



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

CORPORATE OPERATING BUDGET
Fiscal Year 2021

TO: SOCIAL SECURITY SYSTEM (SSS)

Your Supplemental Corporate Operating Budget (COB) for FY 2021 per approved Resolution No. 489-s. 2020 dated September 23, 2020, 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 SIXTY-SEVEN MILLION FIVE HUNDRED FORTY-FIVE THOUSAND PESOS ONLY (P267,545,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P (11,590,000,000)	P (11,590,000,000)	-
Corporate Funds	(11,590,000,000)	(11,590,000,000) a/	-
National Government Subsidy	-	-	-
TOTAL USES:	P 3,740,000,000	P 267,545,000	P (3,472,455,000)
Benefit Payments	3,740,000,000	267,545,000 b/	(3,472,455,000) c/

Footnotes:

a/ Represents revised targets for the source of funds as follows:

	DBM Approved COB	Proposed Reduction in Estimated Source of Funds	Variance (This Request)
	(Amounts in Pesos)		
Member's contributions	254,030,000,000	246,230,000,000	(7,800,000,000)
Investment and Other income	28,880,000,000	25,090,000,000	(3,790,000,000)
Total, Sources	282,910,000,000	271,320,000,000	(11,590,000,000)

b/ The recommended additional benefit payments is due to the anticipated increase in claims that may be filed in 2021, particularly those that have not filed in 2020 due to pandemic. The revised estimated sources are still sufficient to cover these proposed additional benefit payments, as follows:

	DBM Approved COB	This Proposal	Total Approved COB Level
	(Amounts in Pesos)		
Sources	282,910,000,000	(11,590,000,000)	271,320,000,000
Uses	240,569,365,000	267,545,000	240,836,910,000
Excess/Shortfall	42,340,635,000	(11,857,545,000)	30,483,090,000

c/ Since the SSS has the flexibility to modify its utilization within the Approved budget level, the variance will be charged against the DBM approved COB.

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. 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.
5. 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.
6. 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.
7. 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:

Elena Regina S. Brillantes
Digitally signed by
Elena Regina S.
Brillantes

ELENA REGINA S. BRILLANTES

OIC-Director, BMB -C

Date: **DEC 09 2021**

Approved:

Tina Rose Marie L. Canda
TINA ROSE MARIE L. CANDA
Undersecretary

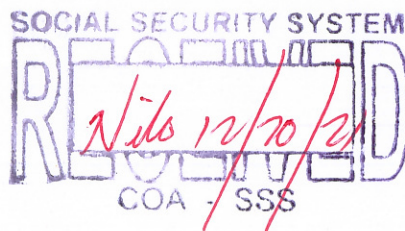
COB No. **C2-21-0070**



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





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

CORPORATE OPERATING BUDGET
Fiscal Year 2021

TO: SOCIAL SECURITY SYSTEM (SSS)

Your Corporate Operating Budget (COB) for Fiscal Year 2021 per approved Board Resolution No. 459-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 FORTY BILLION FIVE HUNDRED SIXTY-NINE MILLION THREE HUNDRED SIXTY-FIVE THOUSAND PESOS ONLY (P240,569,365,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 282,910,000,000	P 282,910,000,000	-
Corporate Funds	282,910,000,000	282,910,000,000	-
TOTAL USES:	P 241,005,944,000	P 240,569,365,000	P (436,579,000)
Personnel Services (PS)	8,660,435,000	8,660,307,000	a/ (128,000) b/
Maintenance and Other Operating Expenses (MOOE)	2,855,861,000	c/ 2,653,343,000	(202,518,000) d/
Capital Outlays (CO)	1,539,648,000	1,305,715,000	e/ (233,933,000) f/
Benefit Payments	227,950,000,000	227,950,000,000	-
Excess/(Shortfall)	P 41,904,056,000	P 42,340,635,000	P 436,579,000

Footnotes:

a/ 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.

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.

b/ The variance of P128,000 pertains to the overprovision in the requirements for the Life & Retirement Insurance Premium, Employees Compensation Insurance Premium, and Pag-I.B.I.G. Contributions.

c/ Includes financial expenses in the amount of P47.063 Million.

SSS - Social Security System
Vay
09-24-2021

09-24-2021



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d/ The variance of P199.741 Million pertains to the following:

Repair and Maintenance of Furniture and Equipment	P	33,440,000
Repair and Maintenance of Government Vehicles		10,751,000
Water, Illumination and Power Service		5,210,000
Advertising/Publications Expense		76,147,000
Travelling Expenses- Foreign		3,129,000
Semi-Expendable		23,340,000
Miscellaneous Expenses		7,279,000
Donations and Contributions to Organizations		840,000
Library Books and Subscriptions		9,455,000
Discretionary Expenses		1,216,000
Extraordinary and Miscellaneous Expenses		265,000
Funeral Benefits		12,000
Awards, Prizes and Other Claims		8,298,000
Collection/Agency Charges		20,359,000
Subtotal		199,741,000
Gender and Development		2,777,000
Total	P	202,518,000

Adjustments in the MOOE computation based on the higher amount between the FYs 2019 actual and 2020 actual, plus effect of inflation, or proposal, whichever is lower

Not considered as this should only be attributed to existing activities

e/ The recommended CO pertains to the funding requirements of doable Projects in FY 2021 broken down as follows:

Buildings and Structures	79,251,000
Machineries & Equipment Outlay	204,395,000
Office Equipment	439,756,000
Furniture, Fixtures and Books Outlay	184,082,000
Other Intangible Assets	398,231,000
Total	P 1,305,715,000

f/ The bulk of the variance for the CO pertains to projects and activities which will not likely materialize in FY 2021 and will spill over to FY 2022.

The total amount of P11,313,650,000 for the FY 2021 operating requirements of the 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 (P254,030,000,000 x 12%)	P	30,483,600,000
3% for investment and other income (P28,880,000,000 x 3%)		866,400,000
Total Limit	P	31,350,000,000

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.

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.



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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.
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:

Digitally signed by
Elena Regina S.
Brillantes
ELENA REGINA S. BRILLANTES

OIC-Director, BMB-C

Date: **SEP 20 2021**

Approved:


TINA ROSE MARIE L. CANDA
Officer-in-Charge, DBM

COB No. **C2-21-0024**



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