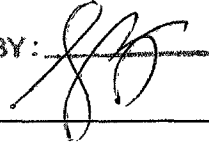


THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

'04 JUN 30 P10:42

**SENATE**  
S.B. No. 1176

RECEIVED BY:



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*Introduced by Senator Magsaysay, Jr.*

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### EXPLANATORY NOTE

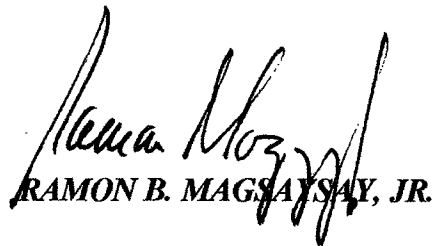
Republic Act No. 8291, otherwise known as the "Government Service Insurance Act of 1997", was enacted for the purpose of increasing and expanding the social security protection of government workers. This is consonance with the government's objective of honoring those who spent their productive lives in the service of the country. This bill seeks to provide for improved retirement and/or separation benefits for government employees.

One of the benefits expected by employees upon retirement or voluntary separation from the service is the refund of premiums paid on GSIS insurance policy, both the personal share and the share of the government with interest. The amount serves as a supplement to the retirement/separation proceeds which, in one way or another, insure the financial stability of retirees.

However, those government employees whose insurance policies have not yet matured at the time payable both the personal as well as the government share until said policy matures. The problem is when its maturity takes effect for still quite a time, they prefer to claim its refund rather than continue the insurance. This is the time when said retirees receive only minimal amounts as refund of premiums which are exclusive of government share.

This bill, therefor, aims to provide additional retirement benefits to government employees who opt to separate from the service even before the maturity of their GSIS policy through refund of its premium which shall include both the personal share and the government share.

In view of the foregoing consideration, passage of this bill is earnestly sought.



RAMON B. MAGSAYSAY, JR.

THIRTEENTH CONGRESS OF THE REPUBLIC )  
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**SENATE**  
S.B. No. 1176

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*Introduced by Senator Magsaysay, Jr.*

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**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**

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

**SECTION 1.** Section 11 of R.A. 8291 is hereby amended by adding another paragraph, to read as follows:

"SEC. 11. Separation Benefits - The separation benefits shall consist of ---

- a. a cash payment equivalent to one hundred percent (100%) of his average monthly compensation for each year of service be paid contributions, but not less than Twelve Thousand Pesos (P12,000) payable upon reaching sixty (60) years of age or upon reaching sixty (60) years of age or upon separation, whichever comes later" Provided, That the member resigns or separates from the service after he has rendered at least three (3) years of service but less than fifteen (15) years; or
- b. A cash payment equivalent to eighteen (18) times his basic monthly pension payable at the time of registration or separation, plus an old-age pension benefit equal to the basic monthly pension payable monthly for life upon reaching the age of sixty (60): Provided, That the member resigns or separates from the service after he has rendered at least fifteen (15) years of service and is below sixty (60) years of age at the time of resignation or separation[.];

**PROVIDED, FURTHER, THAT A MEMBER WHO OPTS TO SEPARATE BY RESIGNATION, RETIREMENT OR OTHERWISE FROM THE SERVICE PRIOR TO THE MATURITY OF HIS/HER INSURANCE POLICY, MAY, AT HIS OPTION, EITHER:**

1. RECEIVE A CASH AMOUNT EQUIVALENT TO THE REFUND OF PREMIUMS PAID BY BOTH THE MEMBER AND THE GOVERNMENT, WITH INTEREST THEREOF;  
OR

2. TRANSFER AND CONTINUE HIS MEMBERSHIP WITH THE SSS SHOULD HE GO TO THE PRIVATE SECTOR;  
OR
3. STAY WITH THE GSIS AND CONTINUE TO PAY HIS CONTRIBUTIONS AND THAT OF THE GOVERNMENT'S.

**SEC. 3.** All laws, presidential decrees, letter of instruction, executive orders, rules and regulations insofar as they are inconsistent with this Act are hereby repealed or amended, as the case may be.

**SEC. 4.** This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,