CONGRESS OF THE PHILIPPINES
THIRTEENTH CONGRESS
First Regular Session



HOUSE OF REPRESENTATIVES

House Bill No. 1477

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

EXPLANATORY NOTE

This Bill seeks to amend paragraph b, Section 10 of Presidential Decree No. 1146, entitled "Revised Government Service Insurance Act of 1977," as amended by Republic Act No. 8291. The paragraph reads as follows:

> "(b) All service credited for retirement, resignation or separation for which corresponding benefits have been awarded under this Act or other laws shall be excluded in the computation of service in case of reinstatement in the service of an employee and subsequent retirement or separation which is compensable under this Act." (underscoring supplied)

The said provision is prejudicial to the interests of civil service employees who, after many years of dedicated service, retire, resign or are separated from the service but are still qualified for re-employment. This also applies to government employees who may have been separated involuntarily due to abolition of office or in cases of government reorganization. Under the above-cited provision, in cases of re-employment in the government, service rendered to the government prior to the retirement, resignation or separation, abolition or reorganization are excluded in the computation of service for purposes of their subsequent retirement or separation benefits.

Sec. 10 of PD 1146 prior to its amendment provided that all services rendered in the government by employees who were separated from office not for cause but due to government reorganization and subsequently reinstated in another office, shall be INCLUDED in the computation of their retirement benefits.

Further, under Section 12 (d) of the same Act, it is provided that all retirement benefits previously paid by GSIS, and not by a government office or agency which has been abolished, to an employee who was separated from office not for cause but due to government reorganization and subsequently reinstated in another office shall be accumulated and deducted, without interest, from the retirement benefits to be received by the employed upon his retirement.

Sec. 10 of PD 1146, as amended by RA 8291, is an unfair law as it amounts to an unjust taking of property without compensation. It does not serve as an incentive to Civil Service employees who are qualified for reemployment or reinstatement in the government, as they will have to start all over again. Although it is true that corresponding benefits are awarded for their previous employment, these are just token amounts to cushion the impact of their unemployment. Still, the basic injustice subsists.

The approval of this proposed amendatory measure is thus requested.

CYNTHIA A. VILLAR

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AN ACT FURTHER AMENDING REPUBLIC ACT NO. 8291 AMENDING PRESIDENTIAL DECREE NO. 1146, OTHERWISE KNOWN AS THE "REVISED GOVERNMENT SERVICE INSURANCE ACT OF 1977," AS AMENDED

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

SECTION 1. Section 10(b) of Presidential Decree No. 1146, as amended, is hereby further amended to read as follows:

"SEC. 10. *Computation of Service.* – (a) The computation of service for the purpose of determining the amount of benefits payable under this Act shall be from the date of original appointment/election, including periods of service at different times under one or more employers, those performed overseas under the authority of the Republic of the Philippines, and those that may be prescribed by the Government Service Insurance System (GSIS) in coordination with the Civil Service Commission.

"(b) All service credited for retirement, resignation or separation for which corresponding benefits have been awarded under this Act or other laws shall be [excluded]

INCLUDED in the computation of service in case of reinstatement in the service of an employer and subsequent retirement or separation which is compensable under this Act[.]: ***PROVIDED,*** **THAT AN EMPLOYEE WHO HAS BEEN PREVIOUSLY SEPARATED OR RETIRED FROM THE SERVICE SHALL BE GIVEN FULL CREDIT FOR SERVICES RENDERED BY HIM PRIOR TO HIS REINSTATEMENT FOR PURPOSES OF DETERMINING HIS/HER RETIREMENT OR SEPARATION BENEFITS. ANY PROVISION OF THE LAW, TO THE CONTRARY NOTWITHSTANDING, THE AMOUNT OF GRATUITY PREVIOUSLY RECEIVED SHALL BE DEDUCTED FROM THE GRATUITY HE SHALL RECEIVE UPON HIS SUBSEQUENT SEPARATION OR RETIREMENT."**

SEC. 2. The same decree is hereby further amended by adding a new section after Section 14 to be denominated as Section 14-A to read as follows:

"SEC. 14-A. ***RETIREMENT OPTION.*** **– EMPLOYEES, INCLUDING THOSE WHO HAVE PREVIOUSLY RETIRED OR SEPARATED FROM THE SERVICE AND ARE IN THE GOVERNMENT SERVICE UPON THE EFFECTIVITY OF THIS ACT SHALL, AT THE TIME OF THEIR RETIREMENT, HAVE THE OPTION TO RETIRE UNDER THIS ACT OR UNDER COMMONWEALTH ACT NO. 186, AS AMENDED, AND THEIR BENEFITS AND ENTITLEMENT THERETO SHALL BE DETERMINED IN**

ACCORDANCE WITH THE PROVISIONS OF THE LAW SO OPTED."

SEC. 3. The repealing clause is likewise amended, thus:

"All laws and any other law or parts of law specifically inconsistent herewith are hereby repealed or modified accordingly: *Provided,* That the rights under existing laws, rules and regulations vested upon or acquired by an employee who is already in the service as of the effectivity of this Act shall remain in force and effect.: ***PROVIDED, FURTHER,*** **THAT A NEW EMPLOYEE WHO HAS PREVIOUSLY RETIRED OR SEPARATED FROM THE SERVICE AND IS RE-EMPLOYED AFTER THE EFFECTIVITY OF THIS ACT, HIS SUBSEQUENT RETIREMENT SHALL BE COVERED BY THE PROVISION OF THIS ACT."**

SEC. 4. 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,