

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

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SENATE

S. No. 228

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

This bill proposes a reduction in the optional retirement age of all government employees from sixty (60) years to fifty-five (55) years, and in the compulsory retirement age from sixty five (65) to sixty (60) years.

Many government employees spend the best years of their lives in the civil service to accumulate savings that would enable them to start new businesses upon retirement, if such an option were available. This bill allows them the option to venture into entrepreneurial businesses at an earlier time while they still have the energy and vigor to give them a reasonable chance of success.

Earlier retirement for government employees will encourage more people into entrepreneurial activities in small and medium enterprises (SMEs) and contribute towards generating the critical mass of "Entrepinoys" that we need for economic vigor and competitiveness.

On the part of government, early retirement of government employees will facilitate the streamlining of the bureaucracy and enable government to renew its manpower complement with younger labor force entrants.

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

S. Osmeña III
SERGIO OSMEÑA III
Senator

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**AN ACT
REDUCING THE RETIREMENT AGE OF GOVERNMENT, AMENDING
FURTHER FOR THE PURPOSE THE "GOVERNMENT SERVICE INSURANCE
SYSTEM ACT OF 1997, AND FOR OTHER PURPOSES**

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

1 **SECTION 1.** Sections 13 and 13-A of PD No. 1146, as amended by RA
2 8291, otherwise known as the "Government Service Insurance System Act of
3 1997 is hereby further amended to read as follows:

4 "SEC. 13. Retirement Benefits. - (a) Retirement benefits shall be:

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

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

13 "(b) [Unless the service is extended by appropriate authorities, r]
14 Retirement shall be compulsory for an employee at [sixty-five (65) SIXTY
15 (60) years of age with at least [fifteen (15) TWELVE (12) years of service;
16 *Provided, however,* That if he has less than [fifteen (15) TWELVE (12)

1 years of service, he may be allowed to continue in service in accordance
2 with existing civil service rules and regulations; *PROVIDED, FURTHER,*
3 THAT ALL SERVICES RENDERED IN THE GOVERNMENT
4 IRRESPECTIVE OF STATUS OF APPOINTMENT DULY ACCREDITED
5 SHALL BE COUNTED AS GOVERNMENT SERVICE FOR RETIREMENT
6 UNDER THIS ACT; *PROVIDED FURTHER,* THAT ALL EMPLOYEES
7 WHO, AT THE TIME OF THE EFFECTIVITY OF THIS ACT ARE SIXTY-
8 ONE YEARS OF AGE AND ABOVE SHALL RETIRE UNDER THE
9 FOLLOWING PHASES:

10 "(1) THOSE WITHIN THE AGES OF SIXTY-FOUR TO SIXTY-FIVE
11 YEARS OLD SHALL BE RETIRED DURING THE FIRST YEAR OF
12 IMPLEMENTATION OF THIS ACT;

13 "(2) THOSE WITHIN THE AGES OF SIXTY-TWO (62) TO SIXTY-
14 THREE (63) YEARS OLD SHALL BE RETIRED ON THE SECOND YEAR
15 OF IMPLEMENTATION, AND

16 "(3) THOSE WHO ARE SIXTY ONE(61) YEARS OF AGE SHALL BE
17 RETIRED ON THE THIRD YEAR OF IMPLEMENTATION."

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

21 "(1) he has rendered at least [fifteen (15)] TWELVE (12) years of
22 service;

23 "(2) he is at least [sixty (60)] FIFTY-FIVE (5) years of age at the time of
24 retirement; and

25 "(3) he is not receiving a monthly pension benefit from permanent total
26 disability."

27 **Sec. 2.** The retirement age prescribed by this Act for compulsory or
28 optional retirement shall benefit government employees who are covered by
29 other retirement laws to the extent that it is beneficial to them.

1 **Sec. 3.** The provisions under Sections 13 and 13-A as amended,
2 of PD No. 1146 and the implementing rules and regulations thereof which are
3 inconsistent with this act are deemed modified, revoked or repealed accordingly.

4 **Sec. 4. Effectivity.** This Act shall take effect fifteen (15) days after its
5 publication in two (2) leading newspapers of national circulation.

Approved,