

## MEMORANDUM OF AGREEMENT

### KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (AGREEMENT) entered into by and between:

The **SOCIAL SECURITY SYSTEM**, a government-owned and controlled corporation created pursuant to Republic Act No. 1161, as amended, with principal office address at the SSS Building, East Avenue, Diliman, Quezon City, represented herein by its President and CEO, **EMILIO S. DE QUIROS, JR.**, hereinafter referred to as the SSS;

– and –

The **DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT**, an executive department of the government created pursuant to Republic Act 6975, Series of 1990, with principal office address at DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City, represented herein by its Secretary, **MAR ROXAS**, hereinafter referred to as the DILG.

### WITNESSETH:

**WHEREAS**, the SSS is mandated by law to provide social security protection to all self-employed persons and other qualified Filipino workers regardless of trade, business or occupation against the hazards of disability, sickness, maternity, old age, death and other contingencies;

**WHEREAS**, coverage under the Expanded SSS Self-employed Program is applicable to the Contractual and Job Order (JO) personnel in the employ of the government but not coverable under the Government Service Insurance System (GSIS) Law for such personnel to have protection against the hazards of disability, sickness, maternity, old age, death, and other contingencies that the SSS offers;

**WHEREAS**, to pursue the coverage of Contractual and JO personnel in the Local Government Units (LGUs), and the collection of their monthly contributions and loan amortizations, the SSS has to partner with the DILG;

**WHEREAS**, the SSS and DILG have agreed to give full support to the compulsory coverage of Contractual and JO personnel of the LGUs as Self-Employed Member under the Social Security Law, as amended;

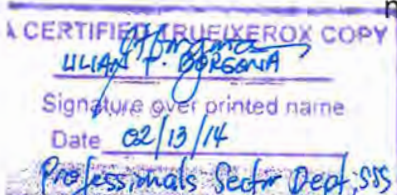
**WHEREAS**, this AGREEMENT has been approved by the Social Security Commission pursuant to its Resolution No. 511-s.2013 dated 05 July 2013.

**NOW, THEREFORE**, in view of the foregoing considerations, the Parties hereto agree as follows:

#### I. UNDERTAKING OF THE PARTIES

1. The DILG shall issue a Memorandum Circular encouraging all Provinces, Cities, Municipalities and Barangays to:

1.1. Ensure the SSS coverage of all Contractual and JO personnel, who are not covered under the GSIS Law, by requiring them to register as Self-



employed members of the SSS; and submit a list of all Contractual and JO personnel to the SSS, showing the name, date of birth and SS number, if any;

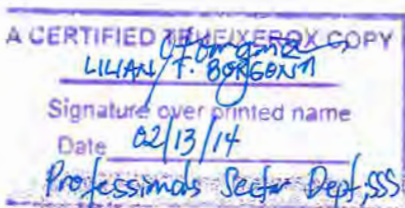
- 1.2. Automatically deduct from salaries and wages of Contractual and JO personnel the monthly SS contributions and salary loan amortizations, if any; The LGUs have no obligation to pay the employer counterpart of the said contributions;
  - 1.3. Remit all contributions and loan amortizations, if any, with a corresponding Collection List to SSS on or before the 10<sup>th</sup> day of the month following the applicable month;
  - 1.4. Assign a Liaison Officer for SSS; and
  - 1.5. Invite SSS to conduct seminar/presentation to Contractual and JO personnel on the importance and benefits of SSS membership.
2. The SSS shall:
- 2.1. Provide free seminars/presentations to Contractual and JO personnel of LGUs on the importance and benefits of SSS membership;
  - 2.2. Assign a representative, preferably an Account Officer, who shall manage the LGUs' account, assist in the implementation of this AGREEMENT and periodically monitor the remittance of all contributions and loan amortizations, if any;
  - 2.3. Process SSS membership application forms of the Contractual and JO personnel of the LGUs, in accordance with existing guidelines, policies and procedures.
  - 2.4. Provide LGUs with SSS brochures and primers for distribution; and
  - 2.5. Provide assistance to LGUs as may be necessary, subject to its rules and regulations.
3. Both parties shall ensure that they perform their obligations enumerated herein, and in accordance with the Implementing Guidelines of this AGREEMENT, a copy of which hereto is attached as Annex "A".

## II. REVIEW OF TERMS AND CONDITIONS

Any amendment, modification or alteration of the terms and conditions of this AGREEMENT may be made at any time during the period of its effectivity; provided; however, that such amendment, modification or alteration shall be in writing and with the concurrence of both Parties.

## III. GOVERNING LAW

This AGREEMENT shall be governed by and construed in accordance with the SS Law, as amended, and other applicable laws, rules and regulations of the Republic of the Philippines.



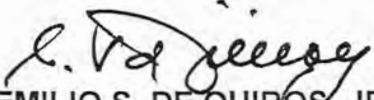
**IV. EFFECTIVITY**

This AGREEMENT shall take effect on this \_\_\_\_\_ day of \_\_\_\_\_, 2013 and shall continue to be in full force and effect, unless otherwise revoked by the Parties.

**IN WITNESS WHEREOF**, the Parties, through their duly authorized representatives, have hereunto set their hands below on the date and place indicated in the notarial acknowledgment.

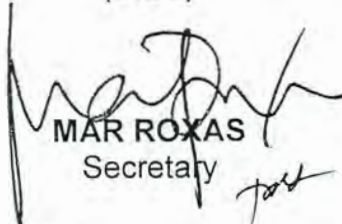
SOCIAL SECURITY SYSTEM  
(SSS)

By:

  
EMILIO S. DE QUIROS, JR.  
President and CEO

DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT  
(DILG)

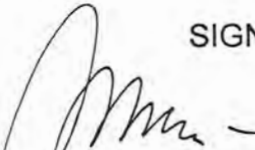
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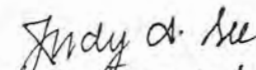
  
MAR ROXAS  
Secretary



DILG-OSEC OUTGOING 13-04745

SIGNED IN THE PRESENCE OF:

  
Dir. Manuel A. Gotis  
Bureau of Local Government  
Supervision

  
SYP Judy Frances A. See  
Group Head, Account Management

A CERTIFIED TRUE COPY  
LILIAN T. BORGENTA  
Signature over printed name  
Date 02/13/14  
Professionals Sector Dept., SSS

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
Quezon City..... ) S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction, on this  
\_\_\_\_\_ day of \_\_\_\_\_, 2013 personally appeared:

Name	Valid ID No.	Place/Date Issued
EMILIO S. DE QUIROS, JR.	<u>Driver's License NLV74034761</u>	<u>09/28/11, Q.C.</u>
MAR ROXAS	<u>DILG ID#0001</u>	<u>09/2012, Q.C.</u>

all known to me to be the same persons who executed the foregoing Memorandum of Agreement consisting of four (4) pages including this page and they acknowledged to me that the same is their own free and voluntary act and deed and that of the institutions they respectively represent.

WITNESS MY HAND AND SEAL on the date and at the place first mentioned herein.

*Dorenda M. Dasmariñas*  
**DORENDA M. DASMARIÑAS**  
 Notary Public for Quezon City/ 31 Dec. 2014  
 Notarial Commission No. NP-304 (2013-2014)  
 Legal Dept., 4F SSS Bldg., East Aev., Q.C.  
 PTR No. 9081519 / 1-7-14 / QC  
 TBP No. 925759 / 1-7-14 / QC  
 Roll No. 42195 / TIN 105-559-724

Doc. No. 213 ;  
 Page No. 44 ;  
 Book No. 1 ;  
 Series of 2013

A CERTIFIED TRUE XEROX COPY  
*Liliana T. Goring*  
 Signature over printed name  
 Date 02/13/14  
 Professionals Sector Dept. SSS

**IMPLEMENTING GUIDELINES ON THE MEMORANDUM OF AGREEMENT  
BETWEEN THE SOCIAL SECURITY SYSTEM AND  
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT**

For purposes of the implementation of the Memorandum of Agreement (MOA) between the Social Security System (SSS) and Department of Interior and Local Government (DILG), the following guidelines and procedures are hereby issued.

**General Requirements**

- A. **Agreement.** The Local Government Units (LGUs) shall ensure the SSS Coverage of all Contractual and Job Order (JO) personnel, who are covered by a contract of service with the LGUs and not covered under the GSIS Law, by requiring them to register as SSS self-employed (SE) members.
- B. **Reporting.** The LGUs shall provide the SSS with a list of its Contractual and JO personnel, through the Members List (ML) form, showing the full name, SS number (if any), date of birth and monthly income. In case a Contractual/JO personnel has no SSS number yet, or has not registered as an SE member, a Self-employed Data Record Form (SS Form RS-1) shall be accomplished; *Provided*, that the Monthly Net Earnings to be declared on the SS Form RS-1 shall not be lower than the amount stated in the contract of service. The ML, together with accomplished forms/membership applications and supporting documents, shall be submitted to the SSS. The LGU shall report to the SSS, on a continuing basis, its new Contractual and JO personnel using the ML form.
- C. **Designation of Representative.** The SSS Branch shall designate an SSS representative, preferably an Account Officer, who shall manage the LGU account, assist them in their compliance under the MOA, and perform activities indicated under these guidelines. Likewise, the LGU shall designate its representative to perform activities indicated under these guidelines.

**I. Procedural Requirements**

- A. The SSS Branch shall:
  - 1. Conduct on-site registration of Contractual and JO personnel of the LGU. If with existing SS number but not registered as an SE member, require the said employee to accomplish SS Form RS-1.
  - 2. Process registration forms in accordance with the existing guidelines, policies and procedures.
  - 3. Provide free seminars/presentations to Contractual and JO personnel on the value of SSS membership.
  - 4. Conduct on-site enrollment to the Unified Multi-Purpose ID (UMID) Card for all qualified Contractual and JO personnel.



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5. Provide the LGUs a supply of SS Contributions Payment Return Form (Form RS-5) to be used by the Contractual and JO personnel.

B. The LGUs shall:

1. Deduct the monthly SS contribution of Contractual and JO personnel based on the declared Monthly Net Earnings in the SS Form RS-1 until his/her resignation/termination of contract.
2. Require Contractual and JO personnel to accomplish their individual SS Form RS-5 for submission to the LGU Representative upon completion.
3. Prepare Collection List (CL) of monthly SS contribution payments, showing the Date, Total Amount, Applicable Month and Names of Contractual and JO personnel.
4. The LGU Representative shall ensure that the total amount of all SS Form RS-5s tally with the total amount to be remitted per CL.
5. Remit SS contributions of Contractual and JO personnel to the nearest SSS Branch with tellering facility or to any SSS accredited payment centers, together with the accomplished SS Form RS-5s and CL, on or before the 10<sup>th</sup> day of the month following the applicable month. Should the LGU remit the monthly SS contributions thru an SSS accredited bank, the CL shall be temporarily filed for pick up by the SSS Representative.
6. Return the payor's copy of validated SS Form RS-5s to the Contractual and JO personnel upon remittance of contributions.

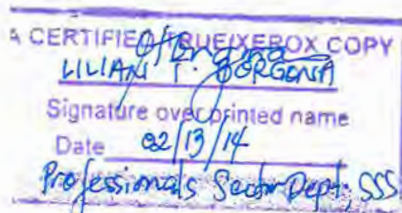
C. The SSS Cashier shall:

1. Receive the cash/check, accomplished SS Form RS-5 and CL, and validate payment following the usual procedures.
2. Release payor's copy of validated SS Form RS-5s of Contractual and JO personnel and duplicate copy of CL to the LGU Representative.

D. The SSS Representative shall:

1. Pick-up the CL from the Cashier/LGU and compare against the submitted ML of Contractual and JO personnel.
2. File the CL on the LGU's folder for monitoring purposes.
3. Periodically monitor individual payment of Contractual and JO personnel.

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