

Seventeenth Congress  
First Regular Session

House Bill No. 1608

Introduced by Honorable Mercedes C. Cagas

HOUSE OF REPRESENTATIVES	
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### EXPLANATORY NOTE

This bill seeks to lower the compulsory retirement age of the members of the Government Service Insurance System (GSIS) from sixty-five to fifty-five years old, amending for the purpose Presidential Decree No. 1146, as amended by Republic Act No. 8291, otherwise known as the "Government Service Insurance System Act of 1997".

Primarily, the bill aims to allow government employees to retire at an earlier stage of their lives when they are still mentally and physically capable to reap the fruits of their retirement benefits. The professional expertise, skills and know-how these prospective retirees have acquired during their employment in the government service will propel them to greater heights and enable them to venture into other fields such as entrepreneurial activities that will uplift their economic status in life. Thus, they will be self-sufficient to finance their medical sustenance and other personal needs.

The proposed measure will ease the problem of the government to streamline the bureaucracy and will accommodate a new breed of competitive young graduates that will complement government manpower. It will also address the issues on salaries and compensation because retiring employees receive higher salaries compared to newly-hired employees.

In view of the foregoing, approval of this bill is earnestly requested.

  
MERCEDES C. CAGAS

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**AN ACT**

**LOWERING THE COMPULSORY RETIREMENT AGE OF THE MEMBERS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) FROM SIXTY-FIVE TO FIFTY-FIVE YEARS OLD, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1146, AS AMENDED, OTHERWISE KNOWN AS THE "GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997"**

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

SECTION 1. Section 13 of Presidential Decree (PD) No. 1146 as amended, is hereby further amended to read as follows:

**"RETIREMENT BENEFITS"**

**"SEC. 13. *Retirement Benefits.*— (a) Retirement benefit shall be:**

**"(1) the lump sum payment as defined in this Act payable at the time of retirement plus an old-age pension benefit equal to the basic monthly pension payable monthly for life, starting upon expiration of the five-year (5) guaranteed period covered by the lump sum; or**

"(2) cash payment equivalent to eighteen (18) months of his basic monthly pension plus monthly pension for life payable immediately with no five-year (5) guarantee.

"(b) Unless the service is extended by appropriate authorities, retirement shall be compulsory for an employee at [sixty-five (65)] FIFTY-FIVE (55) years of age with at least fifteen (15) years of service: *Provided*, That if he has less than fifteen (15) years of service, he may be allowed to continue in the service in accordance with existing civil service rules and regulations."

SEC. 2. Section 13-A of PD1146, as amended, is also further amended to read as follows:

"SEC. 13-A. *Conditions for Entitlement.*— A member who retires from the service shall be entitled to the retirement benefits in paragraph (a) of Section 13 hereof: *Provided*, That:

- (1) he has rendered at least fifteen (15) years of service;
- (2) he is at least [sixty (60)] FIFTY (50) years of age at the time of retirement; and
- (3) he is not receiving a monthly pension from permanent total disability."

SEC. 3. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,