13th CONGRESS OF THE REPUBLIC OF THE PHILIPPINES FIRST REGULAR SESSION

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SENATE

RECEIVED BY

S. BILL NO. 1364

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INTRODUCED BY HONORABLE RALPH G. RECTO

EXPLANATORY NOTE

This bill seeks to reduce the ceiling on the administrative costs of the Government Service Insurance System (GSIS) from 12% to 8% to safeguard the mandated contribution of government employees to the system.

Low paying members resort to 'belt-tightening' measures as mandatory contributions are deducted from their meager earnings. These contributions, as foreseen by the members, will help them face the remaining 'best twilight years' of their lives.

The GSIS, however, is besieged with unsound investment decisions and imprudent administrative policies that have led public servants to howl in protest and resound alarm over the scandalous and extravagant lifestyle of its leadership.

The public trust and social fund for which the GSIS stands for appears to be losing ground in light of the publicized anomalies which threaten the contributions of the members and their right to reap the fruit of their noble profession of serving the people.

Hence, the immediate passage of this bill is earnestly sought.

RALPH⁄G

13TH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session

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s. BILL NO. 1364

Introduced by SENATOR RALPH G. RECTO

AN ACT

RATIONALIZING THE DISBURSEMENT OF FUNDS BY THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) FOR ADMINISTRATIVE AND OPERATING EXPENSES, THEREBY AMENDING SECTION 35 OF REPUBLIC ACT NUMBERED 8291 OTHERWISE KNOWN AS THE GSIS ACT OF 1997

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

1	SECTION 1.	Section	35 of Rep	oublic	: A	ct No.	8291	, oth	erwise k	now	n as	the
2	"Government	Service	Insurance	Act	of	1997,"	is he	reby	amende	d to	read	as
3	follows:											

4 "Sec. 35. Deposits and Disbursements. – All revenues 5 collected and all accruals thereto shall be deposited, administered and 6 disbursed in accordance with the law. A maximum expense loading of 7 [twelve] EIGHT percent ([12]8%) of the yearly revenues from all sources 8 may be disbursed for administrative and operational expenses as may be 9 otherwise approved by the President of the Philippines on the basis of 10 actuarial and management studies."

SEC. 2. Implementing Rules and Regulations. - The Department of Finance
 (DoF) and other appropriate government agencies shall promulgate rules and regulations
 necessary for the effective implementation of this Act.

SEC. 3. Repealing Clause. - All other laws, decrees, orders, issuances
and rules and regulations or parts thereof inconsistent with this Act are hereby amended
or repealed accordingly.

17 SEC. 4. Separability Clause. - The provisions of this Act are hereby 18 declared to be separable and, in the event any of such provisions is declared

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unconstitutional, the order provision which is not affected thereby shall remain in full 1 2 force and effect. SEC. 5. Effectivity. - This Act shall take effect fifteen (15) days after its 3

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complete publication in at least two (2) newspapers of general circulation.

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Approved,

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