

THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
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SENATE
PS Res. 281

RECEIVED BY: _____

Introduced by Senator Magsaysay, Jr.

RESOLUTION

URGING THE SENATE COMMITTEE ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES AND APPROPRIATE COMMITTEE/S TO CONDUCT A COMPREHENSIVE INQUIRY AND ASSESSMENT, IN AID OF LEGISLATION, ON THE STATUS AND VIABILITY OF THE GOVERNMENT'S PENSION FUNDS, THE SOCIAL SECURITY SYSTEM, THE GOVERNMENT SERVICE INSURANCE SYSTEM AND THE AFP RETIREMENT AND SEPARATION BENEFIT SYSTEM

Whereas, the Social Security System, the Government Service Insurance System, the Armed Forces of the Philippines Retirement and Separation Benefits System (AFP RSBS) and other government agencies tasked with management of pension funds are all established to provide security and protection to every Filipino wage earner both in the public and private sector and his family against the hazards of disability, sickness, maternity, old age and death;

Whereas, the pension funds are attended by supreme public interests considering that they are primarily contributed by the Filipino workforce: in case of the GSIS, a member contributes an average of twenty one percent (21%); an average of nine point three percent (9.3 %) is collected from an SSS member and five percent (5%) is deducted in the soldiers' pay for the AFP RSBS:

Whereas, various problems are faced by the country's pension funds:

- In the case of the SSS, the biggest issues confronting the system are the continuing drying up of the fund's reserves and its problems in such areas as actuarial life, its administrative operations and its investment portfolio;
- For the GSIS, while it was reported that it earned a substantial thirty five billion (Php 35 B) profit for 2004, the veracity of the same is doubted as contained in a number of arguments as follows:
 - a. that if indeed the GSIS is making so much money, how come it has been cutting down on pension benefits for retired personnel and senior citizens who devoted the best years of their lives in government service;
 - b. that the GSIS is considered the most corrupt government agency by the public as reflected in the survey conducted by the Social Weather Station (SWS) in December 2004

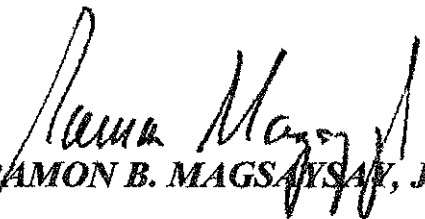
• the AFP RSBS, on the other hand, as admitted by the Chief of Staff himself, Gen. Efren Abu, will never attain the status of self-sufficiency considering the fundamental imbalance between generous benefits and meager contributions and the corresponding analysis on the effect of the overhauling of the entire military pension system and the creation of a new pension fund managed by civilians. Likewise, the reported unpaid portion of the former soldiers' pension pegged at almost Php 17 billion and is growing at the rate of Php 5 billion a year. |

Whereas, the equity investments made, the questionable investment decisions, the policy of providing benefits to members which are marked by slow processing and the absence of mechanisms of accountability, transparency and efficiency in performing their mandated functions should be analyzed and assessed for the benefit of their members;

Whereas, the pension funds are all designed to assist the members who all contributed while serving the best years of their lives in the workforce, be it in the civil service, militia and corporate sector and thus, they should be accorded the guarantee that these pension funds can serve as their active partners in the future: Now therefore be it

Resolve, by the Senate, as it is hereby resolved To urge the Senate Committee On Government Corporations And Public Enterprises And Appropriate Committee/S To Conduct A Comprehensive Inquiry And Assessment, In Aid Of Legislation, On The Status And Viability Of The Government's Pension Funds, The Social Security System, The Government Service Insurance System And The AFP Retirement And Separation Benefit System.

Adopted,


RAMON B. MAGSAYSAY, JR.