

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4846

Introduced by Honorable Tomas V. Apacible

EXPLANATORY NOTE

Republic Act 8291 otherwise known as "The Government Service Insurance Act of 1997" is the most recent amendment to Presidential Decree No. 1146, as amended, otherwise known as the "*Revised Government Service Insurance Act of 1977*". RA 8291 amended the definitions and amended provisions on membership; sources of funds, benefits including those on separation, retirement, permanent and temporary disability, survivorship and funeral; life insurance; adjudication of claims and disputes; funds; administration; and penal provisions.

The use of funds has always been a contentious issue. This issue has been further complicated by the seeming lack of transparency and consultation between the fund managers and the public sector workers who have contributed to the fund. The present bill will lay down into law the recognition that policies pertaining to the social security funds must be periodically reviewed and amended, when necessary, for the purpose of advancing and protecting the welfare of our public servants.

Section 2 of the bill provides for the over arching declaration of policy. It lists down the mandates to be followed by relevant stakeholders. On the other hand, Section 4 clearly identifies the rights of the members, including the elderly and persons with disabilities while Section 5 lays down the responsibilities of the agencies/employers. Section 8 will now open the rights to settlement of disputes not only through the GSIS itself but also through the Judicial branch of government.

The bill also limits the five per cent the amount of funds which can be invested outside the country. It also explicitly includes the President and General Manager as one of the officials who can be penalized for violation of the law.

The immediate enactment of this bill is requested for this will be one avenue to boost the seemingly flagging morale of our public servants.


TOMAS V. APACIBLE

Republic of the Philippines
HOUSE OF REPRESENTATIVES
 Constitution Hills, Quezon City

FIFTEENTH CONGRESS
 First Regular Session

HOUSE BILL NO. 4846

INTRODUCED BY HON. TOMAS V. APACIBLE

**“AN ACT
 INSTITUTIONALIZING THE RIGHTS OF GOVERNMENT SERVICE
 INSURANCE SYSTEM (GSIS) MEMBERS, PROVIDING THEM ADDITIONAL
 REPRESENTATION IN THE GSIS BOARD, ENSURING PROMPT PAYMENT
 OF ALL THEIR BENEFITS AND FOR OTHER PURPOSES”**

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “GSIS Members’
 2 *Rights and Benefits Act of 2011.*”

3 **SEC. 2. Declaration of Policy.** – It is a declared policy of the State to provide,
 4 develop and promote a sound social security system responsive to the needs of its
 5 workers and to pursue the Constitutional guarantee on the right of all workers to
 6 participate in policy and decision-making processes affecting their rights and benefits as
 7 may be provided by law.

8 . Towards this end, the State shall proactively ensure the periodic review of
 9 relevant policies pertaining to the workers in the public sector with the purpose of
 10 strengthening these policies to advance and protect their welfare. Therefore, the State
 11 shall:

- (A) Ensure the adoption of policies beneficial to GSIS members paving the way for a responsible, integrated and transparent social security system;
- (B) Provide greater representation for members at the highest policy-making level of the GSIS;
- (C) Insulate the Social Insurance Fund (SIF) from dissipation due to the volatility of the global economy;
- (D) Ensure that top-level officials of the GSIS are held accountable for mismanagement and inefficiencies in the delivery of services to members and beneficiaries; and
- (E) Provide GSIS members and beneficiaries alternative venues in the settlement of disputes.

SEC. 3. Section 2 of Republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997", is hereby amended to read as follows:

"Sec. 2. Definition of Terms. – Unless the context otherwise indicates, the following terms shall mean:

"xxx

"(f) Dependents – Dependents shall be the following:

- [(a)] i. the legitimate spouse dependent for support upon the member or pensioner; [(b)] ii. legitimate, legitimated legally adopted child, including the illegitimate child, who is unmarried, [not gainfully employed] not over the age of majority, or is over the age of majority but incapacitated and incapable of self-support due to mental or physical [defect] DISABILITIES acquired prior to the age of majority; and [(c)] iii. the parents dependent upon the member for support;*

" xxx

SEC. 4. Members' Rights. – In addition to their rights under existing laws, the members shall have the following rights:

(A) Right to Courteous and Responsive Service

- I.** To be considered a GSIS member from the first day of government service;

2. To be provided prompt and accurate service;
3. To be accorded respect by the executives and employees of the GSIS; and
4. To be afforded comfortable and customer-friendly facilities when transacting with the GSIS.

(B) Right to Information

1. To be informed of the laws, regulations, policies or programs affecting the members' rights, benefits, obligations, and privileges, including amendments or changes thereto;
2. To be provided with copies of GSIS policies and regulations pertaining to benefits and claims administration;
3. To be informed of the various modes and options in availing benefits;
4. To receive accurate and updated membership data, records and information, including records of premium remittances and loan payments;
5. To have GSIS data and records protected from unauthorized, unlawful or improper disclosure; and
6. To be informed in advance of documents required to facilitate transaction, processing period and updated status of claims or loan applications.

(C) Right to GSIS Benefits

1. To receive on time the benefits the member has qualified to even after separation from the service;
2. To avail the mode of retirement, among the different applicable retirement laws and be allowed to change the preferred mode: *Provided*, That the retirement pension package has not yet been received;
3. To be protected against discrimination and thus receive the same benefits and privileges granted other members similarly situated; and
4. To receive benefits exempt from all taxes, fees, charges and duties of all kinds.

(D) Right to Expedition Processing of Claims

1. To claim and receive on time benefits provided under applicable laws;
2. To exhaust all legal remedies under existing laws; and
3. To be protected from diminution of benefits that may arise with the passage of a subsequent law or regulation.

(E) Right to be Heard

1. To be represented in the GSIS governing Board;
2. To participate in meaningful exchange of views in dialogues and fora conducted by GSIS without fear of reprisal;
3. To be consulted on the policies and programs to be implemented by the system;
4. To convey grievances and be accorded immediate response; and
5. To transact business with the GSIS in person or through electronic access points.

SEC. 4-A. *Special Rights for the Elderly, Persons with Disabilities and Seriously-Ill Members, Beneficiaries and Pensioners.* - The following special rights are to be afforded to the elderly, persons with disabilities and seriously-ill members, beneficiaries and pensioners, to wit:

1. To be provided special access lanes;
2. To be prioritized in the processing and releasing of claims and benefits;
3. To be given preference in the dissemination of information pertaining to policies; and
4. To be accorded leniency in the submission of documents: *Provided, That* there is substantial compliance with the requirements prescribed by GSIS.

SEC. 5. *Agency's/ Employer's Responsibilities.* - The government agencies covered by the GSIS Act, as employers, shall have the following responsibilities:

1. To remit employees' and employers' contributions to the GSIS within the prescribed time mandated by the GSIS Act;

2. To provide promptly documents required to facilitate the processing of documents and claims;
3. To provide additional documents as necessary to reconcile the records of accounts; and
4. To inform GSIS, through their agency authorized officers, of any update pertaining to personal or service records that may affect the processing of claims and benefits.

SEC. 6. Section 7 of Republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

"Sec. 7. Interests on Delayed Remittances. – Agencies which delay the remittance of any and all monies due the GSIS shall be charged interests as may be prescribed by the Board but not[less] MORE than two percent (2%) simple interest per month. Such interest shall be paid by the employers concerned.

SEC. 7. Section 28 of Republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

"Sec. 28. Prescription. – Claims for benefits under this Act [except for life and retirement] shall NOT prescribe. [after four (4) years from the date of contingency.]

SEC. 8. Section 30 of Republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

"Sec. 30. Settlement of Disputes. – The GSIS AND THE REGIONAL TRIAL COURT (RTC) shall have original and [exclusive]CONCURRENT jurisdiction to settle any dispute arising under this Act and any other laws administered by the GSIS.

"xxx

SEC. 9. Section 31 of Republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

1 “Sec. 31. *Appeals.* – Appeals from any decision or award of the Board OR
 2 RTC shall be governed by Rules 43 and 45 of the 1997 Rules of Civil Procedure
 3 adopted by the Supreme Court on April 8, 1997 which will take effect on July 1,
 4 1997: *Provided*, That pending cases and those filed prior to July 1, 1997 shall be
 5 governed by the applicable rules of procedure: *Provided, further*, That the appeal
 6 shall take precedence over all other cases except criminal cases when the penalty
 7 of life imprisonment or death or *reclusion perpetua* is imposable.

8 “xxx

9 SEC. 10. Section 36 of Republic Act No. 8291, otherwise known as “The
 10 Government Service Insurance Act of 1997” is hereby amended to read as follows:

11 “Sec. 36. *Investment of Funds.* – xxx

12 “xxx

13 “(j) In foreign mutual funds and in foreign currency deposits or foreign
 14 currency-denominated debts, non-speculative equities and other financial
 15 instruments or other assets issued in accordance with existing laws of the
 16 countries where such financial instruments are issued: *Provided*, That these
 17 instruments or assets are listed in bourses of respective countries where these
 18 instruments or assets are issued: *Provided, further*, That the issuing company has
 19 proven track record of profitability over the last three (3) years and payment of
 20 dividends at least once over the same period: **PROVIDED, FINALLY, THAT**
 21 **NOT MORE THAN FIVE PERCENT (5%) OF THE ABOVE-**
 22 **MENTIONED FUNDS SHALL BE INVESTED ABROAD.**

23 SEC. 11. Section 42 of Republic Act No. 8291, otherwise known as “The
 24 Government Service Insurance Act of 1997” is hereby amended to read as follows:

25 “Sec. 42. *The Board of Trustees; Its Composition; Tenure and*
 26 *Compensation.* – The corporate powers and functions of the GSIS shall be vested
 27 in and exercised by the Board of Trustees composed of the President and General
 28 Manager of the GSIS and TEN (10) [eight (8)] other members to be appointed by

1 the President of the Philippines, one (1) of whom shall be either the President of
 2 the Philippine Public School Teachers Association (PPSTA) or the President of
 3 the Philippine Association of School Superintendents (PASS), **THE**
 4 **SECRETARY OF THE DEPARTMENT OF EDUCATION (DepEd), THE**
 5 **CHAIRMAN OF THE CIVIL SERVICE COMMISSION (CSC),** another two
 6 (2) shall represent the leading organizations or associations of government
 7 employees/retirees, **AND** another four (4) from the banking, finance, investment,
 8 and insurance sectors, and one (1) recognized member of the legal profession who
 9 at the time of appointment is also a member of the GSIS. The Trustees shall elect
 10 from among themselves a Chairman while the President and General Manager of
 11 the GSIS shall automatically be the vice-chairman.

12 "xxx

13 **SEC. 12.** Section 43 of Republic Act No. 8291, otherwise known as "The
 14 Government Service Insurance Act of 1997" is hereby amended to read as follows:

15 "Sec. 43. *Powers and Functions of the Board of Trustees.* - xxx

16 "xxx

17 "(d) upon the recommendation of the President and General Manager, to approve
 18 the GSIS' organizational and administrative structures and staffing pattern[.]
 19 **SUBJECT TO EXISTING CIVIL SERVICE LAWS, RULES AND**
 20 **REGULATIONS** and to establish, fix, review, revise and adjust the appropriate
 21 compensation package for the officers and employees of the GSIS with
 22 reasonable allowances, incentives, bonuses, privileges and other benefits as may
 23 be necessary or proper for the effective management, operation and
 24 administration of the GSIS, which shall be exempt from Republic Act No. 6758,
 25 otherwise known as the Salary Standardization Law and Republic Act No. 7430,
 26 otherwise known as the Attrition Law.

27 "xxx

1 **SEC. 13.** Section 49 of Republic Act No. 8291, otherwise known as "The
2 Government Service Insurance Act of 1997" is hereby amended to read as follows:

3 *"Sec. 49. Dispensation of Social Insurance Benefits. – (a) The GSIS shall*
4 *pay the retirement benefits to the employee on his last day of service in the*
5 *government: Provided, That all requirements are submitted to the GSIS SIXTY*
6 *(60) DAYS [within a reasonable period] prior to the effective date of the*
7 *retirement;*

8 "xxx

9 **SEC. 14.** Section 52 of Republic Act No. 8291, otherwise known as "The
10 Government Service Insurance Act of 1997" is hereby amended to read as follows:

11 *"Sec. 52. Penalty. – xxx*

12 "xxx

13 "(j) Failure of the **PRESIDENT AND GENERAL MANAGER AS**
14 **WELL AS** Members of the GSIS Board, including the chairman and the vice-
15 chairman, to comply with the provisions of paragraphS **(R) AND (w)** of Section
16 **41 AND SECTION 49** hereof, shall subject them to imprisonment of not less
17 than six (6) months nor more than one (1) year or a fine of not less than [Five]
18 **TEN** thousand pesos (P[5] 10,000.00) nor more than [Ten]**TWENTY** thousand
19 pesos (P[10]**20,000.00**) without prejudice to any civil or administrative liability
20 which may also arise therefrom[.]: **PROVIDED, THAT IN CASE GSIS FAILS**
21 **TO COMPLY WITHOUT VALID AND JUSTIFIABLE REASON WITH**
22 **THE REQUIREMENTS REFERRED TO IN SECTION 49 OF THIS ACT,**
23 **A PENALTY OF NOT MORE THAN 2% SIMPLE INTEREST SHALL BE**
24 **CHARGED PER MONTH FROM GSIS: PROVIDED, HOWEVER, THAT**
25 **IN CASE THE RELEASE OF THE RETIREMENT BENEFITS**
26 **REFERRED TO IN SECTION 49 OF THIS ACT COULD NOT BE**
27 **ACCOMPLISHED DUE TO FORCE MAJEURE AND OTHER**

1 **INSUPERABLE CAUSES, THE PENALTY OF IMPRISONMENT AND**
2 **FINE IMPOSED UNDER THIS PARAGRAPH SHALL NOT APPLY.**

3 "Criminal actions arising from violations of the provisions of this Act may
4 be commenced by the GSIS or by the aggrieved member, either under this Act or,
5 in appropriate cases, under the Revised Penal Code[.] **AND OTHER SPECIAL**
6 **LAWS.**

7 **SEC. 15. *Implementing Rules and Regulations.*** - The implementing rules and
8 regulations to carry out the provisions of this Act shall be adopted and promulgated by
9 the GSIS, in consultation with the Civil Service Commission (CSC), not later than ninety
10 (90) days after the approval of this act.

11 **SEC. 16. *Separability Clause.*** - If any part or provision of this Act shall be held to
12 be unconstitutional or invalid, other parts or provisions hereof which are not affected
13 shall continue to be in full force and effect.

14 **SEC. 17. *Repealing Clause.*** -All laws, decrees, executive orders, rules and
15 regulations, or parts thereof which are inconsistent with this Act are hereby repealed,
16 amended or modified accordingly.

17 **SEC. 18. *Effectivity.*** - This Act shall take effect fifteen (15) days following its
18 publication in at least two (2) newspapers of general circulation or the Official Gazette.

Approved,