

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

7 JUL -4 AS:38

SENATE
S.B. No. 926

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Introduced by Senator Loren Legarda

EXPLANATORY NOTE

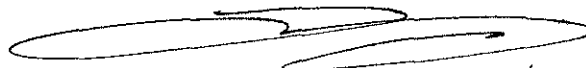
This bill gives government employees who retired from government service the option to enjoy the benefits of their retirement either under Republic Act No. 1616 or Republic Act No. 660.

Under Republic Act No. 1616 which amended certain provisions of Commonwealth Act Numbered 186, as amended, by prescribing two other modes of retirement and for other purposes, a government retiree is entitled to: 1.) gratuity payable by the last employer based on the total creditable service converted into gratuity months multiplied by the highest compensation received; and 2.) refund of retirement premiums consisting of personal contributions of the employee plus interest, and government share without interest, payable by GSIS.

On the other hand, a government retiree under Republic Act No. 660 is entitled to: 1.) automatic pension subject to certain conditions; 2.) initial three-year lump sum; and 3.) five-year lump sum for those who are at least 63 years of age or over on the date of retirement.

Government employees who devoted their productive years to government service deserve to maximize the benefits of their retirement. By giving them the option to avail of the same under any of the aforementioned laws will give due recognition to the years they devoted to public service. This proposed measure seeks to implement such recognition.

In view of the foregoing, immediate passage of this bill is earnestly requested.



LOREN LEGARDA
Senator

FOURTEENTH CONGRESS OF THE REPUBLIC)
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First Regular Session)

7 JUL -4 A8:38

SENATE
S.B. No. 926

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**AN ACT
TO FURTHER AMEND PRESIDENTIAL DECREE NO. 1146 AS AMENDED BY
REPUBLIC ACT NO. 8291 OTHERWISE KNOWN AS THE "REVISED
GOVERNMENT SERVICE INSURANCE ACT OF 2007".**

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

Section 1. Section 10 (b) of Presidential Decree No. 1146 as amended by R.A. 8291 is hereby further to read as follows:

Section 2. The same Presidential Decree is hereby amended by adding a new section after Section 14 to be denominated as Section 14- A to read as follow:

"Section 14- A RETIREMENT OPTION-EMPLOYEES, INCLUDING THOSE WHO HAVE PREVIOUSLY RETIRED OR SEPARATED FROM THE SERVICE BUT WERE REEMPLOYED OR REINSTATED AND SUBSEQUENTLY COMPULSORILY RETIRED AFTER THE EFFECTIVITY AND IMPLEMENTATION OF R.A. 8291 AND THOSE WHO ARE IN GOVERNMENT SERVICE UPON THE EFFECTIVITY OF THE SAID LAW SHALL, AT THE TIME THEIR RETIREMENT, BE ACCORDED THE OPTION TO RETIRE UNDER R.A. 1616 OR R.A. 660, AND THEIR BENEFITS AND ENTITLEMENTS THERETO BE DETERMINED INACCORDANCE WITH THE PROVISIONS OF THE LAW SO OPTED OR CHOSEN."

Section 3. The Repealing Clause---All laws and any other law or parts of law specifically inconsistent herewith are hereby repealed or modified accordingly: Provided, That the rights under existing laws, rules and regulations vested upon or acquired by an employee who is already in the service as of the effectivity of this Act shall remain in force and effect: **PROVIDED, FURTHER, THAT [subsequent to the effectivity of this Act] A NEW EMPLOYEE [or an employee] WHO HAS PREVIOUSLY RETIRED OR SEPARATED FROM THE SERVICE AND IS REEMPLOYED [in the service shall be covered by the provision] AFTER THE EFFECTIVITY OF THE ACT, HIS SUBSEQUENT RETIREMENT SHALL BE COVERED BY THE PROVISIONS OF THIS ACT.**

Section 4. Retroactivity Clause---This Act shall have retroactive effect those who have already retired compulsorily after the effectivity of R.A. 8291 but ~~were~~ not given the option to retire under R.A. 1616 or R.A. 660.

SEC. 5. Separability Clause. - If any provision of this Act is declared invalid, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

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SEC. 6. Repealing Clause. - All laws, presidential decrees, executive orders and their implementing rules, inconsistent with the provisions of this act are hereby repealed, amended or modified accordingly.

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SEC. 7. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

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Approved