

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

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2808

Introduced by Honorable Randolph S. Ting

EXPLANATORY NOTE

This bill seeks to amend sections 13(b) and 13-A of Republic Act 8291 otherwise known as the GSIS Act of 1997 that sets the mandatory and optional retirement age for government employees except those in the military and police service.

Unemployment has remained high in the Philippines, despite the relatively fast employment growth. Employment growth was not sufficient to reduce unemployment because of rapid population growth and increased labor force participation. As the question of unemployment is being raised and given the increase in the country's produce of those who will need to be employed, it is difficult to justify keeping older employees in post. All those retiring could make room in the labor market for all graduates increasing year after year.

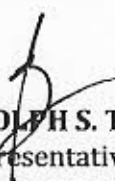
Government is the biggest employer among all employment sectors with approximately 1.4 million employees. Prospective employees can enter government service even at an early age of twenty-one (21) and can stay up to age sixty five (65) or a maximum length of service of forty (45) years of service. Republic Act 8291 prescribes the mandatory retirement age for government employees at sixty-five (65) years old with a minimum of fifteen (15) years of government service, while optional retirement is at the age of sixty (60) and above but lower than sixty five (65) with at least fifteen years of service.

However, manpower turn-over in government is slow because only a few avail of early retirement. Most government employees opt to retire at the age of sixty-five (65) thereby creating a stand-off in terms of position movement and the accommodation of new entrants. This scenario affects government's productivity since studies show that people reaching the age of fifty tend to suffer from a decline of cognitive and physical ability (*Vegard Skirbekk, Age and Individual Productivity, Max Planck Institute for Demographic Research, 2003*). Moreover, the infusion of modern technology in government workplace such as the use of computers and the internet had also affected productivity of government workers due to difficulties in adapting to modern technology.

Reducing mandatory retirement age for government employees can be a viable solution to unemployment while increasing and improving productivity of government employees. If enough retirees would leave government, it will give an end to the current incident of too many people chasing very few jobs. This development would help the economy by letting those who got off from the labor force pursue their interests which could lead to additional investments, travel or even becoming employers who could help open more opportunities for those jobless.

It is therefore fitting to reduce the compulsory retirement age for retirees to enjoy provided benefits and assistance to them.

In the light of the foregoing, approval of this bill is earnestly sought.



RANDOLPH S. TING
Representative
3rd District, Cagayan Province

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

FIFTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. 2808

Introduced by Honorable Randolph S. Ting

**AN ACT LOWERING THE MANDATORY RETIREMENT AGE OF GOVERNMENT EMPLOYEES,
AMENDING FOR THIS PURPOSE SECTIONS 13(b) AND 13-A OF R.A. 8291, OTHERWISE KNOWN
AS THE REVISED GOVERNMENT SERVICE INSURANCE ACT OF 1997**

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

SECTION 1. Section 13, subparagraph (b) and Section 13-A, subparagraph 2 of R.A. 8291, otherwise known as the Government Service Insurance Act of 1997, is hereby amended to read as follows:

SECTION 13. Retirement Benefits.

(a) xxx

1) xxx

2) xxx

(b) Unless the service is extended by appropriate authorities, retirement shall be compulsory for an employee at sixty (60) years of age with at least fifteen (15) years of service: Provided, That if he has less than fifteen (15) years of service, he may be allowed to continue in the service in accordance with existing civil service rules and regulations.

SECTION 13-A. Conditions for Entitlement—A member who retires from the service shall be entitled to the retirement benefits enumerated in paragraph (a) of Section 13 hereof: Provided, That:

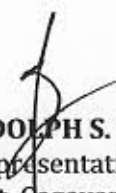
1) *He has rendered at least fifteen (15) years of service;*

2) *He is at least sixty (60) years of age at the time of retirement; and*

3) xxx

SECTION 2. The provision under Section 13, subparagraph (b) and Section 13-A, subparagraph (2) of R.A. 8291 and its Implementing Rules and Regulations, which are inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 3. This Act shall take effect after fifteen days (15) following its publication in at least two (2) newspapers of general circulation.



RANDOLPH S. TING
Representative
3rd District, Cagayan Province