

# Social Security Coverage

- ☐ Employees and their employers
- ☐ Self-employed persons
- ☐ Voluntary members



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# Employed persons ('000s) : Jan 2018

<b>ALL CLASSES OF WORKERS</b>	<b>41,755</b>
<b>Wage and salary workers</b>	<b>25,755</b>
Worked for private households	1,916
Worked for private establishment	20,325
Worked with pay in own family-operated farms of business	137
Worked for government/government corporation	3,397
<b>Self-employed without any paid employees</b>	<b>11,582</b>
<b>Employer in own family-operated farm or business</b>	<b>1,506</b>
<b>Unpaid family workers</b>	<b>2,893</b>

Source: Philippine Statistics Authority, Labor Force Survey

# Registration as of Dec 31, 2017

Membership Type	
EMPLOYERS	964,362
EMPLOYEES	26,136,828
SELF-EMPLOYED	4,435,987
VOLUNTARY	4,200,820
OVERSEAS WORKERS	1,356,354

\*Registered members are composed on employed workers reported to the SSS by their employers and self-employed, overseas workers and non-working spouses with approved registration form or with least one posted contribution since start of registration and do not include members with final claims

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**Coverage under Republic Act No.  
8282 (May 1997)**

# coverage of employees and employers

Coverage in the SSS shall be compulsory upon all employees not over 60 years of age and their employers: Provided, That in the case of domestic helpers, their monthly income shall not be less than P1,000 a month: x x x §9(a)

Spouses who devote full time to managing the household and family affairs, unless they are also engaged in other vocation or employment which is subject to mandatory coverage, may be covered by the SSS on a voluntary basis. §9(b)

Filipinos recruited by foreign-based employers for employment abroad may be covered by the SSS on a voluntary basis. §9(c)

# **employer, defined**

Any person, natural or juridical, domestic or foreign, who carries on in the Philippines any trade, business, industry, undertaking, or activity of any kind and uses the services of another person who is under his orders as regards the employment, except the Government and any of its political subdivisions, branches or instrumentalities, including corporations owned or controlled by the Government: Provided, That a self-employed person shall be both employee and employer at the same time. §8(c)

# employee, defined

Any person who performs services for an employer in which either or both mental or physical efforts are used and who receives compensation for such services, where there is an employer-employee relationship: Provided, That a self-employed person shall be both employee and employer at the same time.  
§8(d)

# employment, defined

Any service performed by an employee for his employer except:

- (1) Employment purely casual and not for the purpose of occupation or business of the employer;
- (2) Service performed on or in connection with an alien vessel by an employee if he is employed when such vessel is outside the Philippines;
- (3) Service performed in the employ of the Philippine Government or instrumentality or agency thereof;
- (4) Service performed in the employ of a foreign government or international organization, or their wholly-owned instrumentality:  
x x x ; and
- (5) Such other services performed by temporary and other employees which may be excluded by regulation of the Commission. §8(j)



# independent contractors

Employees of bona fide independent contractors shall not be deemed employees of the employer engaging the services of said contractors. §8(j)(11)

Any person or entity engaging the services of an independent contractor shall be subsidiarily liable with such contractor for any civil liability incurred by the latter under this act: Provided, finally, That the same person or entity engaging the services of an independent contractor shall require such contractor to post a surety bond to guarantee the payment of the worker's benefits. §24(a)

# coverage of self-employed persons

Coverage in the SSS shall also be compulsory upon such self-employed persons as may be determined by the Commission under such rules and regulations as it may prescribe, including but not limited to the following:

- (1) All self-employed professionals;
- (2) Partners and single proprietors of businesses;
- (3) Actors and actresses, directors, scriptwriters and news correspondents who do not fall within the definition of the term 'employee' in Section 8 (d) of this Act;
- (4) Professional athletes, coaches, trainers and jockeys; and
- (5) Individual farmers and fishermen.

Unless otherwise specified herein, all provisions of this Act applicable to covered employees shall also be applicable to the covered self-employed persons. §9-A(a)

## effective date coverage

Compulsory coverage of the employer shall take effect on the first day of his operation and that of the employee on the first day of his employment: Provided, That the compulsory coverage of the self-employed person shall take effect upon his registration with the SSS. §10

## effects of separation

When an employee under compulsory coverage is separated from employment, his employer's contribution on his account and his obligation to pay contributions arising from that employment shall cease at the end of the month of separation, but said employee shall be credited with all contributions paid on his behalf and entitled to benefits according to the provisions of this Act. He may, however, continue to pay the total contributions to maintain his right to full benefit. §11

If the self-employed realizes no income in any given month, he shall not be required to pay contributions for that month. He may, however, be allowed to continue paying contributions under the same rules and regulations applicable to a separated employee member: Provided, That no retroactive payment of contributions shall be allowed other than as prescribed under Section 22-A hereof. §11-A

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**Coverage and other rules under  
previous statutes (1954-1996)**

# **selective coverage in formal sector**

Coverage in the System shall be compulsory upon all employees between the ages of 18 and 60 years, inclusive, if they have been for at least six months in the service of an employer who is a member of the System: Provided, That the Commission may not compel any employer to become a member of the System unless he shall have been in operation for at least three years and has, at the time of admission, 200 employees: §9(a), RA 1161 (1954)

# **gradual relaxation of selection**

Coverage in the System shall be compulsory upon all employees between the ages of 16 and 60 years, inclusive, if they have been for at least six months in the service of an employer who is a member of the System: Provided, That the Commission may not compel any employer to become a member of the System unless he shall have been in operation for at least two years and has, at the time of admission, if admitted for membership during the first year of the System's operation at least 50 employees and if admitted for membership in the following year of operation and thereafter, at least six employees: §5, RA 1792 (1957)

Coverage in the System shall be compulsory upon all employees not over 60 years of age and their employers: §2, RA 3839 (1963)

# **exclusions in the term 'employment'**

Any service performed by an employee for his employer, except

- (1) Agricultural labor;
- (2) Domestic service in a private home;
- (3) Employment purely casual and not for the purposes of occupation or business of the employer;
- (4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 21 years in the employ of his parents;
- (5) Service performed on or in connection with an alien vessel by an employee if he is employed when such vessel is outside the Philippines;
- (6) Service performed in the employ of the Philippine Government or an instrumentality or agency thereof;



## **exclusions in the term 'employment' (cont'n)**

- (7) Service performed in the employ of a community chest, fund, foundation or corporation, organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual;
- (8) Service performed in the employ of a school, college or university if such service is performed by a student who is enrolled and is regularly attending classes therein;
- (9) Service performed in the employ of a foreign government or international organization, or their wholly-owned instrumentality;
- (10) Service performed as a student nurse in the employ of a hospital or nurses' training school, and service performed as an intern in the employ of a hospital by an individual who holds the degree of Doctor of Medicine; and

## **exclusions in the term 'employment' (cont'n)**

(11) Such other services performed by temporary employees which may be excluded by regulation of the Commission. Employees of bona fide independent contractors shall not be deemed employees of the employer engaging the services of said contractors. §8(j), RA 1161 (1954)

# **amendments to the exclusions**

Any service performed by an employee for his employer, except

(1) Agricultural labor when performed by a share or leasehold tenant or worker who is not paid any regular daily wage or base pay and who does not work for an uninterrupted period of at least six months in a year;

(9) Service performed as a student nurse in the employ of a hospital or nurses' training school, and service performed as a medical intern in the employ of a hospital. §6, RA 2658 (1960)

# **ee-er relationship not explicit**

An “employee” is any person who performs services for an “employer” in which either or both mental and physical efforts are used and who receives compensation for such services. §8(d), RA 1161 (1954)

# original rule on voluntary coverage

Any employer not required to be a member of the System may become a member thereof and have his employees come under the provisions of this Act if the majority of his employees do not object; and

Any individual in the employ of the Government, or of any of its political subdivisions, branches, or instrumentalities, including corporations owned or controlled by the Government, as well as any individual employed by a private entity not subject to compulsory membership under this Act may join the System by paying twice the employee's contribution x x x.

Any other individual may likewise join the System, subject to such rules and regulations as may be prescribed by the Commission. §9(b), RA 1161 (1954)

# **voluntary coverage of overseas workers**

Filipinos recruited in the Philippines by foreign-based employers for employment abroad may be covered by the SSS on a voluntary basis. §6, PD 735 (1975)

# **presumptive delinquency of employers**

The last complete record of monthly contributions paid by the employer as of the date of filing of the action for collection shall be presumed to be the monthly contributions for the account of the employees listed therein payable by and due from the employer to the SSS for each of the unpaid month, unless contradicted and overcome by other evidence. §12, PD 24 (1972)

# coverage of self-employed

Coverage in the SSS shall also be compulsory upon all self-employed persons earning P1,800 or more per annum: x x x x

(1) All self-employed professionals licensed by the Professional Regulations Commission or those licensed to practice law.

(2) Partners and single proprietors of businesses.

(3) Actors and actresses, directors, scriptwriters and news correspondents who do not fall within the definition of the term "employee" in Sec. 8 (d) of this Act.

(4) Professionals athletes, coaches, trainers licensed by the Games and Amusement Board as well as jockeys and trainers licensed by the Philippine Racing Commission. §3, PD 1636 (1979)



# **effectivity of coverage of self-employed**

The compulsory coverage of self-employed persons shall take effect on the first day of January following the calendar year they started the practice of their profession or business operations but in no case earlier than January 1, 1980. §4, PD 1636 (1979)

# coverage of househelpers

Those househelpers who are receiving at least P1,000 shall be covered by the SSS and be entitled to all the benefits provided thereunder. §1, RA 7655 (1993)

A domestic worker who has rendered at least one month of service shall be covered by SSS, PhilHealth and Pag-IBIG, and shall be entitled to all the benefits in accordance with the pertinent provisions provided by law.

Premium payments or contributions shall be shouldered by the employer. However, if the domestic worker is receiving a wage of P5,000 and above per month, the domestic worker shall pay the proportionate share in the premium payments or contributions, as provided by law. §30, RA 10361 (2013)

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## **Jurisprudence on labor and social security laws**

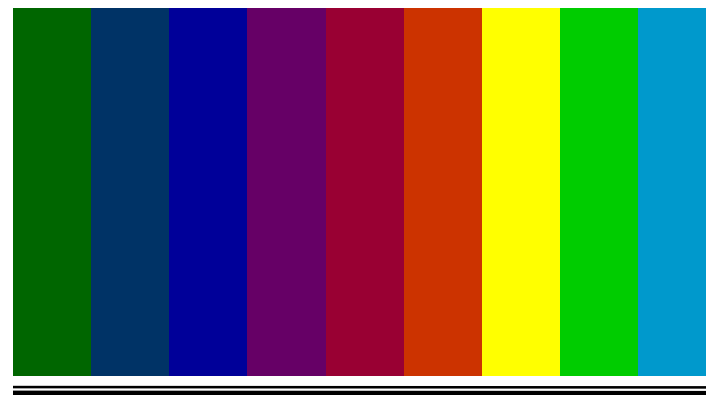
# some notable decisions

- ❑ SSS v. Ayalde, GR 100388 (Dec 2000)— agricultural laborer hired on pakyaw basis
- ❑ Investments Planning v. SSS, GR L-19124 (Nov 1967), and Grepalife v. Judico, GR 73887 (Dec 1989) contra Tongko v. Manufacturer's Life, GR 167622 (Jan 2011)— insurance agents
- ❑ Republic v. AsiaPro, GR 172101 (Nov 2007)— farm workers, members of cooperative
- ❑ Pajarillo v. SSS, GR L-21930 (Aug 1966)— crew members of fishing vessel
- ❑ Nogales v. Capitol Medical Center, GR 142625 (Dec 2006)— physicians working in hospital
- ❑ Manila Golf & Country Club v. IAC, GR 64948 (Sep 1994)— caddies
- ❑ Gabriel v. Bilon, GR 146989 (Feb 2007), NLU v. Dinglasan, 98 PR 648 (1956), Martinez v. NLRC, GR 117495 (May 1997)— drivers of PUVs

*When asked why he is digging the ditches, the man answered:*

**“I dig the ditch to earn money to buy food to give me strength to dig the ditch.”**

*-- Justice Isagani Cruz  
on “Social Justice,” PPL (2002)*



End of presentation

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