



Republic of the Philippines
SOCIAL SECURITY SYSTEM

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CIRCULAR NO. 2023-014

TO : ALL MEMBERS, BENEFICIARIES, CLAIMANTS AND EMPLOYERS

SUBJECT : GUIDELINES ON PREVENTIVE AND PUNITIVE ACTIONS AGAINST FRAUD IN BENEFIT AND LOAN TRANSACTIONS

Pursuant to Social Security Commission (SSC) Resolution No. 273-s.2023 dated 30 June 2023, approving the implementation of preventive and punitive actions against fraud in benefit and loan transactions to secure the viability of the SSS Fund and ensure the integrity of payments for the purpose, and the zero-tolerance policy of the SSS on any type of fraud in all SSS transactions, in accordance with the provisions of Republic Act No. (RA) 11199 or the Social Security Act of 2018, RA No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, RA No. 10173 or the Data Privacy Act of 2012, RA No. 10175 or the Cybercrime Prevention Act of 2012, and other applicable laws, the following guidelines are hereby issued:

I. Scope

1. This Guidelines shall apply to all fraudulent benefit and loan transactions submitted online by members, beneficiaries, claimants and employers through the My.SSS portal, as detected by and/or reported to the SSS. It shall also be applicable to said transactions filed over the counter in SSS branches or offices due to exceptions in online submission.
2. Considering the adverse impact on disbursements affecting the overall financial status and operations of the SSS, fraudulent benefit and loan transactions shall be handled accordingly for its prevention and with punitive actions.
3. The preventive and punitive actions under this Guidelines shall be without prejudice to other criminal and/or civil actions that may be filed against any person or entity involved in the commission of fraud under applicable laws, rules and regulations.
4. Pursuant to Section 5 (a) of RA No. 11199, any member, beneficiary, claimant or employer may appeal the findings of fraud in any benefit or loan transaction, including the preventive and punitive actions, before the SSC, subject to its Rules of Procedure.

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II. Fraudulent benefit and loan transaction cases

A fraudulent benefit or loan transaction shall be deemed as any attempt or incident of intentional use of deceit, trick, modus, scheme or dishonest means to secure unfair advantage or unlawful gain from the SSS, whether for oneself or another, as follows:

1. Filing of a benefit transaction for a non-existent contingency;
2. Forgery, falsification, tampering or alteration of document/s;
3. Misrepresentation or concealment of facts or information;
4. Use and submission of any falsified or spurious document or information;
5. Disclosing to any person or entity the log-in credentials in the My.SSS portal, including personal and/or confidential information, resulting to acts of fraud; and
6. Other analogous cases as may be determined by the SSS.

III. Responsibilities of members, beneficiaries, claimants and employers

1. Members, beneficiaries, claimants and employers shall, at all times, keep their log-in credentials in the My.SSS portal secured and strictly confidential. Otherwise, they shall be solely responsible for any loss, liability or damages, including the consequences under this Guidelines.
 - The SSS shall not be liable for any fraudulent act arising from access to or use of My.SSS portal by any person or entity with whom the log-in credentials and other personal or confidential information were shared by members, beneficiaries, claimants and employers.
2. Members, beneficiaries, claimants and employers, when submitting their benefit and loan transactions, shall provide the following:
 - a) Certification with undertaking that the information and documents provided are true, correct and accurate;
 - b) Consent for the SSS to use personal information, including disbursement account details, for verification, investigation, fund recovery and other legal purposes, subject to applicable laws and regulations; and
 - c) Other certifications or requirements as may be determined by the SSS.
3. Members, beneficiaries, claimants and employers suspected and/or found to have committed fraud shall continue to pay their mandated contributions and any existing loan obligation. Said payment transactions are not covered under this Guidelines.

IV. Preventive actions against fraud

1. Any submitted benefit transaction suspected as fraudulent based on the initial evaluation by the SSS shall be immediately rejected and subject to verification processes to confirm the contingency (maternity, sickness, unemployment, retirement, disability, death and funeral) and the authenticity of documents.
2. Any settled benefit or loan transaction suspected as fraudulent based on initial findings by the SSS shall also be subject to verification processes.
3. During the period of verification, online submission of benefit transactions through the My.SSS portal shall be temporarily restricted or disabled for affected members, beneficiaries, claimants and employers. Hence, benefit transactions shall only be submitted over the counter at SSS branches or offices. With regard to loan transactions, applications shall not be accepted whether online or over the counter at SSS branches or offices until further notice from the SSS. However, affected employers may still be allowed to submit sickness and maternity notifications online.
 - Other features or functionalities of the My.SSS portal (e.g., viewing of membership and contribution records, generation of payment reference number) may still be used by affected members, beneficiaries, claimants and employers.
4. Submission of benefit and loan transactions through the My.SSS portal for affected employed members who are subject to the verification process shall also be temporarily restricted or disabled for their employers.
5. Affected members, beneficiaries, claimants and employers shall be notified accordingly and required to personally proceed to the SSS branch or office for the following:
 - a) Proper identification;
 - b) Interview regarding their benefit and/or loan transactions;
 - c) Presentation of original or certified true copy of supporting documents and other information for further evaluation; and
 - d) Other undertakings as may be determined by the SSS.
6. Full access to the My.SSS portal shall be immediately restored for affected members, beneficiaries, claimants and employers once their benefit and/or loan transactions have been verified to be in order.
7. All benefit and loan transactions with preliminary findings of fraud shall be endorsed for formal investigation and other measures as determined by the SSS. The rejection status of said transactions and the restricted or disabled access to the My.SSS portal shall remain until further notice from the SSS.

V. Punitive actions against fraud

1. All benefit and loan transactions that are found to have been committed with fraud based on the formal investigation shall be reported to the relevant law enforcement authorities, for possible prosecution under the pertinent provision of Section 28 of RA No. 11199 and other relevant laws. This shall be without prejudice to the provisions of Section V.4 herein.
2. Members, beneficiaries, claimants and employers who committed fraud in their benefit and/or loan transactions shall not be eligible to, or shall be disqualified from, all the following SSS programs and services for a period of five (5) years for each fraud case, to be reckoned from the date when the fraudulent benefit or loan transaction was submitted:
 - a) Application for any loan program;
 - b) Availment of other voluntary programs and privileges; and
 - c) Online submission of any benefit claim through the My.SSS portal.
 - i. More stringent verification processes and documentation, as determined by the SSS, may be required for the over-the-counter filing of any benefit claim during the non-eligibility or disqualification period.
 - ii. After the period of non-eligibility or disqualification, personal appearance at the SSS branch or office for verification, evaluation and other undertakings may be required prior to online submission of any benefit or loan transaction through the My.SSS portal, or for submission of said transaction over the counter.
3. An employer who assisted his/her employee, or any person who assisted any member, beneficiary, claimant or employer, in the commission of fraud in any benefit or loan transaction, and who is himself or herself a member, shall also be subject to the punitive actions as stated under Section V.2 herein. If found to have committed fraud involving a total of five (5) or more transactions at any given time, the non-eligibility or disqualification period shall be for a minimum of ten (10) years, with an additional one (1) year for every transaction in excess of five (5).
4. Members, beneficiaries, claimants and employers who, after the formal investigation, are found to have committed fraud may file a written reconsideration of the findings before the SSS Fraud Oversight Committee (FOC), and if sustained, an appeal may be filed before the SSC as provided in Section I.4 herein. Otherwise, the period of non-eligibility or disqualification under Section V.2 herein shall commence.
 - a) The filing of a written reconsideration shall either be through e-mail or over the counter in the SSS branch or office within a period of fifteen (15) calendar days from receipt of the notice from the SSS.
 - b) If the SSS FOC sustains the findings of fraud, the member, beneficiary, claimant or employer may file an appeal before the SSC within fifteen (15) calendar days from receipt of the notice from the SSS, subject to the Rules of Procedure of the SSC.

- c) A member, beneficiary, claimant or employer shall be considered to have received the notice of the formal investigation findings and/or decision of the SSS FOC, upon sending by the SSS of the notice to his/her registered e-mail address or home/ mailing address through registered mail.


VI. Stoppage or recovery of funds

If the member, beneficiary, claimant or employer did not file a written reconsideration of the findings of fraud in any benefit or loan transaction after receipt of notice from the SSS, or if the SSS sustained said findings and he/she did not seek an appeal before the SSC, the SSS shall proceed with the following actions:

1. The stoppage or recovery of funds that may have been disbursed through the Philippine Electronic Fund Transfer System and Operations Network (PESONet) or other channels shall be immediately processed by the SSS. The Development Bank of the Philippines (DBP), the Land Bank of the Philippines (LBP) and other future sending financial institution-partners of the SSS shall be required to comply accordingly.
2. In case of non-stoppage or non-recovery of funds through the disbursement channels, a demand letter shall be sent to the member, beneficiary, claimant or employer to return the full amount of the settled benefit and/or loan transaction within fifteen (15) calendar days from its receipt.
3. In case of non-return of funds within the above-mentioned period, the full amount, or any remaining portion unrecovered, shall be deducted from the future benefit, loan and/or other proceeds of the member, beneficiary, claimant or employer, as determined by the SSS. This shall be without prejudice to other criminal and/or civil actions that the SSS may pursue to recover the amount.

This Circular shall take effect immediately 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.


ROLANDO LEDESMA MACASAET
President and CEO

28 DEC 2023

Date

(Policy – SMEC/ Disability/ Retirement/ Death/ Funeral/ Unemployment and Loans Granting)
Prepared by: Benefits Oversight and Review Department

Guidelines on Preventive and Punitive Actions Against Fraud in Benefit and Loan Transactions