

EIGHTEENTH CONGRESS )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez*

House Bill No. 3812

EXPLANATORY NOTE

Section 4 of Article XV of the Constitution states that the family has the duty to care for its elderly but the State may also do so through just programs of social security.

Republic Act No. 1616 introduced a gratuity retirement mode, a one- time payment scheme of retirement benefits to government employees who have not yet reached the minimum number of years of service to qualify for the Old-Age Pension for Life retirement mode. However, the ambiguous phraseology of R.A. 1616 makes the government employees who were already legally qualified to retire under the Old-Age Pension for Life retirement mode were also covered by the said law.

This bill seeks to remedy the prejudice caused to retirees by allowing them to convert their mode of retirement to the more beneficial Old-Age Pension for Life retirement with survivorship benefits.

Funding for the implementation of the law shall be generated from a portion of the GSIS Residual Actuarial Reserve, part of which were accumulated from the payments and the investment earnings thereon that were saved by the GSIS for not having paid the retirees qualified to receive old-age pension for life who were instead paid a measly one-time lump sum by their employers.

In view of the foregoing, early passage of this bill is earnestly sought.

  
RUFUS B. RODRIGUEZ

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House Bill No. **3812**

AN ACT

GRANTING OLD AGE PENSION FOR LIFE TO SENIOR CITIZENS WHO RETIRED UNDER REPUBLIC ACT 1616 AS WELL AS SURVIVORSHIP BENEFITS TO THEIR SURVIVORS

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

**SECTION 1.** *Declaration of Policy.* It is the declared policy of the State to promote and provide a rising standard of living and an improved quality of life for all. In pursuit of such policy, the State recognizes the need and so undertakes to grant old age pension for life to senior citizens who retired under Republic Act 1616, as well as survivorship benefits to their survivors who are otherwise deprived thereof, in order that such pension would be responsive to their increasing needs.

**SECTION 2.** *Coverage.* This Act shall cover senior citizens who retired under R.A. 1616 effective June 1, 1977 and thereafter.

**SECTION 3.** *Change of Mode of Retirement.* An employee who retired not earlier than June 1, 1977 under R.A. 1616 but who is otherwise qualified to retire under R.A. 660 or PD 1146, shall hereafter automatically have this gratuity retirement converted to a pension system of his choice under existing laws that is more beneficial to him, and thereafter shall receive the old-age pension for life as well as the survivors' benefits for this survivors provided under such laws.

Additionally, the retiree or his survivors shall no longer be required to reimburse to the Government Service Insurance System (GSIS) the retirement gratuity previously received by him from his last employer as well as the refunds from the GSIS of the personal and employer's premium as the case may be but shall be considered as partial payment by the GSIS to the retiree under the pension law of his choice.

**SECTION 4.** *Status of the Converted Senior Citizen-Retiree.* Upon approval of this Act, the status of the converted senior citizen - retiree shall, for all intents and purposes, be the same as though he has originally retired under the annuity Pension System, and henceforth be accorded all the present and future benefits and privileges accruing to a retiree under the annual Pension System. However, if an R.A. 1616 retiree prefers not to be converted under this Act, then he shall so state in writing to the GSIS.

**SECTION 5.** *Funding.* Such sum as may be necessary for the payment of the retirement/survivorship benefits under Section 3 of this Act, shall be charged against the accumulated aggregate residual actuarial reserves as established pursuant to Section 24 (b) of Commonwealth Act 186, as amended, that the GSIS essentially saved from not being required to pay the old-age pension for life, as well as the survivorship benefits of thousand of R.A. 1616 retirees whose lump sum gratuity was each paid instead by his employer effective from the time R.A. 1616 took effect on May 31, 1975.

**SECTION 6. *Implementing Guidelines.*** The GSIS, in connection with the Department of Budget and Management, shall issue the necessary guidelines for the implementation of this Act not later than sixty (60) days after the approval hereof.

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

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

**SECTION 9. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,