



Republic of the Philippines  
**SOCIAL SECURITY SYSTEM**

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**CIRCULAR NO. 2025-001**

**TO : ALL SSS EMPLOYEE MEMBERS, CLAIMANTS, BENEFICIARIES, AND EMPLOYERS**

**SUBJECT : GUIDELINES ON EMPLOYER LIABILITY FOR DAMAGES IN THE PAYMENT OF SOCIAL SECURITY (SS) BENEFITS DUE TO NON-COMPLIANCE WITH EMPLOYER OBLIGATIONS**

**I. PURPOSE**

Pursuant to Social Security Commission (SSC) Resolution No. 142-s.2023 dated 29 March 2023, implementing Section 22 (b) and Section 24 (a) and (b) of the Social Security Act of 2018, or Republic Act No. 11199, on the liability of employers for damages in the payment of Social Security (SS) benefits to employees, beneficiaries or claimants due to non-compliance with employer obligations to the SSS, this Guidelines is hereby issued.

**II. SCOPE**

This Guidelines shall cover all SS benefit claims under employer liability filed by the employees/beneficiaries/claimants.

**III. POLICIES**

**A. Cases of Employer Liability for Damages**

1. The employer shall be liable for damages in the payment of benefits if the following obligations were not complied with prior to the employee's date of contingency (sickness, maternity, unemployment, retirement, permanent partial/total disability or death), as determined by the SSS:
  - a. Reported to the SSS the employee for compulsory coverage;
  - b. Reported to the SSS the true date of employment of the employee; **or**
  - c. Remitted to the SSS the correct amount of contributions due on behalf of the employee as required under the law.
2. The amount of damages shall be equivalent to the cash benefit that an employee would have been entitled to if the above-mentioned obligations were complied with by the employer. However, if the contingency of the employee occurred within thirty (30) days from the date of employment, the employer shall be relieved of the liability to pay for damages, provided that the corresponding SS contribution prior to contingency had been paid.

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## B. Computation of Employer Liability for Damages

1. For non-reporting of employees for coverage, the employer liability for damages shall be computed based on the actual date of employment, as follows:
  - a. Sickness/Maternity/Unemployment/Permanent Partial Disability/Funeral benefits and Retirement/ Permanent Total Disability/Death lump-sum benefits
    - Full amount of benefit for the compensable period; and
  - b. Retirement/Permanent Total Disability/Death pension benefits
    - Full amount of accumulated pension due as of the date of settlement of the claim or the five (5) year guaranteed pension, whichever is higher, including dependents' pension, additional monthly benefit allowance, supplemental benefit (for disability) and 13<sup>th</sup> month pension.
2. For misrepresentation of employment date or non-remittance of any contribution due, the employer liability for damages shall be computed as follows:
  - a. Sickness/Maternity/Unemployment/Permanent Partial Disability/Funeral benefits and Retirement/Permanent Total Disability/Death lump-sum benefits
    - Difference between the amount of benefit to which the employee, beneficiary/ies, or claimant/s is/are entitled to had the proper contributions been remitted to the SSS and the amount payable on the basis of contributions actually remitted; and
  - b. Retirement/Permanent Total Disability/Death pension benefits
    - Difference between the full amount of accumulated pension due, as mentioned in Section III.B.1b, and the amount payable on the basis of contributions actually remitted.
3. For two (2) or more employers who are liable for the payment of benefits of the same employee, the liability of each employer shall be computed proportionately based on the actual period of employment and the corresponding contributions due.

## C. Payment of Benefit Claims

1. The SSS shall determine if a benefit claim is subject to processing under employer liability for damages and shall inform the employee, beneficiary/ies, or claimant/s of the corresponding procedures for the granting of the benefit.
2. The employee, beneficiary/ies, or claimant/s shall comply with the submission of the required documents as proof of employment showing:
  - a. the name of the employer;
  - b. covered employment period;
  - c. monthly salary; and
  - d. other information as determined by the SSS.

The submitted documents shall be subject to authentication/verification by the SSS to establish existence of employer-employee relationship.

3. Upon evaluation that the submitted documents and the employment reports on file are in order, the SSS shall send a billing letter/collection letter to the employer for the payment of unremitted contributions, including penalties, and damages.
4. The computation of employer liability for damages and preparation of billing letter/collection letter shall be within five (5) working days upon receipt of investigation/fact of employment report from Accounts Management Section (AMS)/Large Accounts Department (LAD).
5. The employer shall pay to the SSS the total collectible amount in full or through any settlement scheme as may be approved by the SSC.
6. The filing and processing of the benefit claim application of the employee, beneficiary/ies, or claimant/s shall proceed upon posting of the minimum required contributions, as paid by the employer. This shall be without prejudice to the collection of the outstanding balance of the unremitted contributions, penalties, and damages. Once collected, the benefit shall be subject to re-adjudication.
  - If there were no payment/s made by the employer despite diligent efforts to collect the same, the SSS shall receive the benefit claim application of the employee, beneficiary/ies, or claimant/s for processing and payment **after one (1) year** from the actual date of receipt of billing letter by the employer.
7. The employee, beneficiary/ies, or claimant/s shall receive a notification on the status of the investigation/fact of employment, information on the corresponding procedures for the granting of benefit, and/or status of the benefit claim application filed.
8. The SSS shall institute the necessary legal action against the employer for failure or refusal to pay the total collectible amount.

#### **D. Applicable Date of Coverage for Purposes of Benefit Payments**

The applicable date of coverage of employed members for purposes of benefit payments shall be determined as follows:

1. The date of coverage of an employee shall be on the day of his/her employment, which shall be presumed to be the applicable month of the first contribution remittance to the SSS, unless proven otherwise.
2. Employees who were previously reported for coverage to the SSS but have no posted contributions upon effectivity of this Guidelines shall not be eligible for any benefit claim. The provision on date of coverage as stated in Section III.D.1 shall apply.

**IV. EFFECTIVITY**

This Circular shall take effect fifteen (15) days following its publication in a newspaper of general circulation and the registration and filing of three (3) copies of the published Circular with the Office of the National Administrative Register.

Please be guided accordingly.



**ROBERT JOSEPH MONTES DE CLARO**  
President and CEO



09 JAN 2025

Date

*(Policy – Sickness/Maternity/Disability/Retirement/Death/Funeral/Unemployment/Pension Management)*