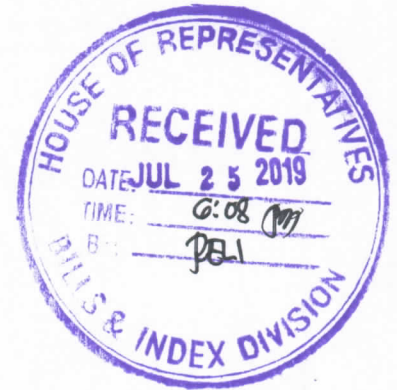


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session
2907
HOUSE BILL NO. _____



Introduced by Rep. Precious Hipolito Castelo

EXPLANATORY NOTE

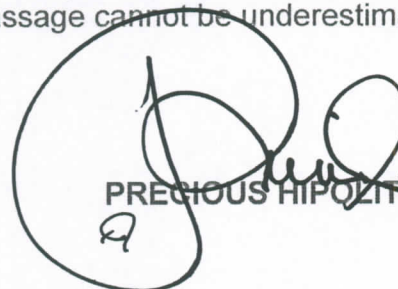
This proposal aims to serve as a social assistance measure.

It shall allow retirees under Republic Act No. 1616, also known as the 'Government Service Insurance Act' to cope with their social and economic plight.

Apparently, said republic act no longer fully satisfies the true objectives of social security especially so that gratuity benefits are being phased out. In fact, under this law, government retirees have to confront the high cost of living after retirement to the extent that they have to live at the mercy of their relatives if not loan sharks.

When receiving lump sums is not synonymous with pensions, they become vulnerable victims of loan sharks such that this close prospect of receiving any other financial support for their daily needs and medicines when their social security benefits under RA 1616 would have been exhausted, we see how wrong choices may have been made as well as wrong scheme may have set them up.

In their twilight years, should not they be blessed to receive old-age pension benefit equivalent to fifty percent (50%) of their average monthly compensation as defined under RA 8291? The urgency of this bill's passage cannot be underestimated.


PRECIOUS HIPOBITO CASTELO

Republic of the Philippines
HOUSE OF REPRESENTATIVES

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2907

Introduced by Rep. Precious Hipolito Castelo

AN ACT

GRANTING OLD-AGE PENSION BENEFIT TO RETIREES UNDER REPUBLIC ACT NO. 1616, AS AMENDED, FOR AGED 70 YEARS OR OVER, AND PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

Be it enacted in the Senate and the House of Representatives of the Republic of the Philippines in Congress assembled'

SECTION 1. Short Title. – This Act shall be known as the 'Special Retirement Act.'

SEC. 2. Declaration of Policy. – It is the declared policy of State to provide social security benefits to the Elderly Members of society. Pursuant to this, the State shall grant old-age pension benefit to senior citizens who retired under Republic Act No. 1616, as amended, otherwise known as the "Government Service Insurance Act" as well as survivorship benefit to their survivors to promote decent standard of living.

SEC. 3. Coverage. – This Act shall apply to government personnel who retired under Republic Act No. 1616, as amended, and who have reached the age of seventy (70) years or over at the time of the effectivity hereof.

SEC. 4. Old-Age Pension. – A government employee who retired under RA 1616, as amended, and who is seventy (70) years old or above, shall receive an old-age pension benefit equivalent to fifty percent (50%) of their average monthly compensation as defined under RA 8291, otherwise known as the "Revised Government Service Insurance Act of 1977": *Provided*, That the retiree shall not be required to reimburse to the Government Service Insurance System the retirement gratuity previously received by him from his last employer; as well as the refunds from the GSIS of the person and the employer's premiums as the case may be but shall be considered as partial payment by the GSIS to the retiree: *Provided, further*, That when the retiree dies, his beneficiaries shall be entitled to survivorship benefits provided for under RA 8291.

SEC. 5. Funding. – Such sums as may be necessary for the payment of the retirement and survivorship benefits shall be charged against the GSIS Insurance Fund provided for under RA 8291. Whatever additional amount as may be needed for its

implementation shall be included in the General Appropriations Act of the ensuring fiscal years.

SEC. 6. *Implementing Guidelines.* – The Government Service Insurance System (GSIS), in coordination with the Department of Budget and Management, shall issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 7. *Separability Clause.* – Should any part or provision of this Act or any part hereof be declared invalid, or unconstitutional, the other provisions so far as they are separable from the invalid ones, shall remain in force and effect.

SEC. 8. *Repealing Clause.* – All laws, executive orders, decrees, letters of instruction, rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 9. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers.

Approved,