

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

22 JUL 28 P5:25

RECEIVED BY: _____

SENATE

S.B. No. 935

Introduced by **SENATOR JOEL VILLANUEVA**

AN ACT
LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT
EMPLOYEES FROM SIXTY (60) YEARS OLD TO FIFTY-FIVE (55)
YEARS OLD, AMENDING FOR THE PURPOSE SECTION 13-A OF
REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS "THE
GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997"

EXPLANATORY NOTE

As of August 31, 2021, total career and non-career complement of the government totals 1,679,675, of which 300,671 (or 17.90%) are 56 to 65 years old.¹ This bill aims to lower the optional retirement age of government employees from 60 to 55 years old by amending Republic Act No. 8291, otherwise known as "The Government Service Insurance System Act of 1997," for the following reasons:

First, government employees who are eligible to retire at the age of 60 already belong to the vulnerable population, in that they are more prone to illness and disease by reason of their age. Hence, before they reach that crucial age, government employees of retirement age would rather begin enjoying their retirement, while they are healthier compared to what their physical state might be five years after.

Second, World Bank reports that as of 2020, the life expectancy of Filipinos is 71 years old.² If the earliest retirement age of eligible government employees is at the age of 60, the period where they can finally enjoy the fruits of their labor will be less than the required period of government service (which is 15 years). It will be just if their

¹ Inventory of Government Human Resources (IGHR) Career and Non-Career as of August 31, 2021. Civil Service Commission. Available at http://www.csc.gov.ph/2014-02-21-08-28-23/pdf-files/category/1809-ighrs_2021.html (date last accessed: July 26, 2022).

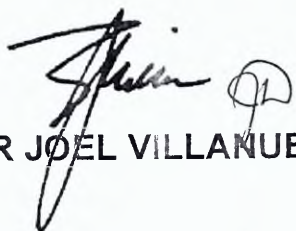
² The World Bank. Life expectancy at birth, total (years) - Philippines. Available at <https://data.worldbank.org/indicator/SP.DYN.LE00.IN?locations=PH> (Date last accessed: July 25, 2022).

retirement period is at least equivalent to the duration of their employment with the government.

Third, lowering the retirement age to 55 will encourage younger workers to join government service. The private sector, through the Social Security System, similarly provides retirement benefits for its members who reach the age 60. If government and private workers will retire at the same age, there is little incentive to work in the government service.

Finally, this is a form of incentive for our dedicated government workers who devoted at least 15 years of their life for public service.

The immediate passage of this bill is earnestly sought.



SENATOR JOEL VILLANUEVA



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ACT OF 1997"

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

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SECTION 1. Lowering of Optional Retirement Age. – Section 13-A of Republic Act No. 8291, otherwise known as "The Government Service Insurance System Act of 1997," is hereby amended to read as follows:

"SEC. 13-A. *Conditions for Entitlement.* - A member who retires from the service shall be entitled to the retirement benefits enumerated in paragraph (a) of Section 13 hereof: *Provided, That* SUCH MEMBER

- (1) [he]has rendered at least fifteen (15) years of service;
- (2) [he] is at least [sixty (60)] FIFTY-FIVE (55) years of age at the time of retirement; and

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(3) [he] is not receiving a monthly pension benefit from permanent total disability.

PROVIDED, THAT SUCH MEMBERS SHALL RECEIVE PENSION BENEFITS IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

AGE	PERCENTAGE OF MONTHLY PENSION
55 TO 56	60%
57 TO 58	80%
59 ONWARDS	100%

SEC. 2. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the Government System Insurance System (GSIS), in consultation with concerned government agencies and other stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 3. Repealing Clause. – All laws, administrative orders, rules and regulations or any parts thereof that are inconsistent herewith are hereby repealed or modified accordingly.

SEC. 4. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,