

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **4289**



Introduced by BAYAN MUNA
Reps. NERI J. COLMENARES and CARLOS ISAGANI T. ZARATE

AN ACT
REINSTITUTING THE "TAKE ALL" GRATUITY BENEFIT OPTION
FOR ELIGIBLE GOVERNMENT EMPLOYEES FOR RETIREMENT,
AMENDING RA 8291 OTHERWISE KNOWN AS THE "REVISED GOVERNMENT
SERVICE INSURANCE ACT OF 1997" FOR THAT PURPOSE

EXPLANATORY NOTE

Article XVI, Section 8 of the Constitution states that, *"The State shall, from time to time, review to upgrade the pension and other benefits to retirees of both government and private sectors."*

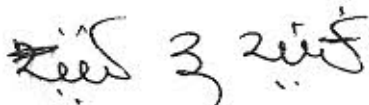
The current GSIS law provides two options for those who are to claim their retirement benefits, namely: "5-Year Lump Sum and Old Age Pension and Cash payment" and "Basic Monthly Pension"

The bill seeks to grant the previous "take-all" lump-sum pension to government retirees which was previously available in RA 1616 before it was repealed by PD 1146 which was passed on May 31, 1977 which rendered the "take-all" option unavailable to those who have entered government service in June 1, 1977 while remaining available to those who entered service until May 30, 1977. There are also numerous cases of retirees while eligible for the take-all gratuity payment under RA 1616, cannot avail of the same as they are continuously snubbed by the GSIS offices claiming that the take all option is not available to them anymore. Furthermore, it gives more freedom for the retirees to choose on how to manage or invest their pension.

We ask for your support and immediate approval and that this Bill be immediately referred to the *Committee on Government Enterprises and Privatization* for appropriate action.

Approved


Rep. NERI J. COLMENARES
Bayan Muna Party-List


Rep. CARLOS ISAGANI T. ZARATE
Bayan Muna Party-List

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

Section 1. – Section 13 of RA 8291 otherwise known as the "Revised Government Service Insurance Act of 1997", is hereby further amended to read as follows:

"SEC. 13. Retirement Benefits. - (a) Retirement benefits shall be:

"(1) [the lump sum payment as defined in this Act payable at the time of retirement plus an old-age pension benefit equal to the basic monthly pension payable monthly for life, starting upon expiration of the five-year (5) guaranteed period covered by the lump sum; or] **A FULL LUMP SUM PAYMENT WHICH IS A GRATUITY EQUIVALENT TO ONE MONTH SALARY FOR EVERY YEAR OF SERVICE, BASED ON THE HIGHEST RATE RECEIVED, BUT NOT TO EXCEED TWENTY-FOUR MONTHS. THIS GRATUITY IS PAYABLE BY THE EMPLOYER OR OFFICE CONCERNED WHICH IS HEREBY AUTHORIZED TO PROVIDE THE NECESSARY APPROPRIATION OR PAY THE SAME FROM SAVINGS IN ITS APPROPRIATIONS. IN ADDITION TO THE RETURN OF THE BENEFICIARY'S PERSONAL CONTRIBUTIONS PLUS INTEREST**

(2) A PARTIAL LUMP SUM PAYMENT WHICH IS PAYABLE AT THE TIME OF RETIREMENT PLUS AN OLD-AGE PENSION BENEFIT EQUAL TO THE BASIC MONTHLY PENSION PAYABLE MONTHLY FOR LIFE, STARTING UPON EXPIRATION OF THE FIVE-YEAR (5) GUARANTEED PERIOD COVERED BY THE LUMP SUM; OR

"[(2)] **(3) cash payment equivalent to eighteen (18) months of his basic monthly pension plus monthly pension for life payable immediately with no five-year (5) guarantee.**

Section 2. Repealing Clause- All other laws, decrees, rules and regulations contrary or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 3. Effectivity. - This Act shall take effect 15 days after its complete publication in at least two (2) newspapers of national circulation.

Approved,