

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

FOURTEENTH CONGRESS  
First Regular Session

**HOUSE RESOLUTION NO. 608**  
**(Filed May 27, 2008)**

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**Introduced by Rep. Lorenzo R. Tañada III**

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RESOLUTION DIRECTING THE COMMITTEE ON GOVERNMENT  
ENTERPRISES AND PRIVATIZATION TO INVESTIGATE, IN AID OF  
LEGISLATION, THE POSSIBLE EFFECTS OF A POLICY TO CONDONE THE  
INTEREST AND PENALTIES OF FIRMS WHICH FAILED TO REMIT THE  
PAYMENTS OF THEIR WORKERS' SOCIAL SECURITY SYSTEM  
CONTRIBUTIONS

**Whereas**, as of September 30, 2007, the total number of delinquent employers who failed in remitting the payment of mandatory Social Security System (SSS) contribution of their workers reached 500,611; of these, 164, 603 were from the National Capital Region; 175, 255 were from Luzon; while there were 89, 807 delinquent employers in the Visayas region and 70, 946 in Mindanao;

**Whereas**, this figure accounts for more than 60% of total SSS employers and translates to the amount of P60.9 Billion in principal obligations and more than P123 billion in penalties;

**Whereas**, despite SSS' repeated attempts to find solutions such as the revised installment payment scheme which was adopted for employers with no sufficient cash to settle their liabilities back in 1992, the number of delinquent employers failing to remit SSS contributions continued to rise and has reached an alarming figure;

**Whereas**, the SSS lawyers have already started filing charges against delinquent employers to impress upon them the gravity of non-remittance of their employees' SSS contributions as this is a criminal offense that convicted grossly negligent employers will face imprisonment up to 12 years in prison;

**Whereas**, it is important to note that since 1956 until 2006, the SSS collected P469.7 Billion in contributions from its members and earned P475.8 Billion from its investments; while its expenditures amounted to a total of P475.8 Billion in benefits and P54.9 Billion in operating expenses. This means that over a period of 49 years, the cumulative revenues of the SSS

exceeded its expenditures by P414.8 Billion pesos;

**Whereas**, data shows that the figures collected in contributions is lower than the figure spent for benefits, meaning that a P6.1 Billion deficit in delinquent or non-remitted contributions has been only offset by the revenues acquired from investments and other activities;

**Whereas**, there is a need to ensure that employers understand the gravity of failure to remit their employees' SSS contributions as it is the workers' protection in times of sickness, maternity, disability, old age, death and employment injury;

**Whereas**, it is important to protect the interest of workers whose contributions are not properly remitted, thus rendering them unable to take out the benefits that are rightfully theirs as SSS members;

**Whereas**, it is also important to have an in depth study of the various reasons why employers are delinquent in their payments of SSS contribution and to ensure that measures are put into effect as a compromise to also help out cash strapped companies and enterprises;

**Whereas**, there is a need to determine the composition of the employers who are delinquent in their payments to be able to determine if a legislated condonation program as an amendment to the Republic Act 1161 is needed as was done in 1987 and 1997;

**Whereas**, there is a need to determine if a condonation program is helpful at this point in time and balance it with ensuring the viability of the social security program in the present time;

**NOW, THEREFORE BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the House Committee on Government Enterprises and Privatization be directed to investigate, in aid of legislation, the possible effects of a policy to condone interests and penalties of firms which failed to remit payments of their worker's Social Security System contributions;

**Resolved further**, that an in depth study of the composition of the companies which continued to fail in remitting their worker's contribution, as an effort to be considerate of the companies financial status to find a middle ground to help them settle their liabilities.

Adopted,

(original signed)

**REP. LORENZO R. TAÑADA III**  
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