

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



SENATE

S. No. 54

Introduced by Senator Manuel "Lito" M. Lapid

AN ACT
PROVIDING FOR AUTOMATIC ADJUSTMENT OF THE BASIC MONTHLY PENSION FOR RETIRED PERSONNEL COVERED BY THE GOVERNMENT SERVICE INSURANCE SYSTEM AND SOCIAL SECURITY SYSTEM TO THE PREVAILING COST OF LIVING INDEX

EXPLANATORY NOTE

A good retirement plan is a personal investment into one's self-sufficiency during the twilight years period. The State, alongside employers, partners with citizens in building up good retirement plans for the public. This is accomplished by providing retirement benefits to employees through the returns receivable by them from the Government Service Insurance System (GSIS) or Social Security System (SSS).

Employees invest valuable earnings as premiums to GSIS and/or SSS during the period of their employment and claim these upon their retirement. The fact that our economic managers have been experiencing difficulty in hitting the target inflation rate for the past years due to many factors raises the need to consider said inflation rate in the computation of the pension in order to keep the retiree's purchasing power. Although the law presently allows adjustments to be made on the basic monthly pension, experience shows that such adjustments are rarely made and if at all, they are highly unrealistic.

This bill seeks for the automatic adjustment of the basic monthly pension of retired personnel covered by the Government Service Insurance System (GSIS) and Social Security System (SSS) to appropriately take into consideration the rate of inflation.

In view of the foregoing, early passage of this bill is earnestly urged.


MANUEL "LITO" M. LAPID
Senator



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

1 Section 1. This Act shall be known as the "Automatic GSIS and SSS Pension
2 Adjustment Act".

3

4 Sec. 2. The basic monthly pension of members covered by the Government
5 Service Insurance System (GSIS) and the Social Security System (SSS) shall be
6 automatically adjusted to the prevailing cost of living index as determined by the
7 National Economic and Development Authority (NEDA).

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9 Sec. 3. The Government Service Insurance System and the Social Security
10 System, as the case may be, shall issue such rules and regulations as may be
11 necessary for the effective implementation of this Act.

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13 Sec. 4. The benefits of this Act shall be extended to all pensioners still
14 surviving at the time of its approval.

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1 Sec. 5. Such amount necessary for the implementation of this Act shall be
2 charged to the State Insurance Fund of the Government Service Insurance System
3 and to the Reserve Fund of the Social Security System, respectively.

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5 Sec. 6. Should any part or provision of this Act be declared unconstitutional
6 or invalid, the remaining parts or provisions not affected thereby shall remain in full
7 force and effect.

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9 Sec. 7. All laws, decrees, executive orders, letters of instructions,
10 proclamations, rules and regulations, or parts thereof inconsistent with this Act shall
11 be deemed modified, amended, or repealed accordingly.

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13 Sec. 8. This Act shall take effect fifteen (15) days after its complete
14 publication in two (2) newspapers of general circulation.

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16 *Approved,*