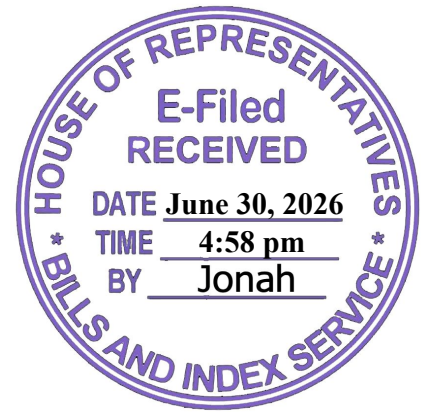


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9984



Introduced by Representative Jan “Atty. JP” D. Padiernos

EXPLANATORY NOTE

Article II, Section 11 of the Constitution declares that the State values the dignity of every human person and guarantees full respect for human rights. This includes the right of workers to social security and a dignified retirement.

Under Republic Act No. 8291, otherwise known as the “Government Service Insurance System Act of 1997,” a government employee must complete at least fifteen (15) years of creditable government service to qualify for retirement pension benefits. Consequently, many public servants who have devoted years of their lives to government service but are separated from employment before reaching the minimum service requirement are permanently disqualified from receiving a monthly pension.

This situation often affects employees who leave government service due to circumstances beyond their control, such as agency reorganization, abolition of positions, medical incapacity, disability, family emergencies, or other compelling circumstances. While these individuals may have rendered substantial service to the government, the law currently provides no mechanism by which they may complete the remaining service requirement necessary to qualify for retirement pension benefits.

The absence of such a mechanism may result in severe financial hardship, particularly among former government employees who spent a significant portion of their working lives in public service and reasonably expected to qualify for retirement protection.

This measure seeks to address this gap by establishing a GSIS Service Credit Completion Program. The Program allows qualified separated members to obtain the remaining service credits necessary to satisfy the minimum retirement eligibility requirement through the payment of the full actuarial cost as determined by the Government Service Insurance System. The Program is designed to be fiscally responsible and self-sustaining, ensuring that no additional burden is imposed upon the GSIS Social Insurance Fund or the National Government.

The bill likewise recognizes that members who have completed at least fourteen (14) years of creditable service have substantially fulfilled the statutory requirement and should be afforded a reasonable opportunity to complete the remaining service credits. At the same time, the measure extends relief to members with at least ten (10) years of service whose separation resulted from circumstances beyond their control, subject to appropriate safeguards.

This measure promotes fairness, strengthens retirement security, and honors the contributions of government employees while preserving the actuarial integrity of the GSIS.

In light of the foregoing, the approval of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'JPadiernos', is positioned above the printed name.

Rep. Jan “Atty. JP” D. Padiernos
GP (GALING SA PUSO) Partylist

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TWENTIETH CONGRESS
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House Bill No. **9984**

Introduced by Representative Jan “Atty. JP” D. Padiernos

AN ACT ESTABLISHING A GSIS SERVICE CREDIT COMPLETION PROGRAM FOR QUALIFIED SEPARATED MEMBERS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE “GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997”

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 "GSIS Pension Equity Act."

SECTION 2. Declaration of Policy. — It is the policy of the State to promote social justice and retirement security for government employees and to provide equitable opportunities for qualified separated members of the Government Service Insurance System to complete the minimum service requirement for retirement pension eligibility through a fiscally responsible and actuarially sound mechanism.

SECTION 3. GSIS Service Credit Completion Program. – A new subsection is hereby inserted under Section 13-A of Republic Act No. 8291, to read as follows:

“(c) GSIS Service Credit Completion Program. – Qualified separated members may obtain the service credits necessary to satisfy the minimum service requirement for retirement pension eligibility, subject to the conditions provided under this subsection.

(1) Automatic Eligibility. – A member who has completed at least fourteen (14) years but less than fifteen (15) years of creditable government service at the time of separation shall be eligible to participate in the Program.

(2) Conditional Eligibility. – A member who has completed at least ten (10) years but less than fourteen (14) years of creditable government service may likewise participate in the Program, provided that the separation from service resulted from circumstances beyond the member’s control, including but not limited to:

- (a) abolition of office or position;
- (b) reorganization of the agency;
- (c) disability or medical incapacity;

(d) involuntary separation authorized by law; or

(e) other analogous circumstances as may be determined by the GSIS.

(3) Exclusions. – The Program shall not apply to members separated from service by reason of dismissal for cause, serious misconduct, gross neglect of duty, dishonesty, conduct prejudicial to the best interest of the service, conviction of a crime involving moral turpitude, or any other ground resulting in forfeiture of retirement benefits under existing laws.

(4) Actuarial Cost. – The applicant shall pay the full actuarial cost of the corresponding service credits as determined by the GSIS.

(5) Method of Payment. – Payment may be made in lump sum or through such installment arrangements as may be authorized by the GSIS.

(6) Effect of Full Payment. – Upon full payment of the required actuarial cost, the member shall be deemed to have completed the minimum service requirement solely for purposes of determining eligibility for retirement pension benefits under this Act.

(7) Coverage. – The Program shall be available to qualified members who were separated from service before or after the effectivity of this Act.

(8) Additional Safeguards. – The GSIS may prescribe reasonable qualifications, documentary requirements, limitations, and safeguards necessary to implement this subsection and prevent abuse thereof.”

SECTION 4. Actuarial Safeguards. – The GSIS shall ensure that all amounts collected under the Service Credit Completion Program are actuarially sufficient to cover the corresponding retirement obligations arising from the grant of service credits under this Act. Nothing in this Act shall be construed as requiring the GSIS to approve any computation or application that would impair the actuarial soundness or solvency of the GSIS Social Insurance Fund.

SECTION 5. Non-Diminution of Existing Benefits. – Nothing in this Act shall be construed to reduce, impair, or diminish any retirement, separation, or other benefits otherwise available under existing laws.

SECTION 6. Implementing Rules and Regulations. — Within sixty (60) days from the effectivity of this Act, the GSIS shall promulgate the necessary rules and regulations to implement the provisions of this Act, including the actuarial adjustments necessary to maintain the solvency of the GSIS Social Insurance Fund.

SECTION 7. Separability Clause. — If any provision of this Act is declared unconstitutional, the remainder shall continue to be in full force and effect.

SECTION 8. Repealing Clause. — All laws, executive orders, or administrative circulars inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 9. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved.