CONGRESS OF THE PHILIPPINES
THIRTEENTH CONGRESS
First Regular Session



HOUSE OF REPRESENTATIVES

House Bill No. 1455

INTRODUCED BY **HON. CYNTHIA A. VILLAR**

EXPLANATORY NOTE

Article XIV, Section I of the Constitution provides:

> "The State shall protect and promote the rights of all citizens to quality education at all levels and shall take appropriate steps to make education accessible to all."

To implement this Constitutional mandate, the State shall provide the mechanisms to broaden opportunities for higher education in addition to what is already provided for in RA 6014, "The Study Now Pay Later Law", and RA 6728, "The Government Assistance to Students and Teachers in Private Education Act."

This bill therefore proposes to further broaden opportunities for higher education by enabling qualified SSS and GSIS members to assure the college education of their children through the College Education Trust Fund created under this Act. This fund consists of the premiums paid by the members. This bill seeks to guarantee the completion of a basic four-year or five-year college course of the members' children.

Coverage under this college education insurance plan is optional for all members regardless of civil status, with or without a child. The benefits provided for under this Act can only be availed of by Members who have completed their policy prior to enrollment of the child in college. The GSIS or SSS, as the case may be, will pay the college education of the child no matter what the cost at the time of enrollment. It is in effect paying for the child's education tomorrow at today's prices. The payment is made directly to the school, thus preventing the funds from being used for other purposes. Included in the benefits are the payment for non-standard fees such as materials, books, supplies and even board and lodging expenses that may be incurred in the pursuit of such education. The Bill likewise provides for incentives to scholars and enrollees of Agriculture, Fishery, Forestry, Science and Technology courses.

For many Filipinos, college education remains an elusive dream. In order that said dream may come true and to strengthen education as a means for upward mobility as well, passage of this bill is recommended.

CYNTHIA A. VILLAR

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AN ACT ESTABLISHING A COLLEGE EDUCATION TRUST FUND FOR CHILDREN OF GSIS AND SSS MEMBERS

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* - This Act shall be known as the "College Education Trust Fund Act of 2004".

SEC. 2. *College Education Trust Fund.* - There is hereby established in the Government Service Insurance System and the Social Security System a special trust fund called the "College Education Trust Fund" to ensure the college education of the children of the Members of both Systems.

SEC. 3. *Children Defined.* - For purposes of this Act, the term "children" shall include the legitimate, legitimated, legally adopted or illegitimate child or grandchild of the Member.

SEC. 4. *Optional Coverage.* - Subject to the rules and regulations prescribed by the Government Service Insurance System (GSIS) or the Social Security System (SSS), as the case may be, all Members, regardless of civil

status, with or without a child shall have the option to insure under this Act.

SEC. 5. *Premium Payments.* - The amount of premiums to be paid to the College Education Trust Fund by the Member shall be in accordance with the schedule of payments to be provided by the System concerned taking into consideration the following criteria:

a) The interval of time between the effectivity of the coverage and the estimated time of enrollment of the child in college;

b) The number of monthly contributions to be made to complete the policy;

c) The benefits to be availed of as provided in Section 6 of this Act;

d) The number of children insured under this Act;

e) The amount of tuition and other standard fees charged by the school; and

f) Such other factors as may be determined by the System concerned.

SEC. 6. *Educational Benefits.* - Only Members who have completed the payment of the premium on the policy before the enrollment of the child shall be entitled to avail of the benefits provided for under this Act.

The benefits shall include the payment by the System concerned of:

a) Such school fees as may be required for enrollment in and completion of four or five year college course, which shall include tuition fees for all subject officially prescribed by the school and part of the regular curriculum as requisite for graduation and such standard fees as may be defined by the System concerned in coordination with the Department of Education;

b) Materials, books, supplies and other similar fees required by the school; and

c) The board and lodging expenses that may be incurred in the pursuit of such education.

The member may opt to insure any of the above or combinations thereof.

The payment shall be made by the System directly to the institution except for item (b) that shall only be reimbursed to the member or child. The System concerned shall provide for safeguards to insure the prompt payment of these benefits.

SEC. 7. *Incentives.* -

a) Should the child earn any scholarship in College as to exempt the System from the payment of the benefits provided for in paragraph (a) of the proceeding section, in whole or in part, such payments shall be received by the child in lieu of the school.

b) The System concerned shall provide for incentives to enrollees of the following courses: Agricultural, Forestry, Fishery, Science and Technology.

SEC. 8. *Transferability Of Benefits.* - The benefits provided for under this Act may be transferred or assigned to another child of the same Member.

SEC. 9. *Death Or Disability Of Member.* -- The death or disability of the member shall not preclude the child from the availment of the benefits provided for in this Act.

SEC. 10. In case of insufficiency of provisions of this Act, the SSS or GSIS law as the case may be shall apply in a suppletory manner.

SEC. 11. *Implementing Rules and Regulations.* - The GSIS or SSS, as the case may be, shall promulgate the necessary rules and regulations for the effective implementation of this Act within ninety (90) days following its approval.

SEC. 12. *Separability Clause.* - If, for any reason, any section or provision of this Act shall be held to be unconstitutional or invalid, the other sections or provisions of this Act shall not be affected thereby.

SEC. 13. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,