

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

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 1096



Introduced by Representatives Ron P. Salo

EXPLANATORY NOTE

The retirement pension is a social mechanism that is intended to provide income for the retirees who have already completed paying their contributions when they were still engaged in active employment. This pension will be the source of funds for these retirees to enable them to live a comfortable life, after years of active employment.

However, despite the existence of this pension benefit, our retirees both in the public and private sectors still struggle to sufficiently provide for their personal daily needs because of the meager amount of pension that they are receiving, coupled with the rising cost of goods and services, among others. Most retirees or pensioners of the Government Service Insurance System (GSIS) and the Social Security System (SSS) hardly have the means to provide for their basic needs. Sadly, many of the pensioners are still relying heavily from dole outs from their children and relatives.

It is incumbent upon the State to look after the welfare of its retirees who have made significant contributions to the economy and government coffers through the taxes they have paid during their productive years. It is not enough that they are able to live long beyond their retirement age, but that they are able to live comfortably from the contributions they have made.

It is therefore proposed that both the GSIS and SSS shall include a 13th and 14th month benefit for all its retired members. The 13th month benefit shall be paid to the pensioner on or before May 31 of each year. The 14th month benefit, on the other, shall be given to the pensioners on or before November 30 of each year in time for the traditional Christmas celebrations.

In view of the foregoing, the approval of this bill is urgently sought.


RON P. SALO
KABAYAN Partylist

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AN ACT
MANDATING 13TH AND 14TH MONTH BENEFITS FOR ALL PENSIONERS OF THE
GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) AND SOCIAL
SECURITY SYSTEM (SSS)

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

SECTION 1. Short Title. – This Act shall be known as the “Mandatory 13th Month and 14th Month Pension Act.”

SEC. 2. Mandatory 13th and 14th Month Pensions to all GSIS and SSS Pensioners. – All Government Service Insurance System (GSIS) and Social Security System (SSS) pensioners shall be entitled to 13th and 14th month pension benefits in the amount equivalent to their monthly pension.

SEC. 3. Time of Payment. - The 13th month pension shall be given by the GSIS and the SSS not later than the 31st of May of every year, while the 14th month pension shall be given not later than the 30th of November of every year.

SEC. 4. Premium Payments. – The SSS and GSIS may increase their respective monthly premium contribution in order to meet the amount necessary for the implementation of this Act. Provided that such increase is based on the actuarial study which will be conducted by the SSS and GSIS in relation to this additional benefit; *Provided, further*, that any increase in the monthly premium contribution shall be subject to public consultation with stakeholders; and *Provided, finally*, that such increase shall be subject to the approval of the President.

SEC. 5. Appropriation from the State Insurance Fund. – The SSS and GSIS are hereby directed to appropriate the amount necessary to cover the additional pension benefit under this Act.

SEC. 6. Implementing Rules and Regulations. – The necessary rules and regulations to carry out the provisions of this Act shall be issued by the Department of

Finance (DOF), Department of Budget and Management (DBM), GSIS, and SSS within thirty (30) days from the approval of this Act.

SEC. 7. Separability Clause. – If any provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain valid.

SEC. 8. Repealing Clause. – All acts, executive orders, administrative orders, proclamations, rules and regulations or parts thereof inconsistent with any of the provisions of this Act are hereby repealed or modified accordingly.

SEC. 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.