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SSS seeks PRRD's approval to hike members' contribution rate

By CHINO S. LEYCO

State-run Social Security System (SSS) is determined to ask President Rodrigo R. Duterte to approve its proposed increase in member contribution rate this year.

Emmanuel F. Dooc, SSS President and Chief Executive Officer, said the pension fund has sought the help of Finance Secretary Carlos G. Dominguez III to push for a three percentage points increase in member contribution.

Dooc said that SSS submitted its rate hike proposal to the Department of Finance (DOF), that once approved by Duterte, will effectively raise member's monthly contribution from 11 percent to 14 percent.

"We also included the request to increase the minimum and maximum monthly salary credit," Dooc told reporters yesterday.

Under the SSS proposal, the pension fund plans to set its minimum monthly

salary credit at P4,000 from P1,000, while the maximum from P16,000 to P20,000.

"If we succeed in getting all these requests approved by the President, we will be able to collect more or less P45 billion in additional contribution revenues starting from April to end of this year," Dooc said.

The proposed hike in contribution rate will then raise SSS' fund life from the current 2032 to 2044, Dooc said.

Asked about the status of proposal submitted to Dominguez, Dooc said the finance chief is "actively reviewing" it, adding the DOF requested for additional details related to the planned rate increase.

"He (Dominguez) is again calling us to a meeting obviously to discuss it before probably he endorses it to the President with or without modifications," Dooc said.

In 2017, SSS was unable to implement the planned contribution rate hike of 1.5 percentage points.

Originally, the plan was to increase the contribution rate by 1.5 percentage points per year until 2020, from the current rate of 11 percent. However, it did not push through last year, and only the P1,000 across-the-board pension hike was implemented.

This resulted to a 66.54 percent decline in the pension fund's net income as of November, 2017.

"We have lost that opportunity when the increase was not implemented last year, so we're supposed to be increasing by another 1.5 percentage points. So for practical purposes, to meet our projections, we have to increase it by three percentage points," Dooc said.

"We will definitely push now especially that the TRAIN (Tax Reform for Acceleration and Inclusion) has become a law. We feel now that the TRAIN will provide relief in the form of lower taxes to our members, so they can now afford to pay the additional contributions," he added.

* SOCIAL SECURITY SYSTEM (SSS)

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