



Addressing the Needs of Senior Citizens in the Philippines

Celia M. Reyes

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Silver Linings for the Elderly in the Philippines: Policies and Programs for Senior Citizens

Celia M. Reyes, Arkin A. Arboneda, and Ronina D. Asis

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Outline of the presentation

- **Introduction**
- **Situation of senior citizens in the Philippines**
- **Policies and programs for senior citizens**
- **Gaps in the policies and programs**
- **Recommendations**

Motivation

Senior citizens are less economically active and need greater health services.

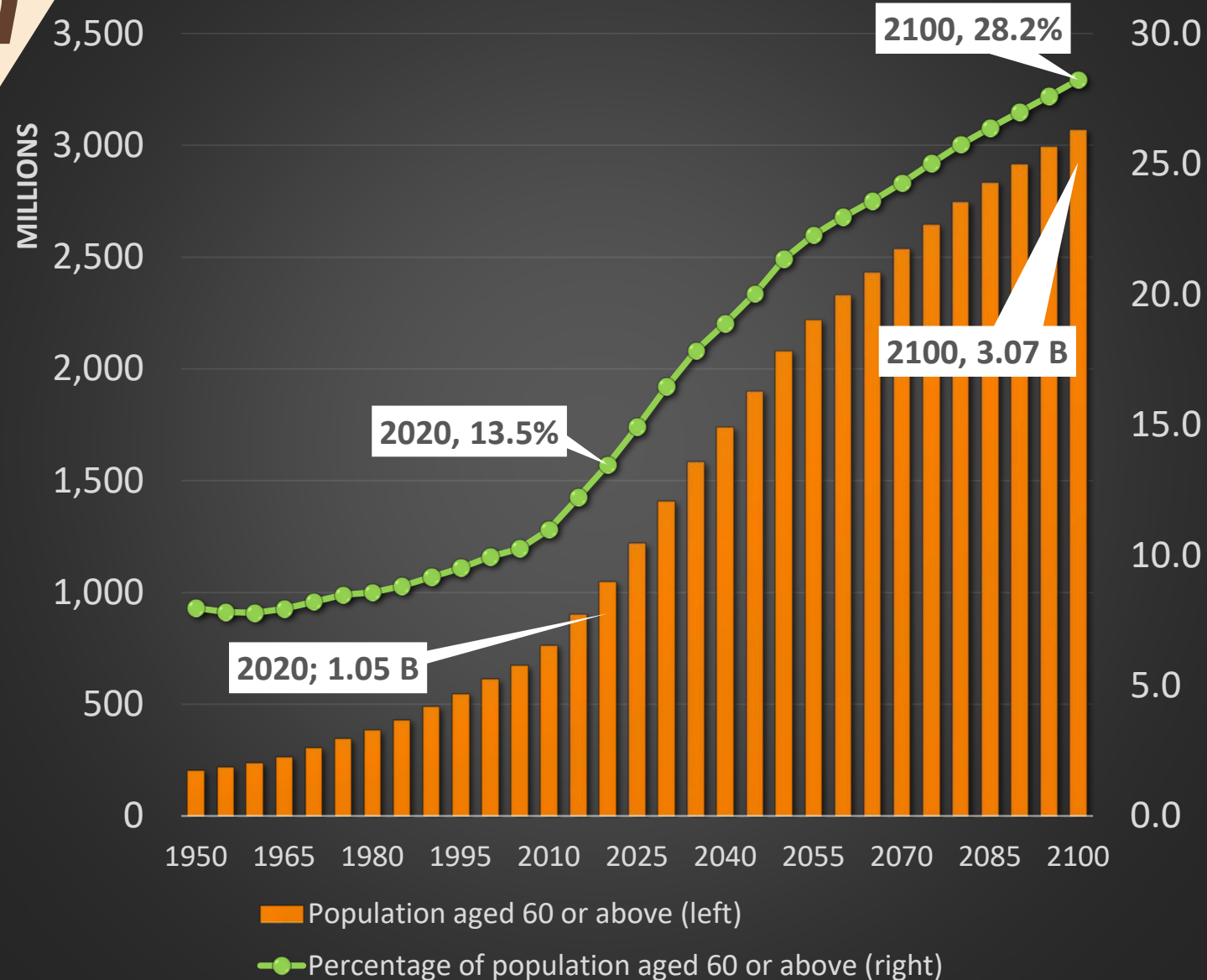
What are the policies and programs to provide income support and health services to senior citizens?

Are these policies and programs adequate to address the needs of senior citizens?

World projection

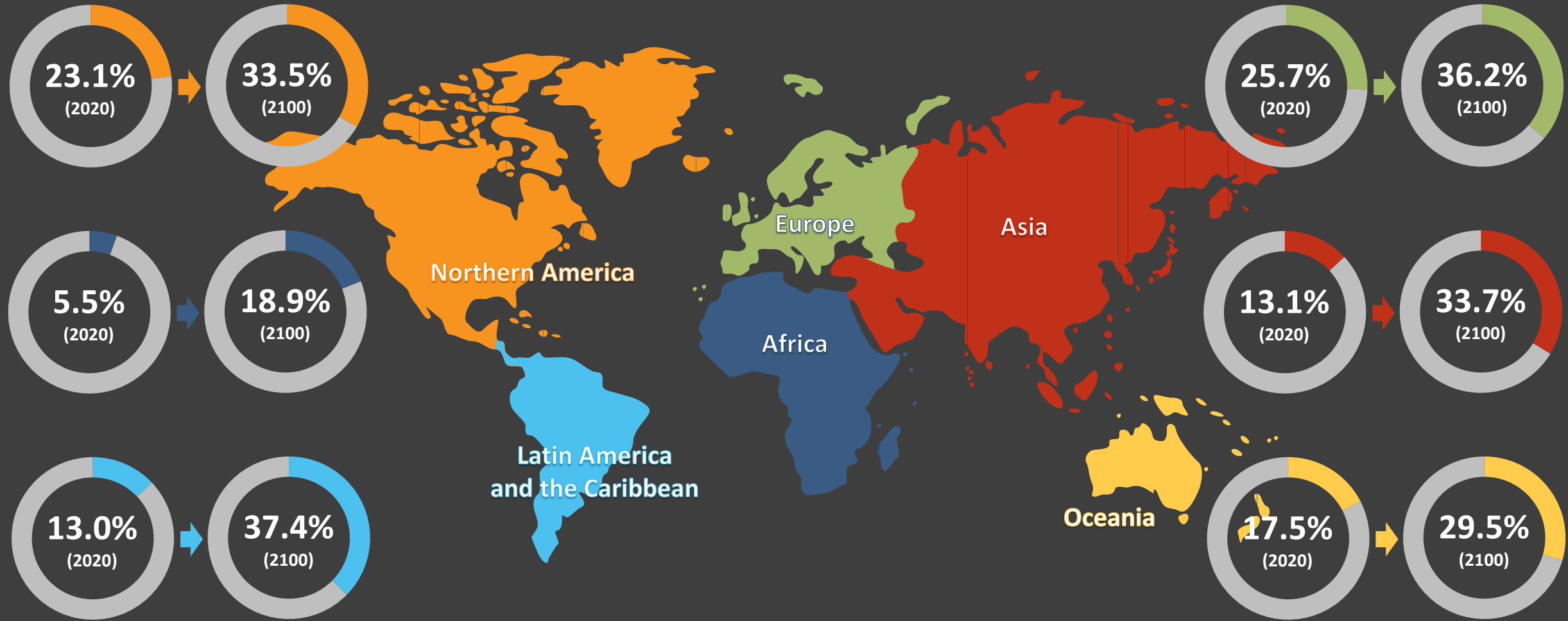
About 1.05 B (13.5%) of the world population in 2020 are aged 60 years or over, and is projected to increase to 1.41 B (16.5%) by 2030, and to 3.07 B (28.2%) by 2100

Note: Population projections using medium fertility variant



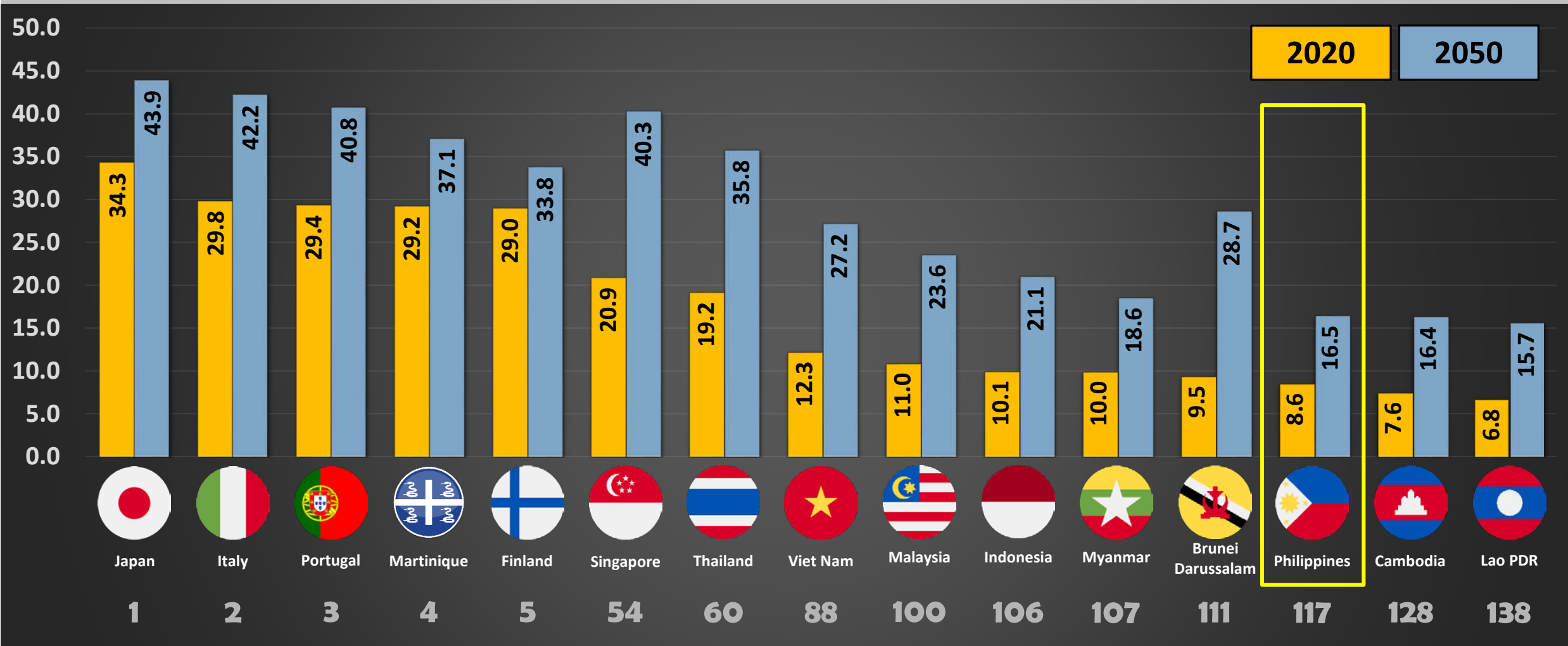
In Asia, the share of senior citizens to total population is expected to shift from 13.1% in 2020 to 33.7% in 2100

Note: Population projections using medium fertility variant



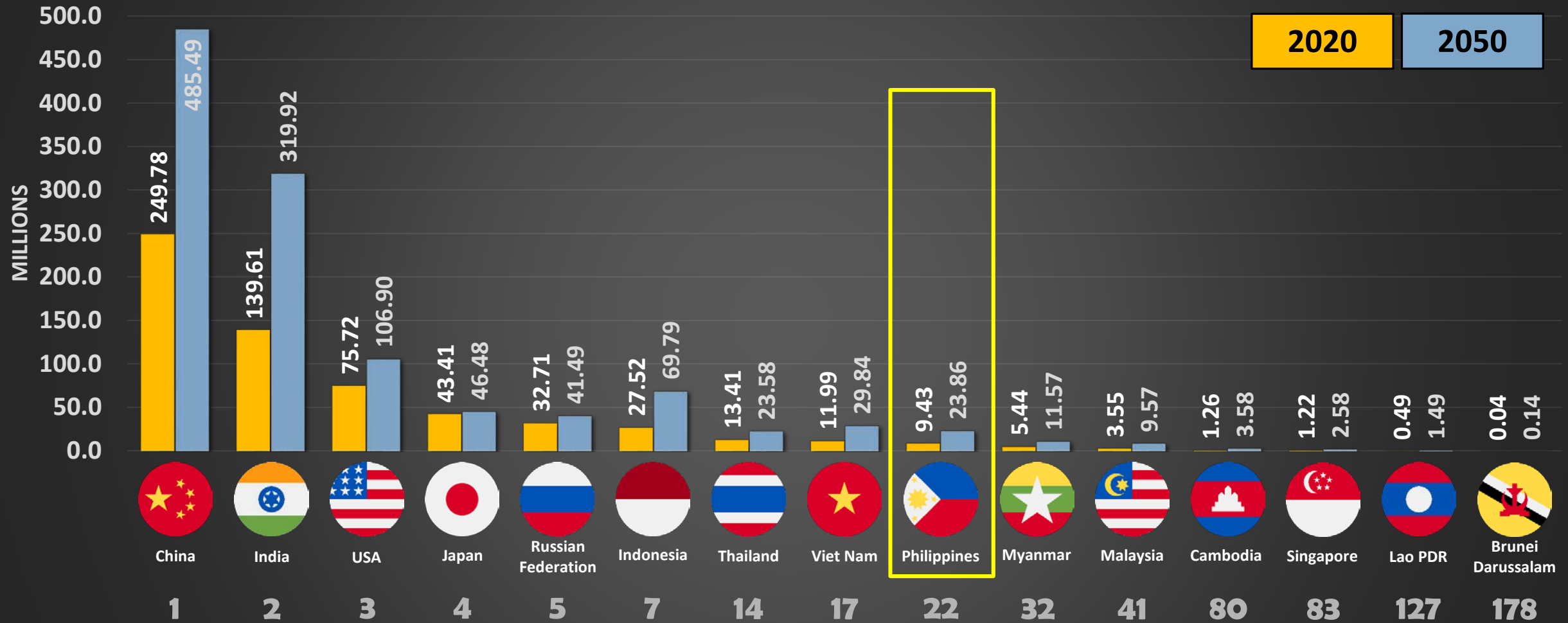
Among all countries, the Philippines ranks 117th in terms of percentage share of elderly population at 8.6% in 2020

Note: Ranking is based on the share of elderly population in 2020; projections using medium fertility variant



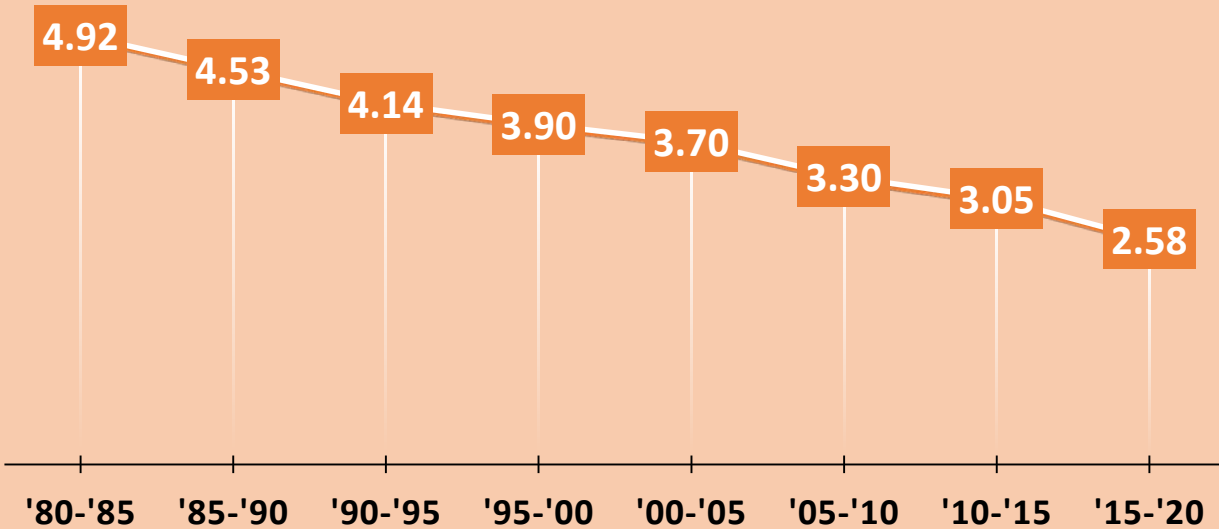
In terms of magnitude of senior citizen population, the Philippines ranks 22nd at 9.43 M in 2020

Note: Ranking is based on the magnitude of senior citizen population in 2020; projections using medium fertility variant

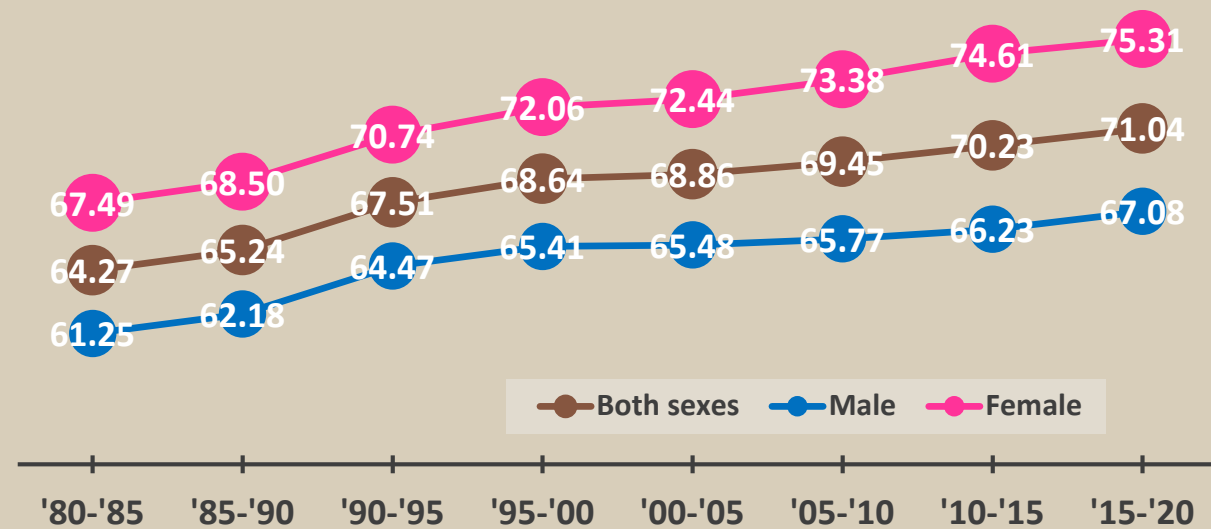


Philippines' vital statistics

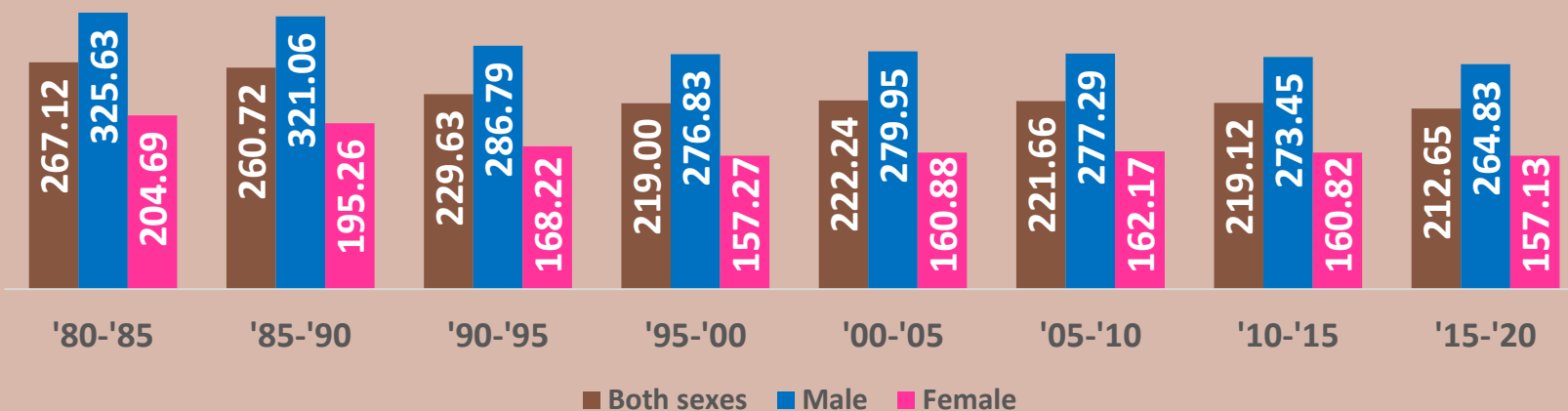
Total fertility (live births per woman)



Life expectancy at birth (in years)



Under-sixty mortality (deaths under age 60 per 1,000 live births)



The decreasing fertility rate and under-60 mortality rate leading to an increasing life expectancy at birth, contribute towards having an ageing population

SITUATION OF SENIOR CITIZENS IN THE PHILIPPINES

Who are the SENIOR CITIZENS?

In the Philippines, senior citizens are defined in **Republic Act 9994** as any person aged **60 years or over**.

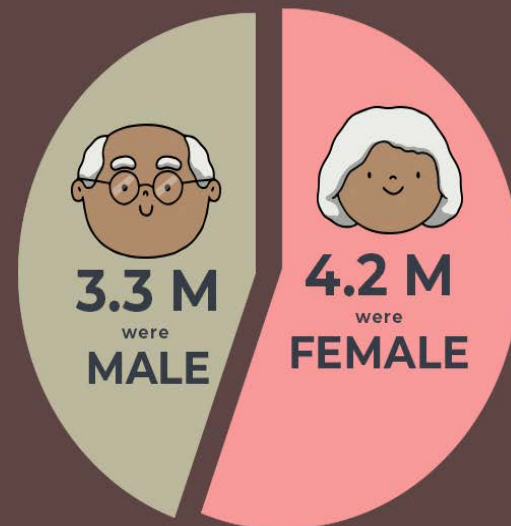


The number of older people is increasing

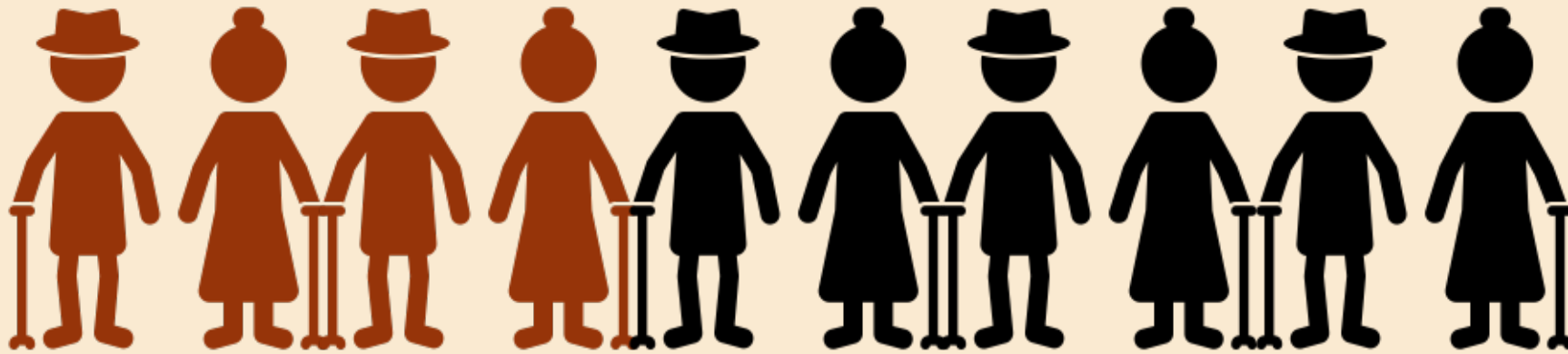
Based on the 2015 Census of Population and Housing by the Philippine Statistics Authority (PSA), there were about

7.5 MILLION
SENIOR CITIZENS.

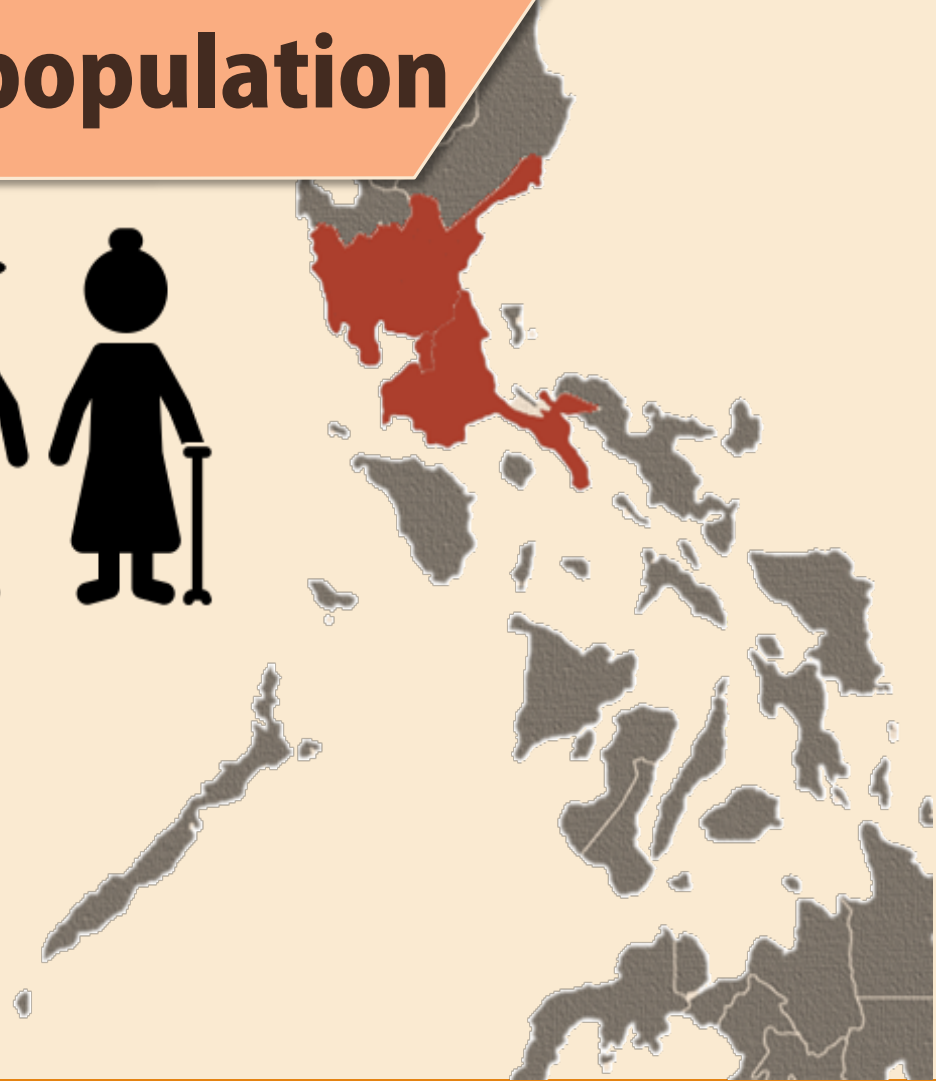
This means, that in 2015,
7.5%
of the total population were
SENIOR CITIZENS



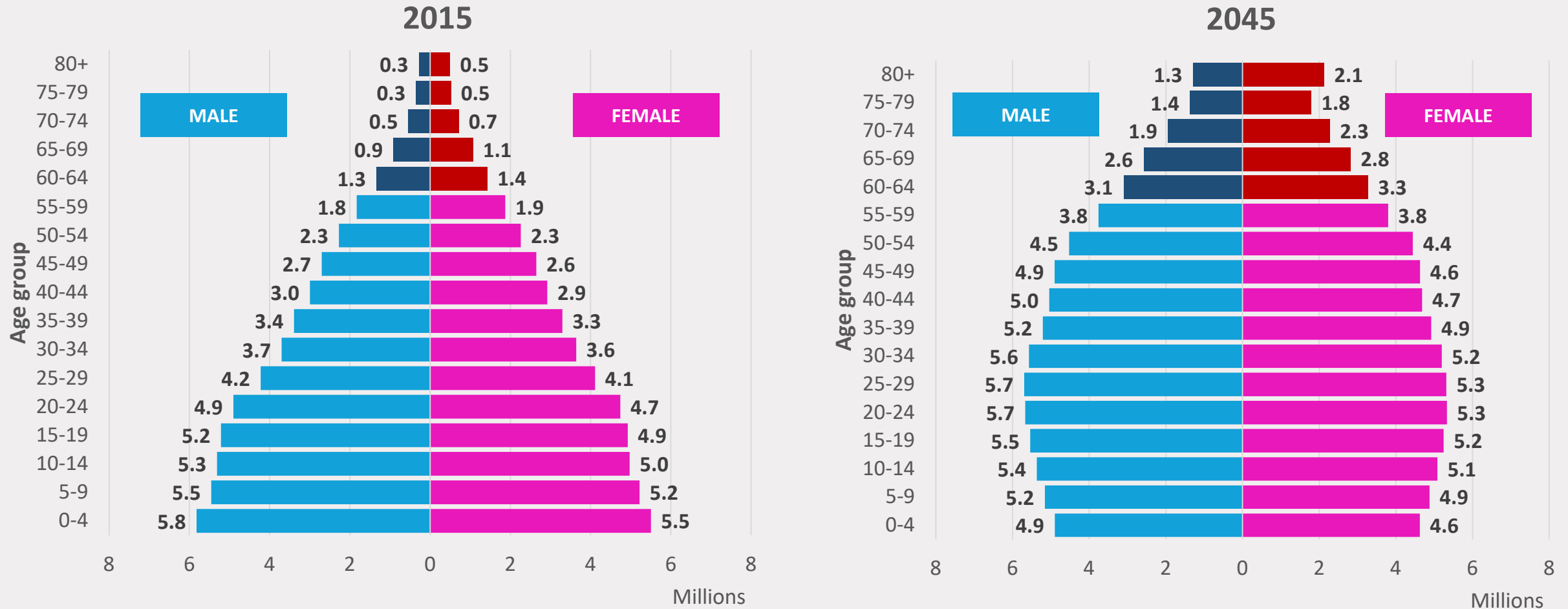
Among the regions, the National Capital Region, Central Luzon, and CALABARZON have the largest shares of senior citizen population



Almost **4** in every **10**
SENIOR CITIZENS
reside in the National Capital Region,
Central Luzon and CALABARZON



There are 7.55 M senior citizens comprising 7.5% of the population; it is projected to increase to 15.9% by 2045



Projected Philippine population by sex and age group (in millions), 2015 and 2045

Note: 2010 Census-based population projection using medium assumption

Many senior citizens struggle with poverty

Among the estimated senior citizen population in 2015,

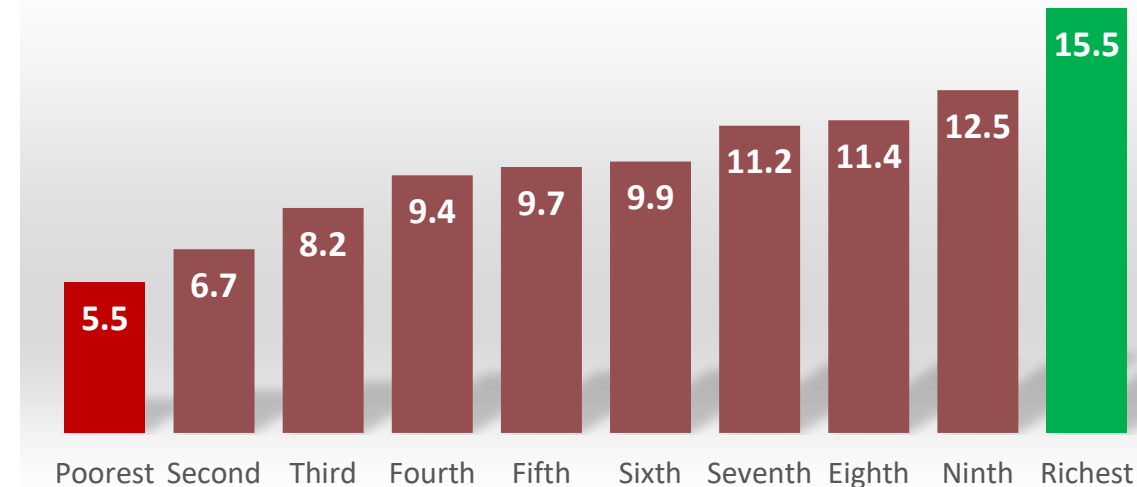
About **890,000 (13.2%)**
belong to families classified as
INCOME POOR



About
300,000 (4.3%)
belong to families
classified as
FOOD POOR

In terms of income group,

5.5%
were in the **poorest decile**,
15.5%
were in the **richest decile**.



Many senior citizens struggle with poverty

In 2017, about 5.2% of senior citizens (6.0% males and 4.5% females) are in the bottom income decile.

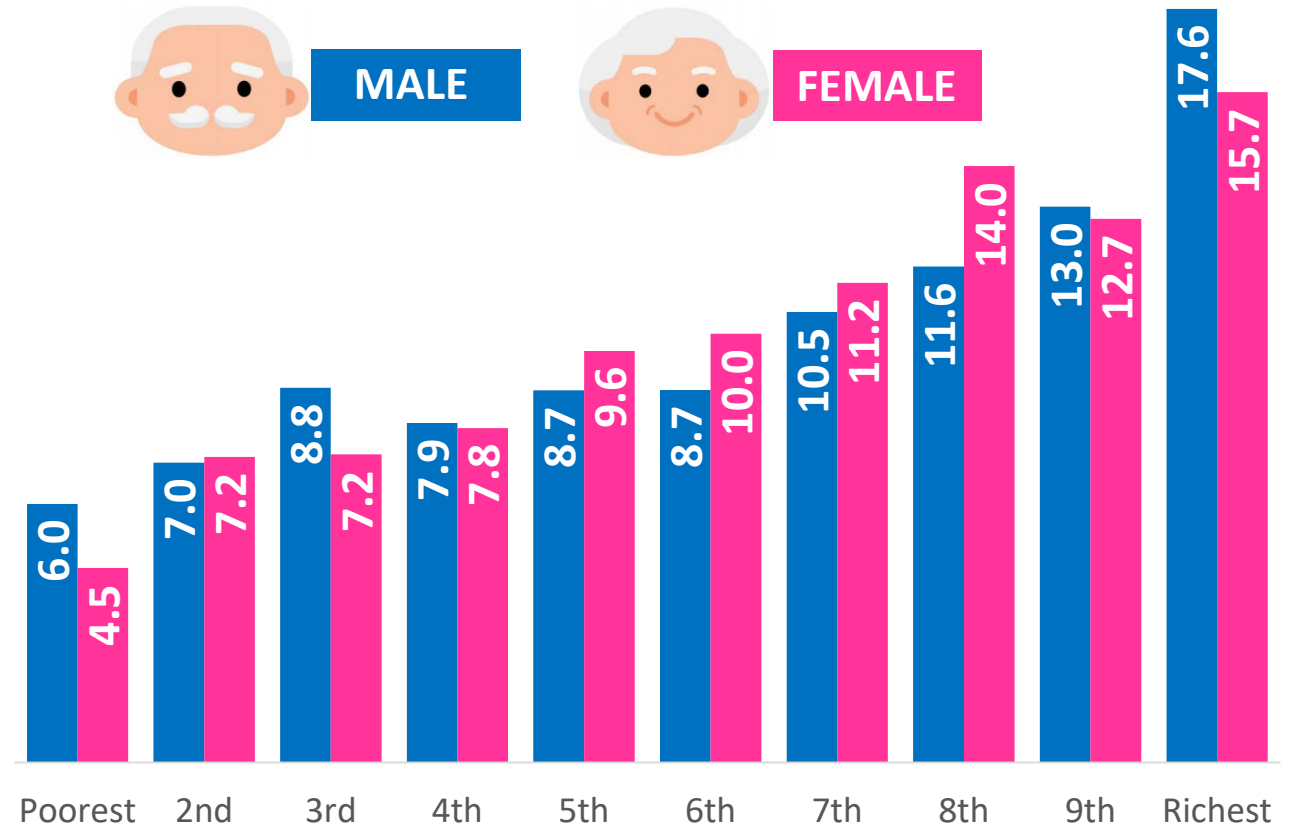


5.2%

were in the
poorest income decile

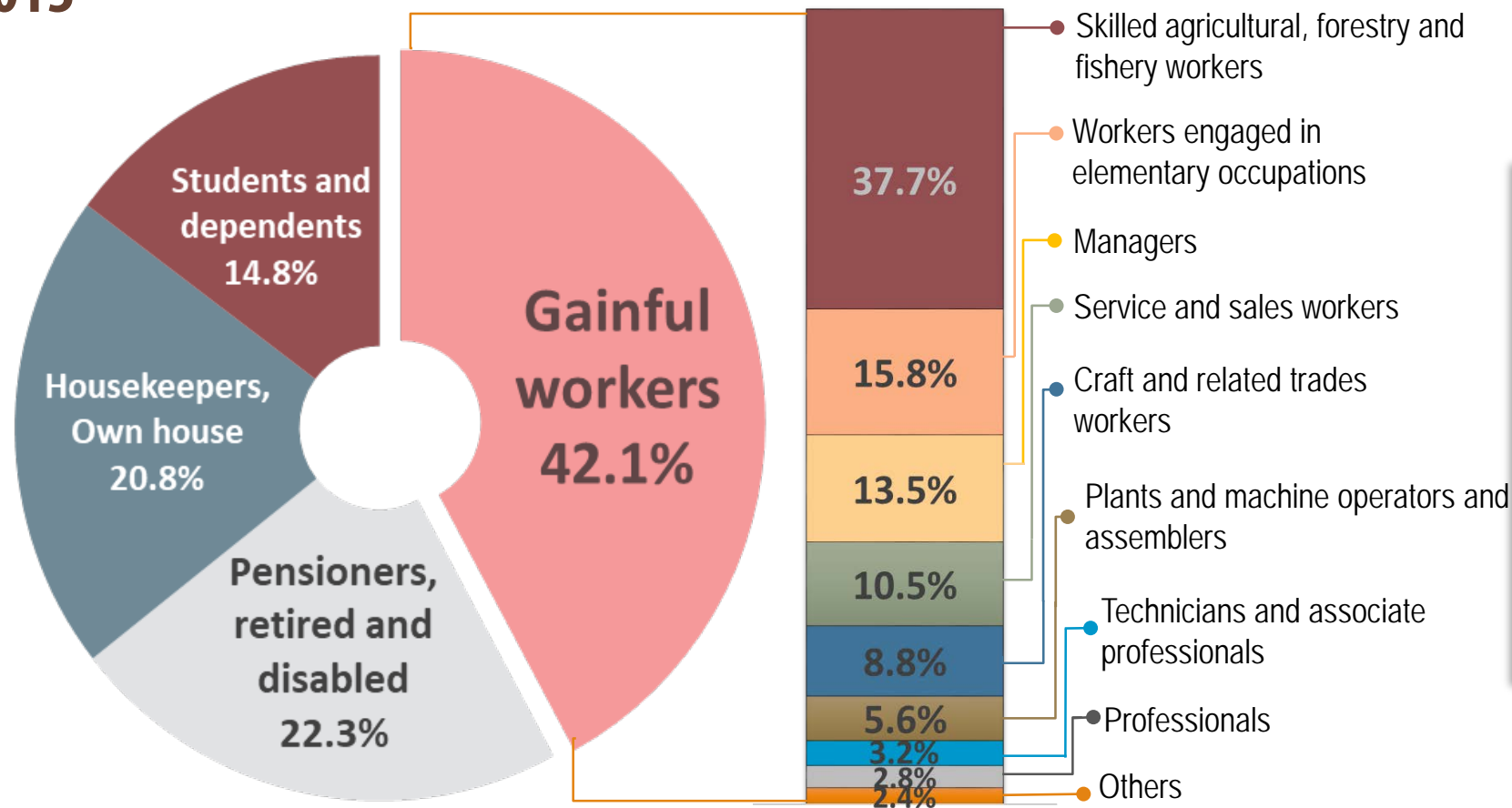
16.6%

were in the
richest income decile.



Less than half of senior citizens have a job

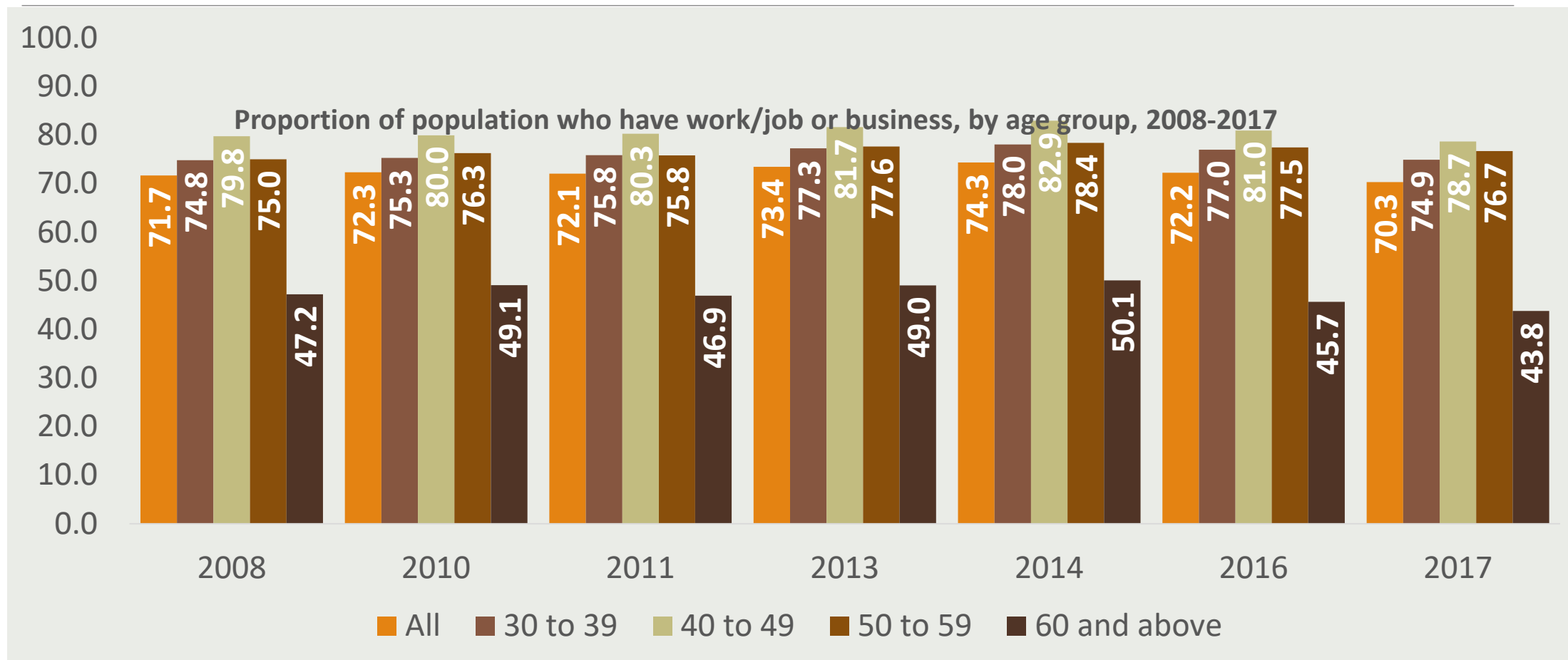
Share of senior citizen population by usual activity or occupation, 2015



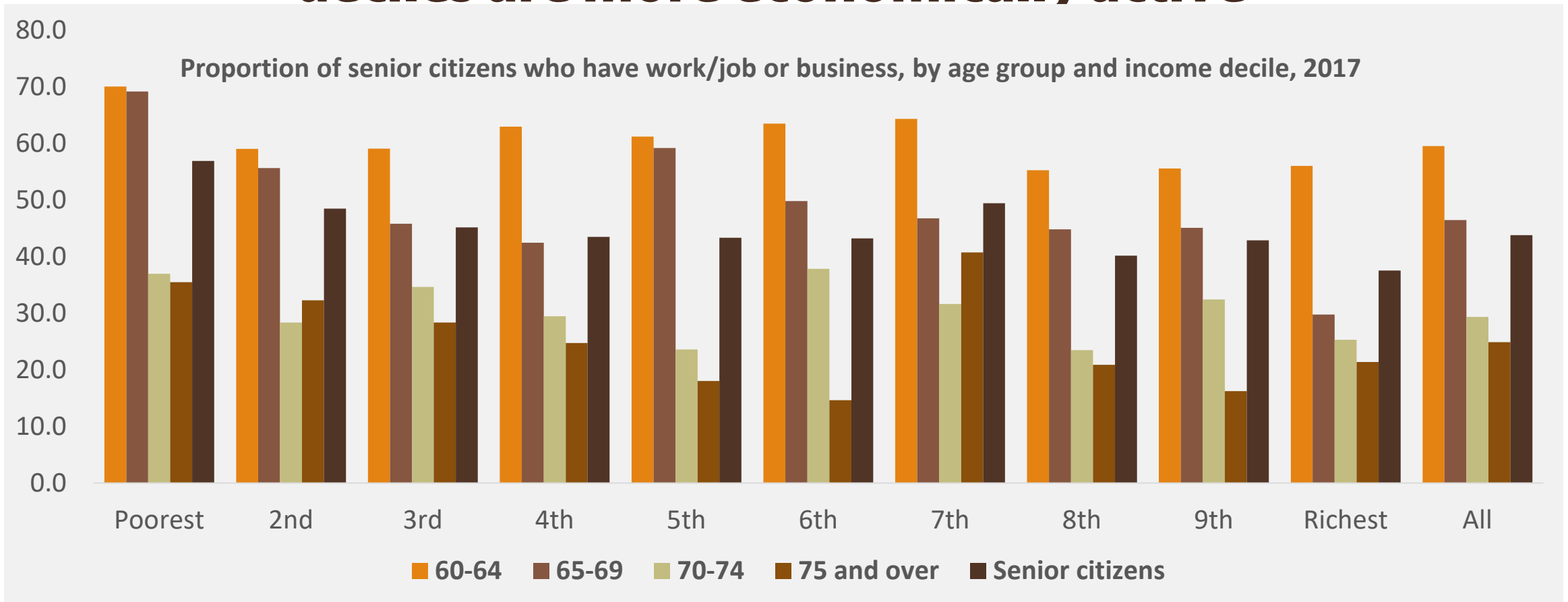
Meanwhile,

3.8 M (51.0%)
of senior citizens
completed at most
ELEMENTARY
EDUCATION

Senior citizens are less economically active (do not have a job or business) than younger age groups

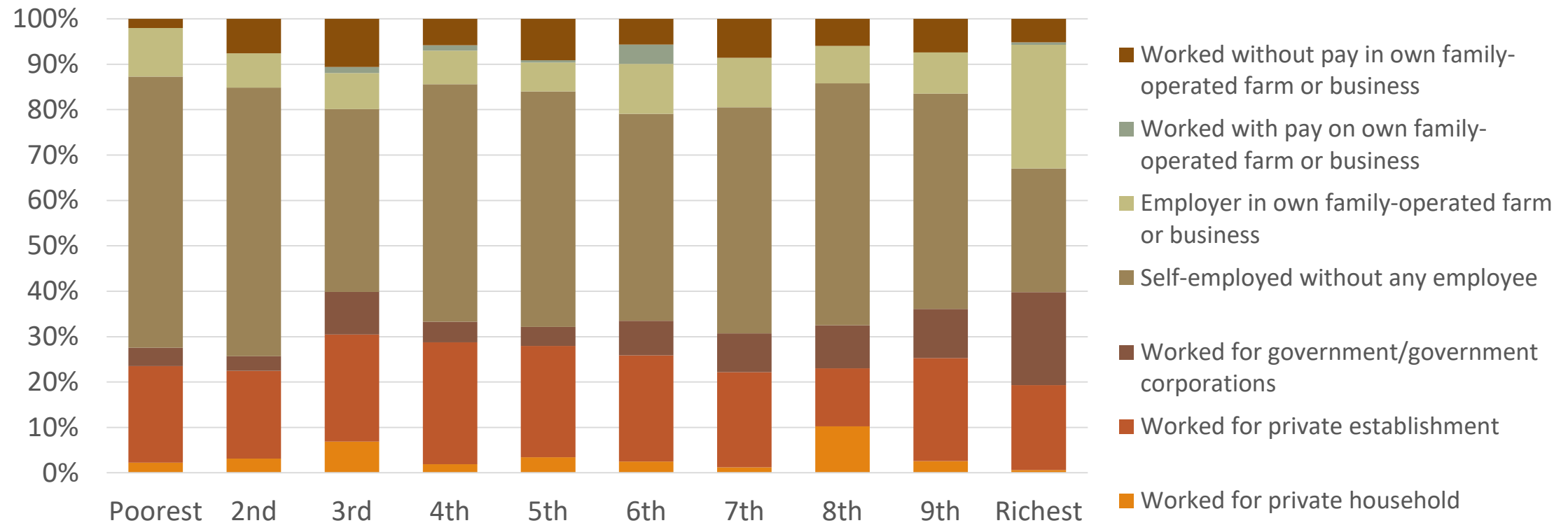


Senior citizens remain to be economically active until they reach 70; a higher proportion in lower income deciles are more economically active

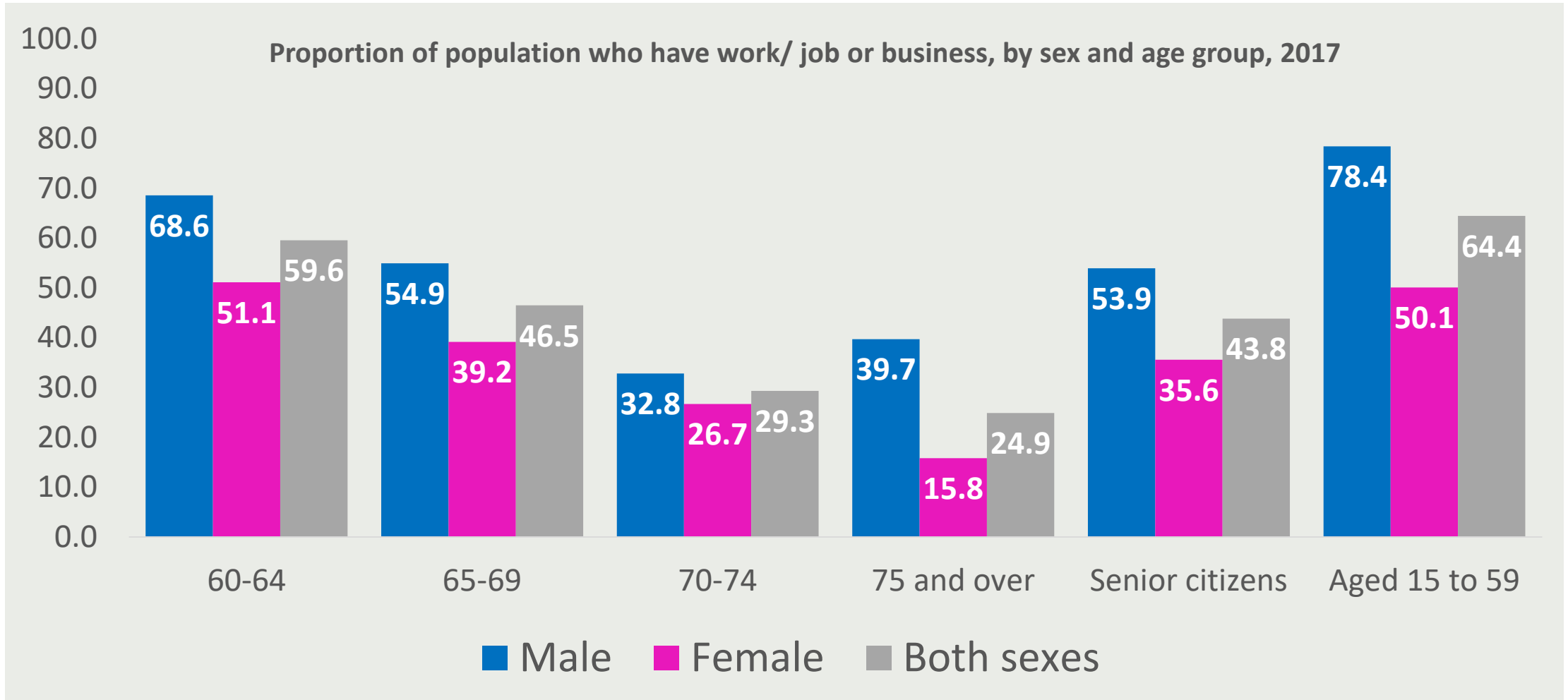


Across income deciles, a significant proportion of economically active senior citizens are self-employed

Proportion of senior citizens who have work/job or business, by class of work and income decile, 2017



Females are less economically active than males



The growing population of senior citizens entails an increasing need for health care and related services



Senior citizens often suffer from several health conditions, take various maintenance medications, and/or require more interactions with health care providers.

Although about half of older Filipinos consider themselves to be of average health, they have reported functional disabilities and illnesses such as arthritis, rheumatism, high blood pressure and chronic back pain —2007 *Philippine Study on Aging*

POLICIES AND PROGRAMS

The Philippine government has enacted several laws and is implementing various social protection programs that cater to the needs and provide privileges and benefits for senior citizens.

Policies and programs for senior citizens

Contributory Pension (SSS and GSIS)



PUBLIC SECTOR:
Government Service Insurance System
Retirees are provided with retirement packages depending on their years of service.



**PRIVATE SECTOR EMPLOYEES/OFWs/
SELF-EMPLOYED/NONWORKING
SPOUSES/MEMBERS SEPARATED FROM
EMPLOYMENT:**
Social Security System (SSS)
Retirees who are 60 years and above are provided with retirement pensions.

National Health Insurance Program

Senior citizens who are not covered by any of the existing membership categories of PhilHealth are **automatically enrolled in the government's health insurance program** (PhilHealth).



PhilHealth
Your Partner in Health



The government's social protection programs for senior citizens provide income support (e.g. through retirement packages, pensions, discount privileges, tax incentives) and health-care support.

Social protection programs for senior citizens:

- Senior citizen discount and tax incentives
- Contributory pension – SSS and GSIS
- Non-contributory pension – Social pension
- PhilHealth
- Other incentives

Policies and programs for senior citizens

Noncontributory Pension: Social Pension for Indigent Senior Citizens (SocPen)



Implemented by the Department of Social Welfare and Development (DSWD), the SocPen aims to provide additional government assistance through a monthly stipend of **PHP 500 to identified indigent senior citizens**.

An additional stipend of **PHP 200** was provided for by the TRAIN Law under the Unconditional Cash Transfer (UCT) program of the government. This monthly additional cash grant has been **increased to PHP 300 in 2019 and 2020**.

Republic Act No. 9994 or the “**Expanded Senior Citizens Act of 2010**” was enacted in 2010 to provide for a monthly stipend for indigent senior citizens

Qualifications:

- Frail, sickly or disabled
- Without regular income or support from family and relatives
- Without pension from private or government institutions

Year	Beneficiaries	Budget (PHP)
2014	475,478	3,108,913,000
2015	877,198	5,962,628,000
2016	1,274,037	8,711,203,000
2017	2,540,221	17,940,258,000
2018	3,151,910	19,282,858,000
2019	3,796,791	23,184,217,000

Senior citizens previously employed in the public sector can receive pensions from the GSIS

Law	Qualifications	Retirement Benefits
RA 8291	<ul style="list-style-type: none"> • At least 15 years in service • At least 60 years old upon retirement 	A five-year worth of pension in advance or a cash payment payable upon retirement
RA 660	<ul style="list-style-type: none"> • Permanent employees • Entered the service on or before May 31, 1977 • Sum of his/her age and years in service should total to at least 87 	Automatic monthly pension for life or a lump sum
RA 1616	<ul style="list-style-type: none"> • Entered the service on or before May 31, 1977 • At least 20 years of service 	Gratuity payments based on the total creditable service converted into gratuity months multiplied by the highest compensation received
PD 1146	In service after May 31, 1977 but prior to June 24, 1997	A basic monthly pension guaranteed for five years or a cash payment for every year of service
RA 7699	Formerly working in the private sector	Benefits from PD 1146 and RA 8291, depending on combined years of service in public and private sectors

Senior citizens previously employed in the private sector can receive pensions from the SSS

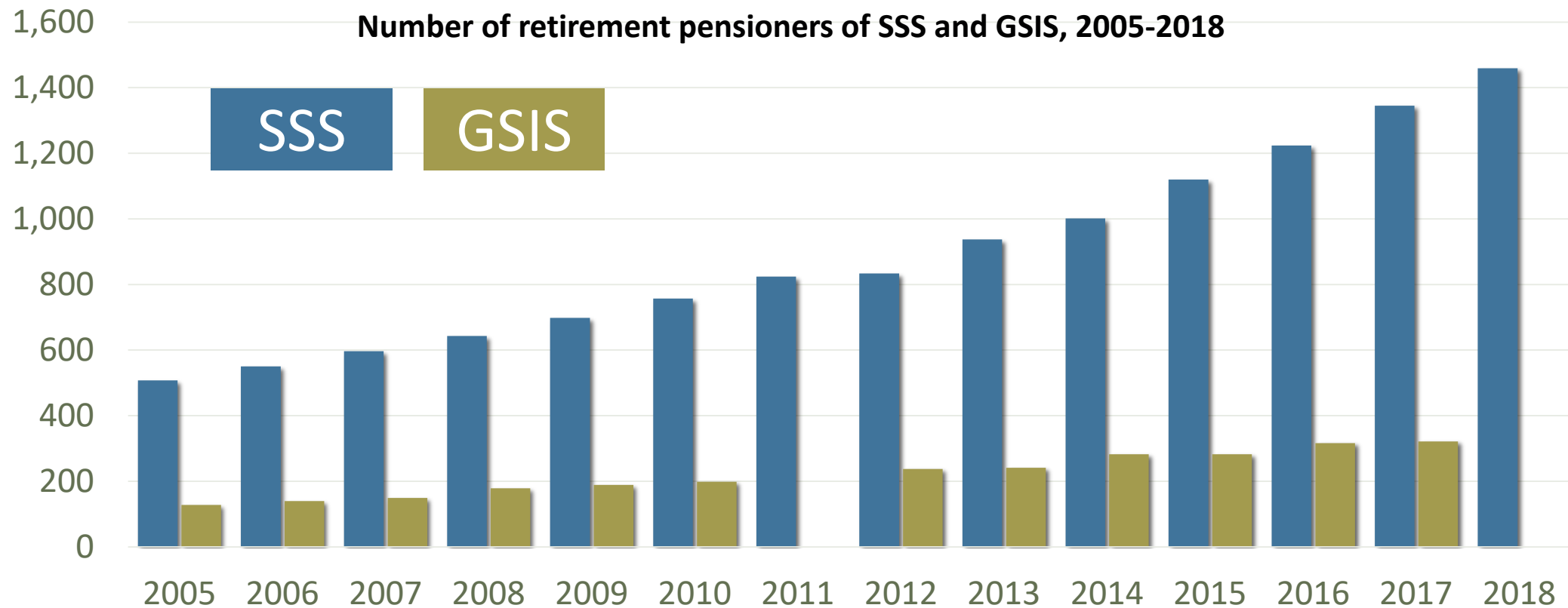
Coverage:

- Compulsory coverage for employers, private sector employees, and self-employed persons
- Voluntary coverage for OFWs, non-working spouses, and members separated from employment

Retirement benefits depends on the credited years of service of the member. Monthly pension will be the highest amount resulting from either of the following:

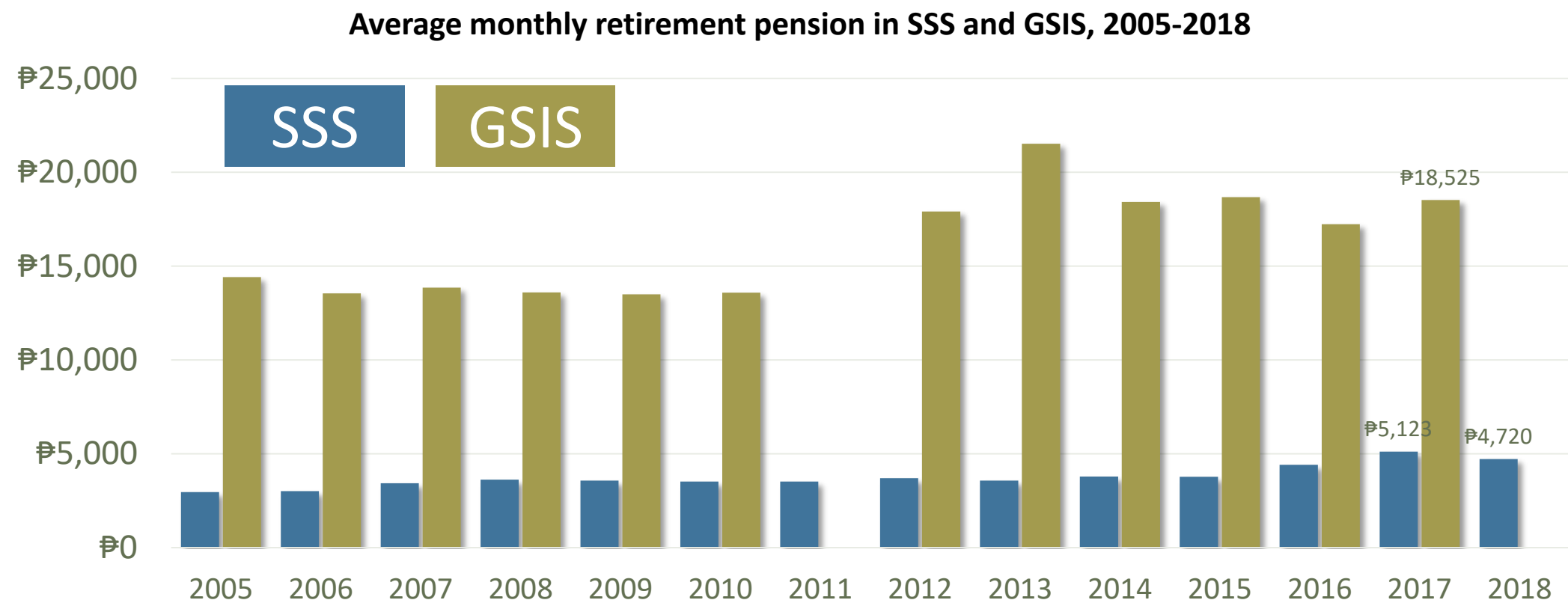
- The sum of PHP 300 plus 20% of the average monthly salary credit, and 2% of the average monthly salary credit for each credited year of service in excess of 10 years;
- 40% of the average monthly salary credit;
- PHP 1,200 if the credited years of service is at least 10 but less than 20;
- PHP 2,400 if the credited years of service is 20 or more.

Retirement pensioners of both contributory pension programs (GSIS and SSS) are increasing since 2005



Note: No data for GSIS in 2011 and 2018

Average monthly retirement pension is substantially higher for GSIS pensioners



Note: No data for GSIS in 2011 and 2018

Republic Act No. 10645, enacted in 2014, provide for mandatory PhilHealth coverage for all senior citizens

- Premium contributions are sourced from the proceeds of the Sin Tax Law; seniors with regular sources of income will continue to pay the premium
- Benefits:
 - Fixed case rate for inpatient services in private hospitals (on top of the VAT exemption and 20% discount enjoyed by senior citizens).
 - No balance billing for inpatient services in public hospitals.
 - Outpatient benefits enjoyed by PhilHealth members in other membership categories
 - Z benefit packages for illnesses classified as case type Z (i.e. perceived to be economically and medically catastrophic)

Senior citizen membership to PhilHealth

2014	4,460,554
2015	6,869,631
2016	7,475,224
2017	8,145,200
2018	8,809,875

Note: Includes registered members under the **senior citizens** and **lifetime members** categories; does not include dependents and senior citizens registered under the **sponsored members** category

Policies and programs for senior citizens

Senior citizens who are minimum wage earners are exempted from paying individual income tax

Republic Act No. 9994 grants to all senior citizens the following incentives and benefits:

Discount and tax incentives

20% + VAT (value-added tax)
DISCOUNT Exemption



Medical-related expenses



Restaurants



Domestic transportation



Recreation centers



Hotel and similar lodging establishments



Admission fees to places of culture, leisure, etc.



Funeral and burial services

Other Benefits and Incentives

- Free **training fees** for socioeconomic programs conducted by private and government agencies
- Free **medical and dental services**, and **diagnostic** and **laboratory fees** in all government health-care facilities (subject to PhilHealth guidelines)
- **Educational assistance** for postsecondary, posttertiary, or techvoc in both public and private schools
- **Priority in queues** in all establishments.
- **PHP 100,000** cash grant upon reaching the **age of 100 years**
- Other **benefits and incentives** provided by **local government units**

GAPS IN THE POLICIES AND PROGRAMS

Access to social protection programs

5.7 M

or about

7 IN EVERY 10

senior citizens are **COVERED** in at least one of the income support programs (SSS, GSIS, Social Pension) or PhilHealth in 2017

2.5 M

or about

3 IN EVERY 10

senior citizens are **COVERED** in PhilHealth + at least one of the income support programs



26.8%
of FEMALE



34.4%
of MALE

senior citizens are **COVERED** in PhilHealth + at least one of the income support programs

56%

in the poorest income decile



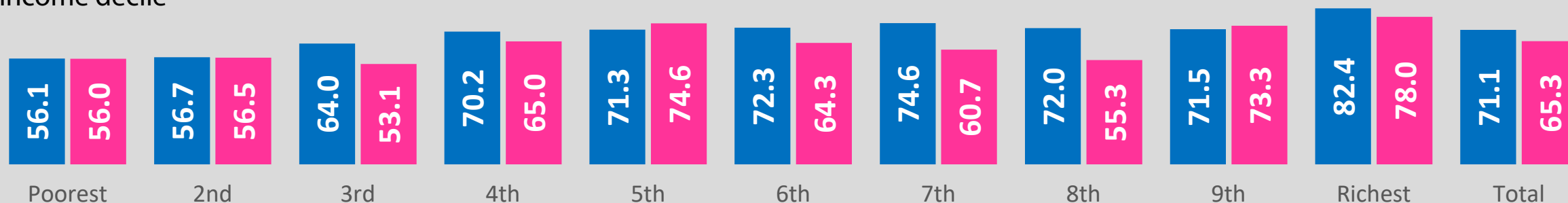
MALE



FEMALE

80%

in the richest income decile



Proportion of senior citizen population covered in at least one social protection program by income decile, 2017

Contributory pension (SSS/GSIS)

27.7%

or about

3 IN EVERY 10



senior citizens
were covered under
GSIS/SSS
in 2017

Minimum basic monthly pension

PHP 5000
for GSIS

PHP 2,000
for SSS

Average basic monthly pension

PHP 18,525
for GSIS

PHP 5,123
for SSS

Average and minimum basic monthly pension is substantially higher for GSIS pensioners

62% of senior citizens in richest decile are members of SSS/GSIS;

5% in poorest decile are members



27.7%

BOTH SEXES



32.7%

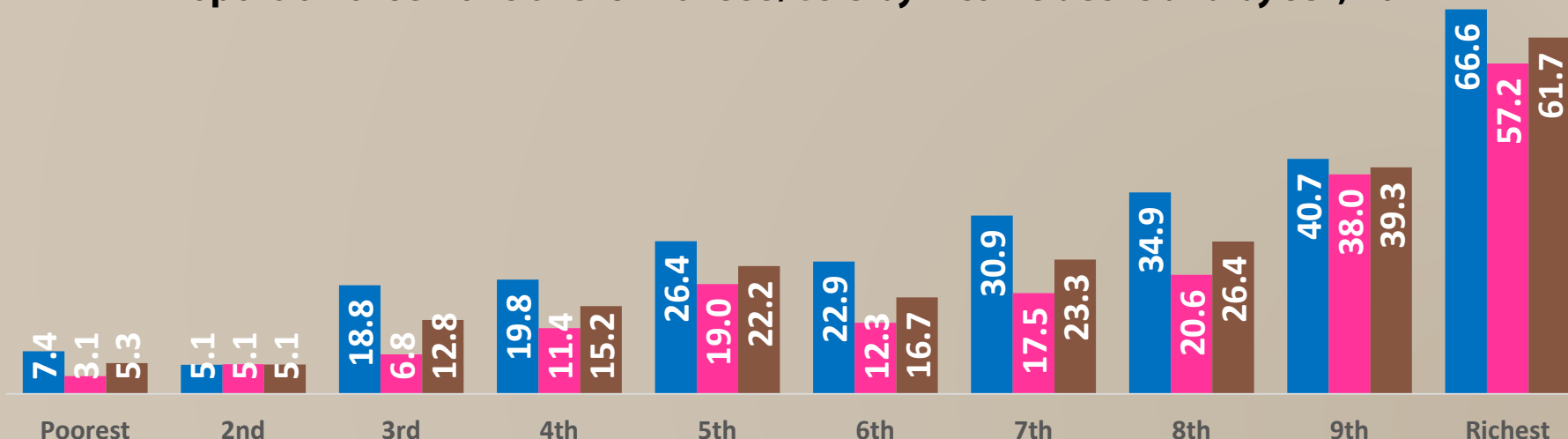
MALE




23.6%

FEMALE

Proportion of senior citizens with SSS/GSIS by income decile and by sex, 2017

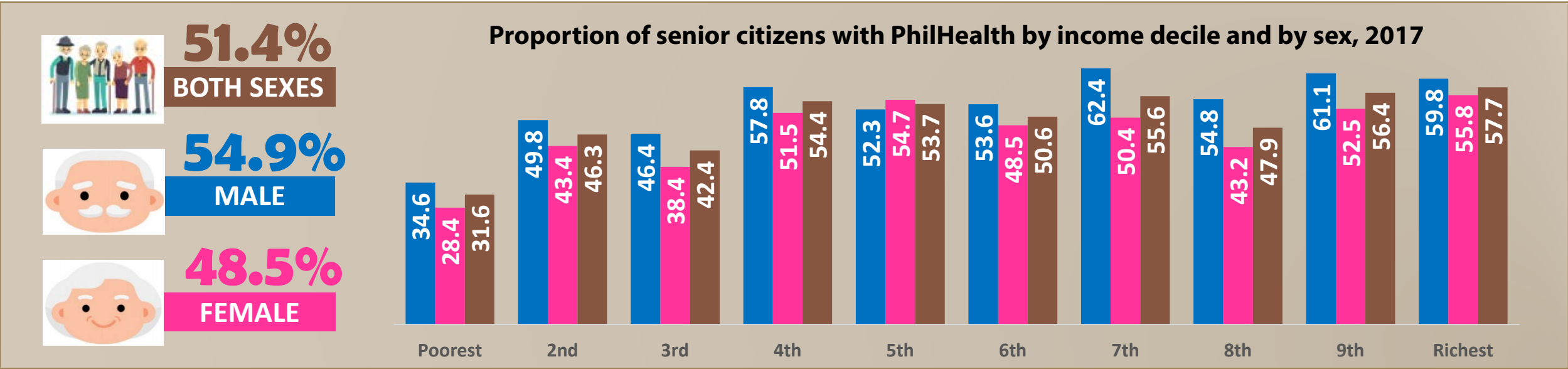


In 2017, PhilHealth covered only **51.4%** of **SENIOR CITIZENS**

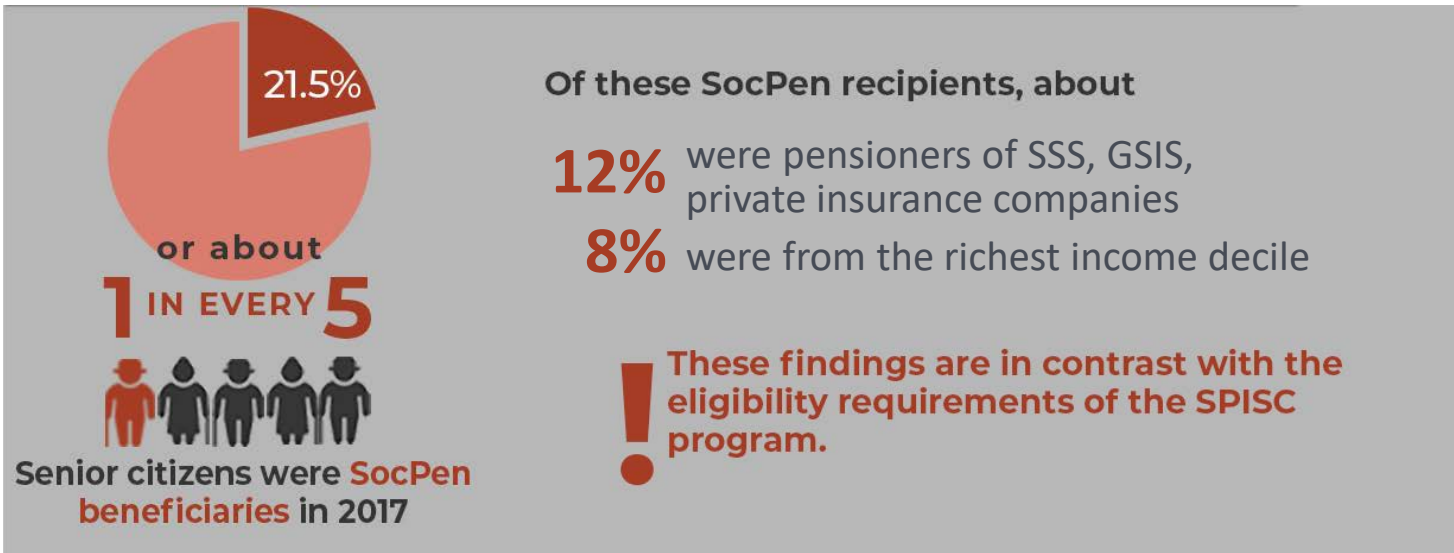


In 2018, PhilHealth paid **PHP 31.2 B** to health-care providers as **BENEFITS** availed by senior citizens and lifetime members.

Although majority of PhilHealth members in the lowest income deciles enjoy free health insurance coverage (non-paying members), greater effort is needed to realize the universal coverage stipulated in the Universal Health Care Act



Social pension for indigent senior citizens



There is no large variation in the proportion of men and women benefiting from social pension program

28.8% of the beneficiaries of social pension program belong to the bottom 30%

69% of the bottom 30% do not receive social pension



21.5%
BOTH SEXES

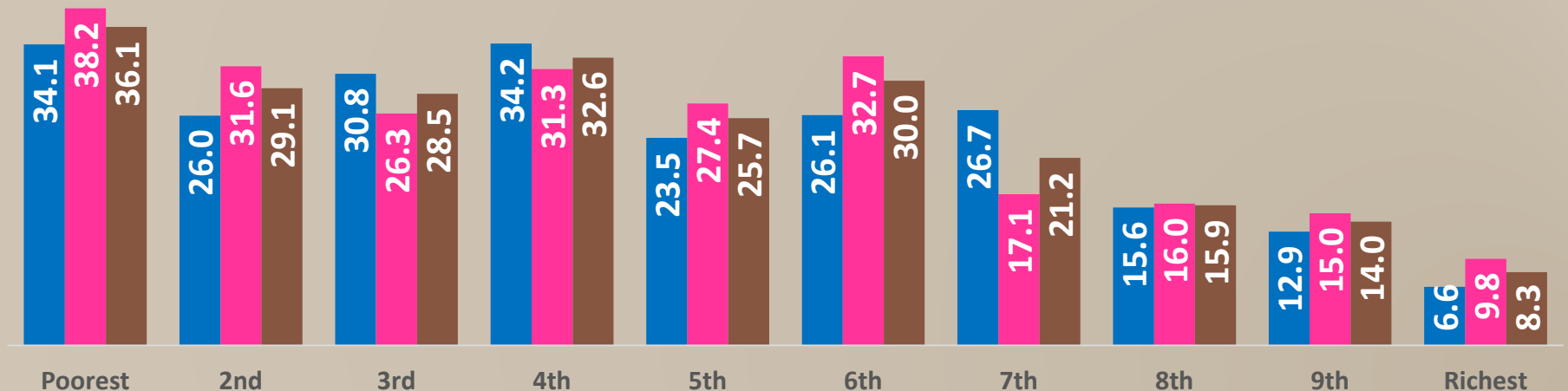


21.1%
MALE



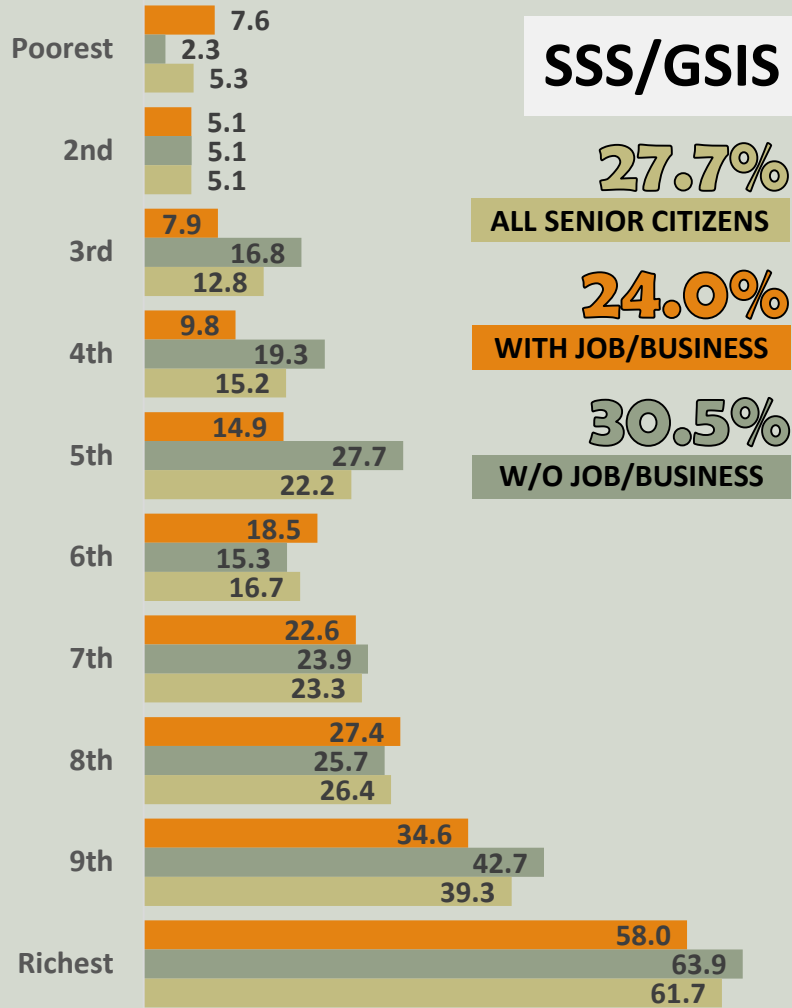
21.9%
FEMALE

Proportion of senior citizens with social pension by income decile and by sex, 2017

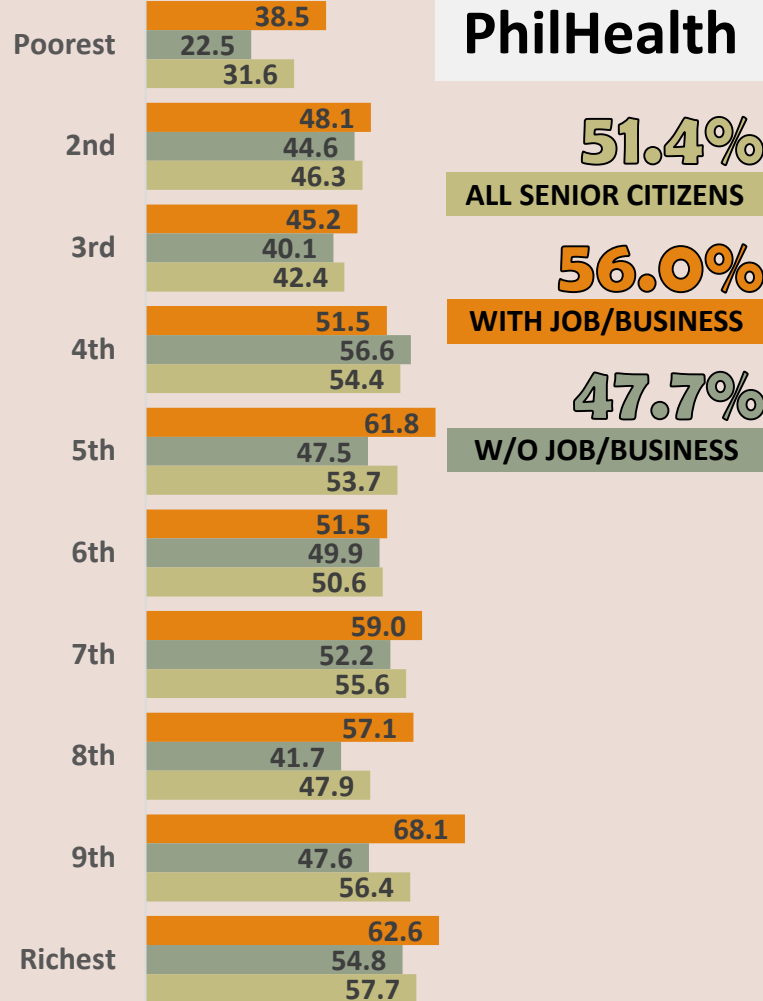


Coverage for senior citizens by economic activity

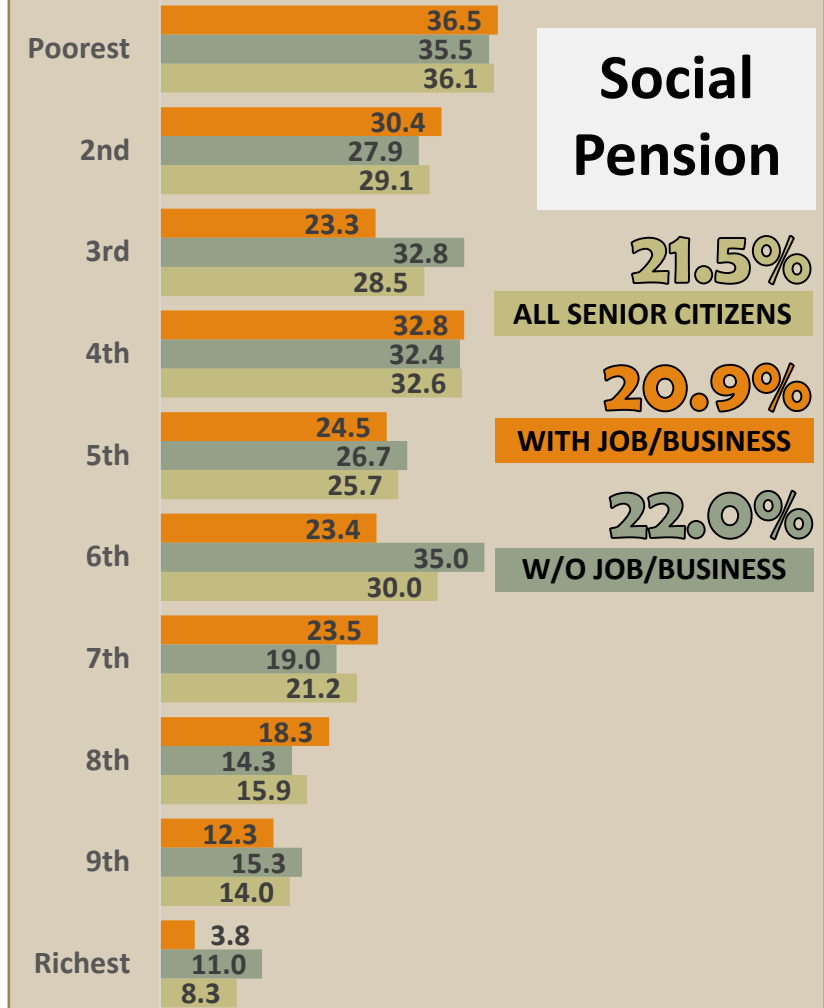
Proportion of senior citizens with SSS/GSIS by income decile and by economic activity, 2017



Proportion of senior citizens with PhilHealth by income decile and by economic activity, 2017

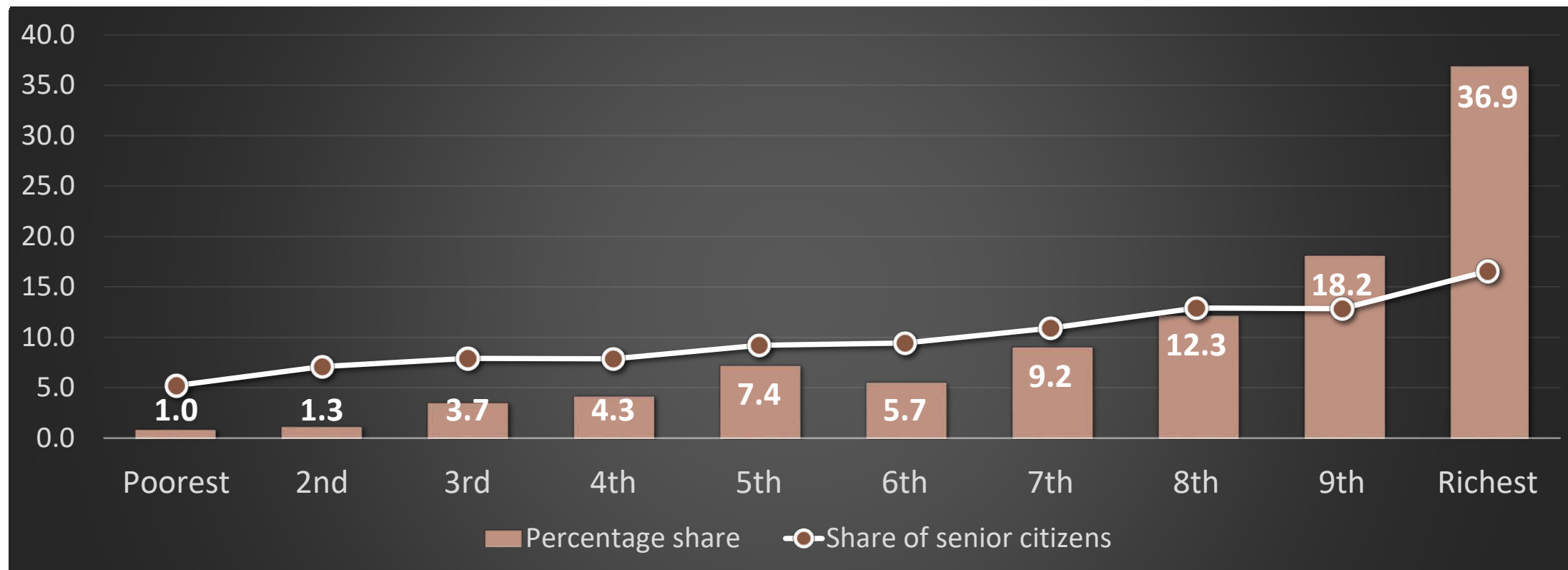


Proportion of senior citizens with Social Pension by income decile and by economic activity, 2017



Contributory pension (SSS/GSIS)

Percent distribution of senior citizen members of SSS/GSIS, by income decile, 2017



6.0%

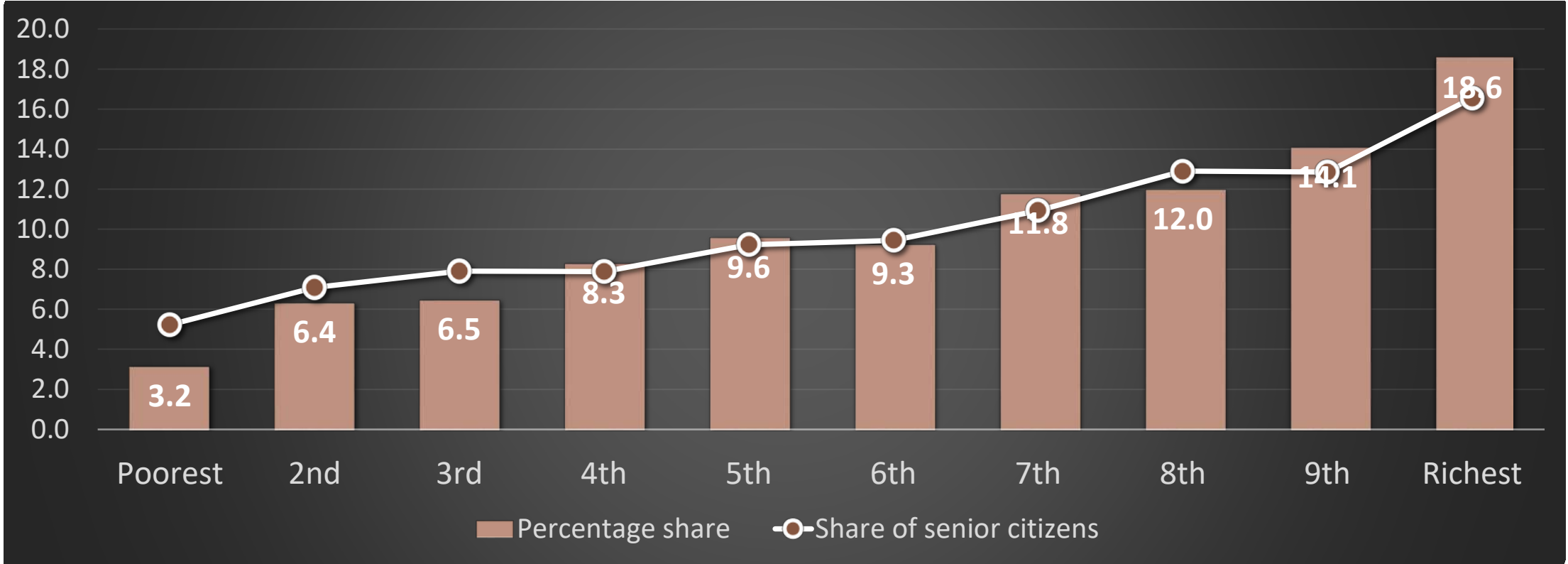
were in the **bottom 3** income deciles



67.4%

were in the **top 3** income deciles

Percent distribution of senior citizen members of PhilHealth, by income decile, 2017



16.1%

were in the **bottom 3** income deciles

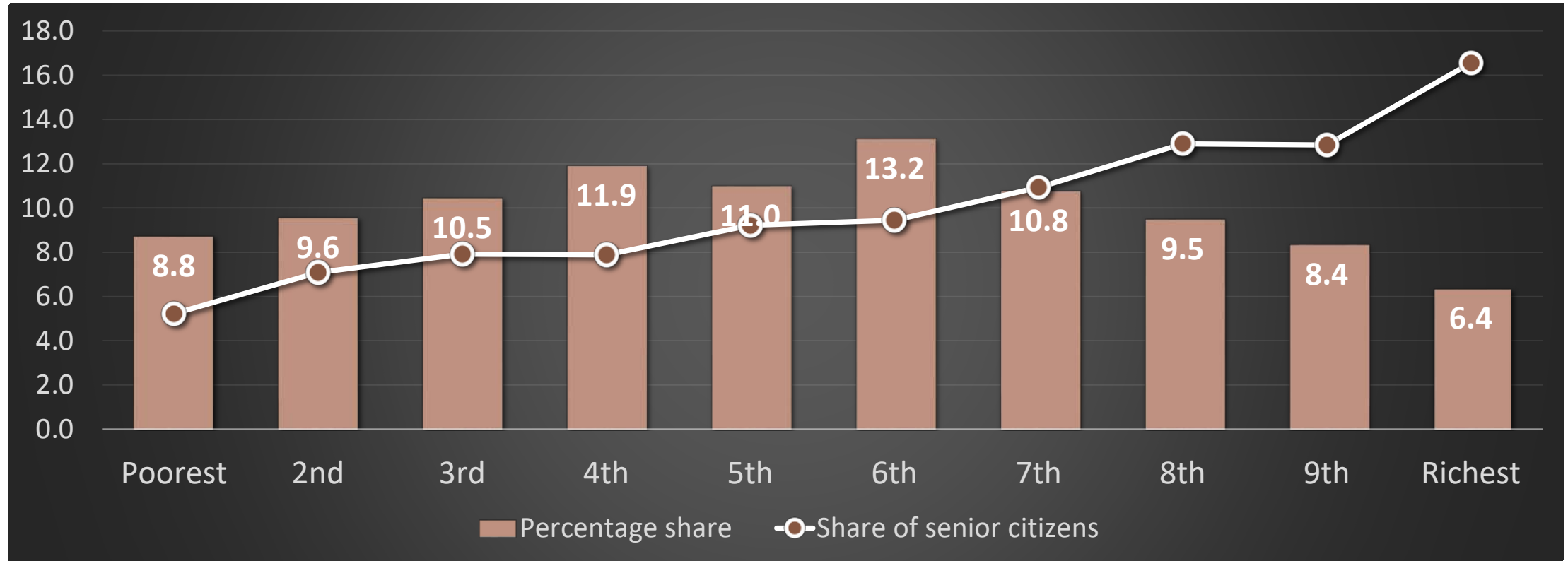


44.8%

were in the **top 3** income deciles

Social pension for indigent senior citizens

Percent distribution of social pension recipients, by income decile, 2017



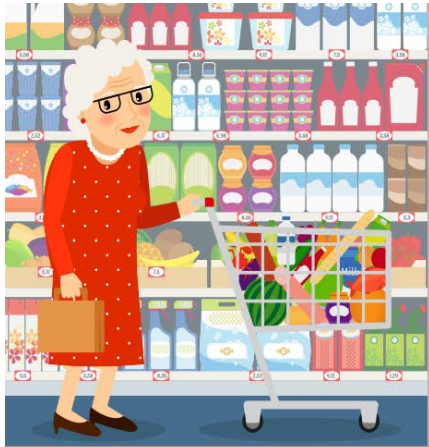
28.8%

were in the **bottom 3** income deciles

24.3%

were in the **top 3** income deciles

Senior citizen discount and tax incentives







Richer senior citizens tend to benefit more from discounts and exemptions as they spend more on the goods and services that are entitled to these privileges.

Households in higher income deciles spend more on goods and services in which senior citizens are entitled to discount and tax exemption privileges

Average annual spending on selected goods and services of HHs with at least one senior citizen member, 2015

Income decile	Medical products, appliances, equip't	Medical services	Dental services	Air transport	Sea transport	Restaurant and hotels	Recreation
First	684.77	144.28	1.72	0.00	109.64	3,734.19	467.40
Second	1,326.48	240.06	6.60	11.68	99.63	5,200.59	498.55
Third	1,354.32	241.46	4.46	21.06	133.05	5,827.87	452.87
Fourth	1,963.73	266.25	8.92	46.59	177.15	7,871.54	568.88
Fifth	2,348.48	430.45	16.05	144.99	105.01	9,959.40	754.71
Sixth	3,401.43	632.26	26.65	29.08	108.26	12,650.57	881.86
Seventh	4,579.95	710.95	37.04	205.31	92.09	15,687.32	1,073.69
Eighth	6,225.40	985.43	80.46	231.53	83.57	17,819.74	1,516.72
Ninth	9,170.22	2,277.76	100.71	540.04	216.78	23,016.43	2,095.43
Tenth	18,645.15	5,265.53	272.45	2,847.63	289.18	35,282.82	5,606.31
Total	6,500.62	1,534.56	77.79	614.52	154.88	16,608.79	1,801.36

Summary of Findings

-  Population of senior citizens is estimated at 9.43 million in 2020, constituting 8.6 percent of the total population.
-  Senior citizens tend to be less economically active than their younger counterparts. About 44 % of seniors have a job or business, while at least 70% of the younger age groups (30-39, 40-49 and 50-59) have a job or business.
-  Senior females tend to be less economically active than senior men (36% vs 54%).
-  About 13% of senior citizens belong to families that are income poor (2015 data). Moreover, 39.5% belong to the poorest 5 deciles and 60.5% belong to the 5 richest deciles.

Summary of Findings

- 👴👵 The elderly need greater health services.
- 👴👵 Only 27.7% of seniors are SSS or GSIS members, higher for men at 32.7% and 23.6% for women. There is low membership among the poorer elderly, due to the nature of their work. There is also low membership among workers in the private sector.
- 👴👵 Only 8% of the elderly in the poorest 3 deciles are SSS/GSIS members, while 44% the richest 3 deciles are members.
- 👴👵 Average monthly pension from GSIS is more than 3 times that of SSS.
- 👴👵 Social pension of 500 per month, represents 20% of poverty threshold in 2018 and 30% of food threshold.

Summary of Findings

👴👵 As of end-2019, 3.8 million senior are Social Pension beneficiaries. This represents 40% of all seniors. With a poverty incidence of 13%, this suggests significant leakages to the non-poor elderly. If we wanted to provide assistance only to the poor, we only need 7.4 billion pesos, instead of 22.8 billion pesos to provide monthly pension of 500 pesos.

👴👵 There is also significant exclusion. Only about a third of the poor seniors receive social pension based on 2017 APIS data.

👴👵 While all seniors are supposed to be Philhealth members, not all are aware that they are.

👴👵 There are limited benefits so there is still considerable out of pocket expenses for hospitals and outpatient services.

👴👵 Richer senior citizens tend to benefit more from senior discount for selected goods and services since they spend more on these items.

Recommendations:



1

PROMOTE PARTICIPATION OF WOMEN IN SOCIAL SECURITY SYSTEMS

Since contributory pension programs of the government are only accessible for those previously employed, **being employed may improve women's access to social protection programs** when they reach the age of 60. Likewise, a nonworking woman who is managing the household and family affairs full time and whose spouse is employed and actively pays SSS contributions may avail of a **voluntary coverage under the SSS**.



2

INCREASE AWARENESS OF SENIOR CITIZENS OF THE GOVERNMENT'S SOCIAL PROTECTION PROGRAMS

Focus must be given to poor senior citizens and those in disadvantaged sectors to identify and address any access issues to these programs



3

IMPROVE THE TARGETING SYSTEM FOR SOCIAL PENSION FOR INDIGENT SENIOR CITIZENS

Given the government's limited budget, the high leakage rate (inclusion of beneficiaries that are already receiving other forms of pension and those belonging to the richest income ladder) serves as a barrier to indigent senior citizens not enrolled in the program. Having a **comprehensive database of senior citizens** and a **better targeting system** may improve access of indigent seniors.

Recommendations:



4

INCREASE THE MONTHLY STIPEND OF INDIGENT SENIOR CITIZENS

The PHP 500 monthly stipend may not be adequate to sustain the daily needs of indigent senior citizens, particularly if given only every six months. The government should **revisit the amount and the frequency of payouts of the social pension program**. Higher stipend may be possible with improved targeting.



5

PROMOTE DATA SHARING AND INTEROPERABILITY OF DATABASES OF DIFFERENT AGENCIES

For targeted interventions, **data is crucial**. To identify eligible beneficiaries, data coming from different sources may be needed to validate administrative data. For instance, data of SSS, GSIS and LISTAHANAN/CBMS are needed to validate list of senior citizens that should be given social pension.



Service through
policy research

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