

Philippines

Exchange rate: US\$1.00 = 42.92 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: 3.33% 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 insured person's 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 self-employed person's contributions also finance cash sickness and maternity benefits and the funeral grant.

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 employer's contributions also finance cash sickness and maternity benefits and the funeral grant.

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 six-month period (January-June, April-September, July-December, or October-March) in which the pension is first paid. Employment or self-employment must cease, unless the insured is aged 65 or older.

Age 55 for miners who worked underground for at least five 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 (60 for underground mineworkers). There is no employment test after age 65 (60 for underground mineworkers).

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

Supplementary allowance: Paid to persons receiving a 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 of at least 20% and have 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 the surviving spouse and up to five dependent, unmarried, and unemployed children younger than age 21 (no age limit if disabled). 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 unmarried and 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 the surviving spouse and up to five dependent, unmarried, and 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.

A credited year of service is a year in which the insured made at least six months of contributions.

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.

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, 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 fund, subject to approval by the Social Security Commission.

Old-age grant: A lump sum of employee and employer contributions plus 6% 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; 1,200 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.

A credited year of service is a year in which the insured made at least six months of contributions.

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.

There is no maximum disability pension.

Dependent's supplement (permanent total disability): 10% of the 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. 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 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 fund, subject to approval by the Social Security Commission.

Disability grant: For a permanent total disability, a lump sum of the insured's monthly pension 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 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, is paid.

Survivor Benefits

Survivor pension: 100% of the old-age or disability pension the deceased received or was eligible to receive is paid.

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

A credited year of service is a year in which the insured made at least six months of contributions.

There is no maximum survivor pension.

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

If there is no surviving spouse or dependent child and if the insured 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 fund, subject to approval by the Social Security Commission.

Survivor grant: A lump sum of the deceased's old-age pension multiplied by the number of monthly contributions or 12 times the monthly pension, whichever is greater, is paid.

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.

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.

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, self-employed persons and certain other groups of voluntary contributors earning at least 1,000 pesos a month, retirees who have made at least 120 monthly contributions, qualified indigents; and overseas workers.

Source of Funds

Insured person

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

Medical benefits: 1.5% of gross monthly earnings. Overseas workers and voluntarily insured persons with gross monthly earnings up to 25,000 pesos pay 2,400 pesos a year.

The minimum monthly earnings used to calculate contributions are 7,000 pesos.

The maximum monthly earnings used to calculate contributions are 50,000 pesos.

Employed persons pay contributions monthly; overseas workers pay annually; other voluntarily insured persons may pay 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.

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: 1.5% of the employee's basic monthly salary.

The minimum monthly earnings used to calculate contributions are 7,000 pesos.

The maximum monthly earnings used to calculate contributions are 50,000 pesos.

Government: Any deficit; 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 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 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. Medical certification must be provided.

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. Medical certification of the pregnancy and a birth certificate must be provided.

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).

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 and 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.

Dependents' Medical Benefits

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

Eligible dependents include 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 manages, supervises, and regulates 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.

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: 1974 (work injury), implemented in 1975.

Type of program: Social insurance system.

Coverage

Employers and employed persons, including household employees.

There is no voluntary coverage.

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Exclusions: Self-employed persons.

Special systems for government employees and military personnel.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 0.2% of monthly earnings of at least 15,000 pesos; 10 pesos with monthly earnings below 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 one 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 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 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 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 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 unmarried and 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 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: 100% of the monthly permanent total disability pension the deceased would have been eligible to receive is paid.

Dependent's supplement: 10% of the deceased's monthly pension is paid for each of the five youngest unmarried, unemployed children younger than age 21 (no limit if disabled).

The minimum monthly pension is 2,000 pesos.

There is no maximum monthly pension.

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: 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.