

SYSTEM
SEP 18 2018



SSS - BUDGET DEPT
RCVD 18 SEP 2018 10:00

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Fiscal Year 2018

TO: SOCIAL SECURITY SYSTEM (SSS)

Your Corporate Operating Budget (COB) for Fiscal Year 2018 per approved Board Resolution No. 734-s. 2017 dated October 24, 2017, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby confirmed in the amount not exceeding **ONE HUNDRED NINETY EIGHT BILLION TWO HUNDRED TWENTY TWO MILLION SIX HUNDRED NINETY SEVEN THOUSAND PESOS ONLY (P198,222,697,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 219,116,000,000	P 219,116,000,000	-
Corporate Funds	218,695,572,000	218,695,572,000	-
National Government Subsidy	420,428,000	420,428,000 a/	
TOTAL USES:	P 198,818,329,000	P 198,222,697,000	P (595,632,000)
Personnel Services (PS)	7,544,266,000	7,431,485,000	(112,781,000) b/
Maintenance and Other Operating Expenses (MOOE)	5,037,818,000	4,554,967,000 d/	(482,851,000)
Capital Outlays (CO)	1,596,245,000	1,596,245,000 e/	-
Benefit Payments	184,640,000,000	184,640,000,000	-
Excess/Shortfall	P <u>20,297,671,000</u>	P <u>20,893,303,000</u>	P <u>595,632,000</u>

Footnotes:

a/ For the implementation of the SSS Educational Assistance Fund Program (EAFP).

b/ The SSS is exempt from the Salary Standardization Law (SSL) by virtue of Republic Act (RA) No. 8291. However, the System shall strictly adhere to the following provisions of laws, specifically in the grant/payment of Personnel Services:

Section 9 of Joint Resolution No. 4, s. 2009 provides that exempt entities shall observe the policies, parameters and guidelines governing position classification, salary rates, categories and rates of allowances, benefits and incentives, prescribed by the President. Any increase in the existing salary rates as well as the grant of new allowances, benefits and incentives, or an increase in the rates thereof shall be subject to the approval by the President, upon recommendation of the DBM. Section 10 thereof, requires exempt entities to submit their existing compensation and position classification systems and their implementation status to the DBM.

Section 9 of EO No. 7, s. 2010 mandates that salary adjustments pursuant to EO Nos. 811, s. 2009 and 900, s. 2010, a moratorium on the increase in the rates of salaries, and the grant of new or increase in the rates of allowances, incentives and other benefits is imposed until specifically authorized by the President.

Section 2 (b) of EO No. 36 dated July 28, 2017 provides that all SSL-exempt GOCCs shall have the option to either maintain their current compensation framework or, subject to approval of the GCG, adopt the Modified Salary Schedule under EO No. 201.

EO No. 24, s. 2011 provides that except for reasonable per diems, the grant of allowances, bonuses, incentives, and other perks to members of the board of directors/trustees of GOCCs/GFIs is disallowed.

Year-end/Mid Year Bonus and Cash Gift	P 5,084,000	Which ever is lower
Representation and Transportation Allowance	107,697,000	Computed based on SSS RATA rate
Total	P <u>112,781,000</u>	

This review action shall not be construed as an authorization for specific expenditure items under PS. The grant of such items is subject to approval of the OP. Further, it is understood that:

- Standard allowances and benefits which are authorized to officials and employees of the National Government Agencies (NGAs) covered by SSL may be adopted provided these are not already being granted in other forms;
- All other allowances/benefits not covered by the SSL, as shown in Annex B, shall be subject to approval of the President; and

TO: SOCIAL SECURITY SYSTEM (SSS)

3. The payment of salaries and increase in the rates thereof and the grant of allowances, benefits and incentives, or an increase in the rates thereof shall be subject to the approval of the President.

c/ Excludes depreciation of P339.994 Million which is a non-cash item.

d/ MOOE level was computed considering the actual/audited expenses for the previous years and the effects of inflation.

e/ Intended for building construction/renovation, office equipment (including motor vehicles) and information technology equipment.

The authority to purchase motor vehicles shall be covered by a separate authority by the Department/Office concerned as endorsed by DBM and shall be acted upon separately.

The total amount of P13,259,404,000 for operating requirements is within the available resources. The budgetary limit is computed as follows:

12% of members' contributions (P187,116,000,000 x 12%)	P	22,453,920,000
3% for investment and other income (P31,579,572,000 x 3%)		947,387,160
Total Limit	P	<u>23,401,307,160</u>

The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO No. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, Providing for Interim Compensation Adjustments, and for Other Purposes) for GOCCs covered by RA No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management and the GCG, as the case maybe.
4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to relevant provision of the annual GAA.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (ex. Department of Information and Communications Technology-Information Technology Office (DICT-ITCO) for information technology equipment and Office of the President /Department of Budget and Management/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular (BC) No. 2017-1 (amending BC No. 2016-5) dated April 26, 2017, and AO No. 15 (amending AO 233,s. 2008) dated May 25, 2011, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the adoption is impracticable, GOCC shall be allowed to continue with the existing payment scheme.
7. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.

Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO No. 292.

Recommending Approval:

C. Mahinao
CARMENCITA P. MAHINAO
 Director

SEP 13 2018

Approved:

By Authority of the Secretary:
Tina Rose Marie L. Canda
TINA ROSE MARIE L. CANDA
 Undersecretary

Date: 9/7/18

COB No. C3-18-0018

- cc: The Chairman
 Board of Directors, SSS
 Assistant Commissioner Winnie Rose H. Encallado
 Commission on Audit (COA) - Central Office
 COA Building, Quezon City
 The Resident Auditor
 COA-SSS

Department of Budget and Management
 BTS



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