



Republic of the Philippines
Province of Bukidnon
MUNICIPALITY OF MANOLO FORTICH
OFFICE OF THE SANGGUNIANG BAYAN
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**EXCERPT FROM THE MINUTES OF THE 21ST REGULAR SESSION OF THE
20TH SANGGUNIANG BAYAN OF MANOLO FORTICH, BUKIDNON WHICH WAS
HELD AT SANGGUNIANG BAYAN SESSION HALL ON DECEMBER 7, 2022.**

PRESENT:

HON. REYNALDO L. BAGAYAS, JR.	Presiding Officer
HON. MIGUEL D. DEMATA	Municipal Vice Mayor
HON. JAY S. ALBARECE	Sangguniang Bayan Member
HON. RINA E. QUIÑO	Majority Floor Leader
HON. ELZEVIR A. DAGUNLAY	Sangguniang Bayan Member
HON. JOY L. CORDOVEZ	Sangguniang Bayan Member
HON. CHRISTY L. SALABE	Sangguniang Bayan Member
HON. RAQUEL A. BAYACAG	Sangguniang Bayan Member
HON. JUNIDINI J. ARTAJO	Sangguniang Bayan Member
HON. ALEX D. PAYANGGA	IP Mandatory Rep.
HON. FLORAMAE D. PENASO	Liga ng mga Barangay Rep.
HON. JOHN ANTHONY G. LEYSON	SK Federation Rep.

ABSENT:

NONE

RESOLUTION NO. 2022-238B
(21st Regular Session)

Proponent: Honorable Jay S. Albarece

RESOLUTION RESPECTFULLY REQUESTING THE HON. JOSE MANUEL F. ALBA, DISTRICT REPRESENTATIVE, 1st DISTRICT BUKIDNON, TO CONSIDER PROPOSING A BILL TO AMEND REPUBLIC ACT NO. 8291, OR THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997, TO ALLOW THE VOLUNTARY CONTRIBUTION BY SEPARATED GOVERNMENT EMPLOYEES WHO HAVE RENDERED AT LEAST EIGHT YEARS OF GOVERNMENT SERVICE FOR THEM TO QUALIFY FOR RETIREMENT AND OLD AGE BENEFITS UNDER THE SYSTEM.

WHEREAS, the Government Service Insurance System was established on November 14, 1936 by virtue of COMMONWEALTH ACT NO. 186, or **AN ACT TO CREATE AND ESTABLISH A "GOVERNMENT SERVICE INSURANCE SYSTEM," TO PROVIDE FOR ITS ADMINISTRATION, AND TO APPROPRIATE THE NECESSARY FUNDS THEREFOR**, in order to promote the efficiency and welfare of the employees of the Government of the Philippines and to replace the then existing pension systems;



WHEREAS, per Section 4 of Commonwealth Act No. 186, membership in the system is compulsory upon all appointive officers and employees in the executive, legislative, and judicial branches of the government, including those whose tenure of office is fixed or limited by the Constitution or by law, among others, *AND optional for any employee who is otherwise excluded from compulsory membership so long as he complies with the requirements of the System and the rates of premiums or contributions shall be paid by him including the share otherwise payable by his employer,*

WHEREAS, Section 9 thereof provides that *separated employees*, other than those who die or are separated for cause, shall have the following options: (a) to collect the cash surrender value of the policy; or (b) to continue the policy by paying the full premiums thereof; or (c) to obtain a paid up or extended term insurance in such amount or period, respectively, as the paid premiums may warrant, in accordance with the conditions contained in said policy; or (d) to avail himself of such other options as may be provided in the policy;

WHEREAS, Commonwealth Act No. 186 was amended by **PRESIDENTIAL DECREE No. 1146, AMENDING, EXPANDING, INCREASING AND INTEGRATING THE SOCIAL SECURITY AND INSURANCE BENEFITS OF GOVERNMENT EMPLOYEES AND FACILITATING THE PAYMENT THEREOF UNDER COMMONWEALTH ACT NO. 186, AS AMENDED, AND FOR OTHER PURPOSES,** which *deleted the provision on optional membership and on the options available to separated employees;*

WHEREAS, Presidential Decree No. 1146 mandates that membership in the System shall be compulsory for all permanent employees below 60, years of age upon appointment to permanent status and to some non-permanent employees under certain conditions and, in case of separation from service, provides that a member shall continue to be a member, notwithstanding his separation from the service and, unless the terms of his separation provide otherwise, he shall be entitled to whatever benefits which shall have accrued or been earned at the time of his separation in the event of any contingency compensable under the decree, *but does not give him the option of continue paying the premiums to qualify for retirement or old age benefits;*

WHEREAS, also under Presidential Decree No. 1146, retirement benefits, particularly old-age pension, is available to a member who has *at least fifteen years of service* and is at least sixty years of age, while a member who has rendered *at least three years but less than fifteen years* of service at the time of separation shall, upon reaching sixty years of age or upon separation after age sixty, *receive a cash payment* equivalent to one hundred percent (100%) of his average monthly compensation for every year of service;



WHEREAS, On May 30, 1997, REPUBLIC ACT NO. 8291, **AN ACT AMENDING PRESIDENTIAL DECREE NO. 1146, AS AMENDED, EXPANDING AND INCREASING THE COVERAGE AND BENEFITS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM, INSTITUTING REFORMS THEREIN AND FOR OTHER PURPOSES**, came into effect, which, like Presidential Decree No. 1146, Republic Act No. 8291, makes membership in the GSIS compulsory for all employees receiving compensation who have not reached the compulsory retirement age, irrespective of employment status, and *requires a length of service of at least fifteen (15) years of service to qualify for retirement benefits with no possibility of employees who have rendered less than fifteen years of service to avail of retirement or old age benefits upon reaching retirement age;*

WHEREAS, in comparison, members of the Social Security System may retire upon reaching the age of 60 years and after having paid at least 120 monthly contributions. Aside from the substantially fewer contribution requirement of 120 months, or 10 years against, against 15 years for the GSIS, SSS members who have paid less than 120 monthly contributions may still avail of lump sum retirement benefits equal to the total contributions paid by the member and by the employer including interest. Not only that, a member who has paid less than 120 monthly contributions have the option to continue paying the contributions as a voluntary member to complete the 120 months to avail the full benefits thru monthly pension.

WHEREAS, worse, the GSIS exacts higher premium contributions from government employees at the rate of 21% (9% employee's share plus 12% employer's share) of their monthly compensation compared to only 12% (8 percent employee's share plus 4% employer's share) the SSS collects from its members.

WHEREAS, also, the 15 years service requirement under PD 1146 and RA No. 8291 discriminates and prevents elected officials, whose maximum term allowed by law is nine (9) years, from availing of GSIS retirement benefits;

WHEREAS, this three-term limitation often motivates elected officials to seek office again in order to complete the 15 years service requirement instead of retiring from politics and give way to new or younger aspiring public servants;

WHEREAS, allowing voluntary contributions by government employees who have rendered at least eight years of service but are separated from service due to the three-term limitation for elected officials or similar causes for all other government officials, is in keeping with the policy of RA No. 8291 and PD No. 1146 *of promoting the efficiency and welfare of the employees of the Government of the Philippines.*

NOW THEREFORE, upon motion of JAY S. ALBARECE, and seconded by all of the members present, it was RESOLVED,



AS IT IS HEREBY RESOLVED, Respectfully Requesting The Honorable Jose Manuel F. Alba, District Representative, 1st District Representative. To Consider Proposing A Bill To Amend Republic Act No. 8291, Or The Government Service Insurance Act Of 1997, To Allow Voluntary Contribution By Separated Government Employees Who Have Rendered At Least Eight (8) Years Of Government Service For Them To Qualify For Retirement And Old Age Benefits Under The System.

APPROVED: December 7, 2022

CERTIFIED CORRECT:



LYDIA O. LASTIMOSA

Secretary to the Sanggunian

ATTESTED:



REYNALDO L. BAGAYAS, JR.

Presiding Officer

Municipal Vice Mayor