

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



'14 JAN 28 P5:08

SENATE

RECEIVED BY. *J.*

S.B. No. 2096

Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

A good retirement plan is a personal investment into one's self-sufficiency for the period of one's twilight years. The State, alongside employers, partners with citizens in building up good retirement plans for the public. This is accomplished by providing retirement benefits to employees through the returns receivable by them from the Government Service Insurance System (GSIS) or Social Security System (SSS).

Employees invest valuable earnings as premiums to GSIS or SSS during the period of their employment. At the time of retirement, however, the rate of inflation will have eroded the purchasing power of his benefits. Although the law presently allows adjustments to be made on the basic monthly pension, experience shows that such adjustments are rarely made and if at all, they are highly unrealistic.

This bill provides for the automatic adjustment of the basic monthly pension of retired personnel covered by the Government Service Insurance System (GSIS) and Social Security System (SSS) to appropriately take into consideration the rate of price inflation.

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

MANUEL "LITO" M. LAPID
Senator *MUR*

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AN ACT
PROVIDING FOR AUTOMATIC ADJUSTMENT OF THE BASIC MONTHLY PENSION FOR RETIRED PERSONNEL COVERED BY THE GOVERNMENT SERVICE INSURANCE SYSTEM AND SOCIAL SECURITY SYSTEM TO THE PREVAILING COST OF LIVING INDEX

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

1 **SECTION 1.** This Act shall be known as the "Automatic GSIS and SSS
2 Pension Adjustment Act".
3

4 **SEC. 2.** The basic monthly pension of members covered by the
5 Government Service Insurance System (GSIS) and the Social Security System (SSS)
6 shall be automatically adjusted to the prevailing cost of living index as determined by
7 the National Economic and Development Authority (NEDA).
8

9 **SEC. 3.** The Government Service Insurance System and the Social Security
10 System, as the case may be, shall issue such rules and regulations as may be
11 necessary for the effective implementation of this Act.
12

13 **SEC. 4.** The benefits of this Act shall be extended to the pensioners still
14 surviving at the time of its approval.
15

16 **SEC. 5.** Such amount necessary for the implementation of this Act shall be
17 charged to the State Insurance Fund of the Government Service Insurance System and
18 to the Reserve Fund of the Social Security System, respectively.
19

20 **SEC. 6.** Should any part or provision of this Act be declared unconstitutional
21 or invalid, the remaining parts or provisions not affected thereby shall remain in full force
22 and effect.
23

24 **SEC. 7.** All laws, decrees, executive orders, letters of instructions,
25 proclamations, rules and regulations, or parts thereof inconsistent with this Act shall be
26 deemed modified, amended, or repealed accordingly.
27

28 **SEC. 8.** This Act shall take effect fifteen (15) days after its complete
29 publication in two (2) newspapers of general circulation.

Approved,