

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

Senate
Office of the Secretary

23 MAR -1 P3:47

SENATE
P. S. Res No. 514



Introduced by Senator Maria Lourdes Nancy S. Binay

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, TO REVIEW THE EXISTING REQUIREMENTS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) ON EMPLOYEES' RETIREMENT/PENSION BENEFITS, WITH THE PURPOSE OF INITIATING AMENDATORY LEGISLATION TO ENSURE THE EFFECTIVE AND EFFICIENT ADMINISTRATION OF GRANTING SUCH RETIREMENT/PENSION BENEFITS AND EVALUATE THE IMPLEMENTATION OF REPUBLIC ACT NO. 7699 OR THE PORTABILITY LAW

1 **WHEREAS**, the Philippine Constitution recognizes labor as a primary social
2 economic force. Thus, it shall protect the rights of workers and promote their
3 welfare;
4

5 **WHEREAS**, Article XVI, Section 8 guarantees that the State shall, from time
6 to time, review to upgrade the pensions and other benefits due to retirees of both
7 the government and the private sectors;
8

9 **WHEREAS**, the Government Service Insurance System (GSIS) was created
10 under Commonwealth Act no. 186¹ and Republic Act No. 8291². It is a social
11 insurance institution that provides a defined benefit scheme under the law³;
12

13 **WHEREAS**, GSIS insures its members against the occurrence of certain
14 contingencies in exchange for their monthly premium contributions. Members are
15 entitled to an array of social security benefits, such as life insurance benefits,
16 separation or retirement benefits, and disability benefits⁴;

¹ AN ACT TO CREATE AND ESTABLISH A "GOVERNMENT SERVICE INSURANCE SYSTEM," TO PROVIDE FOR ITS ADMINISTRATION, AND TO APPROPRIATE THE NECESSARY FUNDS THEREFOR

² AN ACT AMENDING PRESIDENTIAL DECREE NO. 1146, AS AMENDED, EXPANDING AND INCREASING THE COVERAGE AND BENEFITS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM, INSTITUTING REFORMS THEREIN AND FOR OTHER PURPOSES

³ [https://www.gsis.gov.ph/gsis-mandate-and-](https://www.gsis.gov.ph/gsis-mandate-and-functions/#:~:text=Created%20by%20Commonwealth%20Act%20No,for%20their%20monthly%20premium%20contributions.)

[functions/#:~:text=Created%20by%20Commonwealth%20Act%20No,for%20their%20monthly%20premium%20contributions.](https://www.gsis.gov.ph/gsis-mandate-and-functions/#:~:text=Created%20by%20Commonwealth%20Act%20No,for%20their%20monthly%20premium%20contributions.)

⁴ Ibid

1 **WHEREAS**, to qualify for the GSIS pension, Section 13-A of Republic Act
2 8291 states that a member must meet the minimum government requirement of
3 fifteen (15) years of service, with sixty (60) years as retirement age;
4

5 **WHEREAS**, on May 1, 1994, Congress passed into law Republic Act 7699 or
6 the "Portability Law". Under Section 1 of the said law, it is the policy of the State to
7 promote the welfare of our workers by recognizing their efforts in productive
8 endeavors and to further improve their conditions by providing benefits for their long
9 year contribution to the national economy⁵;

10
11 **WHEREAS**, to achieve this, the Portability Law introduced a limited
12 portability scheme wherein it affords members the right to combine their services in
13 the private and public sectors in order to meet the fifteen (15) year service
14 requirement for purposes of qualifying to pension benefits⁶;

15
16 **WHEREAS**, despite the good intention of the law and its positive impact to
17 eligible workers, there have been concerns raised with regard to local and national
18 officials and their staff who do not meet the fifteen (15) year minimum service
19 requirement of the GSIS;

20
21 **WHEREAS**, there is a disparity between the GSIS minimum requirement of
22 fifteen (15) years and the term limits of elected officials and public servants;

23
24 **WHEREAS**, on the local level, elected officials, such as mayors, vice mayors,
25 governors, vice governors, and members of local legislative bodies are only elected
26 for three (3) consecutive terms or a total of nine (9) years⁷;

27
28 **WHEREAS**, on the national level, elected officials and their staff hold
29 temporary and co-terminus status. Senators are elected to a six (6) year term and
30 can only serve for two (2) consecutive terms, for a total of twelve (12) years⁸.
31 Members of the House of Representatives have shorter term limits of three (3) years
32 and can serve for more than three (3) consecutive terms only. On the other hand,
33 the President and the Vice President have a term of six (6) years respectively⁹;

34
35 **WHEREAS**, the requirement of fifteen (15) years of service set forth under
36 Section 13-A of RA 8291 is disadvantageous to all government employees and
37 elected officials who have contributed but fall short of the minimum service required;

38
39 **WHEREAS**, to fulfill the constitutional mandate that pensions should be
40 reviewed from time to time, and to reconcile with the Constitutional term limits of
41 the elected officials and public servants, who end their public service without a
42 retirement fund, for not meeting the minimum service requirement under the GSIS
43 law, it is appropriate to reevaluate the current pension system;

⁵ Section 1, Republic Act 7699, An Act Instituting Limited Portability Scheme in the Social Security Insurance Systems by Totalizing the Worker's Creditable Services or Contributions in Each of the Systems

⁶ <http://www.gsis.gov.ph>

⁷ Article X, Section 8, 1987 Philippine Constitution

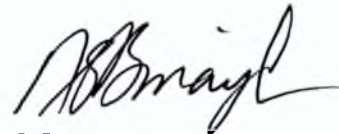
⁸ Article XV, Section 4, 1987 Philippine Constitution

⁹ Article VII, Section 4, 1987 Philippine Constitution

1 **WHEREAS**, with this in view, it is imperative on the government to
2 implement appropriate legislation and initiate reforms and practices to address the
3 particular needs of retiring government workers;
4

5 **NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED,**
6 that the Senate of the Philippines directs the proper Senate Committees to conduct
7 an inquiry, in aid of legislation, to review the existing requirements of the
8 Government Service Insurance System (GSIS) on Employees' benefits, with the
9 purpose of initiating amendatory legislation to ensure the effective and efficient
10 administration of granting retirement/pension benefits and evaluate the
11 implementation of Republic Act No. 7699 or the Portability Law

Adopted,



MARIA LOURDES NANCY S. BINAY