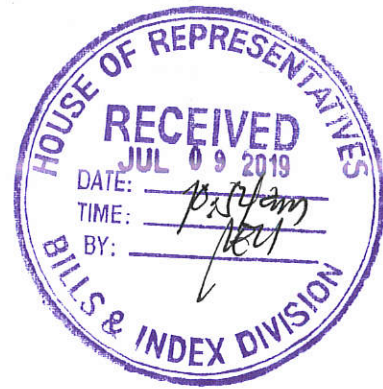


REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 1651



Introduced by **MAGDALO Party-List Representative**
HON. MANUEL DG. CABOCHAN III

EXPLANATORY NOTE


Republic Act No. 8291 or the Government Service Insurance System (GSIS) Act of 1997 was enacted to expand and increase the coverage and benefits of GSIS members. Despite the provisions stipulated therein, GSIS is continuously hounded by complaints from members due to its failure and inefficiency to provide the benefits for its members. These complaints include the undue delay in the processing and delivery of the members' benefits; alleged inefficiency in updating members' records, non-posting or delayed posting of premium remittances causing underpayments or non-payment of dividends, and non-deduction of loan remittances; and problematic issuance of an E-Card Plus and implementation of Claims and Loans Interdependence Policy (CLIP) which appears to be very onerous as it affects housing loans and retirement benefits of members.

One of the leading complaints against GSIS came from the public school teachers who were labeled as "delinquent members" per records of GSIS, despite the fact that payments for their loan accounts and GSIS premium contributions are regularly deducted every month from their salaries and these deductions are reflected on their monthly payrolls.

In view of the foregoing considerations, the proposed bill seeks to protect and promote the welfare of our government employees. It institutionalizes the rights of GSIS members, including the right to courteous and responsive service, right to information, right to GSIS benefits, right to expeditious processing of claims, and right to be heard.

This law also increases the composition of GSIS Board of Trustees to include the Secretary of the Department of Education and the Chairman of the Civil Service Commission. This increased representation will hopefully provide teachers and other government employees better opportunity to air their concerns and effect solutions to their problems.

Approval of this bill is therefore earnestly requested.


MANUEL DG. CABOCHAN III
Representative
Magdalo Para sa Pilipino Party-List

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HON. MANUEL DG. CABOCHAN III

AN ACT
INSTITUTIONALIZING THE RIGHTS OF GOVERNMENT SERVICE
INSURANCE SYSTEM (GSIS) MEMBERS, PROVIDING THEM ADDITIONAL
REPRESENTATION IN THE GSIS BOARD, AND FOR OTHER PURPOSES"

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

1 **SECTION 1. *Short Title.*** This Act shall be known as the "*GSIS Member's Rights and*
2 *Benefits Act.*"

3
4 **SEC. 2. *Declaration of Policy.***- It is a declared policy of the State to provide, develop
5 and promote a sound social security system responsive to the needs of its
6 workers. Furthermore, the State shall review and strengthen policies that advance and protect
7 the welfare of workers in the public sector. Likewise, the Constitution guarantees the right of
8 all workers to participate in policy and decision-making processes affecting their rights and
9 benefits as may be provided by law.

10
11 Towards this end, the State shall:

- 12
13 A. Ensure the adoption of policies beneficial to GSIS members paving the way
14 for a responsible, integrated and transparent social security system;
15
16 B. Provide greater representation for members at the highest policy-making level of the
17 GSIS;
18
19 C. Insulate the Social Insurance Fund (SIF) from dissipation due to the volatility
20 of the global economy;
21
22 D. Ensure that top-level officials of the GSIS are held accountable for mismanagement
23 and inefficiencies in the delivery of services to members and beneficiaries; and
24
25 E. Provide GSIS members and beneficiaries alternative venues in the settlement
26 of disputes.
27

28 **SEC. 3.** Section 2 of Republic Act No. 8291, otherwise known as "The Government
29 Service Insurance Act of 1997", is hereby amended to read as follows:

1
2 "Sec. 2. *Definition of Terms.* – Unless the context otherwise indicates, the
3 following terms shall mean:

4
5 "xxx

6
7 "(f) Dependents - Dependents shall be the following:

- 8
9 (a) the legitimate spouse dependent for support upon the member or pensioner;
10
11 (b) legitimate, legitimated legally adopted child, including the illegitimate child, who
12 is unmarried, [not gainfully employed) not over the age of majority, or is over the
13 age of majority but incapacitated and incapable of self-support due to mental or
14 physical [defect]HANDICAP acquired prior to the age of majority; and (c) the
15 parents dependent upon the member for support;

16
17 xxx”
18

19 **SEC. 4. *Members' Rights.***- In addition to their rights under existing laws the
20 members shall have the following rights:

21
22 (A) Right to Courteous and Responsive Service

- 23 1. To be considered a GSIS member from the first day of government service;
24 2. To be provided prompt and accurate service;
25 3. To be accorded respect by the executives and employees of the GSIS; and
26 4. To be afforded comfortable and customer-friendly facilities when transacting
27 with the GSIS.
28

29 (B) Right to Information

- 30 1. To be informed of the laws, regulations, policies or programs affecting the
31 members' rights, benefits, obligations, and privileges, including amendments
32 or changes thereto;
33 2. To be provided with copies of GSIS policies and regulations pertaining to
34 benefits and claims administration;
35 3. To be informed of the various modes and options in availing benefits;
36 4. To receive accurate and updated membership data, records and information,
37 including records of premium remittances and loan payments;
38 5. To have GSIS data and records protected from unauthorized, unlawful or
39 improper disclosure; and
40 6. To be informed in advance of documents required to facilitate transaction,
41 processing period and updated status of claims or loan applications.
42

43 (C) Right to GSIS Benefits

- 44 1. To receive on time the benefits the member has qualified to even after
45 separation from the service;
46 2. To avail the mode of retirement, among the different applicable retirement
47 laws and be allowed to change the preferred mode: *Provided*, That the
48 retirement pension package has not yet been received;
49 3. To be protected against discrimination and thus receive the same benefits and
50 privileges granted other members similarly situated; and

4. To receive benefits exempt from all taxes, fees, charges and duties of all kinds.

(D) Right to Expeditious Processing of Claims

1. To claim and receive on time benefits provided under applicable laws;
2. To exhaust all legal remedies under existing laws; and
3. To be protected from diminution of benefits that may arise with the passage of a subsequent law or regulation.

(E) Right to be Heard

1. To be represented in the GSIS governing Board;
2. To participate in meaningful exchange of views in dialogues and fora
3. To be consulted on the policies and programs to be implemented by the system;
4. To convey grievances and be accorded immediate response; and,
5. To transact business with GSIS in person or through electronic access points.

SEC. 4-A. *Special Rights for the Elderly, Disabled and Seriously-Ill Members, Beneficiaries and Pensioners.*— The following special rights are to be afforded to the elderly, disabled and seriously-ill members, beneficiaries and pensioners, to wit:

1. To be provided special access lanes;
2. To be prioritized in the processing and releasing of claims and benefits;
3. To be given preference in the dissemination of information pertaining to policies; and
4. To be accorded leniency in the submission of documents: *Provided, That* there is substantial compliance with the requirements prescribed by GSIS.

SEC. 5. *Agency's/Employer's Responsibilities.* – The government agencies covered by the GSIS Act, as employers, shall have the following responsibilities:

1. To remit employees' and employers' contributions to the GSIS within the prescribed time mandated by the GSIS Act;
2. To provide promptly documents required to facilitate the processing of documents and claims;
3. To provide additional documents as necessary to reconcile the records of accounts; and
4. To inform GSIS, through their agency authorized officers, of any update pertaining to personal or service records that may affect the processing of claims and benefits.

SEC. 6. Section 7 of Republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

"Sec. 7. Interests on Delayed Remittances." – Agencies which delay the remittance of any and all monies due the GSIS shall be charged interests as may be prescribed by the Board but not [less] **MORE** than two percent (2%) simple interest per month. Such interest shall be paid by the employers concerned.

1 SEC. 7. Section 28 of Republic Act No. 8291, otherwise known as "The Government
2 Service Insurance Act of 1997" is hereby amended to read as follows:

3
4 "Sec. 28. *Prescription.* - Claims for benefits under this Act [except for life and
5 retirement] shall **NOT** prescribe. [after four (4) years from the date of
6 contingency.]

7 SEC. 8. Section 30 of Republic Act No. 8291, otherwise known as "The Government
8 Service Insurance Act of 1997" is hereby amended to read as follows:

9
10 "Sec. 30. *Settlement of Disputes.* - The GSIS AND **THE REGIONAL TRIAL**
11 **COURT (RTC)** shall have original and [exclusive] **CONCURRENT** jurisdiction to
12 settle any dispute arising under this Act and any other laws administered by the GSIS.
13 xxx"

14
15 SEC. 9. Section 31 of Republic Act No. 8291, otherwise known as "The Government
16 Service Insurance Act of 1997" is hereby amended to read as follows:

17
18 "Sec. 31. *Appeals.* - Appeals from any decision or award of the Board **OR**
19 **RTC** shall be governed by Rules 43 and 45 of the 1997 Rules of Civil Procedure
20 adopted by the Supreme Court on April 8, 1997 which will take effect on July 1,
21 1997: *Provided*, That pending cases and those filed prior to July 1, 1997 shall be
22 governed by the applicable rules of procedure: *Provided, further*, That the appeal shall
23 take precedence over all other cases except criminal cases when the penalty of life
24 imprisonment or death or *reclusion perpetua* is imposable.

25 xxx"

26
27 SEC. 10. Section 36 of Republic Act No. 8291, otherwise known as "The
28 Government Service Insurance Act of 1997" is hereby amended to read as follows:

29
30 "Sec. 36. *Investment of Funds.* - xxx

31 xxx

32 "(j) In foreign mutual funds and in foreign currency deposits or foreign currency
33 denominated debts, non-speculative equities and other financial instruments or other
34 assets issued in accordance with existing laws of the countries where such financial
35 instruments are issued: *Provided*, That these instruments or assets are listed in bourses
36 of respective countries where these instruments or assets are issued: *Provided, further*,
37 That the issuing company has proven track record of profitability over the last three
38 (3) years and payment of dividends at least once over the same period: **PROVIDED,**
39 **FINALLY, THAT NOT MORE THAN FIVE PERCENT (5%) OF THE ABOVE-**
40 **MENTIONED FUNDS SHALL BE INVESTED ABROAD.**

41
42 SEC. 11. Section 42 of Republic Act No. 8291, otherwise known as "The
43 Government Service Insurance Act of 1997" is hereby amended to read as follows:

44
45 "Sec. 42. *The Board of Trustees; Its Composition; Tenure and Compensation.*
46 The corporate powers and functions of the GSIS shall be vested in and exercised by
47 the Board of Trustees composed of the President and General Manager of the GSIS
48 and TEN(10) [eight (8)] other members to be appointed by the President of the
49 Philippines, one (1) of whom shall be either the President of the Philippine Public
50 School Teachers Association (PPSTA) or the President of the Philippine Association

1 of School Superintendents (PASS), **THE SECRETARY OF THE DEPARTMENT**
2 **OF EDUCATION (DepEd), THE CHAIRMAN OF THE CIVIL**
3 **SERVICE COMMISSION (CSC)**, another two (2) shall represent the leading
4 organizations or associations of government employees/retirees, AND another four
5 (4) from the banking, finance, investment, and insurance sectors, and one (1)
6 recognized member of the legal profession who at the time of appointment is also a
7 member of the GSIS. The Trustees shall elect from among themselves a Chairman
8 while the President and General Manager of the GSIS shall automatically be the vice-
9 chairman.

10 xxx”

11
12 **SEC. 12.** Section 43 of Republic Act No. 8291, otherwise known as "The
13 Government Service Insurance Act of 1997" is hereby amended to read as follows:

14
15 "Sec. 43. *Powers and Functions of the Board of Trustees.* - xxx

16 "xxx

17 "(d) upon the recommendation of the President and General Manager, to approve the
18 GSIS' organizational and administrative structures and staffing pattern[,] **SUBJECT**
19 **TO EXISTING CIVIL SERVICE LAWS, RULES AND REGULATIONS** and to
20 establish, fix, review, revise and adjust the appropriate compensation package for the
21 officers and employees of the GSIS with reasonable allowances, incentives, bonuses,
22 privileges and other benefits as may be necessary or proper for the effective
23 management, operation and administration of the GSIS, which shall be exempt from
24 Republic Act No. 6758, otherwise known as the Salary Standardization Law and
25 Republic Act No. 7430, otherwise known as the Attrition Law.

26 xxx”

27
28 **SEC. 13. *Implementing Rules and Regulations.***- The implementing rules and
29 regulations to carry out the provisions of this Act shall be adopted and promulgated by the
30 GSIS, in consultation with the Civil Service Commission (CSC) not later than ninety (90)
31 days after the approval of this act.

32
33 **SEC. 14. *Separability Clause.***- If any part or provision of this Act shall be held to be
34 unconstitutional or invalid, other parts or provisions hereof which are not affected shall
35 continue to be in full force and effect.

36
37 **SEC. 15. *Repealing Clause.***- Section 49 of Republic Act No. 8291, otherwise known
38 as "The Government Service Insurance Act of 1997" is hereby repealed to conform to the
39 provisions of Republic Act No. 10154. All laws, decrees, executive orders, rules and
40 regulations, or parts thereof which are inconsistent with this Act are hereby repealed,
41 amended or modified accordingly.

42
43 **SEC. 16. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication
44 in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,