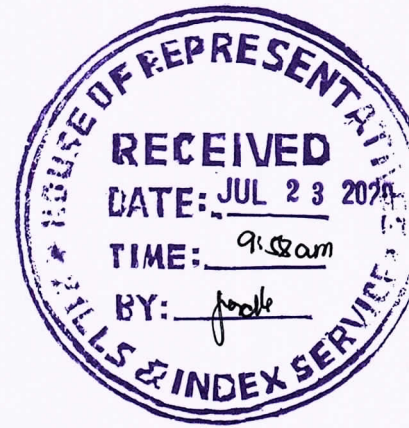




Republic of the Philippines
House of Representatives
Quezon City



EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7163

Introduced by REPRESENTATIVE ERIC L. OLIVAREZ

EXPLANATORY NOTE

The Government Service Insurance System (GSIS) was created to provide a defined social security and financial benefit scheme to all government employees and their qualified dependents in forms of optional and compulsory life insurance, retirement, separation, and employee's compensation benefits and service privileges such as loan assistance. However, in order to avail of retirement under the GSIS, there are certain requirements that are needed to be met by its members such as the mandated fifteen (15) years of government service. This requirement serves to be convoluted when it comes to elected government officials who have served their maximum term allowed by law and has not completed the fifteen (15) year requirement.

For this reason, it seems only fair and reasonable to allow these elected government officials who have served their maximum terms and has not completed the fifteen (15) year requirement to be given the option to make voluntary contributions to the GSIS in order to complete the fifteen-year minimum requirement, thereby, making them qualified for the monthly pension upon retirement from government service. This Bill intends to amend Republic Act 8291 by giving elected government officials an option to continue their membership in the GSIS by opting to pay voluntary contributions upon serving the maximum term as allowed by law.

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

Eric L. Olivarez
ERIC OLIVAREZ



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1
2 **“AN ACT PROVIDING FOR AN OPTION FOR QUALIFIED ELECTED OFFICIALS TO**
3 **PAY VOLUNTARY CONTRIBUTION TO THE GOVERNMENT SERVICE**
4 **INSURANCE SYSTEM TO ENABLE THEM TO COMPLETE THE MINIMUM**
5 **YEARS OF SERVICE, AMENDING FOR THE PURPOSE SECTIONS 13**
6 **AND 13-A OF REPUBLIC ACT 8291, OTHERWISE KNOWN AS THE**
7 **“GOVERNMENT SERVICE INSURANCE ACT OF 1997”**
8
9

10 *Be it enacted in the Senate and the House of Representatives of the Republic of the*
11 *Philippines in Congress assembled:*

12 **SECTION 1.** Section 13 of Republic Act 8291 is hereby amended to read as follows:

13 **“SEC. 13. Retirement Benefits.**

14 (a) *Retirement benefit shall be:*

15 (1) *the lump sum payment as defined in this Act payable at the*
16 *time of retirement plus an old-age pension benefit equal to the*
17 *basic monthly pension payable monthly for life, starting upon*
18 *expiration of the five-year (5) guaranteed period covered by*
19 *the lump sum; or*

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

4 (b) Unless the service is extended by appropriate authorities,
5 retirement shall be compulsory for an employee at sixty-five (65)
6 years of age with at least fifteen (15) years of service: *Provided,*
7 *That if he has less than fifteen (15) years of service, he may be*
8 *allowed to continue in the service in accordance with existing civil*
9 *service rules and regulations. **Provided further, that elected***
10 ***officials who have completed their maximum elected terms***
11 ***shall have the option to continue their membership in the GSIS***
12 ***and pay voluntary contribution to the GSIS and enable them***
13 ***to complete the minimum fifteen (15)-year service requirement***
14 ***under this Act thereby enabling them entitlement to retirement***
15 ***benefits under this Act.***
16

17 **SECTION. 2.** Section 13-A of Republic Act 8291 is hereby amended to read as
18 follows:

19 "SEC. 13-A. *Conditions for Entitlement.*—A member who retires from
20 service shall be entitled to the retirement benefits in paragraph (a) of
21 Section 13 hereof. *Provided, that:*

22 (1) he has rendered at least fifteen (15) years of service **or in cases of**
23 **elected officials who have served their maximum elected terms**
24 **and have availed the option to pay voluntarily to the GSIS have**
25 **completed the fifteen-year service equivalent to the contributions**
26 **to the GSIS;**

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

1 (3) he is not receiving a monthly pension benefit from permanent total
2 disability.

3 **SECTION 3. *Non-Diminution of Retirement and Separation Benefit.*** –Nothing
4 herein contained shall diminish the retirement and separation benefits already enjoyed
5 under the laws that existed at the time of retirement.

6 **SECTION 4. *Implementing Rules and Regulations.*** - The Government Service
7 Insurance System (GSIS) and the Office of the President, in coordination with the
8 Department of Finance (DOF), Department of Interior and Local Government (DILG),
9 and Department of Budget and Management (DBM) shall, within sixty (60) days from
10 effectivity of this Act, promulgate the rules and regulations necessary for the effective
11 implementation of this Act.

12 **SECTION 5. *Separability Clause*** - If any provision of this Act is declared invalid,
13 the remainder or any of this provision hereof not affected thereby shall remain in force
14 and effect.

15 **SECTION 6. *Repealing Clause*** - All laws, decrees, executive orders, presidential
16 issuances and other administrative rules and regulations or parts thereof which are
17 inconsistent with this Act are hereby repealed, amended or modified accordingly.

18 **SECTION 7. *Effectivity*** - This Act shall take effect fifteen (15) days after its
19 publication in at least two (2) national newspapers of general circulation.

20 **Approved.**