

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2112



INTRODUCED BY THE HONORABLE GERRY A. SALAPUDDIN

EXPLANATORY NOTE

The task of the Government Service Insurance System (GSIS) is to look after the needs of all government employees, who are all compulsory members of the said System. The employee's monthly contributions to the GSIS Social Insurance Fund entitle him/her to receive various benefits, ranging from a monthly pension, separation benefits, and retirement benefits, among others.

The Board of Trustees of the GSIS is authorized by Republic Act No. 8291 to invest any surplus of the GSIS Social Insurance Fund to ensure that its value shall increase, so as to benefit all the members of the System. In view of the millions of GSIS members and considering the many successful investments undertaken by the said Board of Trustees, the said Fund must now be worth tens of billions of pesos, which is a very realistic assumption of its value.

It would thus seem that the member-beneficiaries of the GSIS would be able to expect an increase in their benefits. But such is not the case. The members of the GSIS, for whose benefit the System was established in the first place, are still forced to endure the low benefits they are entitled to. While these amounts are all that they are entitled to under the law, these amounts are unconscionably and immorally low, given continually changing buying power of the Philippine peso. Despite this, the officials and employees of the GSIS, who receive salaries comparable to those in the private sector, enjoy extra remuneration to perform their obligations. This is unfair to the member-beneficiaries who are the backbone of the GSIS.

In view of this, this Bill seeks to amend Republic Act No. 8291 otherwise known as the GSIS Act of 1997 by ensuring that the member-beneficiaries shall receive benefits which are reflective of the value of the buying power of the Philippine peso. And to guarantee that there will always be available funds for this purpose, this Bill will ensure that no unnecessary expenditures of the Fund shall be made.

Approval of this bill is therefore earnestly sought.


GERRY A. SALAPUDDIN
Representative, Lone District, Basilan

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AN ACT
AMENDING REPUBLIC ACT NUMBER 8291 OTHERWISE KNOWN
AS "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF
1997"

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

SECTION 1. The following provision shall be inserted to Republic Act No. 8291, as follows:

“Sec. 27-A. *Automatic Increases of Benefits.* – The benefits referred to in this Article shall be automatically adjusted every five (5) years to accurately and realistically reflect the buying power of the Philippine peso.”

SEC. 2. Paragraph (m) of Section 41 (Powers and Functions of the GSIS) of R.A. No. 8921 is hereby amended to read as follows:

“(m) to approve appointments in the GSIS except appointments to positions which are policy determining, primarily confidential or highly technical in nature according to the Civil Service Rules and regulations: *Provided*, That all positions in the GSIS shall be governed by a compensation and position classification system and qualifications standards approved by the GSIS Board of Trustees based on a comprehensive job analysis and audit of actual duties and responsibilities: *Provided further*, That the compensation shall be comparable with the prevailing compensation plans in the private sector and shall be subject to periodic review by the Board no more than once every four (4) years **[without prejudice to yearly merit reviews or increases based on productivity and profitability]**.”

SEC. 3. Paragraph (u) of Section 41 (Powers and Functions of the GSIS) of R.A. No. 8921 is hereby repealed.

SEC. 4. Paragraphs (v), (w), (x), and (y) of Section 41 (Powers and Functions of the GSIS) of R.A. No. 8921 are hereby re-labeled as Paragraphs (u), (v), (w), and (x), respectively.

SEC. 5. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,