

Republic of the Philippines
Department of Social Welfare and Development

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HONORABLE SALVIO B. FORTUNO

Chairperson
Committee on Poverty Alleviation
House of Representatives
Constitution Hills, Quezon City

Dear Honorable Congressman Fortunato:

This has reference to the request of the Committee on Poverty Alleviation for our Department's official position on House Bill No. 4765 or "An Act Providing for Enhanced Social Protection for the Working Poor and the Near Poor and Providing for the Fund Therefor" authored by Representative Oscar S. Rodriguez.

The Department of Social Welfare and Development wishes to express its support on the aforementioned bill as it extends social protection to the working poor and the near poor – sectors which have been given lesser focus since service delivery is mostly intended for the poorest of the poor.

To contribute to the bill's enhancement, we are also recommending the following:

1. *On the Definition of Social Protection:* Adopt the Social Development Committee (SDC) Resolution No. 1, Series of 2007 issued by the National Economic Development Authority which defines social protections as "policies and programs that seek to reduce poverty and vulnerability to risks and enhance the social status and rights of the marginalized by promoting and protecting livelihood and employment, protecting against hazards and sudden loss of income and improving people's capacity to manage risks."

Social insurance, which is the primary focus of the bill, is just one of the four components of social protection along with labor market interventions, social welfare and social safety nets.
2. *On Section 5 – Enhanced Social Protection for the Self-Employed:* For the author of the bill to provide the rationale for placing a salary floor of P2,250 as requisite in the proposed scheme when the current SSS Program includes workers with

salary as low as P1,000 (under Section 5 – Enhanced Social Protection for the Self-Employed).


Self-employed workers which shall also be referred to the DSWD for inclusion in our programs for the poorest of the poor will have to go through assessment based on our eligibility criteria.

3. *On Section 6 – Suspension of Government Contribution:* Instead of the government contribution being suspended after a worker fails to pay three (3) monthly premium contributions, may we suggest extending this period to six (6) monthly premium contributions so that a worker may have longer financial recovery period for unintended expenses e.g. tuition payments, medical emergencies and the like.

4. The Social Security System (SSS) may also want to partner with a research institution to pilot-test the proposed scheme and determine if at the very least, the scheme was able to prevent the working poor and near poor from moving down the poverty line.

Thank you.

Very truly yours,


CORAZON JULIANO SOLIMAN
Secretary