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SENATE

SENATE BILL NO. 1070 RE

BY: J

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

AN ACT
RATIONALIZING THE CHANGE OF STATUS OF A MEMBER OF
THE GOVERNMENT SERVICE INSURANCE SYSTEM FROM
ACTIVE TO SPECIAL, AMENDING FOR THE PURPOSE
SECTIONS 2 & 55 OF REPUBLIC ACT NO. 8291, OTHERWISE
KNOWN AS THE GOVERNMENT SERVICE INSURANCE
SYSTEM ACT OF 1997, AND FOR OTHER PURPOSES

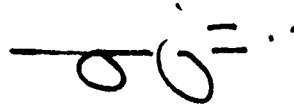
EXPLANATORY NOTE

This measure aims to eliminate any attempt to reduce, diminish, and/ or lessen, if not to destroy, the retirement benefits due to the special member under the law, considering that "Ours is a Government of laws and not of men". Hence, it will uphold and give full meaning to the oft-repeated declarations and pronouncements of the Supreme Court in a long-line of decisions and resolutions that retirement laws are literally interpreted in favor of the retiree. As a matter of fact, in the recent case of Government Service Insurance System vs. Fernando P. De Leon, G.R. No. 186560, 17 November 2010, the Supreme Court, once again, aptly held that:

"The inflexible rule in our jurisdiction is that social legislation must be liberally construed in favour of the beneficiaries. Retirement laws, in particular, are liberally construed in favour of the retiree's sustenance and, hopefully, even comfort when he no longer has the capability to earn a livelihood. The liberal approach aims to achieve the humanitarian purposes of the law in order that efficiency, security and well-being of the Government employees may be enhanced. Indeed, retirement laws are liberally construed and administered in favour of the persons intended to be benefited, and all doubts are resolved in favour of the retiree to achieve their humanitarian purposes."
(Underscoring supplied)

This bill seeks to rationalize the change of status of a member of the Government Services Insurance System (GSIS) from active to special in order to safeguard, protect, secure, and guarantee the retirement benefits due to the said member under Republic Act No. 8291, otherwise known as "The Government Services Insurance System Act of 1997". Indeed,

In view of the foregoing, approval of this bill is earnestly sought.


A handwritten signature in black ink, appearing to read 'JOSEPH VICTOR G. EJERCITO', with a horizontal line extending to the left of the first letter.

JOSEPH VICTOR G. EJERCITO

16 AUG 25 AM 12

SENATE

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INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

AN ACT
RATIONALIZING THE CHANGE OF STATUS OF A MEMBER OF
THE GOVERNMENT SERVICE INSURANCE SYSTEM FROM
ACTIVE TO SPECIAL, AMENDING FOR THE PURPOSE SECTIONS
2 & 55 OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE
GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997, AND
FOR OTHER PURPOSES

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

1 **SECTION 1.** Section 2 of Republic Act No. 8291, otherwise known as
2 the "Government Service Insurance System Act of 1997", is hereby amended
3 to read as follows:

4 "Sec. 2. Definition of Terms. - Unless the context otherwise indicates,
5 the following terms shall mean:

- 6
- 7 (a) xxx;
- 8
- 9 (b) xxx
- 10
- 11 (c) xxx
- 12
- 13 (d) xxx
- 14
- 15 (e) xxx
- 16
- 17 (f) xxx
- 18
- 19 (g) xxx
- 20
- 21 (h) xxx
- 22

- 1 (i) xxx
- 2
- 3 (j) xxx
- 4
- 5 (k) xxx
- 6
- 7 (l) xxx
- 8
- 9 (m) xxx
- 10
- 11 (n) xxx
- 12
- 13 (o) xxx
- 14
- 15 (p) xxx
- 16
- 17 (q) xxx
- 18
- 19 (r) xxx
- 20
- 21 (s) xxx
- 22
- 23 (t) xxx
- 24
- 25 (u) xxx
- 26

27 (v) **SPECIAL MEMBER - AN ACTIVE MEMBER APPOINTED**
28 **TO A NEW POSITION WITH BENEFITS UNDER A SPECIAL**
29 **RETIREMENT LAW;**

30
31 (w) **SPECIAL RETIREMENT LAW - THE JUDICIARY**
32 **RETIREMENT LAW, OTHERWISE KNOWN AS REPUBLIC**
33 **ACT NG. 910, AS AMENDED, AND WITH ADDITIONAL**
34 **BENEFITS UNDER REPUBLIC ACT NO. 9946.**

35

36 **SECTION 2.** Section 55 of Republic Act No. 8291, otherwise known
37 as the "Government Service Insurance System Act of 1997", is hereby
38 amended to read as follows: .

39 "SEC. 55. Exclusiveness of Benefits. - Whenever other laws provide
40 similar benefits for the same contingencies covered by this Act, the
41 member who qualifies to the benefits shall have the option to choose
42 which benefits will be paid to him. However, if the benefits provided
43 by the law chosen are less than the benefits provided under this Act,
44 the GSIS shall pay only the difference.

45

46 **ON THE OTHERHAND, WHENEVER THERE IS A CHANGE OF**
47 **STATUS OF A MEMBER OF GSIS FROM ACTIVE TO SPECIAL,**
48 **GSIS SHALL DETERMINE WHATEVER BENEFITS THE SAID**

1 SPECIAL MEMBER HAS QUALIFIED TO, BY VIRTUE OF
2 HIS/HER CONTRIBUTION, WITHIN (1) MONTH FROM NOTICE
3 OF SUCH CHANGE OF STATUS: PROVIDED, THAT GSIS
4 SHALL IMMEDIATELY PAY THE BENEFITS DUE TO THE
5 SPECIAL MEMBER WITHOUT DELAY: PROVIDED, FURTHER,
6 THAT THE BENEFITS DUE TO THE SPECIAL MEMBER SHALL
7 BE CONSIDERED SEPARATE AND DISTINCT FROM THE
8 BENEFITS AUTHORIZED BY SPECIAL RETIREMENT LAW:
9 PROVIDED, FINALLY, THAT THE BENEFITS MENTIONED
10 HERIN SHALL BE ENJOYED BY THOSE SPECIAL MEMBERS
11 WHO HAVE RETIRED ALREADY."

12

13 **SECTION 3. *Implementing Rules and Regulations.*** - The GSIS shall
14 adopt and promulgate the necessary rules and regulations not later than thirty
15 (30) days from the effectivity of this Act.

16

17 **SECTION 4. *Retroactivity Clause.*** - the benefits mentioned in
18 Section 2 hereof pertaining to a change of status Of a member: of GSIS from
19 active to special shall be granted to all those special members who have retired
20 prior to the effectivity of this Act.

21

22 **SECTION 5. *Repealing Clause.*** - All laws, decrees, executive orders,
23 circulars, and rules and regulations inconsistent herewith are hereby deemed
24 repealed or modified accordingly.

25

26 **SECTION 6. *Separability Clause*** - If any provision of this Act is held
27 invalid or declared unconstitutional, the other provisions which are not
28 affected thereby shall remain valid and subsisting.

29

30 **SECTION 7. *Penalty Clause.*** - the unjustified failure and/ or refusal
31 to comply with any provision of this Act shall be a ground for the filing of
32 administrative disciplinary action against the erring officer(s) and/or
33 employee(s). Such erring officer(s) and/or employee(s) shall, after hearing
34 and due proceedings, be penalized with suspension from service without pay
35 from six (6) months to one (1) year, at the discretion of the disciplining
36 authority.

37

38 **SECTION 8. *Effectivity*** - This Act shall take effect fifteen (15) days
39 following its publication in the Official Gazette or in two (2) newspaper of
40 general circulation in the country.

41

42 *Approved,*