

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

13th CONGRESS
First Regular Session

House Bill No. 3601



Introduced by **Honorable Rolex T. Suplico**

AN ACT
PROVIDING FOR THE VOLUNTARY MEMBERSHIP IN THE GOVERNMENT
SERVICE INSURANCE SYSTEM (GSIS), THEREBY AMENDING SEC. 3 OF
REPUBLIC ACT NO. 8291

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

SECTION 1. Section 3 of Republic Act No. 8291, as amended, is hereby further amended to read as follows:

“Membership in the GSIS shall be VOLUNTARY for all employees receiving compensation who have not reached the compulsory retirement age, irrespective of employment status, except members of the Armed Forces of the Philippines (AFP) and they must settle first their financial obligation with the GSIS, and contractuels who have no employer and employee relationship with the agencies they serve.”

Sec. 2. All contributions, accumulated dividends and interests earned by members, one (1) year and above, who voluntarily terminated their membership with GSIS shall be returned on a monthly basis within 5 years.

Sec. 3. The GSIS Board of Trustees shall issue the necessary rules and regulations for the effective implementation of this Act which shall first be subject to review by a Congressional Oversight Committee composes of six (6) members as follows: three (3) from the Senate and three (3) from the House of Representatives; Provided: That the minority shall be entitled to two (2) members as follows: one (1) from each House of Congress.

Sec. 4. This Act shall take effect upon its approval.

Approved,

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Explanatory Note

The admission of President Gloria Macapagal-Arroyo that the country is in a fiscal crisis has led to the investigation of the fat salaries, allowances and perks of board members and top executives of government-owned and controlled corporations (GOCCs), including the Government Service Insurance System (GSIS).

The disclosures have only added up to the growing doubts and discontent of the government employees with the services of the GSIS. In addition to the demoralization of GSIS members brought about by the unilateral decision of the GSIS to stop the loans and benefits of some 1.5 million during the second quarter of 2003, there has been complaint of government retirees against GSIS' suspension of their reimbursements for medical expenses and the like. And finally, government workers' pension funds have been used by GSIS in questionable and failed investments which have caused acute shortage of funds.

Hence, this bill redefines the membership of government employees in the GSIS by allowing their voluntary membership and gives them the option to invest their money with other insurance and/or social security institution. The inadequacy of the existing measures call for the members of Congress to strengthen legislation concerning use of government workers' pension funds. The immediate approval of this bill is thus earnestly sought.


ROLEX T. SUPLICO