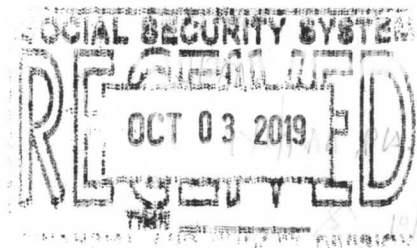




REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
GENERAL SOLANO STREET, SAN MIGUEL, MANILA



**CORPORATE OPERATING BUDGET**  
**Fiscal Year 2019**

**TO: SOCIAL SECURITY SYSTEM (SSS)**

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved Board Resolution No. 680-s. 2018 dated September 3, 2018, 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 approved for a total of **TWO HUNDRED NINETEEN BILLION SEVEN MILLION FOUR HUNDRED EIGHTY-TWO THOUSAND PESOS ONLY (P219,007,482,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	P 235,257,000,000	P 235,257,000,000	-
Corporate Funds	235,007,540,000	235,007,540,000	-
National Government Subsidy	249,460,000	249,460,000	a/
<b>TOTAL USES:</b>	P 219,405,988,000	P 219,007,482,000	P (398,506,000)
Personnel Services (PS)	9,172,327,000	b/ 9,155,222,000	(17,105,000) c/
Maintenance and Other Operating Expenses (MOOE)	4,001,195,000	d/ 3,649,858,000	(351,337,000) e/
Capital Outlays (CO)	2,802,466,000	2,772,402,000	f/ (30,064,000)
Benefit Payments	203,430,000,000	203,430,000,000	-
<b>Excess/(Shortfall)</b>	P 15,851,012,000	P 16,249,518,000	P 398,506,000

**Footnotes:**

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

b/ Includes the amount of P13.248 Million, realigned from MOOE to PS, intended for the payment of Special Counsel Allowance (SCA).

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 Government Commission for GOCCs (GCG), adopt the Modified Salary Schedule under EO No. 201.

EO No. 24, s. 2011 provides for the reasonable per diems and reimbursable expenses to members of the Board of Directors/Trustees.

c/ The variance of P17.105 Million pertains to the following:

Particulars	Amount (In thousand Pesos)	Remarks
<i>Overprovision for the following:</i>		
Clothing/Uniform Allowance	P 174	Computed at P6,000 X 8,300 employees Equivalent to one month salary Based on FY 2019 GAA rates
Year-End/ Mid-Year Bonus	15,094	
RATA	1,837	
Total	P 17,105	

**TO: SOCIAL SECURITY SYSTEM (SSS)**

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 Office of the President (OP). It is understood that:

1. 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.
2. All other allowances/benefits shall be granted in accordance with the Compensation Position and Classification System (CPCS) issued by Governance Commission for GOCCs (GCG) pursuant to RA No. 10149.
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.

d/ Excludes the amount of P13.248 Million realigned to PS intended for the payment of the SCA and depreciation expense, a non-cash expense, in the amount of P261.383 Million.

e/ Variance in MOOE pertains to adjustments in computing the recommended level, based on the actual/audited amounts for the previous years, plus the effects of inflation, details as follows:

Water, Illumination and Power	P	49,547,000	
Supplies and Materials		56,111,000	
Advertising/Publications Expense		88,468,000	
Travelling Expenses- Local		36,678,000	
Travelling Expenses- Foreign		4,846,000	
Training and Seminar Expenses		28,640,000	
Miscellaneous Expenses		11,197,000	
Donations and Contributions to Organizations		1,325,000	
Athletics and Cultural Expenses		2,616,000	
Membership Dues and Contributions		8,989,000	
Discretionary Expenses		1,578,000	
Collection/Agency Charges		56,885,000	
Director's and Committee Members' Fees		384,000	
Subtotal		347,264,000	
Auditing Services		4,073,000	Per COA Assessment letter dated October 2, 2018
Total	P	<u>351,337,000</u>	

f/ Recommended CO level is broken down as follows:

Land and Land Improvement	P	19,051,000
Buildings and Structures		183,694,000
Machineries & Equipment		2,336,557,000
Transportation Equipment *		<u>233,100,000</u>
Total	P	<u>2,772,402,000</u>

\* The purchase of transportation equipment shall be consistent with the following guidelines:

1. Per Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicles is approved by the Department of Budget and Management through an Authority to Purchase Motor Vehicle per attached **APMV No. C-19-0023**, and shall be subject to prior approval from the Department of Finance, as the supervising body of the SSS.
2. Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB Resolution No. 20-2019 which delisted the motor vehicles from the list of Common-Use Supplies and Equipment to be procured thru the Procurement Service (PS).

The total amount of P12,805,080,000 for the FY 2019 operating requirements of SSS is within the available resources. The budgetary limit is computed as follows:

12% of members' contributions (P204,405,000,000 x 12%)	P	24,528,600,000
3% for investment and other income (P30,602,540,000 x 3%)		918,076,200
Total	P	<u>25,446,676,200</u>

Notwithstanding, the above-indicated variances in PS and MOOE, the SSS has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of the corporate funds. In case of those funded out of NG budgetary support, Section 76 of the General Provisions of RA No. 11260 on the rules on the modification in allotment shall apply.

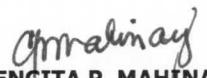
**Further, the following conditions shall be observed and complied with:**

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.

**TO: SOCIAL SECURITY SYSTEM (SSS)**

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. Disbursements for PS shall 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 CPCS 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 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 may be.
4. The interim measures prescribed under EO 36 dated July 28, 2017 as implemented by GCG Memorandum No. 2017-03 dated August 24, 2017 shall be strictly observed.
5. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and othe MOOE expenditures shall be subject to relevant provisions of the annual GAA, among others.
6. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before acquisition thereof. Examples: Department of Information and Communications Technology for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan, and OP/Department of Budget and Management/Supervising Department for the purchase of motor vehicles (MV), in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; Office of the President Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject motor vehicle/s shall be consistent with the provisions of BC No. 2019-2, and Annex B of BC No. 2017-1, among others.
7. 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.
8. 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.
9. Any and all officials or employees who will authorize, allow, 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.

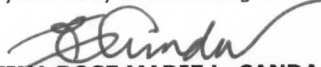
**Recommending Approval:**

  
**CARMENCITA P. MAHINAY**  
Director, BMB -C

Date: 9-19-19

**Approved:**

By Authority of the Acting Secretary:

  
**TINA ROSE MARIE L. CANDIA**  
Undersecretary

**SEP 30 2019**

COB-C3-19-0022

cc: The Chairman  
Board of Directors, SSS

Assistant Commissioner  
Commission on Audit (COA) - Central Office  
COA Building, Quezon City

The Resident Auditor  
COA-SSS

Department of Budget and Management  
TS



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