



HOUSE OF REPRESENTATIVES

H. No. 5922

BY REPRESENTATIVES DEL MAR, VILLAROSA, TAÑADA, CODILLA, SILVERIO,
SANTIAGO (N.), ALFELOR, PANCRUDO, GONZALES (N.), DE GUZMAN,
AGBAYANI, VELARDE AND ROMULO, PER COMMITTEE REPORT
No 1757

AN ACT GRANTING THE SOCIAL SECURITY SYSTEM A ONE-TIME AUTHORITY TO CONDONE PENALTIES ON UNREMITTED OR DELINQUENT CONTRIBUTIONS BY EMPLOYERS

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

1 SECTION 1. *Short Title.* – This Act shall be known as the “Social
2 Security Condonation Law of 2009”.

3 SEC. 2. *Condonation of Penalty.* – Any employer who is delinquent
4 or has not remitted all contributions due and payable to the Social Security
5 System, including those with pending cases either before the Social Security
6 Commission, courts or fiscal’s office involving collection of contributions
7 and/or penalties, may, within six (6) months from the effectivity of this Act,
8 remit said contributions or submit a proposal to pay the same in installments,
9 subject to the implementing rules and regulations which the Social Security
10 Commission may prescribe: *Provided,* That the delinquent employer submits
11 the corresponding collection lists together with the remittance or proposal to
12 pay in installments.

1 SEC. 3. *Installment Proposal.* – In the event that a delinquent employer
2 chooses to submit an installment proposal, the Social Security System shall
3 give due course to approve and grant the same a grace period of one (1) year
4 from the date of approval of the said proposal: *Provided,* That the employer
5 shall remit upon submission of the installment proposal, a downpayment of not
6 less than two percent (2%) of its total contribution delinquency: *Provided,*
7 *further,* That the employer shall remit the balance in equal monthly
8 installments within a period not exceeding sixty (60) months if the amount is
9 not over Five million pesos (P5,000,000.00) or within a period not exceeding
10 eighty-four (84) months if the amount is over Five million pesos
11 (P5,000,000.00) and: *Provided, finally,* That the installment payments shall
12 not be charged interest or fine by the Social Security System.

13 The schedule of condonation of penalties shall be as follows:

14 (a) For previously delinquent premiums settled before the effectivity of
15 this Act, ninety-nine percent (99%) of the penalties shall be condoned;

16 (b) For employers who will pay their arrears in full and in outright
17 cash, ninety-five percent (95%) of the penalties shall be condoned; and

18 (c) For employers who will pay their arrears in installments, eighty-five
19 percent (85%) of the penalties shall be condoned.

20 In case the delinquent employer fails to remit the contributions within
21 the six (6)-month grace period or defaults in the payment of any amortization
22 provided in the approved proposal, the prescribed penalty shall be imposed
23 from the time the contributions first became due as provided in Section 22(a)
24 of Republic Act No. 1161, as amended by Republic Act No. 8282, otherwise
25 known as the Social Security Act of 1997.

26 SEC. 4. *Implementing Rules and Regulations* – Within thirty (30) days
27 after the effectivity of this Act, the Social Security Commission shall issue the
28 necessary rules and regulations for the effective implementation of this Act.

1 SEC. 5. *Separability Clause.* – If any provision of this Act is declared
2 invalid, the other provisions not affected thereby shall remain valid.

3 SEC. 6. *Repealing Clause.* – All laws, proclamations, executive orders,
4 rules and regulations or other issuances or parts thereof inconsistent with the
5 provisions of this Act are hereby repealed or modified accordingly.

6 SEC. 7. *Effectivity Clause.* – This Act shall take effect fifteen (15) days
7 after its complete publication in two (2) national newspapers of general
8 circulation.

Approved,

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