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FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES
)
First Regular Session
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S. No. 2165

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## Introduced by Senator Miriam Defensor Santiago

## **EXPLANATORY NOTE**

This bill seeks to amend Sections 13, subparagraph (b) and 13-A, subparagraph 2 of Republic Act No. 8291 otherwise known as the Government Service Insurance Act of 1997. The primary objective of this measure is to allow government employees to retire after serving the government for a period of twenty (20) years regardless of the retirement age requirement under existing retirement laws.

For many decades now, the Government Service Insurance System (GSIS) has sustained a seemingly obsolete and impractical age requirement for optional and compulsory retirement age of sixty (60) and sixty-five (65) years respectively. This may be considered irrelevant and incompatible to the present state of economic life of the Filipino people in the light of the economic and political changes brought about by globalization trend and other factors such as rapid population growth and the increasing unemployment rate.

This measure will certainly help open windows of opportunities for prospective retirees giving them better choice in planning the future of their respective families considering the amount they will receive from retirement benefits while they are still strong and capable of venturing into other fields. It will also help attain efficiency in the government service as it will not only enable the government to get rid of government employees, who no longer have the drive to perform efficiently as they are just waiting for the right age to retire but will give the government the opportunity to hire fresh legs and minds to fill the positions to be vacated by retiring employees for the benefit of public service.

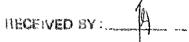
This is a Senate counterpart bill to one filed in the House of Representatives by Rep. Emilio C. Macias  $\Pi$ .

MIRIAM DEFENSOR SANTIAGO

FOURTEENTH CONGRESS OF THE REPUBLI	C)
OF THE PHILIPPINES	)
First Regular Session	)

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SENATE S. No. <u>2165</u>



	S. No. 2100
	Introduced by Senator Miriam Defensor Santiago
1 2 3 4 5 6	AN ACT PROVIDING FOR THE WAIVER OF THE RETIREMENT AGE REQUIREMENT OF GOVERNMENT EMPLOYEES WHO HAVE RENDERED AT LEAST TWENTY YEARS (20) OF SERVICE, FURTHER AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1146, AS AMENDED, OTHERWISE KNOWN AS THE REVISED GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1977
7 8	Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:
9	SECTION 1. Section 13 of Presidential Decree No. 1146, as amended, otherwise known
10	as the Revised Government Service Insurance System Act of 1977, is hereby amended to read as
11	follows:
12	"SEC. 13. Retirement Benefits (a) Retirement Benefits shall be:
13	(1) the lump sum payment as defined in this Act payable at the
14	time of retirement plus an old -age pension benefit equal to the basic
15	monthly pension payable monthly for life, starting upon expiration of the
16	five-year (5) guaranteed period covered by the lump sum; or
17	(2) cash payment equivalent to eighteen (18) months of his basic
18	monthly pension plus monthly pension for life payable immediately with
19	no five-year (5) guarantee.
20	(b) Unless the service is extended by appropriate authorities, retirement
21	shall be compulsory for an employee at least sixty-five (65) years of age with at
22	least fifteen (15) years of service: Provided, That if he has less than fifteen (15)
23	years of service, he may be allowed to continue in the service in accordance with
24	existing civil service roles and regulations."

I	SECTION 2. Section 13-A of the same law, is hereby amended to read as follows:
2	"SEC. 13-A. Conditions for Entitlement A member who retires from the
3	service shall be entitled to the retirement benefits enumerated in paragraph (a) of
4	Section 13 hereof. Provided, That:
5	(1) he has rendered at least fifteen(15) years of service;
6	(2) he is at least sixty (60) years of age at the time of retirement; and
7	(3) he is not receiving a monthly pension benefit from permanent total
8	disability.
9	PROVIDED, FURTHER, THAT IF HE HAS RENDERED AT LEAST
10	TWENTY (20) YEARS OF SERVICE, THE RETIREMENT AGE
11	REQUIREMENT UNDER THIS ACT SHALL BE WAIVED."
12	SECTION 3. All laws, decrees, executive orders and rules and regulations which are
13	inconsistent with this Act are hereby amended, repealed or modified accordingly.
14	SECTION 4. This Act shall take effect upon its approval.
15	Approved