



PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02 [Re-Issued])** between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

SOCIAL SECURITY SYSTEM (SSS)

WHEREAS, the Parties above entered into a Performance Agreement covering CY 2016;

WITNESSETH: THAT –

The Parties agree to the following terms:

1. Mission and Vision. – The Mission and Vision of SSS are as follows:

Mission: To manage a sound and viable social security system which shall promote social justice and provide meaningful protection to members and their families against the hazards of disability, sickness, maternity, old age, death and other contingencies resulting in loss of income or financial burden.

Vision: A viable social security institution providing universal and equitable social protection through world-class service.

The agreed Strategy Map for achieving the vision is attached hereto as **Annex A**.

2. Measurement of Performance. – Performance for CY 2016 shall be measured based on the Performance Scorecard attached hereto as **Annex B and Annex B-1**. It is understood that the GOCC must achieve a weighted-average of at least 90% based on the agreed targets for 2016 to be eligible to grant any Performance-Based Bonus.

3. Quarterly Submission of Performance Monitoring. – SSS shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter.

4. Good Governance Conditions. – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 namely:

4.1. Conditions Common to National Government Agencies and GOCCs:

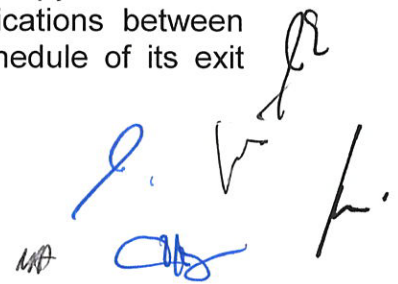
- (a) Transparency Seal;
- (b) PhilGEPS Posting;
- (c) Cash Advance Liquidation;

- (d) Citizen's Charter or its equivalent; and
- (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Networth (SALN);

4.2. *Conditions Specific to GOCCs Covered by R.A. No. 10149:*

- (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable. Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision.
- (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
- (c) Adoption of a "*Manual of Corporate Governance*" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.
- (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
- (e) Adoption of a **No GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.
- (f) Compliance with the deadlines and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to GCG MC No. 2014-02.
- (g) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to GCG MC. No. 2014-03 and implementing issuances pursuant thereto.
- (h) Submission of Corporate Operating Budgets (COBs):
 - i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National Budget Memorandum No. 123 on "Budget Call for FY 2016;"
 - ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 123.

5. SSS shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, SSS shall copy furnish the Governance Commission copies of all written communications between SSS and COA on such matters, inform GCG of the schedule of its exit



interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination.

Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to apply for the PBI, without prejudice to a further determination on the impact of the same on the GOCCs PBB application.

6. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 26th day of April 2016, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION
FOR GOCCs**

BY AUTHORITY OF THE COMMISSION:


CESAR L. VILLANUEVA
Chairman


MA. ANGELA E. IGNACIO
Commissioner


RAINIER B. BUTALID
Commissioner

SOCIAL SECURITY SYSTEM


JUAN B. SANTOS
Chairman


EMILIO S. DE QUIROS JR.
President and CEO


MICHAEL VICTOR N. ALIMURUNG
Commissioner


BIENVENIDO B. LAGUESMA
Commissioner


DIANA B. PARDO-AGUILAR
Commissioner




IBARRA A. MALONZO
Commissioner


DANIEL L. EDRALIN
Commissioner


EVA B. ARCOS
Commissioner


ROSALINDA D. BALDOZ
Commissioner



SOCIAL SECURITY SYSTEM



2016 STRATEGY MAP

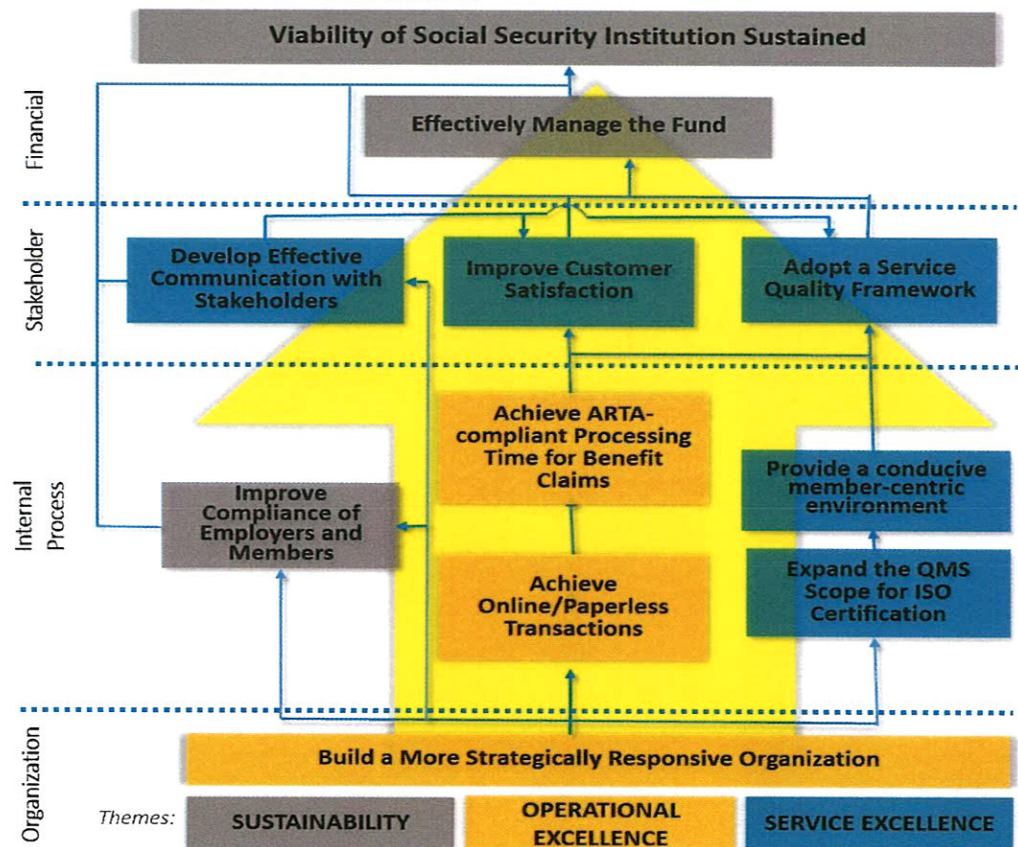
VISION: A viable social security institution providing universal and equitable social protection through world-class service.

MISSION:

To manage a sound and viable social security system which shall promote social justice and provide meaningful protection to members and their families against the hazards of disability, sickness, maternity, old age, death and other contingencies resulting in loss of income or financial burden.

CORE VALUES:

- Trust
- Empowerment
- Teamwork



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SOCIAL SECURITY SYSTEM

Component				Baseline Data (if applicable)		Target		
	Objective/Measure	Formula	Weight	2013	2014	2015	2016	
FINANCIAL	SO 1	Viability of Social Security Institution Sustained						
	SM 1	Amount of Contribution Collections	Total Contribution collection = Contribution collection [Employed + Self-employed + Voluntary paying members + OFWs]	10%	103 Billion	120.65 Billion	128.5 Billion (3Q: 94.85)	142.7 Billion
	SM 2	Net Revenue	Net Revenue = Revenues - Expenditures	10%	38.4 Billion	42.38 Billion	38 Billion (3Q: 27.96)	41.5 Billion
	SO 2	Effectively Manage the Fund						
	SM 3	Return on Investments	Annualized ROI	10%	9.2%	8.7%	6% (2Q: 6.7%)	5%

Component					Baseline Data (if applicable)		Target	
	Objective/Measure		Formula	Weight	2013	2014	2015	2016
FINANCIAL	SM 4	% of Operating Expenses to Charter Limit	Operating expenses/(12% of Contrib. coll'n + 3% of Investment and other income)	5%	57%	52.3%	70% (3Q: 49%)	≤ 70%
		<i>Sub-total</i>		35%				
STAKEHOLDERS	SO 3	Improve Customer Satisfaction						
	SM 5	ARTA Rating	[ARTA Rating Branch 1 + ARTA Rating Branch 2 + ... + ARTA Rating Branch x] / Number of SSS branches audited	5%	82.7%	87.1%	90%	90%
	SM 6	Improve net satisfaction rating	[NSR 1 + NSR 2 + ... + NSR 11] / 11	5%	n.a.	n.a.	Establish Baseline (Satisfactory)	Establish Baseline (Satisfactory)
	SM 7	Branch Visit Satisfaction System		5%				Pilot implementation to 3 branches by September with an average of "Happy" rating

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Component				Baseline Data (if applicable)		Target	
	Objective/Measure	Formula	Weight	2013	2014	2015	2016
STAKEHOLDERS	SO 4	Adopt a Service Quality Framework					
	SM 8	Implementation of ISSA Service Quality Framework	5%	n.a.	n.a.	November 2015 (following the ISSA Guidelines on Service Quality)	Implement ISSA SQ Framework in the DDR Workflow Process in 2 Branches
	SO 5	Develop Effective Communication with Stakeholders					
	SM 9	Awareness level on the Value of SSS Membership	5%				80%
		Sub-total	25%				

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Component				Baseline Data (if applicable)		Target		
	Objective/Measure		Formula	Weight	2013	2014	2015	2016
	SO 6	Improve Compliance of Employers and Members						
INTERNAL PROCESS	SM 10	% of the Number of Referred Delinquent Employer Accounts Filed in Court/PO/SSC, Collected or Settled	Number of delinquent ER accounts referred filed, collected or settled during the period / Total number of delinquent ER accounts referred for legal action as of December 2014	5%	n.a.	n.a.	90% (interim: 107%) Volume: 3,939 referred delinquent ER accounts as of December 2014	90% Volume: 13,222 referred delinquent ER accounts as of December 2015
	SM 11	% of Paying Members over Labor Force	SSS paying members / Employed persons - Workers in Govt./Govt. Corp.	5%	33%	33.7%	35% (3Q: 33.5%)	35%
	SO 7	Achieve ARTA-compliant Processing Time for Benefit Claims						

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Component				Baseline Data (if applicable)		Target	
	Objective/Measure	Formula	Weight	2013	2014	2015	2016
	SM 12	Reduce processing time		5%			As committed to GCG (Annex B-1)
INTERNAL PROCESS	SO 8	Achieve Online/Paperless Transactions					
	SM 13	By 2020, all processes and filing shall be paperless		5%			2016: Pilot selected processes – Online Amendment of Membership Data and Online Benefit Calculator.
	SO 9	Expand the QMS Scope for ISO Certification					
	SM 14	ISO Certification of DDR System and Manualization of core processes		5%	n.a.	n.a.	ISO Certification of DDR System and Manualization of “Loans” process
	SO 10	Provide a Conducive Member-Centric Environment					
	SM 15	Total Number of PE Centers	Absolute figure	5%	55	65	10 PE centers

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Component					Baseline Data (if applicable)		Target	
	Objective/Measure		Formula	Weight	2013	2014	2015	2016
	SM 16	Number of branches created/relocated	Absolute figure	5%	12	45	15 new/relocated branches	15 new/relocated branches
		Sub-total		35%				
LEARNING AND GROWTH	SO 11	Build a More Strategically Responsive Organization						
	SM 17	Average Competency Level		5%	n.a.	n.a.	Establish Competency Framework	Establish Baseline Competency Level
		Sub-total		5%				
		TOTAL		100%				

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STRATEGIC MEASURE 12

PROCESSING TIME ¹ (working days)	2015	2016	2017	2018
Retirement	36.46	18	13	10
Death	54.61	28	18	10
SS and EC Disability	29.89	23	15	10
Sickness	12.02	12	11	10
Maternity	11.09	11	10	10
SS and EC Funeral	6.12	5	5	5
Loans Granting	5	3.5	3	3

¹ Upon receipt of complete required documents