

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



Senate  
Office of the Secretary

14 FEB 10 P1:40

SENATE

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Senate Bill No. 2111

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Introduced by **SENATOR JOSEPH VICTOR G. EJERCITO**

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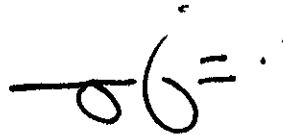
**EXPLANATORY NOTE**

This bill seeks to rationalize the change of status of a member of the Government Services Insurance System (GSIS) from active to special in order to safeguard, protect, secure, and guarantee the retirement benefits due to the said member under Republic Act No. 8291, otherwise known as "The Government Services Insurance System Act of 1997". Indeed, the passage into law of this measure will eliminate any attempt to reduce, diminish, and/or lessen, if not to destroy, the retirement benefits due to the special member under the law, considering that "Ours is a Government of laws and not of men". Hence, it will uphold and give full meaning to the oft-repeated declarations and pronouncements of the Supreme Court in a long-line of decisions and resolutions that retirement laws are literally interpreted in favor of the retiree. As a matter of fact, in the recent case of Government Service Insurance System vs. Fernando P. De Leon, G.R. No. 186560, 17 November 2010, the Supreme Court, once again, aptly held that:

"The inflexible rule in our jurisdiction is that social legislation must be liberally construed in favour of the beneficiaries. Retirement laws, in particular, are liberally construed in favour of the retiree's sustenance and, hopefully, even comfort, when he no longer has the capability to earn a livelihood. The liberal approach aims to achieve the humanitarian purposes of the law in order that efficiency, security, and well-being of the Government employees

may be enhanced. Indeed, retirement laws are liberally construed and administered in favour of the persons intended to be benefited, and all doubts are resolved in favour of the retiree to achieve their humanitarian purposes." (Underscoring supplied)

In view of the foregoing, approval of this bill is most respectfully requested to be given preferential consideration as a social legislation

A handwritten signature in black ink, appearing to read 'J. Ejercito', with a horizontal line extending to the left of the first letter.

**JOSEPH VICTOR G. EJERCITO**

SENATE OF THE PHILIPPINES )  
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Senate Bill No. 2111

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Introduced by **SENATOR JOSEPH VICTOR G. EJERCITO**

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**AN ACT RATIONALIZING THE CHANGE OF STATUS OF A MEMBER OF THE GOVERNMENT SERVICE INSURANCE SYSTEM FROM ACTIVE TO SPECIAL, AMENDING FOR THE PURPOSE SECTIONS 2 & 55 OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997, AND FOR OTHER PURPOSES**

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

**SECTION 1.** Section 2 of Republic Act No. 8291, otherwise known as the "Government Service Insurance System Act of 1997", is hereby amended to read as follows:

"Sec. 2. Definition of Terms. – Unless the context otherwise indicates, the following terms shall mean:

- (a) xxx;
- (b) xxx
- (c) xxx
- (d) xxx
- (e) xxx
- (f) xxx
- (g) xxx
- (h) xxx
- (i) xxx
- (j) xxx
- (k) xxx
- (l) xxx
- (m) xxx
- (n) xxx
- (o) xxx
- (p) xxx

- (q) xxx
- (r) xxx
- (s) xxx
- (t) xxx
- (u) xxx
- (v) **SPECIAL MEMBER** – AN ACTIVE MEMBER APPOINTED TO A NEW POSITION WITH BENEFITS UNDER A SPECIAL RETIREMENT LAW;
- (w) **SPECIAL RETIREMENT LAW** – THE JUDICIARY RETIREMENT LAW, OTHERWISE KNOWN AS REPUBLIC ACT NO. 910, AS AMENDED, AND WITH ADDITIONAL BENEFITS UNDER REPUBLIC ACT NO. 9946.

**SECTION 2.** Section 55 of Republic Act No. 8291, otherwise known as the “Government Service Insurance System Act of 1997”, is hereby amended to read as follows:

“SEC. 55. Exclusiveness of Benefits. – Whenever other laws provide similar benefits for the same contingencies covered by this Act, the member who qualifies to the benefits shall have the option to choose which benefits will be paid to him. However, if the benefits provided by the law chosen are less than the benefits provided under this Act, the GSIS shall pay only the difference.

ON THE OTHERHAND, WHENEVER THERE IS A CHANGE OF STATUS OF A MEMBER OF GSIS FROM ACTIVE TO SPECIAL, GSIS SHALL DETERMINE WHATEVER BENEFITS THE SAID SPECIAL MEMBER HAS QUALIFIED TO, BY VIRTUE OF HIS/HER CONTRIBUTION, WITHIN (1) MONTH FROM NOTICE OF SUCH CHANGE OF STATUS: PROVIDED, THAT GSIS SHALL IMMEDIATELY PAY THE BENEFITS DUE TO THE SPECIAL MEMBER WITHOUT DELAY: PROVIDED, FURTHER, THAT THE BENEFITS DUE TO THE SPECIAL MEMBER SHALL BE CONSIDERED SEPARATE AND DISTINCT FROM THE BENEFITS AUTHORIZED BY SPECIAL RETIREMENT LAW: PROVIDED, FINALLY, THAT THE BENEFITS MENTIONED HEREIN SHALL BE ENJOYED BY THOSE SPECIAL MEMBERS WHO HAVE RETIRED ALREADY.”

**SECTION 3.** *Implementing Rules and Regulations.* – The GSIS shall adopt and promulgate the necessary rules and regulations not later than thirty (30) days from the effectivity of this Act.

**SECTION 4.** *Retroactivity Clause.* – the benefits mentioned in Section 2 hereof pertaining to a change of status of a member of GSIS from active to special shall be granted to all those special members who have retired prior to the effectivity of this Act.

**SECTION 5. *Repealing Clause.*** – All laws, decrees, executive orders, circulars, and rules and regulations inconsistent herewith are hereby deemed repealed or modified accordingly.

**SECTION 6. *Separability Clause*** – If any provision of this Act is held invalid or declared unconstitutional, the other provisions which are not affected thereby shall remain valid and subsisting.

**SECTION 7. *Penalty Clause.*** – the unjustified failure and/ or refusal to comply with any provision of this Act shall be a ground for the filling of administrative disciplinary action against the erring officer(s) and/or employee(s). Such erring officer(s) and/or employee(s) shall, after hearing and due proceedings, be penalized with suspension from service without pay from six (6) months to one (1) year, at the discretion of the disciplining authority.

**SECTION 8. *Effectivity*** – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in two (2) newspaper of general circulation in the country.

Approved,