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

Senale Office of the Governor

23 MAY 25 A9:46

SENATE

S. No. <u>2249</u>



Introduced by Senator Jinggoy Ejercito Estrada

AN ACT

PROVIDING AN OPTION TO QUALIFIED NON-CAREER SERVICE GOVERNMENT EMPLOYEES TO PAY VOLUNTARY CONTRIBUTIONS TO THE GOVERNMENT SERVICE INSURANCE SYSTEM, AND TO ENABLE THEM TO COMPLETE THE MINIMUM YEARS OF CONTRIBUTION FOR PURPOSES OF AVAILING RETIREMENT AND OTHER APPLICABLE BENEFITS UNDER REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997", AMENDING FOR THE PURPOSE SECTIONS 13 AND 13-A OF THE SAME LAW

EXPLANATORY NOTE

Government Service Insurance System (GSIS) is the social security program for government workers, except members of the Judiciary and Constitutional Commissions which are covered by separate retirement laws, contractual employees who have no employee-employer relationship with their agencies, and the Military and Uniformed Personnel (MUP) of the Armed Forces of the Philippines and the Philippine National Police.

GSIS members are entitled to social security benefits such as life insurance and retirement packages, which are particularly useful for senior members after many dedicated years of public service.

However, many employees from the public sector are excluded from such benefits as they do not complete the minimum number of fifteen years of service. Elected officials from the local government units and their staff can only stay in office for three consecutive terms or a total of nine years. Also, government personnel who serve under members of the national legislature may not complete

the required number of years as senators are elected to a six-year term and can serve for not more than two consecutive terms or 12 years. The same is true for the staff complement of the President and the Vice President who have a term of six years with no provision for reelection. Unless they get re-elected or hired in other government posts, many employees will be unable to receive pension coverage as they fall short of the needed years of public service.

Data from Civil Service Commission (CSC) show that as of June 2022, there are a total of 1.82 million positions in government - 165,882 of which are non-career positions. Unfortunately, there are no provisions in Republic Act No. 8291 or the GSIS Act of 1997 which cater to non-career officials. Non-career officials are entitled to separation pay only, without any privilege to make voluntary contributions to the GSIS pension program.

This proposed measure provides an option to qualified non-career service government employees to make voluntary contributions to the GSIS Fund, and to enable them to complete the minimum years of contribution for purposes of availing retirement and other applicable benefits. This bill aims to honor the unwavering dedication and exemplary service of non-career personnel by ensuring that they may also enjoy social protection and adequate pension benefits once they retire.

The immediate passage of this legislation is earnestly sought.

JINGGOY EJERCITO ESTRADA

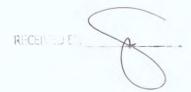
NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



23 MAY 25 A9:46

SENATE

S. No. <u>2249</u>



Introduced by Senator Jinggoy Ejercito Estrada

AN ACT

PROVIDING AN OPTION TO QUALIFIED NON-CAREER SERVICE GOVERNMENT EMPLOYEES TO PAY VOLUNTARY CONTRIBUTIONS TO THE GOVERNMENT SERVICE INSURANCE SYSTEM, AND TO ENABLE THEM TO COMPLETE THE MINIMUM YEARS OF CONTRIBUTION FOR PURPOSES OF AVAILING RETIREMENT AND OTHER APPLICABLE BENEFITS UNDER REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997", AMENDING FOR THE PURPOSE SECTIONS 13 AND 13-A OF THE SAME LAW

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

Section 1. Section 13 (b) of Republic Act No. 8291 is hereby amended to read as follows:

"SEC. 13. Retirement Benefits. -

XXX

3

4

5

6

7

8

9

10

11

12

13

"(b) Unless the service is extended by appropriate authorities, retirement shall be compulsory for an employee of sixty-five (65) years of age with at least fifteen (15) years of service: Provided, That an employee has less than fifteen (15) years of service, the employee may be allowed to continue in the service in accordance with existing civil service rules and regulations; PROVIDED, FURTHER, THAT NON-CAREER GOVERNMENT EMPLOYEES WHO HAVE COMPLETED THE MINIMUM NUMBER OF YEARS IN GOVERNMENT SERVICE, AS DEFINED IN THE RULES AND REGULATIONS IMPLEMENTING

THIS ACT, SHALL HAVE THE OPTION TO CONTINUE THEIR MEMBERSHIP IN THE GSIS AND TO PAY VOLUNTARY CONTRIBUTIONS FOR THE PURPOSE OF COMPLETING THE MINIMUM FIFTEEN (15) YEARS OF CONTRIBUTION FOR **ENTITLEMENT OF THE BENEFITS UNDER THIS ACT."** Sec. 2. Section 13-A of the same Act 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:

- "(1) [he] THE MEMBER has rendered at least fifteen (15) years of service, OR, IN THE CASE OF A NON-CAREER GOVERNMENT EMPLOYEE, HAS SERVED THE MINIMUM NUMBER OF YEARS IN GOVERNMENT SERVICE AS DEFINED IN THE RULES AND REGULATIONS IMPLEMENTING THIS ACT, IS QUALIFIED TO AVAIL OF THE OPTION TO PAY VOLUNTARY CONTRIBUTIONS TO GSIS, AND MUST HAVE COMPLETED FIFTEEN (15) YEARS OF CONTRIBUTIONS TO THE GSIS;
- "(2) [he] **THE MEMBER** is at least sixty (60) years of age at the time of retirement; and
- "(3) [he] **THE MEMBER** is not receiving a monthly pension benefit from permanent total disability."
- Sec. 3. *Non-Diminution of Retirement and Separation Benefit.* Nothing herein contained shall diminish the retirement and separation benefits already enjoyed under the laws that existed at the time of retirement.
- Sec. 4. *Implementing Rules and Regulations.* Within sixty (60) days after the effectivity of this Act, the GSIS shall promulgate the rules and regulations to implement this Act.
- Sec. 5. *Separability Clause.* If for any reason, any provision of this Act is declared unconstitutional or invalid, such parts not affected thereby shall remain in full force and effect.

Sec. 6. *Repealing Clause*. – All laws, decrees, executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

Sec. 7. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any two (2) newspapers of general circulation.

Approved,