

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



Senate
Office of the Secretary

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SENATE

S. B. No. 588

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Introduced by **Senator FRANCIS G. ESCUDERO**

EXPLANATORY NOTE

It is the moral obligation of Congress and its members to see to it that the State policies, ordained in the Constitution are translatable into tangible pieces of worthy legislation, especially, Constitutional injunctions which provides:

“The State shall, from time to time, review to upgrade the pension and other benefits due to retirees of both government and private sectors (Article XVI, Section 8).”

A survey conducted of retirees who opted to retire under Republic Act No. 1616 revealed that a majority of this class of retirees has been living in abject poverty, and many of them have to depend on dole-outs from close relatives and friends. Aged government personnel who retired need monthly pension because at their late age their opportunities of earning are already almost nil.

The lump sum they have received from RA 1616 was greatly eroded by economic slump and high cost of living. Their economic difficulties were further aggravated when our country suffers from devastating effects of natural calamities.

This Bill proposes the granting of monthly pension to government retirees who have availed of retirement benefits under RA 1616 when they reach the age of seventy (70).

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

FRANCIS G. ESCUDERO

SIXTEENTH CONGRESS OF THE)
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SENATE

S. B. No. **588**

RECEIVED BY: *[Signature]*

Introduced by Senator **FRANCIS G. ESCUDERO**

AN ACT
TO GRANT MONTHLY PENSION TO GOVERNMENT RETIREES UNDER R.A. 1616
WHO HAVE REACHED THE AGE OF SEVENTY (70) YEARS, APPROPRIATING
FUNDS THEREFOR AND FOR OTHER PURPOSES

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

1 Section 1. *Declaration of Policy* – The Constitution provides that the State shall, from
2 time to time, review to upgrade the pensions and other benefits due to retirees of both the
3 government and private sectors. As far as may be possible, it should provide to those who have
4 less in life the opportunity to earn for their living so that they may play a more active role in
5 social life and especially in the economic and political spheres. It is the duty of the State to create
6 conditions which are necessary to realize the right of all citizens particularly the underprivileged
7 the equal opportunity. To this end, the State shall grant Monthly Pension to government retirees
8 who have availed of retirement benefits under Republic Act No. 1616.

9 Section 2. *Definition of Terms* – The following terms shall be understood in this Act to
10 mean:

- 11 1) Government Service Insurance System (GSIS) – refers to the agency entrusted to take
12 charge of all matters pertaining to the benefits and insurance claims of all government
13 officials and employees, as created and established under Presidential Decree No.
14 1146 and further amended by Republic Act No. 8291;
- 15 2) Retiree – refers to government officials and employees who have availed of
16 retirement benefits under Republic Act No. 1616 whose annuity computed in
17 accordance with the mortality table and the rate of interest adopted by the system;

1 3) Monthly pension – refers to the monthly benefits to be granted to government retirees
2 under RA 1616 as embodied in this Act, to be determined by the GSIS;

3 Section 3. *Rules and Guidelines* – To implement this Act, the Government Service
4 Insurance System shall determine the Monthly Pension of a retiree as defined herein and
5 formulate guidelines in the disbursement for said beneficiaries.

6 Section 4. *Funding* – The President of the Republic is hereby authorized to realign or
7 transfer any item appropriate within the GSIS and/or utilize any savings therein to carry out the
8 purpose of this Act. Whatever additional amount as may be needed for its implementation shall
9 be included in the overall Appropriations Act of the ensuing Fiscal Years.

10 Section 5. *Separability Clause*. – In the event of any portion of provision of this Act is
11 declared unconstitutional, the remainder of this Act or any provisions not affected thereby shall
12 remain in force and thereby shall remain in force and in effect.

13 Section 6. *Repealing Clause* - All other laws, decrees, rules and regulations contrary or
14 inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

15 Section 7. *Effectivity*. This Act shall take effect 15 days after its complete publication in
16 at least two (2) newspapers of national circulation.

17 *Approved,*