

Rules & Regulations Implementing

Republic Act No. 7699

Or Portability Law

For Social Security Insurance Systems
Date of effectivity: 5/20/1994

Republic Act No. 7699

“An Act Instituting Limited Portability Scheme in the Social Security Insurance Systems by Totalizing the Workers' Creditable Services or Contributions in each of the Systems”

Pursuant to Section 6 of Republic Act No. 7699 entitled “An Act Instituting Limited Portability Scheme in the Social Security Insurance Systems by Totalizing the Workers' Creditable Services or Contributions in each of the Systems” the following Rules and Regulations are hereby promulgated to effectively implement the provisions of the Act.

RULE I : COVERAGE

Section 1. These rules and regulations shall apply to all worker-members of the Government Service Insurance System (GSIS) and/or Social Security System (SSS) who transfer from one sector to another, and who wish to retain their membership in both Systems.

RULE II : INTERPRETATION

Section 1. These rules shall be interpreted in the light of the Declaration of Policy found in Section I of the Act:

“ It is hereby declared the policy of the State to promote the welfare of our workers by recognizing their efforts in productive endeavors and to further improve their conditions by providing benefits for their long years of contribution to the national economy.”

Toward this end, nothing in the Act shall be construed to diminish or reduce the benefits being enjoyed by a cover worker arising from existing laws, issuances and company policies or practices or agreements between the employer and the employees and any conflicting interpretation of the law and the implementing rules and regulations shall be resolved in favor of the workers.

RULE III. DEFINITION OF TERMS

Section 1. As used in these rules, the following terms shall mean:

- a) **Contributions** – shall refer to the contributions paid by the employer or worker to either the Government Service Insurance System (GSIS) or the Social Security System (SSS) on account of the worker's membership.

- b) **Portability** – shall refer to the transfer of funds for the account and benefit of a worker who transfers from one system to the other.
- c) **Sector** – shall refer to employment either in the public or private sector.
- d) **System** – shall refer to either the GSIS as created under Commonwealth Act No. 186 as amended by Presidential Decree No. 1146 or the SSS as created under Republic Act No. 1161, as amended.
- e) **Totalization** – shall refer to the process of adding up the period of creditable services or contributions under each of the Systems, for purposes of eligibility and computation of benefits.
- f) **Creditable services** – for the public sector, the following shall be considered creditable services:
 - 1.1 All previous services rendered by an official/employee pursuant to an appointment whether permanent, provisional or temporary.
 - 1.2 All previous services rendered by an official/employee pursuant to a duly approved appointment to a position in the Civil Service with compensation or salary;
 - 1.3 The period during which an official/employee was on authorized sick leave of absence without pay not exceeding one year;
 - 1.4 The period during which an official or employee was out of the service as a result of illegal termination of his service as finally decided by the proper authorities; and
 - 1.5 All previous services with compensation or salary rendered by elective officials.
- g) **Period of contribution** – for the private sector, the periods of contribution shall refer to the periods during which a person renders services for an employer with compensation or salary and during which contributions were paid to SSS. For the purpose of this Section, a self-employed person shall be considered an employee and employer at the same time.
- h) **Eligibility** – means the workers has satisfied the requirements for entitlement to the benefits provided for under the Act.
- i) **Overlapping of periods** – shall refer to the periods during which a worker simultaneously contributes to both Systems.
- j) **Benefits** – shall refer tot he following:
 - 1. Old-age benefit

2. Disability benefit
3. Survivorship benefit
4. Sickness benefit
5. Medicare benefit, provided that the member shall claim said benefit from the System where he was last a member, and
6. Such other benefits common to both System that may be availed of through totalization.

RULE IV : LIMITED PORTABILITY OF FUNDS

Section 1. The process involved in the prompt payment of money benefits to eligible members shall be the joint responsibility of the GSIS and SSS.

Section 2. The System or Systems responsible for the payment of money benefits due a covered worker shall release the same within fifteen (15) working days from receipt of the claim, subject to the submission of the required documents and availability of the complete employee/employer records in the System.

RULE V : TOTALIZATION

Section 1. All creditable services or periods of contributions made continuously or in the aggregate of a worker under either of the Sectors shall be added up and considered for purposes of eligibility and computation of benefits.

Section 2. All services rendered or contributions paid by a member personally and those that were paid by the employers to either System shall be considered in the computation of benefits, which may be claimed from either or both Systems. However, the amount of benefits to be paid by one System shall be in proportion to the services rendered/periods of contributions made to that System.

Section 3. Totalization shall apply in the following instances:

- a) If a worker is not qualified for any benefits from both Systems;
- b) If a worker in the public sector is not qualified for any benefits in the GSIS; or
- c) If a worker in the private sector is not qualified for any benefits from the SSS.

For the purpose of computation of benefits, totalization shall apply in all cases so that the contributions made by the worker-member in both Systems shall provide maximum benefits which otherwise will not be available. In no case shall the contribution be lost or forfeited.

Section 4. If after totalization the worker-member still does not qualify for any benefit listed

in Rule III, Section 1 (j), the member will then get whatever benefits correspond to his/her contributions in either or both Systems.

Section 5. If a worker qualifies for benefits in both Systems, totalization shall not apply.

Section 6. The process of totalization of creditable services or periods of contributions and computation of benefits provided for under the Act shall be the joint responsibility of the GSIS and the SSS.

Section 7. Overlapping periods of creditable services or contributions in both Systems shall be credited only once for purposes of totalization.

RULE VI : RESPONSIBILITY

Section 1. The GSIS and the SSS shall be responsible for the recording and documentation of the creditable services and/or periods of contributions of the members respectively.

Section 2. For purposes of the Act, accreditation of services or periods of contributions of the members shall be undertaken by the GSIS for the public sector and by the SSS for the private sector.

Section 3. Complaints and questions relative to the creditable services or periods of contributions as well as computation of benefits shall be brought before the System concerned and shall be resolved in accordance with the policies and procedures adopted by the said System.

RULE VII : APPLICABILITY

Section 1. The benefits herein provided shall apply to active or inactive members of either System as of date of effectivity of the Act which is May 20, 1994.

EFFECTIVITY

Section 1. These implementing rules and regulations shall take effect immediately.