

Republic of the Philippines
CONGRESS OF THE PHILIPPINES
Metro Manila

Fourteenth Congress
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand nine.

Republic Act No. 9903

**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:

Section 1. Short Title. - This Act shall be known as the "**Social Security Condonation Law of 2009**".

Section 2. Condonation of Penalty. - Any employer who is delinquent or has not remitted all contributions due and payable to the Social Security System (SSS), including those with pending cases either before the Social Security Commission, courts or Office of the Prosecutor involving collection of contributions and/or penalties, may within six (6) months from the effectivity of this Act:

(a) remit said contributions; or

(b) submit a proposal to pay the same in installments, subject to the implementing rules and regulations which the Social Security Commission may prescribe: *Provided*, That the delinquent employer submits the corresponding collection lists together with the remittance or proposal to pay installments: *Provided, further*, That upon approval and payment in full or in installments of contributions due and payable to the SSS, all such pending cases filed against the employer shall be withdrawn without prejudice to the refiling of the case in the event the employer fails to remit in full the required delinquent contributions or defaults in the payment of any installment under the approved proposal.

Section 3. Installment Proposal. - In the event that a delinquent employer chooses to submit an installment proposal, the SSS shall give due course to approve and grant the same, subject to the implementing rules and regulations as the Social Security Commission shall prescribe: *Provided*, That the employer shall remit, upon submission of the installment proposal, a down payment of not less than five percent (5%) of its total contribution delinquency: *Provided, further*, That the employer shall remit the balance thereof in equal monthly installments within a period not exceeding forty - eight (48) months from the date of approval of the proposal: *Provided, finally*, That the installment payments shall bear an interest of three percent (3%) per annum.

Section 4. Effectivity of Condonation. - The penalty provided under Section 22(a) of Republic Act No. 8282 shall be condoned by virtue of this Act when and until all the delinquent contributions are remitted by the employer to the SSS: *Provided*, That, in case the employer fails to remit in full the required delinquent contributions, or defaults in the payment of any installment under the approved proposal, within the availment period provided in this Act, the penalties are deemed reimposed from the time the contributions first become due, to accrue until the delinquent account is paid in full: *Provided, further*, That for reason of equity, employers who settled arrears in contributions before the effectivity of this Act shall likewise have their accrued penalties waived...

Section 5. Implementing Rules and Regulations. - Within thirty (30) days after the effectivity of this Act, the Social Security Commission shall issue the necessary rules and regulations for the effective implementation of this Act.

Section 6. Separability Clause. - In the event that any provision of this Act is declared unconstitutional, the validity of the other provisions shall not be affected by such declaration.

Section 7. Repealing Clause. - All Laws, decrees, orders, rules and regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 8. Effectivity. - This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,

JUAN PONCE ENRILE
President of the Senate

PROSPERO C. NOGRALES
Speaker of the House of
Representatives

This Act which is a consolidation of House Bill No. 5922 and Senate Bill No. 2454 was finally passed by the House of Representatives and the Senate on October 14, 2009 and November 9, 2009.

EMMA LIRIO-REYES
Secretary of the Senate

MARILYN B. BARUA-YAP
Secretary General House of
Representatives

Approved: JAN. 07, 2010

GLORIA MACAPAGAL-ARROYO
President of the Philippines