows, widowers, disabled and retirees. The SSS benefit payments reached P77.17 billion in 2010, including P38.23 billion paid out to retirement claims of more than 800,000 members.

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Membership in the System is mandatory for all employees of private companies and requires monthly contributions from both employees and employers—3.33 per cent of an employee's salary up to 15,000 pesos contributed by the employees and 7.07 per cent of said salary from the employer. Self-employed persons are also covered on a mandatory basis with the total contribution of 10.4 per cent all paid for by him. The low salary ceiling of P15,000 has consequently resulted in the employee getting an inadequate pension to live by, meager compared to the retired government employee who contributes more to the Government Service Insurance System (GSIS) based on his actual salary. Thus, the SSS average monthly pension is only P3,040. In the case of the GSIS pensioner, his pension is about P7,500 if he retired with a pay of P10,000 after serving the government for 30 years.

Sadly, wittingly or unwittingly, Philippine legislators and policy makers have of late bypassed the SSS and its principles of assisting the most needy of the population.

A case in point is the Conditional Cash Transfer (CCT), a national program that is being implemented under the Department of Social Welfare and Development (DSWD) and which practically ignored the vast existing infrastructure and experience of the SSS, which has the personnel and facilities to effectively handle the program. The SSS could have worked in tandem with the DSWD. Unfortunately, it has been left out of the picture.

Under the current CCT guidelines, prepared by the DSWD, the monthly allowance per family is between P800 and P1,400 for a target of 2.3 million household beneficiaries. Family beneficiaries are selected on the basis of their extreme poverty and upon agreements to the conditions that children go to schools and avail of regular public health services, and that mothers attend reproductive health seminars. In other countries, similar programs are implemented under the Family Allowance Program, which is being implemented based on the mere presence of children in families and do not require conditions, in other words, granted unconditionally. The imposition of conditions is administratively difficult and expensive and does not necessarily achieve the purpose of segregating the deserving from the undeserving. In not a few instances, children of poor families are deprived the benefits of the CCT because their parents do not bother to or cannot meet the conditions. These parents can be so disconnected from local society that they do not realize that such a program exists. For example, families in the remotest areas far away from private and public schools and public health services will have their children deprived of financial assistance funded out of the general revenues of public taxes. A

social program should never discriminate against the least deprived of the population.

Besides the CCT, there is the Expanded Senior Citizens Act of 2010, which would give a social pension of P500 every month to the elderly poor who are 68 years old and above and is neither a GSIS nor an SSS pensioner. But why deprive an SSS pensioner the P500 that is funded out of general revenues when all that he gets from the SSS is the minimum P1,200 pension? There are at least 400,000 pensioners now receiving P1,500 or less monthly pensions. Some cities and municipalities have also been giving senior citizens P500 to P1000 monthly, often released once or twice a year for administrative purposes. This is not to denigrate efforts to alleviate the lot of seniors, but these dole-outs are signs that the SSS has been relegated to the background. This only shows the inadequacy of the SSS in delivering its mandate from the point of view of local executives. Has the national social security program been distributed out or decentralized to local governments? It seems that SSS is indeed not synonymous with pensions.

Another indication of the marginalization of the SSS is the Personal Equity Retirement Account (PERA) Act of 2008 which calls for the establishment of individual retirement accounts that will augment social security pensions. They are entitled to tax credits as an incentive. Have we given up on the ability of the SSS to provide adequate pensions, and will workers have to suffer further to make additional savings using the private sector financial system?

On the home front, the SSS recently launched its Voluntary Provident Fund, which can be availed of only by the elite, depriving the government of much needed taxes and the SSS itself of another source of subsidy for the marginal members. Aside from complicating the operations of the SSS, as the management of a huge number of personal accounts can overly burden the present operations of SSS, there are several other issues that should be reconciled. Where will the funds to improve the pensions of the lower income group come from as the additional contributions by definition are earmarked for the contributors only? And why should the SSS focus more on the “stronger” members and practically stagnate the pension scheme of the lower income members? Will those in the lower income group whose salaries are less than the P15,000 ceiling now have to take care of their own? Will this not result in dividing the present social security program into one for the “haves” and another for the “have-nots”?

Forgotten by the program are the poor, low-salaried and the disconnected. No less than the US President Franklin Delano Roosevelt,

during the recession in the United States, considered social security “a national concern” and sought to secure the American public from hunger and want.

The Philippine Social Security System should do no less. It should strive to uplift not only those who contribute to it but also all the citizens of the Republic. It should not wait for another fifty years to be able to provide universal coverage. The resources of all should benefit all.

Such an ideal, however, can only be attained if and when the SSS management would stop focusing on viability and start to seriously address the issue of relevance in a country of nearly a hundred million people where the poor outnumber the rich.

If the SSS’ founding fathers were alive today to re-create a social security program, what would they include in its provisions? Would they not merge under one legislation the CCT, the social pension, the PERA, and the voluntary provident fund? Or would they still opt for separate, fragmented and overlapping social security agencies such as SSS, GSIS, Philhealth, Pag-IBIG, Retirement and Separation Benefits System (RSBS), Veterans Pensions, Philippine Retirement Authority, Overseas Workers’ Welfare Administration (OWWA), Employees’ Compensation Commission (ECC) and Philippine Charity Sweepstakes Office (PCSO)?

Perhaps social security as a concept is way above our collective understanding as its meaning has not been understood by any, particularly by the common Filipino whose last best translation of the program is “Eses” whenever he asks “*May SS na ba ako?*”. Would it not be clearer if an institution called The National Pension Administration is created instead?

Fifty-four years after its founding, one can only wonder what lies ahead for the Social Security System, *Quo vadis, SSS?*