

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
First Regular Session

HOUSE BILL NO. 4832



Introduced by Representative Jericho Jonas B. Nograles

EXPLANATORY NOTE

This bill seeks to upgrade the pension benefits under the Government Service Insurance System, further amending Presidential Decree No. 1146, as amended, also known as "*The Government Service Insurance Act of 1997.*"

Section 23 of Republic Act No. 10071, otherwise known as the "*Prosecution Service Act of 2010,*" provides automatic increase in all pension benefits of retired prosecutors of the National Prosecution Service whenever there is an increase in the salary and allowance of the same position from which the prosecutor retired.

Also, Republic Act No. 9946 grants additional retirement, survivorship, and other benefits to members of the Judiciary. Administrative Matter No. 17-08-01 SC provides the same benefits to retirees and survivors of the Judiciary who retired before the enactment of Republic Act No. 9946. Both afford the same automatic increase of all pension benefits to retired members of the Judiciary whenever there is an increase in the salary of the same position from which the member retired.

This proposed bill seeks to grant the same benefits to all members of the Government Service Insurance System (GSIS). Like the prosecutors and judges, all government employees during their service contributed to the GSIS fund. Certainly, the wisdom behind the increase given to the Judiciary and the Prosecution Service applies to all GSIS members. Therefore, it is but fitting that the pension benefits of retired government employees be automatically increased corresponding to the increase in the salary of the same position from which the employees or members retired.

Having considered the foregoing, early approval of this bill is earnestly sought.

Jericho Nograles

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Quezon City

4
5 Eighteenth Congress
6 First Regular Session
7 **4832**

8
9 Introduced By : Representative Jericho Jonas B. Nograles

10
11 **AN ACT**
12 **UPGRADING THE PENSION BENEFITS UNDER THE GOVERNMENT**
13 **SERVICE INSURANCE SYSTEM, FURTHER AMENDING FOR THE**
14 **PURPOSE PRESIDENTIAL DECREE NO. 1146, AS AMENDED, ALSO**
15 **KNOWN AS “THE GOVERNMENT SERVICE INSURANCE ACT OF**
16 **1997”**
17

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

20 SECTION 1. Section 9 of Presidential Decree No. 1146, as amended,
21 also known as “*The Government Service Insurance Act of 1997*,” is hereby
22 further amended to read as follows:

23 “SEC. 9. Computation of Basic Monthly Pension. – (a) The
24 monthly pension is equal to:

25 “1) thirty-seven and one-half percent (37.5%) of the
26 revalued average monthly compensation; plus

27 “2) two and one-half percent (2.5%) of said revalued
28 average monthly compensation for each year of service in
29 excess of (15) years: *Provided*, That the basic monthly
30 pension shall not exceed ninety percent (90%) of the
31 average monthly compensation.

1 “(b) The basic monthly pension may be adjusted upon the
2 recommendation of the President and General Manager of the
3 GSIS and approved by the President of the Philippines in
4 accordance with the rules and regulations prescribed by the GSIS:
5 *Provided, however,* that the basic monthly pension shall not be less
6 than One thousand and three hundred pesos (P1,300.00):
7 *Provided, further,* that the basic monthly pension for those who
8 have rendered at least twenty (20) years of service after the
9 effectivity of this Act shall not be less than Two thousand four
10 hundred pesos (P2,400.00) a month.

11 **“(c) CONSIDERING THAT RETIREES ALSO**
12 **CONTRIBUTED TO THE FUNDS OF THE GSIS, THE**
13 **BASIC MONTHLY PENSION AND ALL OTHER PENSION**
14 **BENEFITS OF RETIRED EMPLOYEES OR MEMBERS**
15 **SHALL BE AUTOMATICALLY INCREASED AND**
16 **INDEXED TO THE CORRESPONDING PERCENTAGE OF**
17 **INCREASE IN THE SALARIES OF THE FORMER**
18 **POSITIONS OR THEIR EQUIVALENT FROM WHICH**
19 **THE EMPLOYEES OR MEMBERS RETIRED.”**

1 SEC. 2. This Act shall take effect fifteen (15) days after its publication in
2 the *Official Gazette* or in a newspaper of general circulation.

3 Approved,