

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



Senate
Office of the Secretary

14 JAN 28 P5:07

SENATE
S.B. No. 2094

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Introduced By Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

The State has been successful in making salaries and compensation of government employees competitive with their private sector counterparts. However, much work still needs to be done in the provision of truly competitive compensation packages that will ensure the dedicated and long-term service of a competent public sector workforce.

One component of a competitive compensation package is a good retirement plan. Under the GSIS Act and its implementing rules and regulations, the monthly pension upon voluntary retirement is equivalent to at least Five Thousand Pesos (Php 5,000) and not more than ninety percent (90%) of the average monthly compensation.

The present measure proposes to set all government employees on equal footing by raising the monthly pension provided under the GSIS Act such that it is equal to that provided under R.A. 9946. By so doing, the proponent hopes not only to give adequate reward to incumbent government employees who have reached their twilight years during the length of their public service, but also to provide compensation packages truly competitive with the private sector.

MANUEL "LITO" M. LAPID
Senator *MLR*

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AN ACT
AMENDING SECTION 2 AND SECTION 9 OF REPUBLIC ACT NO. 8291,
OTHERWISE KNOWN AS THE GOVERNMENT SERVICE INSURANCE SYSTEM
ACT OF 1997

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

1 SECTION 1. Section 9 of Republic Act No. 8291, otherwise known as the
2 Government Service Insurance System (GSIS) Act of 1997, is hereby amended to read as
3 follows:

4 SECTION 9. Computation of the Basic Monthly Pension. - (a) the
5 basic monthly pension [is] **SHALL BE** equal to [:

6 1) thirty-seven and one-half percent (37.5%) of the revalued
7 average monthly compensation; plus

8 2) two and one-half percent (2.5%) of said revalued average
9 monthly compensation for each year of service in excess of fifteen (15)
10 years: Provided, That the basic monthly pension shall not exceed ninety
11 percent (90%) of the average monthly compensation.

12 (b) The basic monthly pension may be adjusted upon the
13 recommendation of the President and General Manager of the GSIS and
14 approved by the President of the Philippines in accordance with the rules
15 and regulations prescribed by the GSIS: Provided, however, That the basic
16 monthly pension shall not be less than One thousand and three hundred
17 pesos (P1,300.00): Provided, further, That the basic monthly pension for
18 those who have rendered at least twenty (20) years of service after the
19 effectivity of this Act shall not be less than Two thousand for hundred
20 pesos (P2,400.00) a month.] **THE ACTUAL MONTHLY
21 COMPENSATION RECEIVED AT THE TIME OF THE EMPLOYEE'S
22 RETIREMENT.**
23
24

25 SEC. 2. *Implementing Agency.* - The Government Service Insurance System
26 ("GSIS") shall take charge of the enforcement and operation of this Act. The GSIS, in

1 consultation with concerned government agencies, shall formulate the rules and
2 regulations to implement this Act.

3
4 **SEC. 3. *Repealing Clause.*** – All laws, decrees, executive orders, issuances,
5 rules and regulations, or parts thereof not consistent with the provisions of this Act are
6 hereby repealed or modified accordingly.

7
8 **SEC. 4. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after
9 its publication in at least two (2) newspapers of general circulation.

Approved,