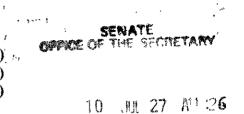
## FIFTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES

First Regular Session



#### SENATE

S. BILL NO. 2129

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#### Introduced by Senator Ralph G. Recto

#### **Explanatory Note**

Of the 1.4 million members of the GSIS, about 600,000 or 40% are teachers. This number continues to increase as there is a yearly appropriation for the hiring of additional teachers to fill in the newly created positions provided in the General Appropriations Act.

In recognition of our public school teachers as the most important educational resource in the country, this bill seeks to increase the representation of public school teachers in the Board of Trustees of the Government Service Insurance System (GSIS) amending for the purpose Section 42 of Republic Act No. 8291, otherwise known as "the GSIS Act of 1997".

This bill also increases the representation of government employees by providing for an additional member of the Board knowledgeable in the field of finance. This will bring the GSIS Board membership to ten, from the current membership of eight.

The current Board membership allows for only one seat to represent teachers, who shall either be the President of the Philippine Public School Teachers Association (PPSTA) or, the President of the Philippine Association of School Superintendents (PASS), while allowing four representatives from the banking, finance, investment, and insurance sectors.

Increasing teachers' representation and government employees with expertise in finance in the GSIS Board will provide them more influence in the formulation of policies and more power to ensure the prudent use of the financial resources of the GSIS.

These additional board seats will hopefully give our teachers and government employees in general, the necessary voice to air their grievances against the persistent allegations of inefficiencies and irregularities in the processing of claims and benefits of members. Likewise, this will allow them to be in a better position to effect solutions to the many challenges confronting the government pension system.

In view of the foregoing, immediate approval of this bill is requested,

H∕G∕RÉCTO

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#### SENATE

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s. BILL NO. 2129

### Introduced by Senator Ralph G. Recto

#### AN ACT

INCREASING THE REPRESENTATION OF PUBLIC SCHOOL TEACHERS AND ALLOWING ONE BOARD SEAT FOR A GOVERNMENT EMPLOYEE WITH A KNOWN EXPERTISE IN FINANCE THEREBY INCREASING THE COMPOSITION OF THE BOARD OF TRUSTEES OF THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) AMENDING FOR THE PURPOSE SECTION 42 OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS "THE GSIS ACT OF 1997"

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

SECTION 1. Section 42 of Republic Act No. 8291, otherwise known as the "Government Service Insurance System Act of 1997," is hereby amended to read as follows:

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"Sec. 42. The Board of Trustees; Its Composition; Tenure and Compensation -4 The corporate powers and functions of the GSIS shall be vested in and exercised by the 5 Board of Trustees composed of the President and General Manager of the GSIS and TEN 6 (10) [eight] other members to be appointed by the President of the Philippines, one (1) of 7 whom shall be either the President of the Philippine Public School Teachers Association 8 (PPSTA) or, the President of the Philippine Association of School Superintendents 9 (PASS), ANOTHER ONE (1) SHALL BE A PUBLIC SCHOOL TEACHER WHO 10 SHALL BE RECOMMENDED BY ANOTHER LEADING ORGANIZATION 11 OR ASSOCIATION OF PUBLIC SCHOOL TEACHERS, another two (2) shall 12 represent the leading organizations or associations of government employees/retirees, 13 ANOTHER ONE (1) SHALL BE A GOVERNMENT EMPLOYEE WITH 14 KNOWN EXPERTISE IN FINANCE, another four (4) from the banking, finance, 15 investment, and insurance sectors, and one (1) recognized member of the legal profession 16 who at the time of appointment is also a member of the GSIS. The trustees shall elect 17 from among themselves a Chairman while the President and General Manager of the 18 GSIS shall automatically be the vice-chairman. The trustees, except the President and 19 General Manager who shall cease as trustee upon his separation, shall hold office for six 20 (6) years, without reappointment, or until their successors are duly appointed and 21

qualified. Vacancy, other than through the expiration of the term, shall be filled for the unexpired term *only*. The members of the Board shall be entitled to a per diem of Two thousand five hundred pesos (P2,500) for each board meeting actually by them, but not to exceed Ten thousand pesos (P10,000) a month and reasonable transportation and representation allowances as may be fixed by the Board."

SEC. 2. *Separability Clause.* - If any part or provision of this Act shall be held to be
unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall
continue to be in full force and effect.

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

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

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Approved,