

# GMS Flash Alert

2025-026 | 30 January 2025

## Philippines – Higher Social Security Contributions Effective January 2025

On 19 December 2024, the Philippine Social Security System (SSS) released Circular 2024-06, implementing a one percentage point increase in the contribution rate effective January 2025.<sup>1</sup>

The combined employer and employee Philippine SSS contribution, therefore, increased to 15 percent (from 14 percent). This marks the final phase of SSS rate adjustments under the 2019 statute RA 11999.

### WHY THIS MATTERS

Employees will pay 5 percent of their monthly salary instead of the previous 4.5 percent, meaning their take-home pay, generally, will be slightly smaller. Employers will also contribute more, increasing their share from 9.5 percent to 10 percent. While this adds to costs for both sides, it is designed to provide better future benefits like higher pensions and improved financial security for members of the system.

Employers and payroll administrators should have already made adjustments to their processes in light of the increase in contribution rates. Communications to affected parties should also have been issued already to inform stakeholders of the changes affecting them.

Staying informed about the increased SSS contribution rates is crucial for employers to administer proper tax deductions and foster compliance with the latest regulations.

### Background

The *Social Security Act of 2018* was signed into Philippine law as *Republic Act No. (RA) 11199* on 7 February 2019, to create a social security system that helps Filipinos save and protects them from financial hardships caused by disability, sickness, maternity, old age, or loss of a loved one. It also provides for benefits for Philippine workers both in the Philippines and abroad, encouraging them to work, save, and invest.

The law took effect on 5 March 2019.<sup>2</sup>

## What Has Changed

The Philippine SSS implemented the following key changes for employees and employers effective 1 January 2025:

- 1 The total SSS contribution rate has risen from 14 percent to 15 percent. For employed members, this means employers now contribute 10 percent (up from 9.5 percent), while employees contribute 5 percent (up from 4.5 percent).
- 2 The SSS has adjusted the Monthly Salary Credits (MSCs), increasing the minimum to PHP 5,000 (from PHP 4,000) and the maximum to PHP 35,000 (from PHP 30,000).

In summary, the following tables show the comparison between the old and new provisions on the increases in SSS contributions.

### Old Provision:

Year(s)	Contribution Rate	Employer Share	Employee Share	Minimum Monthly Salary Credit (MSC)	Maximum Monthly Salary Credit (MSC)
2023-2024	14.0%	9.5%	4.5%	PHP 4,000.00	PHP 30,000.00

Source: KPMG in the Philippines

### New Provision:

Year	Contribution Rate	Employer Share	Employee Share	Minimum Monthly Salary Credit (MSC)	Maximum Monthly Salary Credit (MSC)
2025	15.0%	10.0%	5.0%	PHP 5,000.00	PHP 35,000.00

Source: KPMG in the Philippines

For a detailed schedule of 2025 SSS contributions, see Appendix A.

[ PHP 1 = EUR 0.016 | PHP 1 = USD 0.017 | PHP 1 = AUD 0.0275 | PHP 1 = JPY 2.6448 ] Source: [www.xe.com](http://www.xe.com)

## KPMG INSIGHTS

Employers are encouraged to update their payroll systems and inform their employees about the SSS contribution changes to foster regulatory compliance and smooth implementation.

Parties affected by the above-noted changes may have questions or concerns about how the rate increases impact them and how they should appropriately adjust their procedures and policies in light of the changes; they are advised to contact their usual social security and payroll professionals or a member of the GMS tax team with KPMG in the Philippines (see the Contacts section).

## **APPENDIX A**

### **2025 Schedule of SSS Contributions**

Range of Compensation (PHP)		Old SSS Premium Contributions (PHP)			New SSS Premium Contributions (PHP)		
		January 2023 to December 2024			Effective January 2025		
		Employer	Employee	TOTAL	Employer	Employee	TOTAL
<b>BELOW 5,250.00</b>		390.00	180.00	<b>570.00</b>	-	-	-
		437.50	202.50	<b>640.00</b>	-	-	-
		485.00	225.00	<b>710.00</b>	510.00	250.00	<b>760.00</b>
<b>5,250.00</b>	<b>5,749.99</b>	532.50	247.50	<b>780.00</b>	560.00	275.00	<b>835.00</b>
<b>5,750.00</b>	<b>6,249.99</b>	580.00	270.00	<b>850.00</b>	610.00	300.00	<b>910.00</b>
<b>6,250.00</b>	<b>6,749.99</b>	627.50	292.50	<b>920.00</b>	660.00	325.00	<b>985.00</b>
<b>6,750.00</b>	<b>7,249.99</b>	675.00	315.00	<b>990.00</b>	710.00	350.00	<b>1,060.00</b>
<b>7,250.00</b>	<b>7,749.99</b>	722.50	337.50	<b>1,060.00</b>	760.00	375.00	<b>1,135.00</b>
<b>7,750.00</b>	<b>8,249.99</b>	770.00	360.00	<b>1,130.00</b>	810.00	400.00	<b>1,210.00</b>
<b>8,250.00</b>	<b>8,749.99</b>	817.50	382.50	<b>1,200.00</b>	860.00	425.00	<b>1,285.00</b>
<b>8,750.00</b>	<b>9,249.99</b>	865.00	405.00	<b>1,270.00</b>	910.00	450.00	<b>1,360.00</b>
<b>9,250.00</b>	<b>9,749.99</b>	912.50	427.50	<b>1,340.00</b>	960.00	475.00	<b>1,435.00</b>
<b>9,750.00</b>	<b>10,249.99</b>	960.00	450.00	<b>1,410.00</b>	1,010.00	500.00	<b>1,510.00</b>
<b>10,250.00</b>	<b>10,749.99</b>	1,007.50	472.50	<b>1,480.00</b>	1,060.00	525.00	<b>1,585.00</b>
<b>10,750.00</b>	<b>11,249.99</b>	1,055.00	495.00	<b>1,550.00</b>	1,110.00	550.00	<b>1,660.00</b>
<b>11,250.00</b>	<b>11,749.99</b>	1,102.50	517.50	<b>1,620.00</b>	1,160.00	575.00	<b>1,735.00</b>
<b>11,750.00</b>	<b>12,249.99</b>	1,150.00	540.00	<b>1,690.00</b>	1,210.00	600.00	<b>1,810.00</b>
<b>12,250.00</b>	<b>12,749.99</b>	1,197.50	562.50	<b>1,760.00</b>	1,260.00	625.00	<b>1,885.00</b>
<b>12,750.00</b>	<b>13,249.99</b>	1,245.00	585.00	<b>1,830.00</b>	1,310.00	650.00	<b>1,960.00</b>
<b>13,250.00</b>	<b>13,749.99</b>	1,292.50	607.50	<b>1,900.00</b>	1,360.00	675.00	<b>2,035.00</b>

13,750.00	14,249.99	1,340.00	630.00	1,970.00	1,410.00	700.00	2,110.00
14,250.00	14,749.99	1,387.50	652.50	2,040.00	1,460.00	725.00	2,185.00
14,750.00	15,249.99	1,455.00	675.00	2,130.00	1,530.00	750.00	2,280.00
15,250.00	15,749.99	1,502.50	697.50	2,200.00	1,580.00	775.00	2,355.00
15,750.00	16,249.99	1,550.00	720.00	2,270.00	1,630.00	800.00	2,430.00
16,250.00	16,749.99	1,597.50	742.50	2,340.00	1,680.00	825.00	2,505.00
16,750.00	17,249.99	1,645.00	765.00	2,410.00	1,730.00	850.00	2,580.00
17,250.00	17,749.99	1,692.50	787.50	2,480.00	1,780.00	875.00	2,655.00
17,750.00	18,249.99	1,740.00	810.00	2,550.00	1,830.00	900.00	2,730.00
18,250.00	18,749.99	1,787.50	832.50	2,620.00	1,880.00	925.00	2,805.00
18,750.00	19,249.99	1,835.00	855.00	2,690.00	1,930.00	950.00	2,880.00
19,250.00	19,749.99	1,882.50	877.50	2,760.00	1,980.00	975.00	2,955.00
19,750.00	20,249.99	1,930.00	900.00	2,830.00	2,030.00	1,000.00	3,030.00
20,250.00	20,749.99	1,977.50	922.50	2,900.00	2,080.00	1,025.00	3,105.00
20,750.00	21,249.99	2,025.00	945.00	2,970.00	2,130.00	1,050.00	3,180.00
21,250.00	21,749.99	2,072.50	967.50	3,040.00	2,180.00	1,075.00	3,255.00
21,750.00	22,249.99	2,120.00	990.00	3,110.00	2,230.00	1,100.00	3,330.00
22,250.00	22,749.99	2,167.50	1,012.50	3,180.00	2,280.00	1,125.00	3,405.00
22,750.00	23,249.99	2,215.00	1,035.00	3,250.00	2,330.00	1,150.00	3,480.00
23,250.00	23,749.99	2,262.50	1,057.50	3,320.00	2,380.00	1,175.00	3,555.00
23,750.00	24,249.99	2,310.00	1,080.00	3,390.00	2,430.00	1,200.00	3,630.00
24,250.00	24,749.99	2,357.50	1,102.50	3,460.00	2,480.00	1,225.00	3,705.00
24,750.00	25,249.99	2,405.00	1,125.00	3,530.00	2,530.00	1,250.00	3,780.00
25,250.00	25,749.99	2,452.50	1,147.50	3,600.00	2,580.00	1,275.00	3,855.00
25,750.00	26,249.99	2,500.00	1,170.00	3,670.00	2,630.00	1,300.00	3,930.00
26,250.00	26,749.99	2,547.50	1,192.50	3,740.00	2,680.00	1,325.00	4,005.00

26,750.00	27,249.99	2,595.00	1,215.00	3,810.00	2,730.00	1,350.00	4,080.00
27,250.00	27,749.99	2,642.50	1,237.50	3,880.00	2,780.00	1,375.00	4,155.00
27,750.00	28,249.99	2,690.00	1,260.00	3,950.00	2,830.00	1,400.00	4,230.00
28,250.00	28,749.99	2,737.50	1,282.50	4,020.00	2,880.00	1,425.00	4,305.00
28,750.00	29,249.99	2,785.00	1,305.00	4,090.00	2,930.00	1,450.00	4,380.00
29,250.00	29,749.99	2,832.50	1,327.50	4,160.00	2,980.00	1,475.00	4,455.00
29,750.00	30,249.99	2,880.00	1,350.00	4,230.00	3,030.00	1,500.00	4,530.00
30,250.00	30,749.99	-	-	-	3,080.00	1,525.00	4,605.00
30,750.00	31,249.99	-	-	-	3,130.00	1,550.00	4,680.00
31,250.00	31,749.99	-	-	-	3,180.00	1,575.00	4,755.00
31,750.00	32,249.99	-	-	-	3,230.00	1,600.00	4,830.00
32,250.00	32,749.99	-	-	-	3,280.00	1,625.00	4,905.00
32,750.00	33,249.99	-	-	-	3,330.00	1,650.00	4,980.00
33,250.00	33,749.99	-	-	-	3,380.00	1,675.00	5,055.00
33,750.00	34,249.99	-	-	-	3,430.00	1,700.00	5,130.00
34,250.00	34,749.99	-	-	-	3,480.00	1,725.00	5,205.00
34,750.00 - OVER		-	-	-	3,530.00	1,750.00	5,280.00

Source: KPMG in the Philippines

## FOOTNOTES:

1 For more on the changes, see Circular 2024-06 at: <https://www.sss.gov.ph/wp-content/uploads/2024/12/CI-2024-006-Publication.pdf>.

2 For more on the *Social Security Act of 2018 (RA 11199)*, see: [https://www.sss.gov.ph/wp-content/uploads/2022/04/Booklet\\_SS-ACT-OF-2018\\_05172019\\_2.pdf](https://www.sss.gov.ph/wp-content/uploads/2022/04/Booklet_SS-ACT-OF-2018_05172019_2.pdf).

\* \* \* \*

## Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in the Philippines



**Karen Jane S. Vergara-Manese**  
**Partner**  
Tel. + 63 (2) 8885 7000  
[kvergara@kpmg.com](mailto:kvergara@kpmg.com)



**Jozette Issel G. Dizon**  
**Partner**  
Tel. + 63 (2) 8885 7000  
[jgdizon@kpmg.com](mailto:jgdizon@kpmg.com)

**The information contained in this newsletter was submitted by the KPMG International member firm in the Philippines.**

© 2025 R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

[www.kpmg.com](http://www.kpmg.com)

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



[kpmg.com](http://kpmg.com)

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A. USCS001250-2F

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

*GMS Flash Alert* is a publication of the KPMG LLP Washington National Tax practice.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.