



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



Thirteenth Congress
First Regular Session

HOUSE BILL NO. 3083

Introduced by Honorable Roger G. Mercado

EXPLANATORY NOTE

This bill seeks to rationalize the pay of officers and employees of the Government Service Insurance System.

Our country is experiencing severe fiscal crisis. To recover from such crisis, the Arroyo Administration encourages all government agencies to undertake certain austerity and belt-tightening measures. Fund raising has been launched; top corporations have been asked to contribute at least P1M each; members of the military have been requested to each donate a day's salary. And the Congress is being asked to expedite tax revenue measures.

While such activities save the country's economy from collapsing, certain groups are enjoying a luxurious standard of living. Among these groups are the officials and employees of the government-owned and -controlled corporations (GOCCs) who receive fabulous salaries, allowances and other perks. One such GOCC is the Government Service Insurance System (GSIS) which handles the insurance and pension funds of government workers.

The officers and employees of the GSIS, having a much superior pay package, are receiving at least three times that of the comparable positions in national government agencies. This disparity is not actually violative of any law. GSIS does not follow the Salary Standardization Law (SSL). It has its own charter which allows its employees, particularly the top executives, to get salaries and benefits beyond the official remuneration received even by our President and Vice-President. This charter must be amended

It is, therefore, imperative to put a cap on the salaries of this group of officials and employees. . It may be true that poor pay encourages corruption and discourages the best and the brightest from serving the government. However, with the country's fiscal problem, everyone has to sacrifice. For the last five years, government employees have been denied a much needed salary increase. It is only fair that GSIS officials and employees give their share in the improvement of the country's economy. This is also in line with Memorandum Order No. 20 dated 25 June 2001 issued by President Gloria Macapagal-Arroyo directing heads of government-owned and -controlled corporations (GOCCs), government financial institutions (GFIs), and subsidiaries exempted from or not following the Salary Standardization Law (SSL) to implement pay rationalization for all senior officer positions. Under the said Order, the heads of GOCCs, GFIs, and subsidiaries, exempt or not from the SSL, are directed to:

“Prepare a Pay Rationalization Plan for senior officer positions and Members of the Board of Directors/Trustees to reduce the actual pay package to not exceeding two (2) times the standardized rates for comparable national government positions. xxx.”

Approval of the bill is earnestly recommended.

A handwritten signature in black ink, appearing to read 'Roger G. Mercado', enclosed within a circular stamp or seal.

ROGER G. MERCADO

(b) to adopt or approve the annual and supplemental budget of receipts and expenditures including salaries and allowances of the GSIS personnel: PROVIDED, THAT NO PERSONNEL SHALL RECEIVE AN AGGREGATE SALARY AND ALLOWANCES EXCEEDING ONE HUNDRED THOUSAND PESOS (P100,000.00) PER MONTH; to authorize such capital and operating expenditures and disbursements of the GSIS as may be necessary and proper for the effective management and operation of the GSIS.

x

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x.”

SEC. 5. This Act shall take effect upon its approval.

Approved,