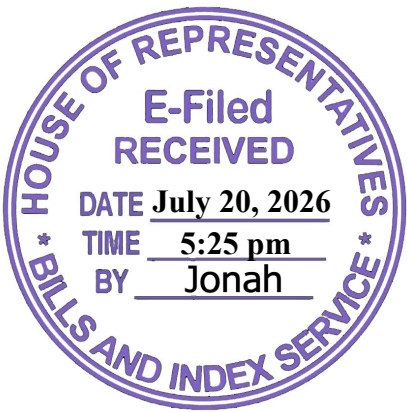


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS

Second Regular Session

HOUSE BILL NO. 10131



INTRODUCED BY REPRESENTATIVE JURDIN JESUS M. ROMUALDO

Explanatory Note

The Government Service Insurance System (GSIS) provides retirement benefits to government employees under Republic Act No. 8291. The GSIS pensions do not have an automatic escalation mechanism. Pension amounts remain fixed unless Congress enacts a new law or the GSIS Board authorizes special adjustments.

This situation has created inequity between public and private sector retirees. While SSS retirees now enjoy predictable annual increases under the Pension Reform Program (PRP) beginning in 2025, GSIS retirees are left vulnerable to inflation and rising costs of living.

Government retirees, many of whom dedicated decades of service to the nation, deserve protection against the erosion or decline of their pensions' real value. This bill seeks to establish an **automatic annual adjustment mechanism** for GSIS pensions, either pegged to inflation or set at a minimum of five percent (5%) per year, with safeguards to ensure fund sustainability.

By institutionalizing pension escalation, the measure promotes fairness, strengthens social protection, and upholds the dignity of government retirees.

Approval of this bill is earnestly sought.

JURDIN JESUS M. ROMUALDO

A handwritten signature in black ink, consisting of a stylized 'J' and 'R' followed by a large loop.

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HOUSE BILL NO. 10131

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AN ACT
ESTABLISHING AN AUTOMATIC PENSION ESCALATION MECHANISM FOR
RETIREES OF THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS),
PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** - This Act shall be known as the “*Automatic Pension*
2 *Escalation Act for GSIS Retirees.*”

3 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to
4 protect the welfare of government retirees by ensuring that their pensions remain
5 adequate and responsive to inflationary pressures, and to promote parity between GSIS
6 and SSS retirees.

7 **SEC. 3. Annual Pension Adjustment.** - All GSIS old-age and disability pensioners
8 shall receive an **automatic annual increase** in their monthly pension.

9 **SEC. 4. Basis and Timing of Pension Adjustment.** - The annual pension
10 adjustment under this Act shall be based on the official Consumer Price Index or inflation
11 data published by the Philippine Statistics Authority, whichever is higher.

12 The annual pension escalation under this Act shall be based on the official
13 Consumer Price Index or inflation data published by the Philippine Statistics Authority,
14 whichever is higher. Those receiving death and survivor pensions shall also receive an
15 annual increase of **five percent (5%)** or equivalent to the Consumer Price Index (CPI)
16 inflation, whichever is higher.

17
18 **SEC. 5. Coverage.** - This Act shall apply to all GSIS old-age and disability
19 pensioners except pensioners who opted for lump-sum retirement benefits.

20 **SEC. 6. Funding Source.** - The annual pension escalation shall be funded from the
21 GSIS investment earnings and other sources as may be determined by the GSIS Board
22 of Trustees.

1 **SEC. 7. Annual Actuarial Review.** - The GSIS shall conduct an **annual actuarial**
2 **study** to assess and determine the sustainability of the pension fund and submit a report
3 to Speaker of the House of Representatives, the Chairperson of the Committee on
4 Appropriations, the Senate President, the Chairperson of the Committee on Finance, and
5 the Department of Finance.

6 **SEC. 8. Implementing Rules and Regulations.** - Within ninety (90) days from the
7 effectivity of this Act, the GSIS, in coordination with the Governance Commission for
8 GOCCs and other stakeholders shall promulgate the necessary rules and regulations to
9 implement the provisions of this Act.

10 **SEC. 9. Separability Clause.** - If any provision of this Act is declared
11 unconstitutional, the remaining provisions shall remain in full force and effect.

12 **SEC. 10. Repealing Clause.** - All laws, decrees, executive orders, rules and
13 regulations inconsistent with this Act are hereby repealed or modified accordingly.

14 **SEC. 11. Effectivity.** - This Act shall take effect fifteen (15) days after its publication
15 in the Official Gazette or in at least two (2) newspapers of general circulation.

16 **Republic of the Philippines.**

17 ***Approved.***