

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

SECRETARY

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SENATE
S. No. 1791

RECEIVED

Introduced by Senator Antonio F. Trillanes IV

EXPLANATORY NOTE

It is lamentable that at present, government retirees, especially those who retired under R.A. 1616, have hardly enough finances to enable them to have a decent standard of living. The continuing inflation and high cost of living have placed retirees in a miserable state, leaving them at the mercy of relatives and friends, and sometimes of loan sharks.

The case of government retirees, who opted to retire under R.A. 1616, is even worse, because they do not receive any pension at all. In fact the GSIS itself has stated that R.A. 1616 gratuity benefit is already in the "phase-out" process since it does not really fulfill the objectives of social security in the long run.

It may be gainsaid that said government employees retired at their own peril because those who do not receive pensions are only those who chose optional retirement. Hence, they retired knowing that they will only receive lump sums and no pension at all. Nevertheless, it is submitted that those retirees in their old age, in the twilight of their lives, those helpless souls, should not be penalized for their wrong choices. They are worthy of our compassion and not recrimination. Hence, this bill.

In view of the foregoing considerations, the proposed bill is therefore being represented as a social assistance measure, and is intended to give another chance to retirees under R.A. 1616 to have the means to cope with the ever-increasing cost of living.

Approval of this bill is therefore earnestly requested.


ANTONIO F. TRILLANES IV
Senator

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AN ACT
ENABLING RETIREES WHO HAVE NOT RECEIVED PENSIONS EITHER BY
CHOICE OR OPERATION OF LAW TO RECEIVE PENSIONS AT AGE
SEVENTY YEARS OR OVER, AND PROVIDING FUNDS THEREFOR

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

1 **SECTION 1. Short Title** – This Act shall be known and cited as the “*Special*
2 *Retirement Act of 2007*”.

3 **SEC. 2. Declaration of Policy**- It is the policy of the State to improve the quality
4 of life for all. In pursuance of such policy, this Act provides for a procedure for retirees
5 who are 70 years old and above but have no monthly pension to help them sustain a
6 decent standard of living.

7 **SEC. 3. Coverage** – This Act shall apply to government personnel who retired
8 under R.A. 1616, as amended, who have reached the age of 70 years and those who are
9 more than 70 years old at the time of the effectivity of this Act, and were then also
10 qualified to retire under other laws such as R.A. 660 or P.D. 1146 at the time of their
11 retirement.

12 **SEC. 4. Old-age Pension** – All retirees who have not received an old age pension
13 or annuity either by choice or operation of law, shall receive an old-age pension
14 equivalent to fifty percent (50%) of their average monthly compensation as defined under
15 Republic Act No. 8291, otherwise known as the “Revised Government Insurance Act

1 1997”, upon reaching the age of seventy (70) years or who at the time of the effectivity of
2 this Act are more than seventy (70) years of age.

3 **SEC. 5. *Rules and Regulations*** – The Government Service Insurance System
4 (GSIS), in coordination with the Department of Budget and Management, shall issue the
5 necessary rules and regulations for the effective implementation of this Act.

6 **SEC. 6. *Funding***- The President of the Philippines is hereby authorized to realign
7 or transfer any item for appropriation within the GSIS and/or utilize any savings therein
8 to carry out the purposes of this Act. Whatever additional amount as may be needed for
9 its implementation shall be included in the General Appropriations Act of the ensuing
10 Fiscal Years.

11 **SEC. 7. *Separability Clause*** – Should any part or provision of this Act shall be
12 declared invalid or unconstitutional, none of the other parts or provisions hereof shall be
13 affected thereby.

14 **SEC. 8. *Repealing Clause*** – All laws, executive orders, decrees, instructions,
15 rules and regulations contrary to, or inconsistent with any provision of this Act are hereby
16 repealed or modified accordingly.

17 **SEC. 9. *Effectivity*** – This Act shall take effect upon its approval.

Approved,