

[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

SECTION 1. 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. Towards this end, the State shall institute a scheme for totalization and portability of social security benefits with the view of establishing within a reasonable period a unitary social security system.

SECTION 2. *Definition of Terms.* — As used in this Act, unless the context indicates otherwise, the following terms shall mean:

a) “Contributions” shall refer to the contributions paid by the employee 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 SSS as created under Republic Act No. 1161, as amended or the GSIS as created under Presidential Decree No. 1146, as amended; and

e) “Totalization” shall refer to the process of adding up the periods of creditable services or contributions under each of the Systems, for purposes of eligibility and computation of benefits.

SECTION 3. Provisions of any general or special law or rules and regulations to the contrary notwithstanding, a covered worker who transfers employment from one sector to another or is employed in both sectors shall have his credible services or contributions in both Systems credited to his service or contribution record in each of the Systems and shall be totalized for purposes of old-age, disability, survivorship and other benefits in case the covered member does not qualify for such benefits in either or both Systems without totalization: *Provided, however,* That overlapping periods of membership shall be credited only once for purposes of totalization.

SECTION 4. All contributions paid by such member personally, and those that were paid by his employers to both Systems shall be considered in the processing of benefits which he can claim from either or both Systems: *Provided, however,* That the amount of benefits to be paid by one System shall be in proportion to the number of contributions actually remitted to that System.

SECTION 5. Nothing in this Act shall be construed to diminish or reduce the benefits being enjoyed by a covered worker arising from existing laws, issuances, and company policies or practices or agreements between the employer and the employees.

SECTION 6. The Department of Labor and Employment for the private sector and the Civil Service Commission for the government sector, together with the SSS and the GSIS shall, within ninety (90) days from the effectivity of this Act, promulgate the rules and regulations necessary to implement the provisions hereof: *Provided,* That any conflict in the interpretation of the law and the implementing rules and regulations shall be resolved in favor of the workers.

SECTION 7. All laws, decrees, orders, rules and regulations, or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 8. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved: May 1, 1994