

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

Seventeenth Congress
Third Regular Session

House Bill No. 8436



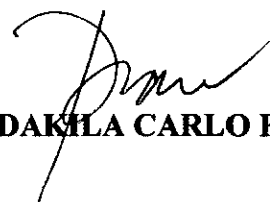
Introduced by Rep. Dakila Carlo E. Cua

**THE REVISED CHARTER OF THE
GOVERNMENT SERVICE INSURANCE SYSTEM OF 2018**

EXPLANATORY NOTE

This Bill proposes the revision of the present Government Service Insurance System Charter. With this Bill, we will be able to create a more premier, modern, and a more financially viable and a more sustainable government social insurance institution that will provide excellent services to its members, pensioners, and other constituents.

In view of the foregoing, the immediate passage of this Bill is earnestly sought.


DAKILA CARLO E. CUA

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**THE REVISED CHARTER OF THE
GOVERNMENT SERVICE INSURANCE SYSTEM OF 2018**

Be it enacted by the Senate and the house of representatives of the Philippines in congress assembled:

SECTION 1. *Title.* – This Act shall be known as the “Revised GSIS Act of 2018.”

SEC.2. *Declaration of Policy.* – The State shall provide, develop, and promote a sound and tax exempt social security system responsive to the needs of its government employees, pensioners and stakeholders. Accordingly, the state shall review and strengthen policies that advance and protect the welfare of employees in the public sector and ensure their right to participate in policy and decision-making processes affecting their rights and benefits. Toward this end, the State shall:

- a) Establish a primer and financially viable government social insurance institution providing excellent service to its members, pensioners and other constituents.
- b) Ensure the adoption of policies beneficial to GSIS members, pensioners and constituents, toward a responsible, integrated, autonomous, automated and transparent social security system;
- c) Provide greater representation for members at the highest policy-making level of the GSIS; and
- d) Preserve and sustain the fiscal stability of the System, financial viability and actuarial solvency of the fund and protect the rights and benefits of members.

A. DEFINITIONS

SEC. 3. *Definition of Terms.* – Unless the context indicates otherwise, the following terms shall mean:

- (a) Active Member – A member who is not separated from the service.

1
2 (b) Average Monthly Compensation (AMC) – The quotient arrived at after dividing the
3 aggregate compensation received by the member during his last thirty-six (36) months of
4 service, with premium payments, preceding his separation/retirement/disability/death by thirty-
5 six (36), or by the number of months he received such compensation if he has less than thirty-
6 six (36) months of periods with premium payments: *Provided*, That the average monthly
7 compensation shall in no case exceed the amount and rate as may be respectively set by the
8 Board under the rules and regulations implementing this Act as determined by the actuary of
9 the GSIS.

10
11 (c) Beneficiaries – Beneficiaries shall be the following:
12

13 (1) For married members and those of other unions as may be defined by law:
14

15 (i) The legitimate spouse or those granted the same status by law; and
16

17 (ii) The legitimate, legitimated, legally adopted child, including the illegitimate
18 child, or those granted the same status by law who is unmarried, not over the age of
19 majority, or is over the age of majority but is considered a person with disability
20 (PWD) and incapable of self-support due to a mental or physical impairment
21 acquired prior to age of majority.
22

23 (2) For unmarried members:
24

25 (i) The legitimate, legitimated, legally adopted child, including the illegitimate
26 child, or those granted the same status by law who is unmarried, not over the age of
27 majority, or is over the age of majority but is considered a person with disability
28 (PWD) and incapable of self-support due to a mental or physical impairment
29 acquired prior to the age of majority; or
30

31 (ii) In the absence of children, the parents: *Provided, however*, That the parents will
32 no longer be considered as beneficiaries once the member marries and/or begets a
33 child; or
34

35 (iii) In the absence of either (i) and (ii), a designated beneficiary who shall have the
36 same qualifications and be entitled to the same benefits as a legitimate, legitimated,
37 legally adopted or illegitimate child under paragraph (c)(2)(i) of this Section:
38 *Provided*, That the designation can only be made once.
39

40 (d) Benefits – Unless otherwise provided in this Act, Benefits shall refer to those
41 administered by GSIS on behalf of its members, as found under Sections 11 to 32 of this Act,
42 specifically: retirement, separation, unemployment, disability, funeral, survivorship and life
43 insurance.
44

45 (e) Board – The Board of Trustees of the GSIS.
46

47 (f) Compensation – The basic pay or salary received by an employee, pursuant to his
48 election or appointment, excluding per diems, bonuses, overtime pay, honoraria, allowances
49 and any other emoluments received in addition to the basic pay which are not integrated into
50 the basic pay under existing laws.

1
2 (g) Current Daily Compensation – For purposes of computing disability benefits, it
3 refers to the actual daily compensation or the actual monthly compensation divided by the
4 number of working days in the month of contingency but not to exceed twenty-two (22)
5 working days.
6

7 (h) Disability – Any loss or impairment of the normal functions of the physical and/or
8 mental faculties of a member which reduces or eliminates his capacity to continue any gainful
9 occupation.
10

11 (i) Employer – The national government, its political subdivisions, branches, agencies
12 or instrumentalities, including, government-owned or controlled corporations with or without
13 original charters, and government financial institutions with original charters, the constitutional
14 commissions and the judiciary.
15

16 (j) Employee or Member – Any person, receiving compensation as defined herein
17 while in the service of the employer, whether by election or appointment, irrespective of status
18 of appointment, including barangay and sanggunian officials, and Uniformed Personnel.
19

20 (k) Gainful Occupation — Any productive activity that provides the member with
21 income at least equal to the minimum compensation of government employees.
22

23 (l) GSIS – The Government Service Insurance System created by Commonwealth Act
24 No. 186, as amended.
25

26 (m) Inactive Member – A member who is separated from the service, either by
27 resignation, retirement, disability, dismissal, or retrenchment.
28

29 (n) Periods with Paid Premiums (PPP) - refers to the computed periods of service of a
30 regular member while in government service where the corresponding compulsory premium
31 contributions were actually paid and remitted to the GSIS for such period.
32

33 (o) Pensioner – Any person receiving old-age or permanent total disability pension or
34 any person who has received retirement benefits: Provided, however, that one who is receiving
35 survivorship pension benefits as defined in Sections 30 to 32 of this Act is not a pensioner.
36

37 (p) Permanent Partial Disability –; Accrues or arises upon the irrevocable loss or
38 impairment of certain portion/s of the physical faculties, despite which the member is able to
39 pursue a gainful occupation.
40

41 (q) Permanent Total Disability – Accrues or arises when recovery from the impairment
42 mentioned in Section 2(r) is medically remote.
43

44 (r) Primary beneficiaries — The legal dependent spouse until he/she remarries and the
45 dependent children.
46

47 (s) Secondary beneficiaries — The dependent parents and, subject to the restrictions
48 on dependent children, the legitimate descendants.
49

50 (t) Temporary Total Disability –Accrues or arises when the impaired physical and/or
mental faculties can be rehabilitated and/or restored to their normal functions.

1
2 (u) Total Admitted Assets – As used under this Act, refers to the value, as appearing in
3 the GSIS's financial statements, of its revenues, income, and other property, less the amount
4 of its liabilities.
5

6 (t) Total Length of Service – The number of years in government service, regardless of
7 status of employment, with or without premium contributions, to be used in determining the
8 eligibility of a member for retirement under this Act. The term service shall include full-time
9 service with compensation; *Provided*, That part-time and other services with compensation
10 may be included under such rules and regulations as may be prescribed by the GSIS.
11

12 B. MEMBERSHIP IN THE GSIS 13

14 SEC. 4. *Compulsory Membership.* – (a) All government personnel, whether elective or
15 appointive, irrespective of status of appointment, provided they are receiving fixed monthly
16 compensation and have not reached the mandatory retirement age of 65 years, are compulsorily
17 covered as members of the GSIS and shall be required to pay contributions;
18

19 (b) Contractual and casual employees who have an employee-employer relationship
20 with a government agency are also compulsorily covered;
21

22 (c) An employee who is already in the government service and reaches the mandatory
23 retirement age of 65 but whose service has been extended by the Civil Service Commission
24 (CSC) for the purpose of completing the fifteen (15) years of service required under Republic
25 Act (R.A.) No. 8291 to qualify for retirement benefits;
26

27 (d) Members of the Armed Forces of the Philippines (AFP), the Philippine National
28 Police (PNP), Bureau of Fire Protection (BFP), Bureau of Jail and Management Penology
29 (BJMP), Philippine Coast Guard (PCG), Bureau of Corrections (BuCor) and commissioned
30 corps of the National Mapping and Resource Information Authority (NAMRIA), hereafter
31 referred to as "military and uniformed personnel" under such terms and conditions provided
32 herein.
33

34 (1) Such membership in the GSIS shall be extended only to the military and uniformed
35 personnel, both commissioned officers and enlisted personnel, who are newly-appointed,
36 newly-commissioned, newly-recruited, and newly-admitted to the service after the effectivity
37 of this Act.
38

39 (2) For purposes of this Section, a Military and Uniformed Personnel (MUP) Insurance
40 Fund, hereafter referred to as the MUP Insurance Fund, is hereby created as a special insurance
41 fund for new entrants to the uniformed services who received their initial appointments after
42 the effectivity of this Act. The MUP Insurance Fund shall also be contributory in nature and
43 prospective in application.
44

45 (3) The GSIS shall administer the MUP Insurance Fund separately and independently
46 from the Social Insurance Fund and other funds administered by the GSIS under Section 43 of
47 this Act. For this purpose, the GSIS may establish a separate department, with a distinct
48 accounting system.
49

1 (4) The MUP Insurance Fund shall not be used for purposes other than those provided
2 under this Act. No portion of the MUP Insurance Fund shall accrue to the General Fund of the
3 national government and its political subdivisions, instrumentalities and other agencies
4 including government-owned and controlled corporations, except as may be allowed under
5 Section 45 of this Act.

6
7 (e) The following are not members of the GSIS:

8
9 (1) Barangay, sanggunian and other government officials who are not receiving fixed
10 monthly compensation;

11
12 (2) Personnel who are not receiving fixed monthly compensation and/or do not have
13 monthly regular hours of work; and

14
15 (3) Personnel covered by contract of service including consultancy and job order, where
16 no employee-employer relationship exists between the individual and the employer

17
18 (f) The following, who are covered by separate retirement schemes, are also required
19 to remit regular monthly contributions to the GSIS for their life insurance policies in order to
20 answer for their life insurance benefits defined under this Act:

21
22 (1) Members of the constitutional bodies;

23
24 (2) Members of the judiciary, including those with equivalent ranks;

25
26 (3) Members of the National Prosecution Service;

27
28 (4) Members of the Public Attorney's Office; and

29
30 (5) All others who are or may be subsequently covered by a separate retirement law.
31 (3a)

32
33 SEC. 5. *Optional Membership.* – The following shall be given the option to continue
34 their membership in GSIS, even beyond the mandatory retirement age of 65:

35
36 (a) An official elected to public office before age 65 but who will reach the mandatory
37 retirement age of 65 during his term. The elective official shall be allowed to continue paying
38 life and retirement premiums until the end of his term, including any periods of re-election or
39 election to another public office: *Provided*, That such period/s of re-election or election are
40 continuous;

41
42 (b) An official appointed by the President of the Philippines to public office before age
43 65 for a fixed term and with a fixed monthly compensation, but who will reach the mandatory
44 retirement age of 65 during his tenure. The appointive official shall be allowed to continue
45 paying life and retirement premiums until the end of his tenure, including any period/s of term
46 extension or re-appointment to another office: *Provided*, That the period/s of extension or re-
47 appointment is/are continuous;

48
49 (c) Non-presidential appointees whose services were extended pursuant to special laws
50 such as, but not limited to, R.A. No. 8292 (Higher Education Modernization Act of 1997) and

1 R.A. No. 9500 (University of the Philippines Charter of 2008). The appointee shall be given
2 an option to continue paying premium contributions upon reaching the age of 65 until the end
3 of his or her extended service;
4

5 (d) An official or employee who holds a co-terminus or highly confidential position
6 who reaches the age of 65 years, and whose services are considered automatically extended
7 until the expiration of the employee's or official's appointment or until the employee's or
8 official's services are earlier terminated shall be allowed to continue paying life and retirement
9 premiums until the end of his tenure; and
10

11 (e) An official or employee whose period of government service is be extended by
12 appropriate authorities and who continues to pay his life and retirement premiums until the end
13 of his tenure. (n)
14

15 SEC. 6. *Effect of Separation from the Service.* – A member separated from the service
16 either by resignation, retirement, disability, dismissal from the service or retrenchment, or those
17 who are qualified for compulsory retirement but opted not to continue membership in the GSIS
18 shall be deemed an inactive member of the system. An inactive member shall be entitled to
19 whatever benefits he has qualified for in the event of any contingency compensable under this
20 Act. (4a)
21

22 C. SOURCES OF FUNDS 23

24 SEC. 7. *Contributions* – 25

26 (a) It shall be mandatory for the member and the employer to pay the monthly
27 contributions specified in the following schedule:
28

Monthly Compensation	Percentage of Monthly Compensation Payable By	
	Member 9%	Employer 12%

29
30 Members who are excluded from compulsory retirement coverage as enumerated under
31 Section 4(e) of this Act shall pay three percent (3%) of their monthly compensation as personal
32 share, and their employers a corresponding three percent (3%) for their life insurance coverage.
33

34 (b) The employer shall include in its annual appropriation the necessary amounts for its
35 share of the contributions indicated above, plus any additional premiums that may be required
36 on account of the hazards or risks of its employees' occupation.
37

38 (c) It shall be mandatory and compulsory for all employers to include the payment of
39 contributions in their annual appropriations. The appropriate penal, civil and administrative
40 sanctions under Section 66 of this Act shall be imposed upon employers who fail to include the
41 payment of contributions in their annual appropriations or otherwise fail to remit the
42 accurate/exact amount of contributions on time, or delay the remittance of premium
43 contributions to the GSIS. The heads of offices and agencies shall be administratively liable
44 for non-remittance or delayed remittance of premium contributions to the GSIS. (5a)
45

46 SEC. 8. *Collection and Remittance of Contributions.* – (a) The employer shall report to
47 the GSIS the names of all its employees, their corresponding employment status, positions,

1 salaries and such other pertinent information, including subsequent changes therein, if any, as
2 may be required by the GSIS. The employer shall deduct each month from the monthly salary
3 or compensation and loans repayments of each employee the contribution payable by him in
4 accordance with the schedule prescribed in the rules and regulations implementing this Act.
5

6 (b) Each employer shall remit directly to the GSIS the employees' and employers'
7 contributions and loan amortizations within the first ten (10) days of the calendar month
8 following the month to which the contributions apply. The collection and remittance by the
9 employer of the contributions and loan amortizations to the GSIS shall take priority over and
10 above the payment of any and all obligations, except salaries and wages of its employees.
11

12 (c) All outstanding government share premium contributions which were not paid by
13 any government office or agency, including interest, shall be included in the annual budget and
14 shall be remitted automatically by the Department of Budget and Management (DBM) to the
15 GSIS.
16

17 (d) The deduction and remittance by the employer of loan amortization due to the GSIS
18 shall, at all times, take priority over and above the deductions and payment of any and all
19 obligations and payment of any and all obligations of the member due to private creditors. (6a)
20

21 SEC. 9. *Penalties on Delayed Remittances* – Agencies which delay the remittance of
22 any and all monies due the GSIS shall be charged penalty in the form of interest as may be
23 prescribed by the Board but not more than two percent (2%) simple interest per month. Such
24 interest shall be paid by the employers concerned. (7a)
25

26 SEC. 10. *Government Guarantee* - The government of the Republic of the Philippines
27 hereby guarantees the fulfillment of the obligations of the GSIS to its members as and when
28 they fall due. (8)
29

30 D. BENEFITS 31

32 SEC. 11. *Determination of Amount of Benefits*. – (a) The computation of total length
33 of service for the purpose of determining a member's eligibility to the retirement benefits
34 payable under this Act shall be based on the service rendered starting from the date of original
35 appointment/election, or oath of office, as the case may be, including periods of service at
36 different times under one or more employers, those performed overseas under the authority of
37 the Republic of the Philippines, and those that which may be prescribed by the GSIS in
38 coordination with the CSC.
39

40 (b) The computation of actual benefits payable under this Act shall be based on periods
41 with paid premiums.
42

43 For the purpose of this Section, the term service shall include full-time service with
44 compensation: *Provided*, That part-time *and* other services with compensation may be included
45 under such rules and regulations as may be prescribed by the GSIS. (10a)
46

47 RETIREMENT BENEFITS 48

1 SEC. 12. *General Conditions for Entitlement.* – A member who retires from service
2 shall be entitled to the retirement benefits enumerated in Section 13(a) hereof: *Provided*, That
3 the member:

4
5 (a) Has rendered at least fifteen (15) years of service;

6
7 (b) Is at least sixty (60) years of age; and

8
9 (c) Is not receiving a monthly pension benefit from permanent total disability. (13-A)

10
11 SEC. 13. *Retirement Benefits.* – (a) Retirement benefit shall either be:

12
13 (1) Cash payment equivalent to sixty (60) months of the member's basic monthly
14 pension (BMP) payable at the time of retirement plus an old-age pension benefit equal to the
15 basic monthly pension payable monthly for life, starting upon expiration of the five-year (5)
16 period covered by the cash payment; or

17
18 (2) Cash payment equivalent to eighteen (18) months of the member's basic monthly
19 pension plus monthly pension for life payable immediately starting from date of retirement.

20
21 (b) Unless the service is allowed under Section 5 of this Act or extended by appropriate
22 authorities, retirement shall be compulsory for an employee at sixty-five (65) years of age with
23 at least fifteen (15) years of service: *Provided*, That if the employee has less than fifteen (15)
24 years of service, he may be allowed to continue in the service in accordance with existing civil
25 service rules and regulations. (13)

26
27 SEC. 14. *Computation of the Basic Monthly Pension (BMP).* –

28
29 (a) The basic monthly pension is equal to:

30
31 (1) thirty-seven and one-half percent (37.5%) of the average monthly compensation,
32 plus

33
34 (2) two and one-half percent (2.5%) of said average monthly compensation for each
35 year of service in excess of 15 years: *Provided*, That the basic monthly pension shall not exceed
36 ninety percent (90%) of the average monthly compensation.

37
38 The BMP is computed as follows:

39
40
$$\text{BMP} = 2.5\% \times (\text{AMC}) \times \text{PPP}$$

41
42 Where:

43
44 AMC = average monthly compensation

45
46 PPP = periods with paid premiums

47
48 (b) The basic monthly pension (BMP) may be adjusted upon the recommendation of
49 the GSIS' actuary and the GSIS President and General Manager (PGM), and approved by the
50 Board of Trustees in accordance with the rules and regulations prescribed by the GSIS. (9a)

1 SEC. 15. *Periodic Pension Adjustment.* – The monthly pension of all pensioners
2 including all those receiving survivorship pension benefits shall be periodically adjusted as
3 may be recommended by the GSIS Actuary and the GSIS PGM, and approved by the Board of
4 Trustees of GSIS in accordance with the rules and regulations prescribed by the GSIS. (14)

5
6 SEPARATION BENEFITS
7

8 SEC. 16. *General Conditions for Entitlement.* – A member who separates from the
9 service before he is eligible for retirement under Section 12 of this Act shall be entitled to the
10 separation benefits enumerated in Section 17 hereof: *Provided*, That the member:
11

12 (a) Has rendered at least three (3) years of service; and
13

14 (b) Is not receiving a monthly pension benefit from permanent total disability.
15

16 SEC. 17. *Separation Benefits.* – The separation benefit shall be paid as follows:
17

18 (a) If the member has rendered at least three (3) years but less than fifteen (15) years
19 of service at the time of resignation or separation, he/she shall be entitled to a one-time cash
20 payment equivalent to one hundred percent (100%) of his/her average monthly compensation
21 for each year of service that he/she paid premium contributions, but not less than Twelve
22 thousand pesos (PpP12,000). The one-time cash payment shall be payable immediately or upon
23 reaching sixty (60) years of age, at the option of the member: *Provided*, That the average
24 monthly compensation is equivalent to the average salary received by the member during the
25 last three (3) years of service with paid premiums;
26

27 (b) If the member has rendered at least fifteen (15) years of service but is below sixty
28 (60) years of age at the time of resignation or separation, he shall be entitled to a one-time cash
29 payment equivalent to eighteen (18) times his basic monthly pension at the time of resignation
30 or separation, plus an old-age pension benefit equal to the basic monthly pension payable
31 monthly for life upon reaching the age of sixty (60). (11a)
32

33 SEC. 18. *Effect of Re-Employment in Government Service After Separation.* – All
34 services credited for retirement, resignation or separation for which corresponding benefits
35 have been paid under this Act or other laws shall be excluded in the computation of service in
36 case of reinstatement in government service and subsequent retirement or separation which is
37 compensable under this Act. (n)
38

39 UNEMPLOYMENT BENEFITS
40

41 SEC. 19. *General Conditions for Entitlement.* – A member who is separated from the
42 service due to the abolition of his office or position resulting from reorganization shall be
43 entitled to the unemployment benefits enumerated in Section 20 hereof: *Provided*, That the
44 member:
45

46 (a) Has been paying the required premium contributions for at least one (1) year prior
47 to separation;
48

1 (b) Has no pending application of separation benefits or has not been paid the voluntary
2 separation benefit equivalent to one-time cash payment or 18 times the basic monthly pension,
3 should he opt to avail of the same; and
4

5 (c) Has not availed of any early retirement program as a result of his office's
6 reorganization.
7

8 SEC. 20. *Unemployment or Involuntary Separation Benefits* – Unemployment benefits
9 shall be computed as fifty percent (50%) of the average monthly compensation of the member,
10 payable in accordance with the following schedule:
11

12 Contributions Made	Benefit Duration
13	
14 1 year but less than 3 years	2 months
15	
16 3 or more years but less than 6 years	3 months
17	
18 6 or more years but less than 9 years	4 months
19	
20 9 or more years but less than 11 years	5 months
21	
22 11 or more years but less than 15 years	6 months
23	

24 The first payment shall be equivalent to two (2) monthly benefits. A seven (7) day
25 waiting period shall be imposed on succeeding monthly payments.
26

27 All accumulated unemployment benefits paid to the employee during his entire
28 membership with the GSIS shall be deducted from voluntary separation benefits.
29

30 The GSIS shall prescribe the detailed guidelines in the operationalization of this Section
31 in the rules and regulations implementing this Act. (12a)
32

33 PERMANENT DISABILITY BENEFITS 34

35 SEC. 21. *General Conditions for Entitlement.* – A member who suffers permanent
36 disability for reasons not due to his grave misconduct, notorious negligence, habitual
37 intoxication, or willful intention to kill himself or another, shall be entitled to the disability
38 benefits provided for in this Act: *Provided*, that he was in the service at the time of disability.
39 (15a)
40

41 SEC. 22. *Types of Disability Benefits.* – There are two (2) types of permanent disability,
42 which shall be determined by the GSIS based on established medical standards: (a) permanent
43 total disability and (b) permanent partial disability. (n)
44

45 SEC. 23. *Permanent Total Disability Benefits.* –
46

47 (a) The following disabilities shall be deemed permanent and total:
48

49 (1) Complete loss of sight of both eyes;
50

1 (2) Loss of two (2) limbs at or above the ankle and wrist;

2
3 (3) Permanent complete paralysis of two (2) limbs;

4
5 (4) Complete loss of hearing of both ears;

6
7 (5) Brain injury resulting in physical incapacity, incurable imbecility or insanity; and

8
9 (6) Such other cases as may be determined by the Board of Trustees.

10
11 (b) The member shall receive a monthly income benefit for life equal to the basic
12 monthly pension effective from the date of disability.

13
14 (c) A cash payment equivalent to eighteen (18) times his basic monthly pension shall
15 also be given if the member is in the service at the time of disability and he has paid a total of
16 at least one hundred eighty (180) monthly contributions.

17
18 (d) A member cannot enjoy the monthly income benefit for permanent disability and
19 old-age retirement simultaneously.

20
21 (e) If a member does not satisfy the conditions stated under Section 21 hereof but has
22 rendered at least three (3) years of service at the time of his disability, he shall be advanced the
23 cash payment equivalent to one hundred percent (100%) of his average monthly compensation
24 for each year of service he paid contributions, but not less than Twelve Thousand Pesos
25 (PhP12,000.00) which should have been his separation benefit.

26
27 (f) Unless the member has reached the minimum retirement age at the time of disability,
28 his entitlement to permanent total disability benefit shall be suspended when:

29
30 (1) He recovers from disability as determined by the GSIS, whose decision shall be
31 final and binding; or

32
33 (2) He fails to undergo medical examination when required by the GSIS. (16a)

34
35 SEC. 24. *Effect of Re-Employment on the Disability Benefits Being Received.* –

36
37 (a) Entitlement to permanent total disability benefit shall continue in the event of
38 reemployment and the member's new salary grade, rank or position is lower than that of his
39 previous employment prior to his disability: *Provided*, That the member has properly informed
40 the GSIS of his re-employment;

41
42 (b) The disability benefits to be received after re-employment shall be adjusted by the
43 GSIS; to be computed as the difference between the amount of the existing disability benefit
44 and the member's salary from his new employment;

45
46 (c) Failure by the member to inform the GSIS of the re-employment shall result in the
47 suspension of disability benefits being received. (n)

48
49 PERMANENT PARTIAL DISABILITY BENEFITS

1 SEC. 25. *Permanent Partial Disability Benefits.* –

2
3 (a) The following disabilities shall be deemed permanent partial:

4
5 1. SCHEDULED - Complete and permanent loss of the use of:

- 6
7 (i) Any finger
8 (ii) Any toe
9 (iii) One arm
10 (iv) One hand
11 (v) One foot
12 (vi) One leg
13 (vii) One or both ears
14 (viii) Hearing of one or both ears
15 (ix) Sight of one eye
16

17 2. NON-SCHEDULED - Such other cases as may be determined by the GSIS.
18

19 (b) The member shall receive a cash payment in accordance with a schedule of
20 disabilities to be prescribed by the GSIS. (17a)
21

22 TEMPORARY TOTAL DISABILITY BENEFITS
23

24 SEC. 26. *General Conditions for Entitlement.* – An active member whose injuries result
25 in temporary incapacity to work or to engage in any occupation shall be entitled to the
26 temporary total disability benefits provided for in this Act. (n)
27

28 SEC. 27. *Temporary Total Disability Benefit.* – (a) A member shall be entitled to
29 seventy-five percent (75%) of his current daily compensation for each day or fraction thereof
30 of temporary disability benefit not exceeding one hundred twenty (120) days in one calendar
31 year: Provided, That if the disability requires more extensive treatment that lasts beyond one
32 hundred twenty (120) days, the payment of the temporary total disability benefit may be
33 extended by the GSIS but not to exceed a total of two hundred forty (240) days.
34

35 (b) The temporary total disability benefit shall in no case be less than One Hundred
36 Sixty-Five Pesos (PhP165.00) a day subject to periodic review every three (3) years.
37

38 (c) The notices required of the member and the employer, the mode of payment, and
39 the other requirements for entitlement to temporary total disability benefits shall be provided
40 by the GSIS in the rules and regulations implementing this Act. (18a)
41

42 SEC. 28. *Non-scheduled Disability.* – For injuries or illnesses resulting in a disability
43 not listed in the schedule of partial/total disability provided herein, the GSIS shall determine
44 the nature of the disability and the corresponding benefits therefor. (19)
45

46
47 DEATH BENEFITS
48

49 SEC. 29. *Funeral Benefit.* – The amount of funeral benefit shall be determined and
50 specified by the GSIS in the rules and regulations implementing this Act but which shall not

1 be less than Thirty Thousand Pesos (PhP30,000.00): *Provided*, That it shall may be adjusted
2 after every five (5) years upon recommendation of the GSIS Actuary and the GSIS President
3 and General Manager and approved by the Board in accordance with the rules and regulations
4 prescribed by the GSIS. The funeral benefit shall be paid upon the death of any of the following:

5
6 (a) A member who:

7
8 (1) died while in active service; and

9
10 (2) although separated from government service, is entitled to future separation or
11 retirement benefits under Section 16 ("Separation Benefits") or Section 12 ("Retirement
12 Benefits") of this Act, respectively, subject to the prescriptive period of four (4) years from the
13 date of contingency and the rule on constructive filing shall apply in case there is also a filed
14 claim for survivorship benefit.

15
16 (3) retired under R.A. No. 1616 prior to 24 June 1997 with at least 20 years of service,
17 regardless of age; or

18
19 (4) retired under R.A. No. 1616 on or after 24 June 1997, with at least 20 years of
20 service, and is at least 60 years of age at the time of his/her retirement.

21
22 (b) An old-age or disability pensioner. (23a)

23 24 SURVIVORSHIP BENEFITS

25
26 SEC. 30. *General Entitlement to Survivorship Benefits.* – When a member or pensioner
27 dies, the qualified beneficiaries shall be entitled to the survivorship benefits provided under
28 Sections 30 to 32, subject to the conditions therein provided for. (n)

29
30 SEC. 31. *Survivorship Pension.* – The survivorship pension shall consist of:

31
32 (a) The basic survivorship pension which is fifty percent (50%) of the basic monthly
33 pension but shall not be more than fifty percent (50%) of the maximum salary step of an
34 Undersecretary. The cap on the survivorship pension may be reviewed every five (5) years by
35 the Board, upon recommendation of the GSIS Actuary and the GSIS PGM, and approved by
36 the Board of Trustees of GSIS in accordance with the rules and regulations prescribed by the
37 GSIS, by considering the issuances on the salary standardization law; and

38
39 (b) The children's pension not exceeding fifty percent (50%) of the basic monthly
40 pension but which shall not be more than fifty percent (50%) of the maximum step salary of an
41 Undersecretary.

42
43 (c) The maximum amount of basic survivorship pension prevailing at the time of death
44 of the member or pensioner shall apply. Any subsequent increase in the maximum salary step
45 of an Undersecretary will not result in any adjustment to the survivorship pension already being
46 received. (20a)

47
48 SEC. 32. *Death of a Member.* – Upon the death of a member, the qualified beneficiaries
49 shall be entitled to survivorship benefits, which shall be paid as follows:

1 (a) The survivors of deceased members who have less than fifteen (15) years of service
2 with paid premiums shall receive a cash benefit/payment equivalent to:

3
4 (1) For those who died while in the service, the cash payment/benefit shall be an
5 amount equivalent to 100% of the average monthly compensation for every year of service
6 with paid premiums; or

7
8 (2) For those who died with the status of an inactive member and was less than sixty
9 (60) years old at the time of death, the cash payment/benefit shall be an amount equivalent to
10 100% of the average monthly compensation for every year of service with paid premiums, but
11 not less than PpP12,000; provided, however, that the deceased member had at least three (3)
12 years of service with paid premiums (or 36 monthly contributions).

13
14 (b) Survivors of members who died with the status of an inactive member who were at
15 least sixty (60) years old at time of separation from the service shall not be entitled to receive
16 survivorship benefits.

17
18 (c) The survivorship benefits of a retiree-pensioner or a member receiving the monthly
19 income benefit for permanent total disability shall be entitled to the survivorship pension.
20 When the retiree-pensioner dies within the period covered by the lump sum, the survivorship
21 pension shall be paid only after the expiration of the said period.

22
23 (d) The survivorship pension shall not be guaranteed yearly adjustments due to
24 inflation.

25
26 (e) The survivorship pension shall be paid as follows:

27
28 *Survivorship Pension of Surviving Spouse and Dependent Children. -*

29
30 (a) Fifty percent (50%) of the BMP, constituting the Basic Survivorship Pension (BSP),
31 shall be paid to the dependent spouse for life until he/she remarries, cohabits, or engages in
32 common-law relationship;

33
34 (b) Ten Percent (10%) of the BMP, constituting the dependents' pension, shall be paid
35 to every dependent child not exceeding five (5), counted from the youngest and without
36 substitution, for as long as they are qualified;

37
38 (c) when the dependent spouse is the only survivor, he/she shall receive the basic
39 survivorship pension for life or until he/she remarries, cohabits, or engages in common-law
40 relationship;

41
42 (d) when only dependent children are the survivors, they shall be entitled to the basic
43 survivorship pension for as long as they are qualified, plus the dependent children's pension.

44
45 *Survivorship Benefits of Members in Active Service. -*

46
47 (a) If at the time of death, a member was in the service and has rendered at least fifteen
48 (15) years of service with paid premiums:

1 (1) His primary beneficiaries shall receive the survivorship pension and cash payment
2 equivalent to eighteen (18) times (x) the BMP; or
3

4 (2) In the absence of primary beneficiaries, his secondary beneficiaries shall receive
5 the cash payment;
6

7 (3) In the absence of primary and secondary beneficiaries, the legal heirs of the member
8 shall receive the cash payment.
9

10 (b) If at the time of death, the member was in the service with less than fifteen (15)
11 years of service with paid premiums:
12

13 (1) His primary beneficiaries shall receive the cash payment/benefit equivalent to 100%
14 of the Average Monthly Compensation (AMC)
15

16 *Survivorship Benefits of Members Not in Active Service. –*
17

18 (a) Survivors of members who retired under retirement laws not administered by the
19 GSIS shall not receive any survivorship benefits;
20

21 (b) Primary beneficiaries of inactive members who have at least fifteen (15) years of
22 service with paid premiums shall receive the survivorship pension;
23

24 (c) Primary beneficiaries of inactive members who have at least three (3) years but less
25 than fifteen (15) years of service with paid premiums and were less than sixty (60) years of
26 age at the time of death shall receive a cash benefit/payment equivalent to 100% of the
27 deceased inactive member's AMC for every year of service with paid premiums, but not less
28 than PpP12,000;
29

30 (d) Primary beneficiaries of inactive members who have less than fifteen (15) years of
31 service with paid premiums and were at least sixty (60) years of age at the time of separation
32 from the service, shall not be entitled to receive survivorship benefits. However, if the member
33 has not yet received separation benefit within four (4) years after his/her separation, the
34 primary beneficiaries shall receive the cash benefit equivalent to 100% of the inactive
35 member's AMC for every year of service with paid premiums, but not less than PpP12,000.
36

37 LIFE INSURANCE BENEFITS 38

39 SEC. 33 *Compulsory Life Insurance.* – All employees, except for those enumerated
40 under Section 4(e) of this Act, shall, under such terms and conditions as may be promulgated
41 by the GSIS, be compulsorily covered with life insurance, which shall automatically take effect
42 on the date of their employment. (24a)
43

44 SEC. 34. *Dividends.* – An annual dividend may be granted to all members of the GSIS
45 whose life insurance is in force for at least one (1) year in accordance with a dividend allocation
46 formula to be determined by the GSIS. (25)
47

48 SEC. 35. *Optional Insurance.* – Subject to the rules and regulations prescribed by the
49 GSIS, a member may apply for insurance and/or pre-need coverage embracing life, health,
50 hospitalization, education, memorial plans, and such other plans as may be designed by the

1 GSIS, for himself and/or his dependents. Any employer may likewise apply for group insurance
2 coverage for its employees. The payment of the premiums/installments for optional insurance
3 and pre-need products may be made by the insured or his/her employer and/or any person
4 acceptable to the GSIS. (26)

5
6 SEC. 36. *Reinsurance.* – The GSIS shall have the authority to secure reinsurance
7 support for government insurable interest or part thereof from any financially sound and
8 capable private insurance company or reinsurer whether domestic or foreign, or from any
9 insurance institution owned and operated by a foreign insurance entity: *Provided,* That in the
10 award of reinsurance contracts, the GSIS shall be exempt from the provisions of R.A. No. 9184
11 or any subsequent procurement law and shall ensure that the contract to be awarded shall be
12 the most advantageous for the GSIS or Government of the Philippines guided by the principle
13 of transparency and competitiveness: *Provided further,* that the GSIS shall have the authority
14 to determine the required capitalization and financial reserve of interested entities. *Provided,*
15 finally that the GSIS shall submit an annual report on its reinsurance operations to the insurance
16 commission for monitoring purposes only.

17
18 For purposes hereof, insurable interest shall mean every interest in property, whether
19 real or personal, or any relation thereto, or liability in respect thereof, of such nature that a
20 contemplated peril might directly damnify the insured. Accordingly, the insurable interest of
21 government, parent, subsidiary and acquired asset corporations, including government
22 financial institutions, as these corporations are defined in Presidential Decree (P.D.) No. 2029,
23 shall also extend to their physical assets which by declared policy of the government are
24 required to be privatized. (27a)

25 26 E. ADJUDICATION OF CLAIMS AND DISPUTES

27
28 SEC. 37. *Prescription.* – Claims for benefits administered by GSIS as defined under
29 Section 3(d) of this Act shall not prescribe. (28a)

30
31 SEC. 38. *Facility of Payment.* – The GSIS shall prescribe rules and regulations to
32 facilitate payment of benefits, proceeds and claims for benefits under this Act and any other
33 laws administered by the GSIS. Payments made by the GSIS prior to its receipt of an adverse
34 claim, to a beneficiary or claimant subsequently found not entitled thereto, shall not bar the
35 legal and eligible recipient to his right to demand the payment of benefits, proceeds, and claims
36 from the GSIS. (29a)

37
38 SEC. 39. *Settlement of Disputes.* – The GSIS shall have original and exclusive
39 jurisdiction to settle any dispute or issues including but not limited to claims and benefits
40 arising under this Act, Commonwealth Act No. 186, as amended, R.A. 8291 and other laws
41 administered by the GSIS, including its implementing rules and regulations, policies and
42 guidelines.

43
44 The Board may designate any member of the Board or official of the GSIS who is a
45 lawyer, to act as hearing officer to receive evidence, make findings of fact and submit
46 recommendations together with all the documentary and testimonial evidence, to the Board
47 within thirty (30) working days from the time the parties have closed their respective evidence
48 and filed and submitted their last pleading or other requested documents. The Board shall
49 decide the case within thirty (30) days from the receipt of the hearing officer's findings and

1 recommendations. The cases heard directly by the Board shall be decided within thirty (30)
2 working days from the time they are submitted by the parties for decision. (30)

3
4 SEC. 40. *Appeals.* – Decisions of the Board of Trustees shall be appealable to the Court
5 of Appeals. The appeal shall not stay the award, order or decision sought to be reviewed unless
6 ordered by the Court of Appeals or by the Supreme Court. (31a)

7
8 SEC. 41. *Execution of Decision.* – When no appeal is perfected and there is no order to
9 stay by the Board, by the Court of Appeals, or by the Supreme Court, any decision or award of
10 the Board shall be enforced and executed in the same manner as decisions of the Regional Trial
11 Court. For this purpose, the Board shall have the power to issue to the city or provincial sheriff
12 or its appointed sheriff such writs of execution as may be necessary for the enforcement of such
13 decision or award, and any person who shall fail or refuse to comply with such decision, award,
14 writ or process after being required to do so shall, upon application by the GSIS, be punished
15 for contempt. (32)

16
17 SEC. 42. *Oaths, Witnesses, and Production of Records.* – When authorized by the
18 Board, an official or employee of the GSIS shall have the power to administer oath and
19 affirmation, take depositions, certify to official acts, and issue *subpoena ad testificandum* and
20 *subpoena duces tecum* to compel the attendance of witnesses and the production of books,
21 papers, correspondences and other records deemed necessary as evidence in connection with
22 any question arising under this Act. Any case of contumacy shall be dealt with in accordance
23 with the provisions of Section 580 of the Revised Administrative Code. (33)

24 25 F. FUNDS OF THE GSIS

26
27 SEC. 43. *Funds.* – The GSIS shall administer the Social Insurance Fund, which consists
28 of all contributions payable under Section 7 of this Act together with the earnings and accruals
29 thereon. Said Fund shall be used to finance the benefits administered by the GSIS under this
30 Act. In addition, the GSIS shall administer the following funds, to be known collectively as the
31 “GSIS-Administered Funds”:

32
33 (a) The Optional Insurance Fund for the insurance coverage described in Section 35
34 hereof,

35
36 (b) The Employees’ Compensation Insurance Fund created under PD 626, as amended,

37
38 (c) The General Insurance Fund created under R.A. No. 656, as amended,

39
40 (d) The MUP Insurance Fund, and

41
42 (e) Such other special funds existing or that may be created for special groups or persons
43 rendering services to the government.

44
45 The GSIS shall appropriate part of its surplus for each fund under this Section to
46 guarantee the fulfillment of its obligations. The appropriated surplus shall be maintained to
47 ensure the payment of benefits under this Act and the other GSIS Administered-Funds
48 governed under the above-mentioned laws. The appropriated surplus cannot be used for any
49 purposes other than those for which they were set aside and appropriated.

1 The GSIS shall maintain the required reserves for each fund to guarantee the fulfillment
2 of its obligations under this Act.

3
4 The funds administered by the GSIS shall not be used for purposes other than those
5 provided for under this Act, any prior or subsequent laws, issuances and rules and regulations
6 to the contrary notwithstanding.

7
8 No portion of the funds of the GSIS or income thereof shall accrue to the general fund
9 of the national government and its political subdivisions, instrumentalities and other agencies
10 including government-owned and controlled corporations except as may be allowed under this
11 Act, any prior or subsequent laws, issuances, rules and regulations to the contrary
12 notwithstanding (34a)

13
14 SEC. 44. *Deposits and Disbursements.* – All revenues collected and all accruals thereto
15 shall be deposited, administered and disbursed in accordance with law. A maximum expense
16 loading of two percent (2%) of the total admitted assets may be disbursed for administrative
17 and operational expenses except as may be otherwise recommended by the GSIS Actuary and
18 the GSIS PGM, and approved by the Board of Trustees of GSIS in accordance with the rules
19 and regulations prescribed by the GSIS. (35a)

20
21 SEC. 45. *Investment of Funds.* – The funds of the GSIS which are not needed to meet
22 the current obligations may be invested under such terms and conditions and rules and
23 regulations as may be prescribed by the Board: *Provided*, That investments shall optimize the
24 requirements of liquidity, safety/security and yield as embodied in formal investment policy
25 guidelines approved by the Board in order to ensure the actuarial solvency of the funds of the
26 GSIS: *Provided, further*, That the GSIS shall submit an annual report on all investments made
27 to both Houses of Congress of the Philippines. The funds may be invested in the following:

28
29 (a) Interest-bearing or zero-coupon bonds or securities or other evidence of
30 indebtedness of the Government of the Philippines;

31
32 (b) Interest-bearing or zero-coupon deposits or securities in any domestic bank doing
33 business in the Philippines: *Provided*, That in the case of such deposits, these shall not exceed
34 at any time the unimpaired capital and surplus or total private deposits of the depository bank,
35 whichever is smaller: *Provided, further*, That said bank has prior designation as a depository
36 for the purpose by the Monetary Board of the *Bangko Sentral ng Pilipinas*;

37
38 (c) Short-and-medium term loans to members such as salary, policy, educational,
39 emergency, stock purchase plan and other similar loans; *Provided*, That GSIS shall lend no less
40 than forty percent (40%) of the investable fund of the GSIS Social Insurance Fund for these
41 purposes.

42
43
44 (d) Bonds, securities, promissory notes or other evidence of indebtedness of educational
45 or medical institutions to finance the construction, improvement and maintenance of schools
46 and hospitals;

47
48 (e) Real estate property including shares of stocks involving real estate property and
49 investments secured by first mortgages on real estate or other collaterals acceptable to the

1 GSIS: *Provided*, That such investments shall, in the determination of the Board, redound to the
2 benefit of the GSIS, its members, as well as the general public;

3
4 (f) Debt instruments and other securities traded in secondary markets;

5
6 (g) Loans to, or in bonds, debentures, promissory notes or other evidence of
7 indebtedness of any solvent corporation created or existing under the laws of the Philippines;

8
9 (h) Common and preferred stocks of any solvent corporation or financial institution
10 created or existing under the laws of the Philippines listed in the stock exchange subject to the
11 requirements of liquidity, safety, security, and expected returns as embodied in formal
12 investment policy guidelines approved by the Board of Trustees;

13
14 (i) Domestic mutual funds including investments related to the operations of mutual
15 funds; and

16
17 (j) Foreign mutual funds and in foreign currency deposits or foreign currency-
18 denominated debts, non-speculative equities and other financial instruments or other assets
19 issued in accordance with existing laws of the countries where such financial instruments are
20 issued: *Provided*, That these instruments or assets are tradable and/or listed in a duly recognized
21 exchange and the issuing company has proven track record of profitability over the last three
22 (3) years and payment of dividends at least once over the same period. (36a)

23
24 SEC. 46. *Records and Reports.* – The GSIS shall keep and cause to manage such records
25 as may be necessary for the purpose of making actuarial studies, calculations and valuations of
26 the funds of the GSIS including such data needed in the computation of rates of disability,
27 mortality, morbidity, separation and retirement among the members and any other information
28 useful for the adjustment of the benefits of the members. The GSIS shall maintain appropriate
29 books of accounts to record its assets, liabilities, income, expenses, receipts and disbursements
30 of funds and other financial transactions and operations. (37)

31
32 SEC. 47. *Examination and Valuation of the Funds.* – The GSIS shall make a periodic
33 actuarial examination and valuation of its funds in accordance with accepted actuarial
34 principles and best practices. (38a)

35
36 SEC. 48. *Exemption from Tax, Legal Process and Lien.* - It is hereby reaffirmed as a
37 State policy that the actuarial solvency of all the funds of the GSIS shall be preserved and
38 maintained at all times and that contribution rates necessary to sustain the benefits under this
39 Act shall be kept as low as possible in order not to burden the members of the GSIS and their
40 employers.

41
42 Taxes imposed on the GSIS tend to impair the actuarial solvency of its funds and
43 increase the contribution rate necessary to sustain the benefits of under this Act. Accordingly,
44 notwithstanding any laws to the contrary, the GSIS, including GSIS wholly owned and
45 controlled corporations and its subsidiaries all of its funds, assets, properties, all contributions
46 collected, including all accruals thereto, all revenues, income or investment earnings therefrom
47 including all accruals thereto, transactions and benefits paid, as well as all supplies, equipment,
48 papers or documents shall remain and be exempt from any and all forms and kinds of direct or
49 indirect taxes, assessments, fees, charges or duties imposed by the national or local government
50 and shall not be liable to attachments, garnishments, levy or seizure by or under any legal or

1 equitable process, whatsoever, either before or after receipt by the person or persons entitled
2 thereto. These exemptions shall continue unless expressly, specifically, and categorically
3 revoked or repealed, and any tax assessment imposed against the GSIS as of the approval of
4 this Act or subsequent thereto is hereby considered paid and cancelled. No tax measure of
5 whatever nature enacted shall apply to the GSIS. Consequently, all laws, ordinances,
6 regulations, issuances, opinions or jurisprudence contrary to or in derogation of this provision
7 are hereby deemed repealed, superseded and rendered ineffective and without legal force and
8 effect.

9
10 The exemptions provided herein shall not be affected nor derogated by subsequent laws
11 to the contrary unless this Section is expressly, specifically, and categorically revoked or
12 repealed by law and a provision is enacted to substitute or replace the exemption herein referred
13 to herein as an essential factor to maintain or and protect the solvency of the fund,
14 notwithstanding and independently of the guarantee of the national government to secure such
15 solvency or liability.

16
17 All funds and/or the properties of the GSIS referred to herein shall be exempt from
18 attachment, garnishment, execution, levy or other processes issued by the courts, quasi-judicial
19 agencies or administrative bodies including Commission on Audit (COA) disallowances. The
20 benefits, sums or monies corresponding to the benefits under this Act shall likewise be exempt
21 from attachment, garnishment, execution, levy or other processes issued based on financial
22 obligations or liability of any member, including any pecuniary accountability arising from or
23 caused or occasioned by exercise or performance of his official functions or duties, or incurred
24 relative to or in connection with his position or work except when his monetary liability,
25 contractual or otherwise, is in favor of the GSIS. (39a)

26
27 Sec. 49. *Exemption from Filing Fees and Government Procurement Law on*
28 *Reinsurance Contracts* - The GSIS shall be exempted from filing fees in any courts, quasi-
29 judicial agencies or administrative bodies.

30
31 The selection by the GSIS of reinsurer and the award of reinsurance contracts pursuant
32 to Section 36 of this Act and other applicable laws shall be exempted from the provisions of
33 R.A. No. 9184, otherwise known as the Government Procurement Reform Act any
34 subsequent procurement law. Provided, that the GSIS shall prescribe its own rules and
35 regulations guided by the principles of transparency and competitiveness and shall ensure that
36 the contract to be awarded shall be the most advantageous for the GSIS or Government of the
37 Philippines.

38 39 G. ADMINISTRATION

40
41 SEC. 50. *Implementing Body*. – The GSIS shall implement the provisions of this Act.
42 (40)

43
44 SEC. 51. *Powers and Functions of the GSIS*. – The GSIS shall exercise the following
45 powers and functions:

46
47 (a) Formulate, adopt, amend or rescind rules and regulations necessary to carry out the
48 provisions and purposes of this Act: *Provided*, That these rules and regulations shall not
49 contravene any provisions of this Act, or result in the diminution of any benefit provided by
50 law;

1
2 (b) Adopt or approve the annual and supplemental budget of receipts and expenditures
3 including salaries and allowances of the GSIS personnel; to authorize such capital and
4 operating expenditures and disbursements of the GSIS as may be necessary and proper for the
5 effective management and operation of the GSIS without need of approval or review by the
6 President of the Philippines, Department of Budget and Management (DBM), Governance
7 Commission for GOCCS (GCG) or other government agencies or instrumentalities,
8 notwithstanding any laws, rules, regulations and other issuances to the contrary and the same
9 shall not be affected by subsequent laws, rules, regulations and issuances to the contrary unless
10 this provision is expressly, specifically and categorically revoked or repealed by law.

11
12 Consequently, this provision shall apply retroactively and all laws, ordinances,
13 regulations, issuances, opinions or jurisprudence contrary to or in derogation of this provision
14 are hereby repealed, superseded and rendered ineffective and without legal force and effect.
15

16 (c) Invest the funds of the GSIS, directly or indirectly, in accordance with the provisions
17 of this Act;
18

19 (d) Acquire, utilize or dispose of, in any manner recognized by law, real or personal
20 property in the Philippines or elsewhere necessary to carry out the purposes of this Act;
21

22 (e) Conduct continuing actuarial and statistical studies and valuations to determine the
23 financial condition of the GSIS and, taking into consideration such studies, and valuations and
24 the limitations herein provided, re-adjust the benefits, contributions, premium rates, the
25 formula or the terms and conditions relative to benefits and claims, interest rates or the
26 allocation or re-allocation of the funds to the contingencies covered;
27

28 (f) Have the power of succession;
29

30 (g) Sue and be sued;
31

32 (h) Enter into, make, perform and carry out contracts of every kind and description with
33 any person, firm or association or corporation, domestic or foreign in accordance with law:
34 *Provided*, That the procurement by the GSIS of infrastructure projects, goods, consulting
35 services, and reinsurance shall be exempt from the provisions of R.A. No. 9184; *Provided*,
36 *further*, That, in the procurement of said infrastructure projects, goods, consulting services and
37 reinsurance, the GSIS shall be governed by the same principles of transparency,
38 competitiveness, simplicity, accountability and public monitoring as enumerated under Section
39 3 of R.A. No. 9184.
40

41 (i) Engage in any lawful business in pursuance of and in furtherance of the provisions
42 of this Act;
43

44 (j) Have one or more offices, conduct its business and exercise its powers within and
45 outside the Philippines: *Provided*, That the GSIS shall maintain a branch office in every
46 province where there exists a minimum of fifteen thousand (15,000) membership.
47

48 (k) Borrow funds from any source, private or government, foreign or domestic, only as
49 an incident to the securitization of housing mortgages of the GSIS and on account of its
50 receivables from any government or private entity;

1
2 (l) Invest, own or otherwise participate in equity in any establishment, firm or entity;
3

4 (m) Approve appointments in the GSIS, except appointments to positions which are
5 policy determining, primarily confidential or highly technical in nature according to the
6 qualification standards and rules and regulations set by the GSIS PGM and Board of Trustees
7 provided hereinafter: Provided, That all positions in the GSIS shall be permanent in nature
8 unless otherwise indicated, and belongs to the second level and not classified as part of the
9 Career Executive Service, and shall be governed by a compensation and position classification
10 system and qualifications standards approved by the GSIS Board of Trustees based on a
11 comprehensive job analysis and audit of actual duties and responsibilities: Provided, further,
12 That the compensation plan shall be comparable with the prevailing compensation plans in the
13 private sector and shall be subject to the periodic review by the Board no more than once every
14 four (4) years without prejudice to yearly merit reviews or increases based on productivity and
15 profitability; and which shall be unqualifiedly and absolutely exempted from any form of
16 approval or review by the President of the Philippines, DBM, GCG or other government
17 agencies or instrumentalities, notwithstanding any laws, rules, regulations and other issuances
18 to the contrary and the same shall not be affected by subsequent laws, rules, regulations and
19 issuances to the contrary unless this provision is expressly, specifically and categorically
20 revoked or repealed by law.
21

22 Consequently, this provision shall apply retroactively and all laws, ordinances,
23 regulations, issuances, opinions or jurisprudence contrary to or in derogation of this provision
24 are hereby repealed, superseded and rendered ineffective and without legal force and effect.
25

26 (n) Design and adopt an Early Retirement Incentive Plan (ERIP) and/or financial
27 assistance for the purpose of retirement of its own personnel;
28

29 (o) Fix and periodically review and adjust the rates of interest and other terms and
30 conditions for loans and credits extended to members or other persons, whether natural or
31 juridical;
32

33 (p) Enter into agreement with the Social Security System or any other entity, enterprise,
34 corporation or partnership for the benefit of members transferring from one system to another
35 subject to the provisions of R.A. No. 7699, otherwise known as the "Portability Law";
36

37 (q) Float proper instrument to liquefy long term maturity by pooling funds for short-
38 term secondary market;
39

40 (r) Not later than June 30 of each year, publish and submit to the President of the
41 Philippines and Congress an annual report regarding its activities relative to the administration
42 and implementation of this Act including information and recommendations on policies
43 relating to functions and operations of the GSIS;
44

45 (s) Maintain a provident fund, which consists of contributions from both the GSIS and
46 its employees and their earnings, for the payment of benefits to such employees or their heirs
47 under such terms and conditions as the GSIS may prescribe;
48

49 (t) Approve and adopt guidelines affecting investments, insurance coverage of
50 government properties, settlement of claims, disposition of acquired assets, privatization or

1 expansion of subsidiaries, development of housing projects, increased benefit and loan
2 packages to members and the enforcement of the provisions of this Act.

3
4 (u) Determine, fix and impose interest on unpaid premiums due from employers and
5 employees;

6
7 (v) Ensure the collection or recovery of all indebtedness, liabilities and/or
8 accountabilities, including unpaid premiums or contributions in favor of the GSIS due from all
9 obligors, whether public or private. The GSIS shall demand payment or settlement of the
10 obligations referred to herein within thirty (30) days from the date the obligation becomes due,
11 and in the event of failure or refusal of the obligor or debtor to comply with the demand, to
12 initiate or institute the necessary or proper actions or suits, criminal, civil or administrative or
13 otherwise, before the courts, tribunals, commissions, boards, or bodies of proper jurisdiction
14 within thirty (30) days reckoned from the expiry date of the period fixed in the demand within
15 which to pay or settle the account;

16
17 (w) Design and implement programs that will promote and mobilize savings and
18 provide additional resources for social security expansion and at the same time afford
19 individual members appropriate returns on their savings/investments. The programs shall be so
20 designed as to spur socio-economic take-off and maintain continued growth; and

21
22 (y) Exercise such powers and perform such acts as may be necessary, useful, incidental
23 or auxiliary to carry out the provisions and attain the purposes and objectives of this Act. (41a)

24
25 SEC. 52. *The Board of Trustees.* – The corporate powers and functions of the GSIS
26 shall be vested in and exercised by the Board of Trustees composed of the President and
27 General Manager of the GSIS and eight (8) other members to be appointed by the President of
28 the Philippines. Of these, four (4) shall be active or retired members of the GSIS: at least one
29 (1) shall be a representative from the teachers recommended by either the Philippine Public
30 School Teachers Association (PPSTA), the Philippine Association of School Superintendents
31 (PASS), or by a leading national organization of teachers; at least two (2) shall be from the
32 leading organizations or associations of government employees/retirees who possess the ethics,
33 experience and competence to represent the needs of their sectors; and one (1) shall be a
34 member of the legal profession who at the time of appointment is also a member of the GSIS.
35 The remaining five (5) shall be recognized individuals from any of the following fields of
36 expertise: banking and finance, investment, insurance, law, human resources, audit,
37 management and information technology. The Trustees shall elect from among themselves a
38 Chairman and a President and General Manager, who shall automatically be the vice-chairman.

39
40 The Trustees, except the President and General Manager who shall cease as trustee
41 upon his separation, shall hold office for six (6) years without reappointment, unless sooner
42 removed or separated, or until their successors are duly appointed and qualified: *Provided,*
43 That the vacancy, other than through the expiration of the term, shall be filled for the unexpired
44 term only. The members of the Board shall be entitled to remuneration as may be fixed by the
45 Board. (42a)

46
47 SEC. 53. *Powers and Functions of the Board of Trustees.* – The Board shall have the
48 following powers and functions:

1 (a) Formulate policies, guidelines and programs to effectively carry out the purposes of
2 this Act;

3
4 (b) Promulgate such rules and regulations as may be necessary or proper for the
5 effective exercise of the powers and functions as well as the discharge of duties and
6 responsibilities of the GSIS, its officers and employees;

7
8 (c) Upon recommendation of the President and General Manager, to approve the annual
9 and supplemental budget of receipts and expenditures of the GSIS, and to authorize such
10 operating and capital expenditures and disbursements of the GSIS as may be necessary or
11 proper for the effective management, operation and administration of the GSIS; without need
12 of review or approval by the President of the Philippines, Department of Budget and
13 Management (DBM), Governance Commission for Government Owned and Controlled
14 Corporations (GCG) or other government agencies or instrumentalities and notwithstanding
15 any provision of law, rules and regulations and any other issuances to the contrary unless this
16 Section is expressly, specifically and categorically revoked or repealed by law. Consequently,
17 this provision shall apply retroactively and all laws, ordinances, regulations, issuances,
18 opinions or jurisprudence contrary or in derogation of this provision are hereby repealed,
19 superseded and rendered ineffective and without legal force and effect.

20
21 (d) Upon the recommendation of the President and General Manager, to approve the
22 GSIS' organizational and administrative structures and staffing pattern, and to establish, fix,
23 review, revise and adjust compensation packages of officers and employees of the GSIS with
24 reasonable allowances, incentives, bonuses, privileges and other benefits as may be necessary
25 or proper for the effective management, operation and administration of the GSIS, which shall
26 be exempt from R.A No. 6758, otherwise known as the "Salary Standardization Law," R.A No.
27 7430, otherwise known as the "Attrition Law" and R.A. No. 10149 otherwise known as the
28 "GOCC Governance Act of 2011."; Provided, That all positions in the GSIS shall be permanent
29 in nature unless otherwise indicated, and belongs to the second level and not classified as part
30 of the Career Executive Service. This power and function shall be exercised without need of
31 review or approval by the President of the Philippines, DBM, GCG or other government
32 agencies or instrumentalities and notwithstanding any provision of law, rules and regulations
33 and any other issuances to the contrary unless this Section is expressly, specifically and
34 categorically revoked or repealed by law. Consequently, this provision shall apply retroactively
35 and all laws, ordinances, regulations, issuances, opinions or jurisprudence contrary or in
36 derogation of this provision are hereby repealed, superseded and rendered ineffective and
37 without legal force and effect.

38
39 (e) Fix and periodically review and adjust the rates of interest and other terms and
40 conditions for loans and credits extended to its members or other persons, whether natural or
41 juridical;

42
43 (f) The provision of any law, rules and regulations and issuances to the contrary
44 notwithstanding, to compromise, release, condone or write off from the book of accounts, in
45 whole or in part, without need of prior approval from the President of the Philippines,
46 Commission on Audit, Congress of the Philippines, or other agencies any claim or settle
47 liability, for or against the GSIS, including penalties and surcharges imposed upon delinquent
48 premium contributions and loan amortizations, regardless of the amount involved under such
49 terms and conditions as the as the Board may find acceptable and practicable in accordance

1 with applicable laws rules and regulations, subject to the Board's best business judgment and
2 the best interest of the GSIS;
3

4 (g) Approve and adopt guidelines affecting investments, insurance coverage of
5 government properties, settlement of claims, disposition of acquired assets, development of
6 housing projects, increased benefit and loan packages to members, and the enforcement of the
7 provisions of this Act;
8

9 (h) Determine, fix and impose interest on unpaid or unremitted premiums and/or
10 contributions; and
11

12 (i) Perform any and all acts necessary and proper to attain the purposes and objectives
13 of this Act. (43a)
14

15 *SEC. 54. Appointment and Qualifications of the President and General Manager and*
16 *Other Personnel* – The President and General Manager of the GSIS shall be its Chief Executive
17 Officer and shall be appointed by the President of the Philippines. He shall be a person with
18 management and investments expertise necessary for the effective performance of his duties
19 and functions under this Act.
20

21 The President and General Manager shall be assisted by one or more executive vice-
22 presidents, senior vice-presidents, vice-presidents and managers in addition to the usual
23 supervisory and rank and file positions all of whom shall be appointed pursuant to the
24 qualification standards and rules and regulations set by the President and General Manager and
25 the Board of Trustees and removed only for just and valid cause by the President and General
26 Manager with the approval of the Board without undermining their security of tenure . (44)
27

28 *SEC. 55. Powers and Duties of the President and General Manager* – The President
29 and General Manager shall, among others, execute and administer the policies and resolutions
30 approved by the Board and direct and supervise the administration and operations of the GSIS.
31 The President and General Manager, subject to the approval of the Board, shall appoint the
32 personnel of the GSIS, remove, suspend or otherwise discipline them for valid and just causes,
33 in accordance with existing Civil Service rules and regulations, and prescribe their duties and
34 qualifications to the end that only competent persons may be employed.
35

36 All appointments and plantilla positions in the GSIS shall be permanent in nature unless
37 otherwise indicated, and belongs to the second level and not classified as part of the Career
38 Executive Service. These plantilla positions shall not be arbitrarily abolished without any valid
39 and just causes (45a)
40

41 *SEC. 56. The Executive Vice Presidents* - Within the guidelines and limits of authority
42 established by policies of the GSIS, the Executive Vice-Presidents shall, among others, provide
43 overall direction in the delivery of effective, efficient and quality services to members,
44 pensioners, and/or other constituents. He or she shall also have the overall direction in the
45 integration of functions of various operational and/or support services to ensure synergy,
46 uniform and consistent application of polices, guidelines and management systems to achieve
47 established objectives and targets.
48

49 The position of Executive Vice President shall be permanent in nature, unless otherwise
50 indicated, and belongs to the second level and not classified as part of the Career Executive

1 Service. The plantilla position of Executive Vice President shall not be arbitrarily abolished
2 without any valid and just causes. (n)
3

4 SEC. 57. *Auditor.* – (a) The Chairman of the Commission on Audit shall be the ex-
5 officio auditor of the GSIS. For this purpose, he may appoint a representative, who shall be the
6 auditor of the GSIS, and the necessary personnel to assist said representative in the performance
7 of his duties.
8

9 (b) The Chairman of the Commission on Audit or his authorized representative shall
10 submit to the Board soon after the close of each calendar year an audited statement showing
11 the financial condition and progress of the GSIS for the calendar year just ended. (46)
12

13 SEC. 58. *Legal Counsel.* – The Legal Services Group (LSG) of the GSIS shall be the
14 legal counsel of the GSIS. The LSG shall be headed by a Chief Legal Counsel, who shall be
15 the head counsel of the GSIS with a permanent and highly technical plantilla position. The
16 Chief Legal Counsel enjoys security of tenure and may not be removed except for a just and
17 valid cause.
18

19 The Government Corporate Counsel shall be the legal adviser and consultant of the
20 GSIS, and the GSIS may refer to the Office of the Government Corporate Counsel (OGCC)
21 cases for legal action or trial, issues for legal opinions, preparation and review of
22 contracts/agreements and others, as the GSIS may decide or determine from time to time.
23

24 The GSIS may, subject to approval by the proper court, deputize any personnel of the
25 Legal Services Group to act as special sheriff in the enforcement of writs and processes issued
26 by the court, quasi-judicial agencies or administrative bodies in cases involving the GSIS. (47)
27

28 SEC. 59. *Powers of the Insurance Commission.* – The Insurance Commissioner or his
29 authorized representatives shall make an examination of the financial condition of the GSIS at
30 least once every three (3) years; Provided, however, That the GSIS shall pay the Office of the
31 Insurance Commissioner an amount equal to the actual expenses incurred by said Office in the
32 conduct of the examination, including the salaries of the examiners and the actuary of such
33 examination for the actual time spent.
34

35 The report of said examination shall be submitted to the Board of Trustees furnishing
36 the Office of the President and both Houses of Congress copies thereof within five (5) days
37 after the close of examination. (48a)
38

39 H. GENERAL PROVISIONS 40

41 SEC. 60. *Dispensation of Social Insurance Benefits.* – (a) The GSIS shall release the
42 retirement benefits to the employee within thirty (30) days from the actual date of retirement:
43 *Provided*, That all requirements are submitted to the GSIS within a reasonable period prior to
44 the effective date of retirement.
45

46 (b) The GSIS shall not process or adjudicate retirement claims under R.A. No. 1616
47 except refund of retirement premiums and R.A. No. 910. Instead all agencies concerned shall
48 process and pay the gratuities of their employees. The Board shall adopt the proper rules and
49 procedures for the implementation of this provision. (49a)
50

1 SEC. 61. *Development and Disposition of Acquired Assets.* – The GSIS shall have the
2 right to develop and dispose of its acquired assets obtained in the ordinary course of its
3 business. To add value to, improve profitability on and/or enhance the marketability of an
4 acquired asset, the GSIS may further develop/renovate its assets, either with its own capital or
5 through a joint venture arrangement with private companies or individuals.
6

7 The GSIS may sell its acquired assets in accordance with existing Commission on Audit
8 (COA) rules and regulations for an amount not lower than the current market value of the
9 property. For this purpose, the GSIS shall conduct an annual appraisal of its properties or
10 acquired assets to determine its current market value. All notices of sale shall be published in
11 newspapers of general circulation.
12

13 No injunction or restraining order issued by any court, commission, tribunal or office
14 shall bar, impede or delay the sale and disposition by the GSIS of its acquired assets except on
15 questions of ownership and national or public interest. (50)
16

17 SEC. 62. *Exemption from Land Reform Program.* - The GSIS acquired assets shall be
18 exempted or excluded from the coverage of the following:
19

20 (a) Comprehensive Agrarian Reform Program (CARP) as provided under R.A. No.
21 6657, as amended, in relation to Executive Order (E.O.) No. 407;
22

23 (b) Land Reform as provided under P.D. No. 27; and
24

25 (c) Other existing or future land and agrarian reform legislations.
26

27 SEC. 63. *Expropriation.* No entity whether private may expropriate any GSIS property
28 without the express consent or approval of the GSIS President and General Manager, the GSIS
29 Board of Trustees, The Secretary of Finance and the President of the Philippines.
30

31 SEC. 64. *Government Assistance to the GSIS.* – The GSIS may call upon any officer or
32 employee of any department, bureau or office, subdivision, agency or instrumentality of the
33 Government, including government-owned or controlled corporations and local governments
34 for such assistance as may be necessary in the discharge of its duties and functions. (51a)
35

36 SEC. 65. *Franking Privilege.* - All official mail matters of the GSIS for delivery within
37 the Philippines shall be received, transmitted, and delivered free of charge: Provided, That such
38 mail matters when addressed to nongovernment offices shall not exceed one hundred and
39 twenty (120) grams. (n)
40

41 I. SANCTIONS 42

43 Sec. 66. *Penalty* – (a) Heads of offices of the national government, its political
44 subdivisions, branches, agencies and instrumentalities, including government-owned or
45 controlled corporations and government financial institutions, and the personnel of such offices
46 who are involved in the collection of premium contributions, loan amortization and other
47 accounts due the GSIS who shall fail, refuse or delay the payment, turnover, remittance or
48 delivery of such accounts to the GSIS, within thirty (30) days from the time that the same shall
49 have become due and demandable, shall upon conviction by final judgment, suffer the penalties
50 of imprisonment of not less than twenty (20) years but not more than thirty (30) years and a

1 fine of not less than Five Hundred Thousand Pesos (PhP500,000.00) but not more than Five
2 Million Pesos (PhP5,000,000.00) and, in addition, shall suffer the penalty of absolute perpetual
3 disqualification from holding public office and/or other accessory penalties as may be provided
4 by law.

5
6 (b) The treasurer, finance officer, cashier, disbursing officer, budget officer or other
7 official or employee who fails to include in the annual budget the amount corresponding to the
8 employer and employee contributions, or who fails or refuses or delays to remit to the GSIS by
9 more than thirty (30) days from the time such amount becomes due and demandable, or fails
10 to deduct the monthly contributions of the employee shall, upon conviction by final judgment,
11 suffer the penalties of imprisonment of not less than twelve (12) years but not more than twenty
12 (20) years, and a fine of not less than Five Hundred Thousand Pesos (PhP500,000.00) but not
13 more than Two Million Pesos (PhP2,000,000.00) and, in addition, shall suffer absolute
14 perpetual disqualification from holding public office.

15
16 (c) Any employee, who after deducting the monthly contribution or loan amortization
17 from a member's compensation, fails to remit the same to the GSIS within thirty (30) days
18 from the date they should have been remitted under Section 11 (b) hereof shall be presumed to
19 have misappropriated such contribution or loan amortization and shall, upon conviction by
20 final judgment, suffer the penalties of imprisonment of not less than twelve (12) years but not
21 more than twenty (20) years and a fine of not less than Five Hundred Thousand Pesos
22 (PhP500,000.00) but not more than Two Million Pesos (PhP2,000,000.00) and, in addition,
23 shall suffer absolute perpetual disqualification from holding public office.

24
25 (d) Any employee or member who receives or keeps fund or property belonging,
26 payable or deliverable to the GSIS and appropriates the same, or takes or misappropriates or
27 uses the same for any purpose other than that authorized by this Act, or permits another person
28 to take, misappropriate or use said fund or property by expressly consenting thereto, or through
29 abandonment or negligence, or is otherwise guilty of the misappropriation of said fund or
30 property, in whole or in part shall, upon conviction by final judgment, suffer the penalties of
31 imprisonment of not less than twelve (12) years but not more than twenty (20) years and a fine
32 of not less than Five Hundred Thousand Pesos (PhP500,000.00) but not more than Two Million
33 Pesos (PhP2,000,000.00) and, in addition, shall suffer absolute perpetual disqualification from
34 holding public office.

35
36 (e) Any person found to have participated directly or indirectly in the commission of
37 fraud, collusion, falsification, or misrepresentation in any transaction with the GSIS whether
38 for himself or for some other persons shall, upon conviction and final judgment, suffer the
39 penalties of imprisonment of not less than six (6) years but not more than twelve (12) years
40 and a fine of not less than Five Hundred Thousand Pesos (PhP500,000.00) but not more than
41 Two Million Pesos (PhP2,000,000.00) and, in addition, suffer absolute perpetual
42 disqualification from holding public office.

43
44 (f) Any person who shall willfully, wrongfully and fraudulently obtain or receive any
45 money or check invoking any provision of this Act or any agreement thereunder, without being
46 entitled thereto, shall, upon final judgment, suffer the penalties of imprisonment of not less
47 than six (6) years but not more than twelve (12) years and a fine of not less than Five Hundred
48 Thousand Pesos (PhP500,00.00) but not more than One Million Pesos (PhP1,000,000.00) and
49 such other accessory penalties as may be imposed by law.

1 (g) Any person who fails or refuses to comply with the provisions of this Act or with
2 the rules and regulations adopted by the GSIS shall, upon final judgment, suffer the penalties
3 of imprisonment of not less than six (6) years but not more than twelve (12) years and a fine of
4 not less than Five Hundred Thousand Pesos (PhP500,000.00) but not more than One Million
5 Pesos (PhP1,000,000.00) and such accessory penalties as may be provided by law.

6
7 (h) The officers and personnel referred to in paragraph (a) of this Section shall also be
8 civilly liable to the GSIS or to the employee or member concerned in the form of damages,
9 including surcharges and interests.

10
11 (i) For the charges or complaints referred to in paragraph (a) of this Section, the
12 penalties therein set forth shall be construed as an agreement to waive any claim to sovereign
13 immunity from suit or legal proceedings. Thus, abovementioned officials and personnel may
14 not invoke the defense of non-suability of the State. waiver of the State of its immunity from
15 suit, hence, the above-mentioned offices officials and/or personnel may not invoke the defense
16 of non-suability of the State.

17
18 Criminal and civil actions arising from violations of the provisions of this Act may be
19 commenced by the GSIS or by the aggrieved member, either under this Act or, in appropriate
20 cases, under the Revised Penal Code and other special laws. (52a)

21
22 SEC. 67. *Implementing Rules and Regulations.* – Within ninety (90) days from the
23 approval of this Act, the GSIS shall promulgate such rules and regulations as may be necessary
24 to carry out the provisions of this Act. (53)

25
26 SEC. 68. *Non-impairment of Benefits, Powers, Jurisdiction, Rights, Privileges,*
27 *Functions and Activities.* – Nothing in this Act shall be construed to repeal, amend or limit any
28 provision of existing laws, Presidential Decrees, Letters of Instructions, not otherwise
29 specifically inconsistent with the provisions of this Act. (54)

30
31 SEC. 69. *Non-Conversion of Mode of Retirement.* – No change in the mode of retirement
32 chosen shall be allowed once the proceeds, or a portion thereof, of the member's retirement
33 claim under a particular law were received by the member, whether through check, e-crediting
34 to his or her GSIS eCard/Unified Multi-purpose Identification (UMID) Card, or such other
35 manner as may be approved by the Board of Trustees. (n)

36
37 SEC. 70. *Appropriations.* – The amount necessary to carry out the provisions of this
38 Act shall be included in the respective budgets of the agencies in the national government
39 obligation program of the year following its enactment into law and thereafter. (56)

40
41 SEC. 71. *Separability Clause.* – Should any provision of this Act or any part thereof be
42 declared invalid, the other provisions, so far as they are separable from the invalid ones, shall
43 remain in force and effect. (57)

44
45 SEC. 72. *Repealing Clause.* – P.D. No. 1146, as amended by R.A. No. 8291, P.D. No.
46 712, and Section 9 of R.A No. 656, as amended by P.D. No. 245, are hereby expressly repealed.
47 The provisions of R.A. No. 9184 and R.A. 10149 otherwise known as the "GOCC Governance
48 Act of 2011" are hereby modified accordingly. All other laws, decrees, executive orders, rules
49 and regulations or parts thereof which are contrary to or specifically inconsistent with the
50 provisions of this Act are hereby repealed or amended accordingly: *Provided*, That the rights

1 under existing laws, rules and regulations vested upon or acquired by an employee who is
2 already in the service as of the effectivity of this Act shall remain in force and effect: *Provided,*
3 *further,* That subsequent to the effectivity of this Act, a new employee or an employee who has
4 previously retired or separated and is reemployed in the service shall be covered by the
5 provisions of this Act. (58a)
6

7 SEC. 73. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication
8 in the *Official Gazette* or in at least two (2) newspapers of general circulation. (59a)
9

10 *Approved,*
11
12
13