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SEVENTEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
First Regular Session]

SENATE

S.B. No. 1289

Introduced by SEN. SHERWIN T. GATCHALIAN

AN ACT

LOWERING THE COMPULSORY AND OPTIONAL RETIREMENT AGE OF
GOVERNMENT EMPLOYEES, AMENDING FOR THE PURPOSE SECTIONS 13(B)
AND 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE
GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997

EXPLANATORY NOTE

This bill proposes a reduction in the *optional retirement* age of all government employees from sixty (60) years to fifty-five (55) years, and in the *compulsory retirement* age from sixty-five (65) to sixty (60) years.

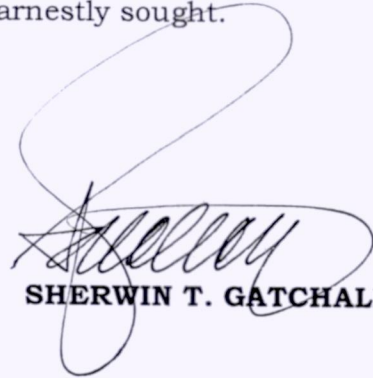
Lowering the compulsory and optional retirement age would allow government employees to fully reap the fruits of their retirement benefits after dedicating long years in government service. This measure not only allows them to enjoy their retirement pay, it also gives them a chance to venture into other fields of endeavor, such as starting their own business. Thus, making them self-sufficient and financially independent.

This measure also seeks to address the unemployment problem in our country. An independent survey reveals that despite reports of economic growth, the Philippines still has the lowest unemployment rate in Asia. The latest labor force survey (LFS) data has official unemployment in the country at 5.8% in January 2016. The latest available

data from slower-growing Asian economies shows lower unemployment rates, for instance: China (4.0%), Vietnam (2.3%), Indonesia (5.5%), Malaysia (3.5%), Thailand (1.0%). Furthermore, The group reiterated that official unemployment figures do not even capture the true extent of joblessness in the country.¹

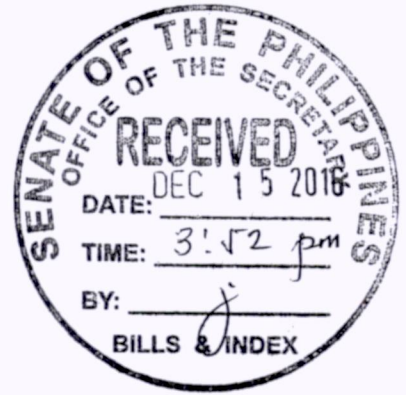
Through this bill, when the elder set retire early, there will be employment opportunities for more Filipinos, particularly the younger generation who are more adept in new methods and technological advancements which are now becoming essential in a workplace. In effect, this legislative measure if approved into law will enhance efficiency and productivity in the government.

Hence, the immediate passage of this bill is earnestly sought.



SHERWIN T. GATCHALIAN

¹ <http://ibon.org/2016/05/amid-growth-ph-unemployment-still-worst-in-asia-ibon/>



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

1 SECTION 1. Section 13 (B) and 13-A of Republic Act 8291, or The Government
2 Service Insurance System Act of 1997, is hereby further amended to read as follows:

3 "RETIREMENT BENEFITS

4
5 "SECTION 13. Retirement Benefits. — (a) Retirement benefit shall be:

6
7 "(1) the lump sum payment as defined in this Act payable at the time
8 of retirement plus an old-age pension benefit equal to the basic
9 monthly pension payable monthly for life, starting upon expiration of
10 the five-year (5) guaranteed period covered by the lump sum; or
11 "(2) cash payment equivalent to eighteen (18) months of his basic
12 monthly pension plus monthly pension for life payable immediately
13 with no five-year (5) guarantee.

14
15 "(b) Unless the service is extended by appropriate authorities,
16 retirement shall be compulsory for an employee at **SIXTY (60)** [sixty-
17 five (65)] years of age with at least fifteen (15) years of service:
18 Provided, That if he has less than fifteen (15) years of service, he may

1 be allowed to continue in the service in accordance with existing civil
2 service rules and regulations; **PROVIDED, FURTHER, THAT ALL**
3 **EMPLOYEES WHO, AT THE TIME OF EFFECTVITY OF THIS ACT**
4 **ARE SIXTY-ONE YEARS OF AGE AND ABOVE SHALL RETIRE**
5 **UNDER THE FOLLOWING PHASES:**
6

7 **“(1) THOSE WITHIN THE AGES OF SIXTY-FOUR (64) TO SIXTY-**
8 **FIVE YEARS (65) OLD SHALL BE RETIRED DURING THE FIRST**
9 **YEAR OF IMPLEMENTATION OF THIS ACT;**

10
11 **“(2) THOSE WITHIN THE AGES OF SIXTY-TWO (62) TO SIXTY-**
12 **THREE (63) YEARS OLD SHALL BE RETIRED ON THE SECOND**
13 **YEAR OF IMPLEMENTATION, AND**

14
15 **“(3) THOSE WHO ARE SIXTY-ONE (61) YEARS OF AGE SHALL BE**
16 **RETIRED ON THE THIRD YEAR OF IMPLEMENTATION.”**

17
18 "SECTION 13-A. Conditions for Entitlement. — A member who retires
19 from the service shall be entitled to the retirement benefits in
20 paragraph (a) of Section 13 hereof: Provided, That:

- 21
22 (1) he has rendered at least fifteen (15) years of service;
23 (2) he is at least **FIFTY-FIVE (55)** [sixty (60) years] of age at the time
24 of retirement; and
25 (3) he is not receiving a monthly pension benefit from permanent total
26 disability.
27

28 **SEC. 2. *Implementing Rules and Regulations.*** - Within sixty (60) days upon
29 the approval of this Act, the Government Service Insurance System shall, in
30 consultation with the various stakeholders, formulate the rules and regulations
31 necessary for the proper implementation of this Act.
32

33 **SEC. 3. *Repealing Clause.*** - All laws, acts, presidential decrees, executive
34 orders, administrative orders, rules and regulations, or parts thereof, inconsistent with
35 or contrary to the provisions of this Act are hereby amended, modified or repealed
36 accordingly.
37

38 **SEC. 4. *Effectivity*** - This Act shall take effect fifteen (15) days after its publication
39 in at least two (2) newspapers of general circulation.

Approved,