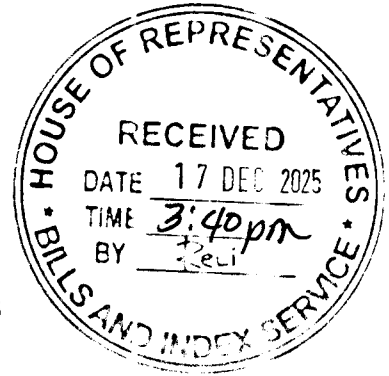




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



TWENTIETH CONGRESS
First Regular Session

House Bill No. 6954

Introduced by Representative Nelson S. Legacion
Third Congressional District, Camarines Sur

EXPLANATORY NOTE

This bill proposes to amend existing laws governing retirement ages for employees in both the public and private sectors to lower the optional and mandatory retirement ages. This measure is rooted in the belief that after dedicating significant years to service, workers deserve the opportunity to fully enjoy the benefits of their labor while they are still in the prime of their post-career lives, and to address crucial national employment issues.

This bill is significant as an original, comprehensive piece of legislation that addresses retirement age across the entire Philippine labor force. Unlike previous or alternative legislative proposals that are often limited to amending only the Government Service Insurance System (GSIS), this measure seeks to amend the provisions governing both the GSIS for the public sector, which was created by Commonwealth Act No. 186, as amended by Republic Act No. 8291, and the Social Security System (SSS) for the private sector, which was established by R.A No. 1161, as amended by R.A. No. 11199.

This holistic approach ensures that the benefits of earlier retirement and the economic boost from increased job turnover are realized nationwide.

The measure directly addresses the welfare and dignity of the Filipino workforce. Consistent with Principle 3 of the 1991 United Nations Principles for Older Persons, which advocates for older persons to determine the pace of their withdrawal from the labor force, this bill seeks to reduce the optional retirement age for government employees from sixty (60) years to fifty-five (55) years old.

After dedicating the majority of their lives working, employees deserve the chance to reap the fruits of their hard-earned labor while they are still physically able. Earlier retirement provides the precious time and opportunity for retirees to engage in activities long deferred: travelling, spending quality time with families, especially their grandchildren, reconnecting with friends and colleagues, or simply

enjoying much-needed rest and relaxation. This measure ensures that our workers can maximize their post-career lives in dignity and good health.

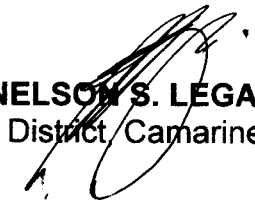
The current mandatory retirement age of sixty-five (65) for most employees in the public and private sectors often delays the vital infusion of new talent into the workforce. This bill seeks to lower the mandatory retirement age for all personnel from sixty-five (65) to sixty (60) years old.

This reduction offers a structural solution to help alleviate the country's persistent labor market challenges by encouraging the retirement of older workers, a substantial number of vacancies will be created for younger job seekers. According to the Philippine Statistics Authority (PSA), the country's unemployment rate stood at 3.8% in September 2025, representing approximately 1.96 million jobless Filipinos. Furthermore, the underemployment rate wherein workers seeking additional hours or work was recorded at 11.1% or equivalent to 5.52 million workers in the same period. Lowering the mandatory retirement age will directly open more positions, which is projected to boost economic activity. For government agencies, the resulting turnover facilitates the entry of younger professionals who are typically more adept at new technologies and modern processes, enhancing the efficiency of public service delivery.

The proposed reduction in retirement ages is recognized as a measure that necessitates careful actuarial planning to ensure the sustainability of the national social security institutions. GSIS actuarial studies on similar proposals indicate that a lowered retirement age can reduce the fund's life due to shortened contribution periods and prolonged payout periods.

To mitigate this critical risk, this measure provides the necessary mandate for the relevant government agencies to formulate Implementing Rules and Regulations (IRR) that must be strictly based on actuarially sound principles to protect the long-term viability of the Social Insurance Fund for both current and future members.

In view of the foregoing, this legislation addresses the dual mandate of securing the future well-being and dignity of our workers and providing necessary stimulus to the nation's economy through comprehensive, nationwide reform. Therefore, the timely passage of this comprehensive reform bill is earnestly requested.


NELSON S. LEGACION
Representative, Third District, Camarines Sur



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AN ACT LOWERING THE MANDATORY AND OPTIONAL RETIREMENT AGE FOR EMPLOYEES IN THE PUBLIC AND PRIVATE SECTORS, AMENDING FOR THE PURPOSE EXISTING LAWS, AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the "*Adjusted Retirement Age Act*".

SECTION 2. Declaration of Policy. - It is the declared policy of the State to promote the welfare of its workers, both in the public and private sectors, by affording them the opportunity to retire early and to ensure that a dynamic and younger workforce is continually integrated into the nation's labor force.

SECTION 3. Mandatory Retirement Age. - The compulsory retirement age for all employees in the public sector covered by the Government Service Insurance System (GSIS) and the private sector covered by the Social Security System (SSS), as well as those falling under any other existing retirement law, shall be upon attainment of sixty (60) years old.

SECTION 4. Optional Retirement Age for Government Employees. - Any official or employee of the government, who has rendered at least fifteen (15) years of service, shall have the option to retire upon attainment of fifty-five (55) years old.

SECTION 5. Exception for Government Service. - An official or employee of the government who has rendered less than fifteen (15) years of government service upon reaching the age of sixty (60) may be allowed to continue holding office until such time he or she reaches the compulsory retirement age of sixty-five (65) to complete the required years for retirement eligibility under the Government Service Insurance System (GSIS) and other pertinent laws.

SECTION 6. *Non-Applicability.* - This Act shall not apply to those employed in the armed services of the government, whose retirement is governed by separate specific laws.

SECTION 7. *Implementing Rules and Regulations (IRR).* - The Department of Labor and Employment (DOLE), in coordination with the Civil Service Commission (CSC), the Government Service Insurance System (GSIS), the Social Security System (SSS), and other relevant government agencies, shall jointly promulgate the necessary rules and regulations for the effective implementation of this Act within ninety (90) days from its effectivity.

The IRR shall include actuarially sound provisions and mechanisms to ensure the long-term sustainability and viability of the GSIS Fund and the SSS Fund.

SECTION 8. *Repealing Clause.* - All laws, executive orders, rules and regulations, and other issuances or parts thereof, which are contrary to or inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

SECTION 9. *Separability Clause.* - If any provision or part of this Act is declared unconstitutional or invalid, the remaining provisions or parts not affected shall remain in full force and effect

SECTION 10. *Effectivity.* - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,