

FIFTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )

Director

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SENATE

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S.B. No. 3364

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Introduced by SENATOR MANNY VILLAR

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**EXPLANATORY NOTE**

Under the 1987 Constitution provides that "The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare." (Section 18, Article II)

The Government Service Insurance System has been plagued with contentious issues and complaints, such as misuse of funds, non-payment or delay of release of benefits and pensions, poor service to members.

Since its creation, the charter of the Government Service Insurance System (Commonwealth Act 186) have been revised and amended, the last of which is Republic Act 8291 otherwise known as the Revised Government Insurance Act of 1997. The said law amended the provisions on membership, sources of funds, and benefits, adjudication of claims and disputes, administration and penal provisions.

In order to address the issues and complaints, there is a need to further amend the law specifically on the rights of the members, including the elderly and persons with disabilities, the responsibilities of the employers, settlement of disputes, and the limitation on the investment of the funds.

Hence, this bill, which aims to boost the confidence of our public servants, and ensure that their rights are well protected, and enjoy the benefits of their labor after years of selfless service to the country.

For this reason, the passage of this bill is earnestly sought.

  
MANNY VILLAR

SENATE

S.B. No. 3364

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Introduced by SENATOR MANNY VILLAR

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**AN ACT**  
**INSTITUTIONALIZING THE RIGHTS OF GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) MEMBERS PROVIDING THEM ADDITIONAL REPRESENTATION IN THE GSIS BOARD, ENSURING PROMPT PAYMENT OF ALL THEIR BENEFITS AND FOR OTHER PURPOSES.**

*Be it enacted by the senate and the House of representatives of the Philippines in Congress assembled:*

**SECTION 1. Short Title.** – This act shall be known as the “GSIS Members’ Rights and Benefits Act of 2012.”

**SECTION 2. Declaration of Policy.** – it is declared policy of the State to provide, develop and promote a sound social security system responsive to the needs of its workers and to pursue the Constitutional guarantee on the right of all workers to participate in policy and decision-making processes affecting their rights and benefits as may be provided by law

Towards this end, the State shall proactively ensure the periodic review of relevant policies pertaining to the workers in public sector with the purpose of strengthening these policies to advance and protect their welfare. Therefore, the state shall:

- (A) Ensure the adoption of policies beneficial to GSIS members paving the way for a responsible, integrated and transparent social security system;
- (B) Provide greater representation for members at the highest policy making level of the GSIS;
- (C) Insulate the Social Insurance Fund (SIF) from dissipation due to the volatility of the global economy;
- (D) Ensure that top-level officials of the GSIS are held accountable for mismanagement and inefficiencies in the delivery of services to members and beneficiaries; and
- (E) Provide GSIS members and beneficiaries alternative venues in the settlement of disputes.

**SECTION 3.** Section 2 of Republic Act No. 8291, otherwise known as “The Government Service Insurance Act of 1997”, is hereby amended to read as follows:

“Sec. 2. *Definition of terms.* – Unless the context otherwise indicates, the following term shall mean:

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"(f) Dependents – Dependents shall the following:

- [(a)] i. The legitimate spouse dependent for support upon the member or pensioner;
- [(b)] ii. Legitimate, legitimated legally adopted child, including the illegitimate child, who is unmarried, [not gainfully employed] not over the age of majority, or is over the age of majority but incapacitated and incapable of self-support due to mental or physical [defect] **DISABILITIES** acquired prior to the age of majority; and
- [(c)] iii. The parents dependent upon the member for support;

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**SECTION 4. Members' Rights.** – In addition to their rights under existing laws, the members shall have the following rights:

(A) Right to Courteous and Responsive Treatment:

1. To be considered a GSIS member from the first day of government service;
2. To be provided prompt and accurate service;
3. To be accorded respect by the executives and employees of the GSIS; and
4. To be afforded comfortable and customer-friendly facilities when transacting with the GSIS.

(B) Right to Information

1. To be informed of the laws, regulations, policies or programs affecting the members' rights, benefits, obligations, and privileges, including amendments or changes thereto;
2. To be provided with copies of GSIS policies and regulations pertaining to benefits and claims administration;
3. To be informed of the various modes and options in availing benefits;
4. To receive accurate and updated membership data, records and information, including records of premium remittances and loan payments;
5. To have GSIS data and records protected from unauthorized, unlawful or improper disclosure; and
6. To be informed in advance of documents required to facilitate transaction, processing period and updated status of claims or loan applications.

(C) Right to GSIS Benefits

1. To receive on time the benefits the member has qualified to even after separation from the service;
2. To avail the mode of retirement, among the different applicable retirement laws and be allowed to change the preferred mode: *Provided*, that the retirement pension package has not yet been received;
3. To be protected against discrimination and thus receive the same benefits and privileges granted other members similarly situated; and
4. To receive benefits exempt from all taxes, fees, charges and duties of all kinds.

(D) Rights to Expeditious Processing of Claims

1. To claim and receive on benefits provided under applicable laws;
2. To exhaust all legal remedies under existing laws; and
3. To be protected from diminution of benefits that may arise with the passage of a subsequent law and regulation.

(E) Right to be Heard

1. To be represented in the GSIS governing board;
2. To participate in meaningful exchange of views in dialogues and fora conducted by GSIS without fear and reprisal;
3. To be consulted on the policies and programs to be implemented by the system;
4. To convey grievances and be accorded immediate response; and
5. To transact business with the GSIS in person or through electronic access points.

**SECTION 5. Special rights for the Elderly, Persons with Disabilities and seriously ill members, Beneficiaries and Pensioners.** – The following special rights are to be afforded to the elderly, persons with disabilities and seriously-ill members, beneficiaries and pensioners, to wit:

1. To be provided special access lanes;
2. To be prioritized in the processing and releasing of claims and benefits;
3. To be given preference in the dissemination of information pertaining to policies; and
4. To be accorded leniency in the submission of documents: *Provided*, that there is substantial compliance with the requirements prescribed by GSIS.

**SECTION 6. Agency's / Employer's Responsibilities.** – The government agencies covered by the GSIS Act, as employers, shall have the following responsibilities:

1. to remit employees' and employers' contribution to the GSIS within the prescribed time mandated by the GSIS Act;
2. to provide promptly documents required to facilitate the processing of documents and claims;
3. to provide additional documents as necessary to reconcile the records of accounts; and
4. to inform GSIS, through their agency authorized officers, of any update pertaining to personal or service records that may affect the processing of claims and benefits.

**SECTION 7.** Section 7 of Republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

Sec. 7. Interests on Delayed Remittances. – Agencies which delay the remittance of any and all monies due to GSIS shall be charged interests as may

be prescribed by the board but not [less] **MORE** than two percent (2%) simple interest per month. Such interest shall be paid by the employers concerned.

**SECTION 8.** Section 28 of republic Act No. 8291, otherwise known as "The Government Insurance Act of 1997" is hereby amended to read as follows:

"Sec. 28. Prescription. – Claims for benefits under this Act [except for life and retirement] shall **NOT** prescribe. [after four (4) years from the date of contingency.]

**SECTION 9.** Section 30 of republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

"Sec. 30. *Settlement of Disputes.* – The **GSIS AND THE REGIONAL TRIAL COURT (RTC)** shall have original and [exclusive] **CONCURRENT** jurisdiction to settle any dispute arising under this act and any other laws administered by the GSIS.

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**SECTION 10.** Section 31 of republic act No. 8291. Otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

"Sec 31. Appeals. – Appeals from any decision or award of the Board **OR RTC** shall be governed by rules 43 and 45 of the 1997 Rules of civil Procedure adopted by the Supreme Court on April 8, 1997 which will take effect on July 1, 1997: *Provided, further,* that the penalty of life imprisonment or death or *reclusion perpetua* to read as follows:

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**SECTION 11.** Section 36 of republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

"Sec. 36. Investment of Funds. – xxx

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"(j) In foreign mutual funds and in foreign currency deposits or foreign currency-denominated debts, non-speculative equities and other financial instruments or assets issued in accordance with existing laws of the countries where such financial instruments are issued: *Provided,* That these instruments or assets are issued: *Provided, further,* that the issuing company has proven track record of profitability over the last three (3) years of payment of dividends at least once over the same period: **PROVIDED, FINALLY, THAT NOT MORE THAN FIVE PERCENT (5%) OF THE ABOVE MENTIONED FUNDS SHALL BE INVESTED ABROAD.**

**SECTION 12.** Section 42 of Republic Act No. 8291, otherwise known as "The Government insurance Act of 1997" is hereby amended to read as follows:

"Sec 42. The Board of trustees; its Composition; Tenure and Compensation. – The corporate powers and functions of the GSIS shall be vested in and exercised by the Board of Trustees composed of the President and General Manager of the GSIS and TEN (10) eight (8) other members to be appointed by the President of the Philippines, one (1) of whom shall be either the President of the Philippine Public School teachers Association (PPSTA) or the President of the Philippine Association of School Superintendents (**PASS**), **THE SECRETARY OF THE DEPARTMENT OF EDUCATION (DepEd), THE CHAIRMAN OF THE CIVIL SERVICE COMMISSION (CSC)**, another two (2) shall represent the leading organizations or associations of government employees/retirees, **AND** another four (4) from the banking, finance, investment, and insurance sectors, and one

(1) recognized member of the legal profession who at the time of appointment is also a member of GSIS. The Trustees shall elect from among themselves a Chairman while the President and General Manager of the GSIS shall automatically be the Vice-chairman.

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**SECTION 13.** Section 43 of Republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

"Sec 43. Powers and Functions of the Board of trustees. – xxx

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"(d) upon the recommendation of the President and General Manager, to approve the GSIS' organizational and administrative structures and staffing pattern[,] **SUBJECT TO EXISTING CIVIL SERVICE LAWS RULES AND REGULATIONS** and to establish, fix, review, revise and adjust the appropriate compensation package for the officers and employees of the GSIS with reasonable allowances, incentives, bonuses, privileges and other benefits as may be necessary or proper for the effective management, operation and administration of the GSIS, which shall be exempt from Republic Act. 6758, otherwise known as the Salary Standardization law and Republic Act No. 7430, otherwise known as the Attrition Law.

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**SECTION 14.** Section 49 of Republic Act No. 8291, otherwise known as "The Government Service Insurance Act of 1997" is hereby amended to read as follows:

"Sec. 49. Dispensation of Social Insurance Benefits. – (a.) the GSIS shall pay the retirement benefits to the employee on his last day of service in the government: *Provided*, That all requirements are submitted to the GSIS SIXTY (60) DAYS [within a reasonable period] prior to the effective date of the retirement;

"(j) Failure of the **PRESIDENT AND GENERAL MANAGER AS WELL AS** Members of the GSIS Board, including the chairman and the vice-chairman, to comply with the provisions of paragraphs (R) AND (w) of Section 41 AND **SECTION 49** hereof, shall subject them to imprisonment of not less than six (6) months more than one (1) year of a fine of not less than [Five] **TEN** thousand pesos (P[10]20,000.00) without prejudice to any civil or administrative liability which may also arise therefrom[.]; **PROVIDED, THAT IN CASE GSIS FAILS TO COMPLY WITHOUT VALID AND JUSTIFIABLE REASON WITH THE REQUIREMENTS REFERRED TO IN SECTION 49 OF THIS ACT, A PENALTY OF NOT MORE THAN 2% SIMPLE INTEREST SHALL BE CHARGED PER MONTH FROM GSIS: PROVIDED, HOWEVER, THAT IN CASE THE RELEASE OF THE RETIREMENT BENEFITS REFERRED TO IN SECTION 49 OF THIS ACT COULD NOT BE ACCOMPLISHED DUE TO FORCE MAJEURE AND OTHER INSUPERABLE CAUSES, THE PENALTY OF IMPRISONMENT AND FINE IMPOSED UNDER THIS PARAGRAPH SHALL NOT APPLY.**

"Criminal actions arising from violations of the provisions of this Act may be commenced by the GSIS or by the aggrieved member, either under this Act or, in appropriate cases, under the Revised Penal Code[.] **AND OTHER SPECIAL LAWS.**

**SECTION 15. Implementing Rules and Regulations.** – The implementing rules and regulations to carry out the provisions of this Act shall be adopted and promulgated by the GSIS, in consultation with the Civil Service Commission (CSC), not later than ninety (90) days after the approval of this act.

**SECTION 16. 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 shall continue to be in full force and effect.

**SECTION 17. 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.

**SECTION 18. Effectivity.** – this act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation or the Official Gazette.

*Approved.*