

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **5426**



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

Republic Act No. 8291 or the Government Service Insurance System (GSIS) Act of 1997 was enacted to expand and increase the coverage and benefits of GSIS members. Despite the provisions stipulated therein, GSIS is continuously hounded by complaints from members due to its failure and inefficiency to provide the benefits for its members. These complaints include the undue delay in the processing and delivery of the members' benefits; alleged inefficiency in updating members' records, non-posting or delayed posting of premium remittances causing underpayments or non-payment of dividends, and non-deduction of loan remittances; and problematic issuance of an E-Card Plus and implementation of Claims and Loans Interdependence Policy (CLIP) which appears to be very onerous as it affects housing loans and retirement benefits of members.

One of the leading complaints against GSIS came from the public school teachers who were labeled as "delinquent members" per records of GSIS, despite the fact that payments for their loan accounts and GSIS premium contributions are regularly deducted every month from their salaries and these deductions are reflected on their monthly payrolls.

In view of the foregoing considerations, the proposed bill seeks to protect and promote the welfare of our government employees. It institutionalizes the rights of GSIS members, including the right to courteous and responsive service, right to information, right to GSIS benefits, right to expeditious processing of claims, and right to be heard.

This law also increases the composition of GSIS Board of Trustees to include the Secretary of the Department of Education and the Chairman of the Civil Service Commission. This increased representation will hopefully provide teachers and other government employees better opportunity to air their concerns and effect solutions to their problems.

Approval of this bill is therefore earnestly requested.


GARY C. ALEJANO

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AN ACT
INSTITUTIONALIZING THE RIGHTS OF GOVERNMENT SERVICE
INSURANCE SYSTEM (GSIS) MEMBERS, PROVIDING THEM ADDITIONAL
REPRESENTATION IN THE GSIS BOARD, 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 Member's Rights and*
2 *Benefits Act of 2017.*"

3
4 **SEC. 2. *Declaration of Policy.*** - It is a declared policy of the State to provide,
5 develop and promote a sound social security system responsive to the needs of its workers.
6 Furthermore, the State shall review and strengthen policies that advance and protect the
7 welfare of workers in the public sector. Likewise, the Constitution guarantees the right of all
8 workers to participate in policy and decision-making processes affecting their rights and
9 benefits as may be provided by law.

10 Towards this end, the State shall:

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

1 E. Provide GSIS members and beneficiaries alternative venues in the settlement of
2 disputes.

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

6
7 "Sec. 2. *Definition of Terms.* – Unless the context otherwise indicates, the
8 following terms shall mean:

9 "xxx

10 "(f) Dependents - Dependents shall be the following:

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

17 xxx”

18
19 **SEC. 4. *Members' Rights.*** - In addition to their rights under existing laws the
20 members shall have the following rights:

21 **(A) Right to Courteous and Responsive Service**

- 22 1. To be considered a GSIS member from the first day of government service;
23 2. To be provided prompt and accurate service;
24 3. To be accorded respect by the executives and employees of the GSIS; and
25 4. To be afforded comfortable and customer-friendly facilities when transacting
26 with the GSIS.

27
28 **(B) Right to Information**

- 29 1. To be informed of the laws, regulations, policies or programs affecting the
30 members' rights, benefits, obligations, and privileges, including amendments
31 or changes thereto;
32 2. To be provided with copies of GSIS policies and regulations pertaining to
33 benefits and claims administration;
34 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 Expeditious 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
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 GSIS in person or through electronic access points.

SEC. 5. *Special Rights for the Elderly, Disabled and Seriously-Ill Members, Beneficiaries and Pensioners.* – The following special rights are to be afforded to the elderly, disabled and seriously-ill members, beneficiaries and pensioners, to wit:

- 1
- 2 1. To be provided special access lanes;
- 3 2. To be prioritized in the processing and releasing of claims and benefits;
- 4 3. To be given preference in the dissemination of information pertaining to
- 5 policies; and
- 6 4. To be accorded leniency in the submission of documents: *Provided, That*
- 7 there is substantial compliance with the requirements prescribed by GSIS.
- 8

9 **SEC. 6. Agency's/Employer's Responsibilities.** – The government agencies covered
10 by the GSIS Act, as employers, shall have the following responsibilities:

- 11
- 12 1. To remit employees' and employers' contributions to the GSIS within the
- 13 prescribed time mandated by the GSIS Act;
- 14 2. To provide promptly documents required to facilitate the processing of
- 15 documents and claims;
- 16 3. To provide additional documents as necessary to reconcile the records of
- 17 accounts; and
- 18 4. To inform GSIS, through their agency authorized officers, of any update
- 19 pertaining to personal or service records that may affect the processing of
- 20 claims and benefits.
- 21

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

24

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

30

31 **SEC. 8.** Section 28 of Republic Act No. 8291, otherwise known as "The Government
32 Service Insurance Act of 1997" is hereby amended to read as follows:

33

34 "Sec. 28. *Prescription.* - Claims for benefits under this Act [except for life and

1 retirement] shall **NOT** prescribe. [after four (4) years from the date of
2 contingency.]

3 **SEC. 9.** Section 30 of Republic Act No. 8291, otherwise known as "The Government
4 Service Insurance Act of 1997" is hereby amended to read as follows:

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

9 xxx"

10
11 **SEC. 10.** Section 31 of Republic Act No. 8291, otherwise known as "The
12 Government Service Insurance Act of 1997" is hereby amended to read as follows:

13 "Sec. 31. *Appeals.* - Appeals from any decision or award of the Board **OR**
14 **RTC** shall be governed by Rules 43 and 45 of the 1997 Rules of Civil Procedure
15 adopted by the Supreme Court on April 8, 1997 which will take effect on July 1,
16 1997: *Provided*, That pending cases and those filed prior to July 1, 1997 shall be
17 governed by the applicable rules of procedure: *Provided, further*, That the appeal shall
18 take precedence over all other cases except criminal cases when the penalty of life
19 imprisonment or death or *reclusion perpetua* is imposable.

20 xxx"

21
22 **SEC. 11.** Section 36 of Republic Act No. 8291, otherwise known as "The
23 Government Service Insurance Act of 1997" is hereby amended to read as follows:

24 "Sec. 36. *Investment of Funds.* - xxx

25 "xxx

26 "(j) In foreign mutual funds and in foreign currency deposits or foreign currency
27 denominated debts, non-speculative equities and other financial instruments or other
28 assets issued in accordance with existing laws of the countries where such financial
29 instruments are issued: *Provided*, That these instruments or assets are listed in bourses
30 of respective countries where these instruments or assets are issued: *Provided, further*,
31 That the issuing company has proven track record of profitability over the last three
32 (3) years and payment of dividends at least once over the same period: *PROVIDED*,
33 **FINALLY, THAT NOT MORE THAN FIVE PERCENT (5%) OF THE ABOVE-**
34 **MENTIONED FUNDS SHALL BE INVESTED ABROAD.**

1 **SEC. 12.** Section 42 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. 42. The Board of Trustees; Its Composition; Tenure and Compensation.*

4 The corporate powers and functions of the GSIS shall be vested in and exercised by
5 the Board of Trustees composed of the President and General Manager of the GSIS
6 and TEN (10) [eight (8)] other members to be appointed by the President of the
7 Philippines, one (1) of whom shall be either the President of the Philippine Public
8 School Teachers Association (PPSTA) or the President of the Philippine Association
9 of School Superintendents (PASS), **THE SECRETARY OF THE DEPARTMENT**
10 **OF EDUCATION (DepEd), THE CHAIRMAN OF THE CIVIL SERVICE**
11 **COMMISSION (CSC)**, another two (2) shall represent the leading organizations or
12 associations of government employees/retirees, AND another four (4) from the
13 banking, finance, investment, and insurance sectors, and one (1) recognized member
14 of the legal profession who at the time of appointment is also a member of the GSIS.
15 The Trustees shall elect from among themselves a Chairman while the President and
16 General Manager of the GSIS shall automatically be the vice-chairman.

17 xxx"

18
19 **SEC. 13.** Section 43 of Republic Act No. 8291, otherwise known as "The
20 Government Service Insurance Act of 1997" is hereby amended to read as follows:

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

22 "xxx

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

32 xxx"

1 **SEC. 14. *Implementing Rules and Regulations.*** - The implementing rules and
2 regulations to carry out the provisions of this Act shall be adopted and promulgated by the
3 GSIS, in consultation with the Civil Service Commission (CSC) not later than ninety (90)
4 days after the approval of this act.

5
6 **SEC. 15. *Separability Clause.*** - If any part or provision of this Act shall be held to be
7 unconstitutional or invalid, other parts or provisions hereof which are not affected shall
8 continue to be in full force and effect.

9
10 **SEC. 16. *Repealing Clause.*** - Section 49 of Republic Act No. 8291, otherwise known
11 as "The Government Service Insurance Act of 1997" is hereby repealed to conform to the
12 provisions of Republic Act No. 10154. All laws, decrees, executive orders, rules and
13 regulations, or parts thereof which are inconsistent with this Act are hereby repealed,
14 amended or modified accordingly.

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

Approved,