



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
EMPLOYEES' COMPENSATION COMMISSION
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FINANCIAL STATUS
STATE INSURANCE FUND
As of December 31, 2014

A. ASSETS

| | 2014 | % of Total | 2013 | % of Total | Peso Inc(dec) | % Inc(dec) |
|--------------|--------------------------|-------------|--------------------------|-------------|-------------------------|------------|
| SSS | 31,414,482,160.00 | 67% | 30,308,974,381.00 | 69% | 1,105,507,779.00 | 4% |
| GSIS | 15,747,450,216.00 | 33% | 13,678,197,522.00 | 31% | 2,069,252,694.00 | 15% |
| Total | 47,161,932,376.00 | 100% | 43,987,171,903.00 | 100% | 3,174,760,473.00 | 7% |

As of December 31, 2014, total assets of the State Insurance Fund (SIF) amounts to Ph47.16B; sixty-seven percent (67%) or Ph31.41B under the Social Security System (SSS) while thirty-three percent (33%) or Ph15.75B is under the Government Service Insurance System (GSIS). Assets have 7% or Ph3.17B increase from December 31, 2013 to December 31, 2014.

B. RESERVES/NETWORTH

| | 2014 | % of Total | 2013 | % of Total | Peso Inc(dec) | % Inc(dec) |
|--------------|--------------------------|-------------|--------------------------|-------------|-------------------------|------------|
| SSS | 31,414,429,013.00 | 67% | 30,308,922,955.00 | 69% | 1,105,506,058.00 | 4% |
| GSIS | 15,694,609,778.00 | 33% | 13,634,986,199.00 | 31% | 2,059,623,579.00 | 15% |
| Total | 47,109,038,791.00 | 100% | 43,943,909,154.00 | 100% | 3,165,129,637.00 | 7% |

*Reserves

** Net worth

Total Reserves for future payment of EC claims in both private and public sector amounts to Ph47.11B which has seven percent (7%) increase from December 31, 2013 to December 31, 2014.

As of December 31, 2014, total reserves of the SSS-managed SIF for future payment of EC claims in private sector amounted to Ph31.41B. Total reserve is increased by 4% or Ph 1.105B from December 31, 2013 to December 31, 2014.

The GSIS SIF-managed fund total Net worth amounts to Ph15.69B is broken down as follows:

| | |
|-----------------------------|--------------------------|
| Appropriated Surplus – ECIF | 7,044,670,000.00 |
| Unappropriated Surplus | 8,649,939,778.00 |
| Other comprehensive Income | - |
| Total Network | 15,694,609,778.00 |

From Ph 13.63B in 2013 to Ph15.69B 2014, total Net worth was increased by 15% or Ph 2.06B.

From the GSIS ECIF Net worth of Ph15.69B as of December 31, 2014, a total amount of Ph 7.045M is appropriated for payment of future claims, claims pending settlement, rehabilitation services, ECC and OSHC operating fund and for contingencies. Appropriations for years are as follows:

| Years | Amount (in millions) |
|-------|----------------------|
| 2010 | 613.96 |
| 2011 | 633.40 |
| 2012 | 1,095.95 |
| 2013 | 6,125.00 |
| 2014 | 7,045.00 |

C. REVENUE

Table C-1 Revenue Collected from January to December 31, 2014

| Particulars | SSS | % of Total | GSIS | % of Total | TOTAL | % of Total |
|-----------------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| Members Contribution | 1,711,204,185.00 | 69% | 2,060,609,591.00 | 82% | 3,771,813,776.00 | 76% |
| Investment and Other Income | 754,089,455.00 | 31% | 441,094,785.00 | 18% | 1,195,184,240.00 | 24% |
| Total | 2,465,293,640.00 | 100% | 2,501,704,376.00 | 100% | 4,966,998,016.00 | 100% |

50%

50%

From January to December 31, 2014, the **SIF generated total revenue of Ph 4.97B**: Seventy-six percent (76%) or Ph3.77B came from the collection of members' contributions while twenty-four percent (24%) or Ph1.195B from investment and other income.

Ph2.47B or 49.6% of the total revenue came from the SSS while Ph2.5B or 50.40% from the GSIS.

The table below shows the details of the members Contribution and Investment and other income.

Table C-2 Revenue Collected from January to December 31, 2013

| Particulars | SSS | % of Total | GSIS | % of Total | TOTAL | % of Total |
|-----------------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| Members Contribution | 1,605,130,625.00 | 70% | 2,243,644,080.83 | 91% | 3,848,774,705.83 | 81% |
| Investment and Other Income | 676,965,562.00 | 30% | 229,952,906.00 | 9% | 906,918,468.00 | 19% |
| Total | 2,282,096,187.00 | 100% | 2,473,596,986.83 | 100% | 4,755,693,173.83 | 100% |
| | | 48% | | 52% | | |

Table C-3 Comparative Net increase (decrease) in Revenues (December 2013 and 2014)

| Particulars | Ph Increase (Decrease) Members' Contributions | % Inc(dec) | Ph Increase (Decrease) Investment & Other Income | % Inc (dec) | TOTAL | % Inc (dec) |
|--------------|---|------------|--|-------------|-----------------------|-------------|
| SSS | 106,073,560.00 | 16% | 77,123,893.00 | 3% | 183,197,453.00 | 8% |
| GSIS | (183,034,489.83) | -80% | 211,141,879.00 | 9% | 28,107,389.17 | 1% |
| TOTAL | (76,960,929.83) | -2% | 288,265,772.00 | 6% | 211,304,842.17 | 4% |

Total Combined Revenue from January to December 31, 2014 has a net increase **of 4% or Ph211.30M compared to same period (January to December) of 2013**. Total net decrease in collection of members' contribution amounts to Ph76.96M while Investment and Other Income has a net increase of 6% or Ph288.27M.

Total SSS revenue from January to December, 2014 has **gone up by 8% or Ph183.197M** while the total GSIS revenue has **gone up by 1% or Ph28.107M** compared to the same period in 2013.

D. INVESTMENT

I. Investment and Investment Income of Public Sector SIF

As of December 31, 2014, the **Government Service Insurance System (GSIS)** has a total investment amounting to Ph10.95B with an investment income of Ph446M. Investment has increase by 9% or Ph947.58M from the Ph10B investment total at the end of 2013.

The table below shows the comparative details of investment from January to December, 2014 and 2013:

| Particulars | 2014 | 2013 | Ph Inc (dec) | % Inc (dec) |
|--|--------------------------|--------------------------|-----------------------|----------------|
| CURRENT INVESTMENT | | | | |
| Held to Maturity Investment | | | | |
| High Yield Short-term placement | 128,933,053.00 | 791,615,280.60 | (662,682,227.60) | -84% |
| NON-CURRENT INVESTMENT | | | | |
| Fair Value Through Profit or Loss (FVPL) | | | | |
| ROP Notes & Bonds AFS-Peso | 9,208,162,937.00 | 8,541,779,173.67 | 666,383,763.33 | 8% |
| Corporate Bonds | 1,145,281,500.00 | 497,745,500.00 | 647,536,000.00 | 100% |
| Stocks Traded | 467,503,890.00 | 171,165,000.00 | 296,338,890.00 | 100% |
| Total Non-current Investments | 10,820,948,327.00 | 9,210,689,673.67 | 1,610,258,653.33 | 17% |
| TOTAL INVESTMENT | 10,949,881,380.00 | 10,002,304,954.27 | 947,576,425.73 | 9% |
| | | | | |

Of the total investment, 98.81% or Ph10.82B is placed under non-current investment particularly in ROP Notes, Stocks and Bonds while Ph40.46M is placed under the Held to Maturity Investment particularly on High Yield Short-term Placement. Return of Investment is at 4.04%.

The table below shows the **comparative details of the investment income** from January to December 31, 2013 and 2014.

| PARTICULARS | 2014 | 2013 | Ph Inc (dec) | % Inc (dec) |
|---|-----------------------|-----------------------|----------------------|----------------|
| CURRENT INVESTMENT | | | | |
| Held to Maturity Investment | | | | |
| High Yield Short-term placement | 3,212,851.00 | 17,824,894.56 | (14,612,043.56) | -82% |
| NON-CURRENT INVESTMENT | | | | |
| Available for Sale Financial Assets | | | | |
| Gain (Loss) on Valuation - Stocks | 45,206,384.00 | | | |
| Gain (Loss) on Valuation - ROP Notes | (25,540,027.00) | | | |
| Gain (Loss) on Valuation - Corporate Bonds | (52,464,000.00) | | | |
| Dividend on Stocks | 17,375,125.00 | | | |
| Interest on ROP Notes & Bonds AFS-Peso | 418,314,723.00 | 338,331,828.37 | 79,982,894.63 | 24% |
| Interest on Corporate Bonds - AFS | 39,894,088.00 | 1,218,750.00 | 38,675,338.00 | 100% |
| TOTAL INVESTMENT INCOME | 445,999,144.00 | 357,375,472.93 | 88,623,671.07 | 25% |

The January to December 2014 investment income is twenty-five(25%) or Ph 88.62M higher compared to the investment income earned during same period in 2013.

Total investment and other revenues as of December 31, 2014 amounts to Ph441.09M broken down as follows:

| PARTICULARS | AMOUNT |
|--|-----------------------|
| Income from Investment | 442,786,291.00 |
| Other Investment Revenues (HYSTP) | 3,212,851.00 |
| Other Revenues | (4,904,357.00) |
| Total Investment and Other Income | 441,094,785.00 |

II. Investment of Private Sector SIF

As of December 31, 2014, total investment of Private Sector SIF amounts to Ph17.38B. Investment is increased by 41% or Ph5.021B from Ph 12.36B in December 31, 2013. Total Investment Income from January to December 31, 2014 amounts to Ph501.92M. Return of Investment is at 2.89%

Forty-one percent (41%) or Ph7.17B of the total Investment is placed under the Current Investment particularly on short-term money placement and loans receivables while fifty-nine percent (59%) or Ph 10.29B is placed under the non-current investments. The table below shows the details of these non-current investments.

Under the Non-current Investments, total Investment in Member Loans in the amount of Ph 6.32B comprised the highest rate (36%) of its investment in Loans and Receivables and generates total investment income in the amount of Ph405.61M from January to December, 2014.

Cash Equivalent and Interest Income

From January to December, 2014, the SIF at SSS has a total Cash and Cash Equivalent of Ph 13.87B which includes Savings Deposit-current at Ph3.9120B, Time Deposits at Ph6.037B and the Special Savings Deposit in the amount of Ph 3.91B. Such cash and cash equivalent generates a total interest income of Ph210.97M.

Investment and other Income

Investment and other Income from January to December, 2014 amounts to Ph754.09M broken down as follows:

| Particulars | AMOUNT |
|---|-----------------------|
| Investment Income | 501,919,730.18 |
| Other Income | |
| Interest Income –Cash in Bank/term deposits | 210,974,644.53 |
| Recovery from impairment Loss | 37,454,042.22 |
| Miscellaneous Income | 3,741,038.22 |
| Total Investment and Other Income | 754,089,455.15 |

| Particulars | INVESTMENT 2014 | % of total | Income from Investment 2014 | INVESTMENT 2013 | % Inc. /-Dec | Income from Investment 2013 |
|--|-------------------------|---------------|-----------------------------------|-------------------------|-----------------|-----------------------------------|
| CURRENT INVESTMENT | | | | | | |
| Held to Maturity investments | | | | | | |
| -Short term money placement | 7,092,680,244.53 | | 61,363,878.71 | 4,043,363,916.61 | 75% | 51,136,598.96 |
| -Treasury Bills | - | | - | | | |
| Loans and Receivables | | | | | | |
| -NHMFC | 74,233,288.37 | | - | 113,599,135.78 | -35% | - |
| -Commercial and Industrial loans | | | | | | |
| -Dormitory/apartment loan program | 244,301.55 | | - | 297,889.47 | -18% | - |
| Total Current Investments | 7,167,157,834.45 | 41% | 61,363,878.71 | 4,157,260,941.86 | 72% | 51,136,598.96 |
| NON-CURRENT INVESTMENTS | | | | | | |
| Non-current Financial assets | | | | | | |
| <i>Available-for-Sale financial assets</i> | | | | | | |
| - Marketable securities at FV | - | | - | - | 0% | - |
| <i>Held on Maturity Investments</i> | | | | | | |
| -Government Bonds | 2,031,464,784.51 | 12% | 19,665,065.38 | - | 0% | 19,140,055.18 |
| <i>Loans and Receivables</i> | | | | | | |
| Members Loan | | | | | | |
| - Salary/education/calamity | 5,876,360,938.48 | | 340,748,482.81 | 5,832,595,457.69 | 1% | 153,275,238.01 |
| - Separated member loan | 94,443,029.39 | | 15,491,631.95 | 100,146,913.40 | -6% | 26,376,447.23 |
| - Emergency loan | 348,115,512.59 | | 49,375,055.39 | 359,390,258.12 | -3% | 27,917,305.51 |
| - Student Assistance loan | 2,399,572.48 | | (1,746.38) | 2,380,793.27 | 0.79% | (2,209,074.50) |
| - Loan to Voc/tech students | 16,397.16 | | 1,283.85 | 16,702.76 | -2% | (0.01) |
| Total | 6,321,335,450.10 | 36% | 405,614,707.62 | 6,294,530,125.24 | 0% | 205,359,916.24 |

| | | | | | | |
|--------------------------------------|--------------------------|-------------|-----------------------|--------------------------|-------------|-----------------------|
| National Home Mortgage | | | | | | |
| Finance Corporation | 1,526,749,828.12 | 9% | 4,669,980.14 | 1,501,875,180.57 | 2% | (19,946,984.75) |
| Home Development Mutual Fund | - | | - | - | 0% | - |
| Housing loans | | | | | | |
| - Real Estate loan | 325,877,722.17 | 2% | 10,512,116.63 | 397,622,088.83 | -18% | 24,956,068.01 |
| Commercial and Industrial loans | | | | | | |
| - Hospital financing program | - | | - | - | 0% | 15,077.18 |
| - Dormitory/apartment loan program | 4,421,187.23 | | 93,981.70 | 4,395,478.66 | 1% | 124,149.45 |
| Total | 4,421,187.23 | 0% | 93,981.70 | 4,395,478.66 | 1% | 139,226.63 |
| Total Loans and Receivables | 8,178,384,187.62 | 47% | 420,890,786.09 | 8,198,422,873.30 | -15% | 210,508,226.13 |
| Total Non-Current Investments | 10,209,848,972.13 | 59% | 440,555,851.47 | 8,198,422,873.30 | 1% | 229,648,281.31 |
| GRAND TOTAL | 17,377,006,806.58 | 100% | 501,919,730.18 | 12,355,683,815.16 | 41% | 280,784,880.27 |
| Return of Investment | | | 2.89% | | | |

E. EXPENDITURES

| Particulars | SSS | % of Total | GSIS | % of Total | TOTAL | % of Total |
|--------------------|-------------------------|-------------|-----------------------|-------------|-------------------------|-------------|
| Benefits Payments | 1,096,897,577.00 | 93% | 160,219,980.00 | 45% | 1,257,117,557.00 | 81% |
| Operating Expenses | 86,815,754.00 | 7% | 510,012.00 | 0% | 87,325,766.00 | 6% |
| Management fees | - | | 198,887,701.00 | 55% | 198,887,701.00 | 13% |
| Total | 1,183,713,331.00 | 100% | 359,617,693.00 | 100% | 1,543,331,024.00 | 100% |
| | | 77% | | 23% | | |

*GSIS OPEX - Investment Exp. Ph 510,012.00

Total expenditures as of December 31, 2014 amounting to Ph1.54B was spent by the Systems for benefits payments and operating expenses/management fee; Seventy-seven percent (77%) or P1.18B by the SSS while twenty-three percent (23%) or Ph359.61M by the GSIS.

SSS spent Ph1.096B for the payment of EC benefits claims in the private sector and Ph86.82M for its operating expenses. The Operating Expenses is computed using the benefit payment ratio re the percentage of the total ECC benefit payments over the combined SSS and ECC benefit payments from the total PS and MOOE of the entire SSS.

The **GSIS spent Ph160.22M for payment of 16,170EC benefits claims in the public sector, Management fee charged by the GSIS to SIF amounts to Ph198.89M** computed at ten percent (10%) of the actual cash collection of contributions. Operating expenses include Investment fees and others amounts to Ph510,012.00.

F. EC BENEFITS CLAIMS AND PAYMENTS

The table below shows the breakdown of the number of claims and benefits payments made by the Systems from January to December, 2014:

| | SSS | | GSIS | |
|-------------------------|----------------|-------------------------|---------------|-----------------------|
| | NO. OF CLAIMS | AMOUNT | NO. OF CLAIMS | AMOUNT |
| DEATH AND PENSION | 221,413 | 872,035,409.00 | 13,250 | 134,749,839.00 |
| DISABILITY | 19,898 | 110,098,627.00 | 923 | 12,855,980.00 |
| SICKNESS | 25,542 | 90,878,609.00 | 292 | 1,455,714.00 |
| MEDICAL SERVICES | 511 | 16,739,338.00 | 1,626 | 10,566,704.00 |
| FUNERAL BENEFITS | 1,318 | 6,490,000.00 | 60 | 465,663.00 |
| REHABILITATION SERVICES | 241 | 655,594.00 | 19 | 126,080.00 |
| TOTAL | 268,923 | 1,096,897,577.00 | 16,170 | 160,219,980.00 |

Death and pension benefits comprised the highest share in the EC benefit payments made both by the SSS in the private sector and the GSIS (survivorship pension) in the public sector.

G. LOADING FUND

| Particulars | SSS | GSIS | TOTAL |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| Members Contribution | 1,711,204,185.00 | 2,060,609,591.00 | 3,771,813,776.00 |
| Investment Income | 501,919,730.18 | 445,999,142.00 | 947,918,872.18 |
| Total | 2,213,123,915.18 | 2,506,608,733.00 | 4,719,732,648.18 |
| 12% Loading Fund Ceiling | 265,574,869.82 | 300,793,047.96 | 566,367,917.78 |

OPERATING EXPENSES

| AGENCIES | SSS | GSIS | TOTAL |
|----------------------------|-----------------------|-----------------------|-----------------------|
| ECC | 69,876,100.00 | 29,946,900.00 | 99,823,000.00 |
| OSHC | 82,543,300.00 | 35,375,700.00 | 117,919,000.00 |
| GSIS - Management fee | | 198,887,701.00 | 198,887,701.00 |
| Investment fees and others | | 510,012.00 | |
| SSS | 86,815,754.00 | | 86,815,754.00 |
| TOTAL | 239,235,154.00 | 264,720,313.00 | 503,955,467.00 |

Note:

1. 4th Quarter remittance to OSHC Ph 9.79M was received on January 26, 2015 from the GSIS
2. 4th Quarter remittance to ECC Ph 7.486M was received on January 22, 2015 from the GSIS

Eighty-nine percent (89%) or Ph 503.96M of the allowable loading fund ceiling of Ph566.37M was spent by the Systems, ECC and OSHC for CY 2014.

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