

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



Senate
Office of the Secretary

'11 MAY 31 P 4 :28

SENATE

RECEIVED BY: Rw

COMMITTEE REPORT NO. 41

Submitted jointly by the Committees on Government Corporations and Public Enterprises; Civil Service and Government Reorganization; Education, Arts and Culture; Local Government; Ways and Means; and Finance on MAY 31 2011

Re: Senate Bill No. 2854

Recommending its approval in substitution of Senate Bill Nos. 194, 285, 479, 488, 585, 906, 1132, 1251, 1316, 1831, 2090, 2093, 2106, 2129, 2276, 2490, 2784, 2785 and 2797 taking into consideration Proposed Senate Resolution No. 23.

Sponsor: Senator Recto

MR. PRESIDENT:

The Committees on Government Corporations and Public Enterprises; Civil Service and Government Reorganization; Education, Arts and Culture; Local Government; Ways and Means; and Finance to which were referred Senate Bill No. 194, introduced by Senator Trillanes IV, entitled:

"AN ACT

LIMITING THE INVESTMENT OF FUNDS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM AMENDING FOR THE PURPOSE SECTION THIRTY-SIX OF PRESIDENTIAL DECREE NUMBERED ELEVEN HUNDRED FORTY-SIX AS AMENDED, OTHERWISE KNOWN AS THE REVISED GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1977."

Senate Bill No. 285, introduced by Senator Trillanes IV, entitled:

"AN ACT

ENABLING RETIREES WHO HAVE NOT RECEIVED PENSIONS EITHER BY CHOICE OR OPERATION OF LAW TO RECEIVE PENSIONS AT AGE SEVENTY YEARS OR OVER, AND PROVIDING FUNDS THEREFOR."

Senate Bill No. 479, introduced by Senator Ejercito-Estrada, entitled:

"AN ACT

GRANTING ADDITIONAL INSURANCE BENEFITS TO BARANGAY CAPTAINS, PROVIDING FUNDS FOR THE OTHER PAYMENT OF ITS PREMIUMS, AND FOR OTHER PURPOSES."

Senate Bill No. 488, introduced by Senator Ejercito-Estrada, entitled:

**"AN ACT
PROVIDING FOR A COLLEGE EDUCATION TRUST FUND FOR CHILDREN OF GSIS AND
SSS MEMBERS."**

Senate Bill No. 585, introduced by Senator Ejercito-Estrada, entitled:

**"AN ACT
GRANTING AD INTERIM AUTHORITY TO THE LAND BANK OF THE PHILIPPINES TO
RECEIVE PAYMENTS OF GOVERNMENT SERVICE INSURANCE SYSTEM MONTHLY
PREMIUM CONTRIBUTIONS FROM THE EMPLOYEES OF THE GOVERNMENT, AND TO
FACILITATE PAYMENT OF BENEFITS, PROCEEDS, AND CLAIMS UNDER REPUBLIC ACT
8291, OTHERWISE KNOWN AS THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT
OF 1997."**

Senate Bill No. 906, introduced by Senator Ejercito-Estrada, entitled:

**"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."**

Senate Bill No. 1132, introduced by Senator Villar, entitled:

**"AN ACT
PROVIDING FOR AN ADDITIONAL SEPARATION BENEFITS TO MEMBERS OF THE
GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) WHO OPT TO RESIGN OR
RETIRE BEFORE THE MATURITY OF THEIR INSURANCE POLICY THROUGH REFUND
OF INSURANCE PREMIUMS PAID INCLUSIVE OF GOVERNMENT SHARE, AMENDING
FOR THE PURPOSE REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE 'GSIS ACT
OF 1997' AND FOR OTHER PURPOSES."**

Senate Bill No. 1251, introduced by Senator Villar, entitled:

**"AN ACT
INCLUDING BARANGAY OFFICIALS WITHIN THE COVERAGE OF THE GOVERNMENT
SERVICE INSURANCE SYSTEM."**

Senate Bill No. 1316, introduced by Senator Villar, entitled:

**"AN ACT
MANDATING THE PAYMENT OF RETIREMENT BENEFITS TO SSS OR GSIS MEMBERS
WITHIN A MAXIMUM PERIOD OF THIRTY (30) DAYS FROM THE RETIREMENT DATE
AND FOR OTHER PURPOSES."**

Senate Bill No. 1831, introduced by Senator Defensor-Santiago, entitled:

**"AN ACT
GRANTING OLD-AGE PENSION FOR LIFE TO SENIOR CITIZENS-RA 1616 RETIREES AS
WELL AS SURVIVORSHIP BENEFITS TO THEIR SURVIVORS, AMENDING FOR THE
PURPOSE PERTINENT PROVISIONS OF THE SECOND PARAGRAPH OF SECTION 12 (C)
OF COMMONWEALTH ACT 186, AS AMENDED."**

Senate Bill No. 2090, introduced by Sen. Escudero, entitled:

**"AN ACT
ESTABLISHING AN EDUCATION TRUST FUND FOR GRANTEES OF GSIS AND SSS
MEMBERS AND FOR OTHER PURPOSES."**

Senate Bill No. 2093, introduced by Sen. Escudero, entitled:

**"AN ACT
AMENDING SECTIONS 7, 10, 23, 30, 31, 42 AND 52 OF REPUBLIC ACT NO. 8291,
OTHERWISE KNOWN AS THE GSIS ACT OF 1997."**

Senate Bill No. 2106, introduced by Senator Escudero, entitled:

**"AN ACT
TO GRANT MONTHLY PENSION TO GOVERNMENT RETIREES UNDER R.A. 1616 WHO
HAVE REACHED THE AGE OF SEVENTY (70) YEARS, APPROPRIATING FUNDS
THEREFOR AND FOR OTHER PURPOSES."**

Senate Bill No. 2129, introduced by Senator Recto, entitled:

**"AN ACT
INCREASING THE REPRESENTATION OF PUBLIC SCHOOL TEACHERS AND ALLOWING
ONE BOARD SEAT FOR A GOVERNMENT EMPLOYEE WITH A KNOWN EXPERTISE IN
FINANCE THEREBY INCREASING THE COMPOSITION OF THE BOARD OF TRUSTEES OF
THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) AMENDING FOR THE
PURPOSE SECTION 42 OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS "THE
GSIS ACT OF 1997."**

Senate Bill No. 2276, introduced by Senator Defensor-Santiago, entitled:

**"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."**

Senate Bill No. 2490, introduced by Senator Revilla, Jr. entitled:

**"AN ACT
PROVIDING FOR THE WAIVER OF THE RETIREMENT AGE REQUIREMENT OF
GOVERNMENT EMPLOYEES WHO HAVE RENDERED AT LEAST TWENTY YEARS OF
GOVERNMENT SERVICE, FURTHER AMENDING FOR THE PURPOSE, PRESIDENTIAL
DECREE NO. 1146, AS AMENDED, OTHERWISE KNOWN AS THE REVISED
GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997."**

Senate Bill No. 2784, introduced by Senator Lacson, entitled:

**"AN ACT
MANDATING THE PAYMENT OF ALL RETIREMENT BENEFITS TO ALL GOVERNMENT
AND PRIVATE EMPLOYEES ON THE DATE OF THEIR RETIREMENT"**

Senate Bill No. 2785, introduced by Senator Lacson, entitled:

**"AN ACT
AMENDING REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE "GOVERNMENT
SERVICE INSURANCE SYSTEM ACT OF 1997" AND INSTITUTIONALIZING REFORMS
AND CORRECTIVE MEASURES IN THE COLLECTION AND REMITTANCE OF
CONTRIBUTIONS OF GSIS PREMIUMS"**

and Senate Bill No. 2797, introduced by Senator Defensor Santiago, entitled:

**"AN ACT
RAISING THE AGE OF COMPULSARY RETIREMENT FOR GOVERNMENT EMPLOYEES
FROM SIXTY-FIVE (65) TO SEVENTY (70) YEARS OLD, AMENDING FOR THE PURPOSE
SECTION 13 OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE GOVERNMENT
SERVICE INSURANCE SYSTEM ACT OF 1997"**

Taking into consideration Proposed Senate Resolution No. 23, introduced by Senator Recto, entitled:

**"RESOLUTION
DIRECTING THE COMMITTEE ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATUS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) SOCIAL INSURANCE FUND AND THE REPORTED NUMEROUS COMPLAINTS RAISED AGAINST GSIS FOR ALLEGED INEFFICIENCIES IN THE PROCESSING AND DELIVERY OF MEMBERS' BENEFITS, WITH THE END VIEW OF ENSURING A HEALTHY PENSION FUND SYSTEM THAT WOULD BE RESPONSIVE TO THE NEEDS OF ITS MEMBERS."**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, Senate Bill No. 2854, prepared by the Committees, entitled:

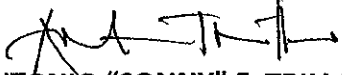
"AN ACT INSTITUTIONALIZING THE RIGHTS OF GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) MEMBERS, PROVIDING THEM ADDITIONAL REPRESENTATION IN THE GSIS BOARD, ENSURING PROMPT PAYMENT OF ALL THEIR BENEFITS AND FOR OTHER PURPOSES"


be approved in substitution of Senate Bill Nos. 194, 285, 479, 488, 585, 906, 1132, 1251, 1316, 1831, 2090, 2093, 2106, 2129, 2276, 2490, 2784, 2785 and 2797 taking into consideration Proposed Senate Resolution No. 23 with Senators Trillanes IV, Ejercito-Estrada, Villar, Defensor-Santiago, Escudero, Recto, Revilla Jr., Lacson, Angara, Marcos Jr., and Drilon as authors thereof.


Respectfully submitted:

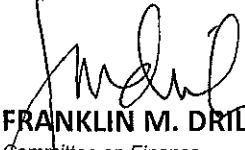
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*Committee on Government Corporations and Public Enterprises
Committee on Ways and Means
Member, Committee on Finance
Member, Committee on Local Government*


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*Committee on Civil Service and Government Reorganization
Member, Committee on Education, Arts and Culture
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Member, Committee on Ways and Means*


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Committee on Civil Service and Government Reorganization
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Committee on Local Government
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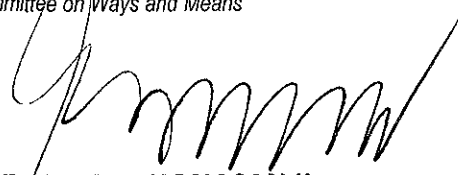
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Committee on Government Corporations and Public Enterprises
Committee on Education, Arts and Culture
Committee on Finance
Committee on Local Government
Committee on Ways and Means



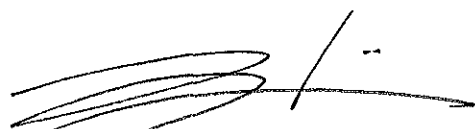
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Committee on Ways and Means



GREGORIO B. HONASAN II

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Committee on Finance
Committee on Local Government
Committee on Ways and Means



JUAN MIGUEL F. ZUBIRI

Committee on Education, Arts and Culture
Committee on Finance
Committee on Local Government

with Amendments
Sponsor

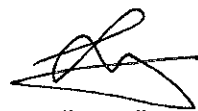
SERGIO R. OSMEÑA III

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Committee on Finance
Committee on Ways and Means



MIRIAM DEFENSOR-SANTIAGO


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Committee on Ways and Means





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Committee on Ways and Means


PANFILO M. LACSON
Committees on Finance and Local Government

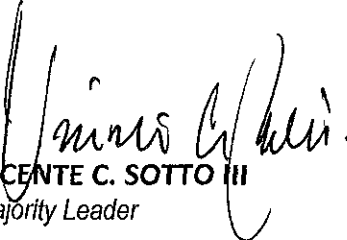

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Committee on Education, Arts and Culture
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Committee on Ways and Means


PIA S. CAYETANO
Committee on Government Corporations and Public Enterprises
Committee on Civil Service and Government Reorganization
Committee on Education, Arts and Culture
Committee on Finance
Committee on Local Government
Committee on Ways and Means

EX-OFFICIO MEMBERS:


JINGGOY EJERCITO-ESTRADA
President Pro-Tempore


VICENTE C. SOTTO III
Majority Leader


ALAN PETER "Compañero" S. CAYETANO
Minority Leader

Hon. JUAN PONCE ENRILE
President
Senate of the Philippines
Pasay City



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SENATE
S.B. No. **2854**

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(In Substitution of SB Nos. 194, 285, 479, 488, 585, 906, 1132, 1251, 1316, 1831, 2090, 2093, 2106, 2129, 2276, 2490, 2784, 2785, and 2797 Taking Into Consideration SRN 23)

Prepared and submitted jointly by the Committees on Government Corporations and Public Enterprises; Civil Service and Government Reorganization; Education, Arts and Culture; Local Government; Ways and Means; and Finance with Senators Trillanes IV, Ejercito-Estrada, Villar, Defensor-Santiago, Escudero, Recto, Revilla Jr., Lacson, Angara, Marcos Jr. and Dylon as authors thereof.

**“AN ACT
INSTITUTIONALIZING THE RIGHTS OF GOVERNMENT SERVICE
INSURANCE SYSTEM (GSIS) MEMBERS, PROVIDING THEM ADDITIONAL
REPRESENTATION IN THE GSIS BOARD, ENSURING PROMPT PAYMENT
OF ALL THEIR BENEFITS AND FOR OTHER PURPOSES”**

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

1 **SECTION 1. Short Title.** –This Act shall be known as the “*GSIS Members’*
2 *Rights and Benefits Act of 2011.*”

3 **SEC. 2. Declaration of Policy.** – It is a declared policy of the State to provide,
4 develop and promote a sound social security system responsive to the needs of its
5 workers.

6 Furthermore, the State shall review and strengthen policies that advance and
7 protect the welfare of workers in the public sector.

8 Likewise, the Constitution guarantees the right of all workers to participate in
9 policy and decision-making processes affecting their rights and benefits as may be
10 provided by law.

11 Towards this end, the State shall:

- 1 (A) Ensure the adoption of policies beneficial to GSIS members paving the
 2 way for a responsible, integrated and transparent social security system;
- 3 (B) Provide greater representation for members at the highest policy-
 4 making level of the GSIS;
- 5 (C) Insulate the Social Insurance Fund (SIF) from dissipation due to the
 6 volatility of the global economy;
- 7 (D) Ensure that top-level officials of the GSIS are held accountable for
 8 mismanagement and inefficiencies in the delivery of services to
 9 members and beneficiaries; and
- 10 (E) Provide GSIS members and beneficiaries alternative venues in the
 11 settlement of disputes.

12 **SEC. 3.** Section 2 of Republic Act No. 8291, otherwise known as “The
 13 Government Service Insurance Act of 1997”, is hereby amended to read as follows:

14 “Sec. 2. *Definition of Terms.* – Unless the context otherwise indicates, the
 15 following terms shall mean:

16 “xxx

17 “(f) Dependents – Dependents shall be the following:

- 18 (a) the legitimate spouse dependent for support upon the member or pensioner;
 19 (b) legitimate, legitimated legally adopted child, including the illegitimate child,
 20 who is unmarried, [not gainfully employed] not over the age of majority, or is
 21 over the age of majority but incapacitated and incapable of self-support due to
 22 mental or physical [defect] **HANDICAP** acquired prior to the age of majority;
 23 and (c) the parents dependent upon the member for support;

24 “ xxx

25 **SEC. 4. *Members’ Rights.*** – In addition to their rights under existing laws, the
 26 members shall have the following rights:

27 (A) Right to Courteous and Responsive Service

- 28 1. To be considered a GSIS member from the first day of government service;

- 1 2. To be provided prompt and accurate service;
- 2 3. To be accorded respect by the executives and employees of the GSIS; and
- 3 4. To be afforded comfortable and customer-friendly facilities when
- 4 transacting with the GSIS.

5 (B) Right to Information

- 6 1. To be informed of the laws, regulations, policies or programs affecting the
- 7 members' rights, benefits, obligations, and privileges, including
- 8 amendments or changes thereto;
- 9 2. To be provided with copies of GSIS policies and regulations pertaining to
- 10 benefits and claims administration;
- 11 3. To be informed of the various modes and options in availing benefits;
- 12 4. To receive accurate and updated membership data, records and information,
- 13 including records of premium remittances and loan payments;
- 14 5. To have GSIS data and records protected from unauthorized, unlawful or
- 15 improper disclosure; and
- 16 6. To be informed in advance of documents required to facilitate transaction,
- 17 processing period and updated status of claims or loan applications.

18 (C) Right to GSIS Benefits

- 19 1. To receive on time the benefits the member has qualified to even after
- 20 separation from the service;
- 21 2. To avail the mode of retirement, among the different applicable retirement
- 22 laws and be allowed to change the preferred mode: *Provided*, That the
- 23 retirement pension package has not yet been received;
- 24 3. To be protected against discrimination and thus receive the same benefits and
- 25 privileges granted other members similarly situated; and
- 26 4. To receive benefits exempt from all taxes, fees, charges and duties of all
- 27 kinds.

28 (D) Right to Expeditious Processing of Claims

- 1 1. To claim and receive on time benefits provided under applicable laws;
- 2 2. To exhaust all legal remedies under existing laws; and
- 3 3. To be protected from diminution of benefits that may arise with the passage
- 4 of a subsequent law or regulation.

5 (E) Right to be Heard

- 6 1. To be represented in the GSIS governing Board;
- 7 2. To participate in meaningful exchange of views in dialogues and fora
- 8 conducted by GSIS without fear of reprisal;
- 9 3. To be consulted on the policies and programs to be implemented by the
- 10 system;
- 11 4. To convey grievances and be accorded immediate response; and
- 12 5. To transact business with the GSIS in person or through electronic access
- 13 points.

14 **SEC. 4-A. *Special Rights for the Elderly, Disabled and Seriously-Ill Members,***
 15 *Beneficiaries and Pensioners.* - The following special rights are to be afforded to the
 16 elderly, disabled and seriously-ill members, beneficiaries and pensioners, to wit:

- 17 1. To be provided special access lanes;
- 18 2. To be prioritized in the processing and releasing of claims and benefits;
- 19 3. To be given preference in the dissemination of information pertaining to
- 20 policies; and
- 21 4. To be accorded leniency in the submission of documents: *Provided*, That
- 22 there is substantial compliance with the requirements prescribed by GSIS.

23 **SEC. 5. *Agency's/ Employer's Responsibilities.*** - The government agencies
 24 covered by the GSIS Act, as employers, shall have the following responsibilities:

- 25 1. To remit employees' and employers' contributions to the GSIS within the
- 26 prescribed time mandated by the GSIS Act;
- 27 2. To provide promptly documents required to facilitate the processing of
- 28 documents and claims;

1 3. To provide additional documents as necessary to reconcile the records of
2 accounts; and

3 4. To inform GSIS, through their agency authorized officers, of any update
4 pertaining to personal or service records that may affect the processing of
5 claims and benefits.

6 **SEC. 6.** Section 7 of Republic Act No. 8291, otherwise known as “The
7 Government Service Insurance Act of 1997” is hereby amended to read as follows:

8 “Sec. 7. *Interests on Delayed Remittances.* – Agencies which delay the
9 remittance of any and all monies due the GSIS shall be charged interests as may
10 be prescribed by the Board but not[less] **MORE** than two percent (2%) simple
11 interest per month. Such interest shall be paid by the employers concerned.

12 **SEC. 7.** Section 28 of Republic Act No. 8291, otherwise known as “The
13 Government Service Insurance Act of 1997” is hereby amended to read as follows:

14 “Sec. 28. *Prescription.* – Claims for benefits under this Act [except for life
15 and retirement] shall **NOT** prescribe. [after four (4) years from the date of
16 contingency.]

17 **SEC. 8.** Section 30 of Republic Act No. 8291, otherwise known as “The
18 Government Service Insurance Act of 1997” is hereby amended to read as follows:

19 “Sec. 30. *Settlement of Disputes.* – The GSIS **AND THE REGIONAL**
20 **TRIAL COURT (RTC)** shall have original and [exclusive]**CONCURRENT**
21 jurisdiction to settle any dispute arising under this Act and any other laws
22 administered by the GSIS.

23 “xxx

24 **SEC. 9.** Section 31 of Republic Act No. 8291, otherwise known as “The
25 Government Service Insurance Act of 1997” is hereby amended to read as follows:

26 “Sec. 31. *Appeals.* – Appeals from any decision or award of the Board **OR**
27 **RTC** shall be governed by Rules 43 and 45 of the 1997 Rules of Civil Procedure
28 adopted by the Supreme Court on April 8, 1997 which will take effect on July 1,

1 1997: *Provided*, That pending cases and those filed prior to July 1, 1997 shall be
 2 governed by the applicable rules of procedure: *Provided, further*, That the appeal
 3 shall take precedence over all other cases except criminal cases when the penalty
 4 of life imprisonment or death or *reclusion perpetua* is imposable.

5 “xxx

6 **SEC. 10.** Section 36 of Republic Act No. 8291, otherwise known as “The
 7 Government Service Insurance Act of 1997” is hereby amended to read as follows:

8 “Sec. 36. *Investment of Funds.* – xxx

9 “xxx

10 “(j) In foreign mutual funds and in foreign currency deposits or foreign
 11 currency-denominated debts, non-speculative equities and other financial
 12 instruments or other assets issued in accordance with existing laws of the
 13 countries where such financial instruments are issued: *Provided*, That these
 14 instruments or assets are listed in bourses of respective countries where these
 15 instruments or assets are issued: *Provided, further*, That the issuing company has
 16 proven track record of profitability over the last three (3) years and payment of
 17 dividends at least once over the same period: **PROVIDED, FINALLY, THAT**
 18 **NOT MORE THAN FIVE PERCENT (5%) OF THE ABOVE-**
 19 **MENTIONED FUNDS SHALL BE INVESTED ABROAD.**

20 **SEC. 11.** Section 42 of Republic Act No. 8291, otherwise known as “The
 21 Government Service Insurance Act of 1997” is hereby amended to read as follows:

22 “Sec. 42. *The Board of Trustees; Its Composition; Tenure and*
 23 *Compensation.* – The corporate powers and functions of the GSIS shall be vested
 24 in and exercised by the Board of Trustees composed of the President and General
 25 Manager of the GSIS and **TEN (10)** [eight (8)] other members to be appointed by
 26 the President of the Philippines, one (1) of whom shall be either the President of
 27 the Philippine Public School Teachers Association (PPSTA) or the President of
 28 the Philippine Association of School Superintendents (PASS), **THE**

1 **SECRETARY OF THE DEPARTMENT OF EDUCATION (DepEd), THE**
 2 **CHAIRMAN OF THE CIVIL SERVICE COMMISSION (CSC),** another two
 3 (2) shall represent the leading organizations or associations of government
 4 employees/retirees, **AND** another four (4) from the banking, finance, investment,
 5 and insurance sectors, and one (1) recognized member of the legal profession who
 6 at the time of appointment is also a member of the GSIS. The Trustees shall elect
 7 from among themselves a Chairman while the President and General Manager of
 8 the GSIS shall automatically be the vice-chairman.

9 “xxx

10 **SEC. 12.** Section 43 of Republic Act No. 8291, otherwise known as “The
 11 Government Service Insurance Act of 1997” is hereby amended to read as follows:

12 “Sec. 43. *Powers and Functions of the Board of Trustees.* – xxx

13 “xxx

14 “(d) upon the recommendation of the President and General Manager, to approve
 15 the GSIS’ organizational and administrative structures and staffing pattern[,]
 16 **SUBJECT TO EXISTING CIVIL SERVICE LAWS, RULES AND**
 17 **REGULATIONS** and to establish, fix, review, revise and adjust the appropriate
 18 compensation package for the officers and employees of the GSIS with
 19 reasonable allowances, incentives, bonuses, privileges and other benefits as may
 20 be necessary or proper for the effective management, operation and
 21 administration of the GSIS, which shall be exempt from Republic Act No. 6758,
 22 otherwise known as the Salary Standardization Law and Republic Act No. 7430,
 23 otherwise known as the Attrition Law.

24 “xxx

25 **SEC. 13.** Section 49 of Republic Act No. 8291, otherwise known as “The
 26 Government Service Insurance Act of 1997” is hereby amended to read as follows:

27 “Sec. 49. *Dispensation of Social Insurance Benefits.* – (a) The GSIS shall
 28 pay the retirement benefits to the employee on his last day of service in the

1 government: *Provided*, That all requirements are submitted to the GSIS **SIXTY**
 2 **(60) DAYS** [within a reasonable period] prior to the effective date of the
 3 retirement;

4 “xxx

5 **SEC. 14.** Section 52 of Republic Act No. 8291, otherwise known as “The
 6 Government Service Insurance Act of 1997” is hereby amended to read as follows:

7 “Sec. 52. *Penalty.* – xxx

8 “xxx

9 “(j) Failure of the **PRESIDENT AND GENERAL MANAGER AS**
 10 **WELL AS** Members of the GSIS Board, including the chairman and the vice-
 11 chairman, to comply with the provisions of paragraph **S (R) AND (w)** of Section
 12 **41 AND SECTION 49** hereof, shall subject them to imprisonment of not less
 13 than six (6) months nor more than one (1) year or a fine of not less than [Five]
 14 **TEN** thousand pesos (**P[5] 10,000.00**) nor more than [Ten]**TWENTY** thousand
 15 pesos (**P[10]20,000.00**) without prejudice to any civil or administrative liability
 16 which may also arise therefrom[.]: **PROVIDED, THAT IN CASE GSIS FAILS**
 17 **TO COMPLY WITHOUT VALID AND JUSTIFIABLE REASON WITH**
 18 **THE REQUIREMENTS REFERRED TO IN SECTION 49 OF THIS ACT,**
 19 **A PENALTY OF NOT MORE THAN 2% SIMPLE INTEREST SHALL BE**
 20 **CHARGED PER MONTH FROM GSIS: PROVIDED, HOWEVER, THAT**
 21 **IN CASE THE RELEASE OF THE RETIREMENT BENEFITS**
 22 **REFERRED TO IN SECTION 49 OF THIS ACT COULD NOT BE**
 23 **ACCOMPLISHED DUE TO FORCE MAJEURE AND OTHER**
 24 **INSUPERABLE CAUSES, THE PENALTY OF IMPRISONMENT AND**
 25 **FINE IMPOSED UNDER THIS PARAGRAPH SHALL NOT APPLY.**

26 “Criminal actions arising from violations of the provisions of this Act may
 27 be commenced by the GSIS or by the aggrieved member, either under this Act or,

1 in appropriate cases, under the Revised Penal Code[.] **AND OTHER SPECIAL**
2 **LAWS.**

3 **SEC. 15. *Implementing Rules and Regulations.*** - The implementing rules and
4 regulations to carry out the provisions of this Act shall be adopted and promulgated by
5 the GSIS, in consultation with the Civil Service Commission (CSC) not later than ninety
6 (90) days after the approval of this act.

7 **SEC. 16. *Separability Clause.*** - If any part or provision of this Act shall be held to
8 be unconstitutional or invalid, other parts or provisions hereof which are not affected
9 shall continue to be in full force and effect.

10 **SEC. 17. *Repealing Clause.*** -All laws, decrees, executive orders, rules and
11 regulations, or parts thereof which are inconsistent with this Act are hereby repealed,
12 amended or modified accordingly.

13 **SEC. 18. *Effectivity.*** - This Act shall take effect fifteen (15) days following its
14 publication in at least two (2) newspapers of general circulation or the Official Gazette.

Approved,