



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

CORPORATE OPERATING BUDGET
Fiscal Year 2020

TO: SOCIAL SECURITY SYSTEM (SSS)

Your Corporate Operating Budget (COB) for Fiscal Year 2020 per approved Board Resolution No. 457-s.2020 September 9, 2020, respectively, 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 and as reiterated in Corporate Budget Circular (CBC) No. 22 dated December 1, 2016, is hereby approved for a total of **TWO HUNDRED SEVENTY-ONE BILLION SEVENTY-FIVE MILLION SEVEN HUNDRED THIRTY- FIVE THOUSAND PESOS ONLY (P271,075,735,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 272,339,164,000	P 272,339,164,000	-
Corporate Funds	221,280,267,000	221,280,267,000	-
National Government Subsidy	51,058,897,000	51,058,897,000 a/	-
TOTAL USES:	P 271,238,858,000	P 271,075,735,000	P (163,123,000)
Personnel Services (PS)	8,572,335,000	8,563,466,000 b/	(8,869,000) c/
Maintenance and Other Operating Expenses (MOOE)	3,065,213,000	d/ 2,940,959,000	(124,254,000) e/
Capital Outlays (CO)	2,200,495,000	2,170,495,000 f/	(30,000,000) g/
Benefit Payments	206,400,815,000	206,400,815,000	-
Small Business Wage Subsidy (SBWS) Measure	51,000,000,000	51,000,000,000	-
Excess/(Shortfall)	P 1,100,306,000	P 1,263,429,000	P 163,123,000

Footnotes:

- a/ For the implementation of the SBWS Measure in the amount of P51 Billion as approved by the Office of the President per Memorandum from the Executive Secretary dated April 20, 2020 and SSS Educational Assistance Fund Program (EAFP) in the amount of P58,897,000.
- 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 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 P8.869 Million pertains to the overprovision in the requirements for the Year-End and Mid-Year Bonuses which shall be equivalent to one month salary for each benefit.

SSS - BUDGET DEPT.
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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/ Includes financial expenses in the amount of P47.210 Million.

e/ The variance of P124.254 Million pertains to the following:

Repair and Maintenance of Furniture and Equipment	P	1,295,000	Adjustments in the MOOE computation based on the higher amount between the FYs 2018 audited and 2019 actual, plus effect of inflation, or proposal, whichever is lower
Repair and Maintenance of Government Vehicles		9,343,000	
Water, Illumination and Power Service			
Supplies and Materials			
Advertising/Publications Expense		46,360,000	
Travelling Expenses- Local			
Travelling Expenses- Foreign			
Semi-Expendable		26,870,000	
Miscellaneous Expenses			
Donations and Contributions to Organizations		125,000	
Athletics and Cultural Expenses			
Library Books and Subscriptions		9,239,000	
Discretionary Expenses		1,216,000	
Collection/Agency Charges		30,354,000	
Subtotal		<u>124,802,000</u>	
Auditing Services		(548,000)	- Per COA Assessment for 2020
Total	P	<u><u>124,254,000</u></u>	

f/ Recommended CO level is broken down as follows:

Land and Land Improvement	P	9,651,000
Buildings and Structures		221,855,000
Machineries & Equipment Outlay		1,132,630,000
Furniture, Fixtures and Books Outlay		320,031,000
Other Intangible Assets		228,566,000
Transportation Equipment *		<u>257,762,000</u>
Total	P	<u><u>2,170,495,000</u></u>

* Procurement of 179 units (per **APMV No. C-19-0023**) and 25 units (per **APMV No. C-20-0051**), or a total of 204 units of motor vehicle.

g/ The variance of P30 Million pertains to the procurement of service vehicles (pool) which was not included in the submitted Certificate of Availability of Funds (P257.762 Million) dated October 16, 2020 and has no details provided, i.e., no. of units to be purchased and specification, hence, not recommended.



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The total amount of P11,504,425,000 for the FY 2020 operating requirements of SSS is within the available resources consistent with Section 25 of RA No. 8282 (Social Security Act of 1997). The budgetary limit is computed as follows:

12% of members' contributions (P194,287,820,000 x 12%)	P	23,314,538,400
3% for investment and other income (P26,992,447,000 x 3%)		809,773,410
Total Limit	P	<u>24,124,311,810</u>

Notwithstanding, the above-indicated variances in PS, MOOE and CO, 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 70 of the General Provisions (GP) of RA No. 11465 on the rules on modification in allotment shall apply.

The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or CO, 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. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the Office of the President (OP). Disbursements for personnel services shall be subject to the pertinent compensation laws, rules and regulations, including EO Nos. 7 (s. 2010), 24 (s. 2011), 201 (s. 2016) and 36 (s. 2017). Such expenditures shall be consistent with EO No. 76, s. 2012 and also be conditioned on the relevant GP 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. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and other MOOE expenditures shall be subject to relevant provisions of the annual GAA, among others.
5. Equipment outlays included in the Annual Equipment Procurement Program that require specific clearance/approval from the departments/agencies concerned (e.g., Department of Information and Communications Technology (DICT), particularly for Medium-Term Information and Communications Technology Harmonization Initiative Steering Committee, for information technology equipment and OP/DBM/Supervising Department for procurement of motor vehicles), the same shall be secured before acquisition thereof in accordance with CBC No. 17 dated February 9, 1996, BC No. 2017-1 dated April 26, 2017, respectively, OP Memorandum Circular No. 9 dated December 14, 2010, and Administrative Order (AO) 15 dated May 25, 2011, and AO No. 14 dated December 10, 2018, as implemented under BC Nos. 2019-2 and 2019-3 dated March 4 and May 16, 2019, respectively.
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. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred pursuant to AO No. 6 dated September 19, 2017.
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.




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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: Dec.01, 2020

Approved:

By Authority of the Acting Secretary:


TINA ROSE MARIE L. CANDA
Undersecretary

COB No. **C4-20-0023**

cc: The Chairman
Board of Directors, SSS

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

The Resident Auditor
COA-SSS



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APMV No. C-20-0051

DEC 16 2020

MS. AURORA C. IGNACIO

President and Chief Executive Officer
 Social Security System (SSS)
 SSS Building, East Avenue
 Diliman, Quezon City

AUTHORITY TO PURCHASE MOTOR VEHICLE/S

Qty.	Type	Intended Use and/or User, and Specifications		Cost
1	Light DeliveryVan	<u>Use and/or User:</u> For cargo transport and delivery of equipment <u>Specifications:</u> Engine displacement not exceeding 4500 cc diesel	P	1,512,000.00
2	Passenger Van	<u>Use and/or User:</u> For the transport of personnel, equipment, supplies, products and materials <u>Specifications:</u> Engine displacement not exceeding 2500 cc for gasoline or 3000 cc for diesel		5,000,000.00
22	AUV/CUV	<u>Use and/or User:</u> For the performance of official functions and activities requiring transport <u>Specifications:</u> Engine displacement not exceeding 2500 cc for gasoline or 2800 cc for diesel		27,500,000.00
25	TOTAL		P	34,012,000.00
TOTAL AMOUNT IN WORDS		: **THIRTY FOUR MILLION TWELVE THOUSAND PESOS ONLY**		
FUNDING SOURCE		: FY 2020 Corporate Operating Budget		

CONDITIONS:

1. The motor vehicle/s shall be used only for official purpose, the intended use and/or by the intended user, for which the motor vehicle/s was requested as herein authorized. The acquisition/purchase of subject motor vehicle/s shall be in accordance with the provisions of, among others, 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; BC No. 2010-2 dated March 1, 2010; and National Budget Circular (NBC) No. 446 dated November 24, 1995, as amended by NBC No. 446-A dated January 30, 1998. 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.
2. Further, GPPB Resolution No. 20-2019 approves the delisting of the motor vehicles used for: (i) the exercise of executive functions; (ii) transport of personnel, equipment, supplies, products and materials; (iii) transport of sick and/or injured persons; (iv) patrol operations; and (v) fire-fighting operations from the list of Common-Use Supplies and Equipment of the Procurement Service so that procuring entities are able to undertake their own procurement of motor vehicles.
3. Moreover, it is understood that the acquisition of said motor vehicle/s shall be in accordance with the Government Procurement Reform Act (Republic Act No. 9184) and its Implementing Rules and Regulations, as well as subject to the usual budgeting, accounting, auditing, and other applicable laws, rules and regulations.
4. The purchase of motor vehicle/s shall in no case be used as justification to request for additional driver positions.
5. The agency shall submit **within 30 days from the date of acquisition**, a written report on the purchased motor vehicle/s to this Department (through Budget and Management Bureau- C), pursuant to NBC No. 438 dated January 11, 1995.
6. The agency shall also submit within **six (6) months a report on the disposal of the motor vehicle/s being replaced by the unit/s (if any)** under this authority, pursuant to AO No. 15 dated May 25, 2011.

APPROVED:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDIA
Undersecretary 