

Pursuant to Section 53 of Section 1 of Republic Act No. 8291, otherwise known as the Government Service Insurance System Act of 1997, the implementing rules and regulations are hereby adopted and promulgated to carry out the provisions of the law.

RULE I

DEFINITION OF TERMS

- Section 1. Unless the context otherwise indicates, the following terms shall mean:
- 1.1 **ACCOUNT IN ARREARS** – An account which remains unpaid after due date.
- 1.2 **ACCOUNT IN DEFAULT** – An account in arrears which became due and demandable and remain unpaid.
- 1.3 **ACT** – Refers to Republic Act No. 8291, otherwise known as the Government Service Insurance System Act of 1997.
- 1.4 **AMC** – Refers to Average Monthly Compensation. This refers to the average salary received by the member during the last 36 months of creditable service preceding his separation, retirement, disability, or death, or, if with less than 36 months of creditable service, the actual number of months of the creditable service.
- 1.5 **APL** – Refers to Automatic Policy Loan or Automatic Premium Loan. This is the amount that will be deducted from the Cash Value/Termination Value of a life insurance policy to keep the policy in force.
- 1.6 **BENEFIT** – The amount that GSIS is obligated to pay the member upon the occurrence of a covered contingency that is payable under the Act.
- 1.7 **BILLING** – The process of sending notices or statements to government agencies, members, or borrowers to remind or demand payment for accounts that are falling due or are past their due dates.
- 1.8 **BOARD** – The Board of Trustees of the GSIS.
- 1.9 **CASH DIVIDEND** – The sum of money paid to policyholders whose life insurance policies have been in force for at least one year subject to amount and conditions recommended by Actuary and approved by the Board.
- 1.10 **CASH PAYMENT** – A benefit payable to a member upon separation, disability or retirement, or to the beneficiaries upon the death of the member, under conditions provided by law.
- 1.11 **CASH VALUE** – Accumulated amount earned based on premium payment while the LEP is in force.
- 1.12 **CLAIM** – A request from the member or his beneficiaries for payment of benefits that may be due as provided under this Act.
- 1.13 **CLIP** – Refers to Claims and Loans Interdependency Policy. This is a mechanism which ensures the collection of unpaid accounts from the proceeds of a loan or claim of a member or his beneficiaries.
- 1.14 **COMPENSATION** – The fixed monthly salary received by an employee excluding allowances, per diems, bonuses, overtime pay, honoraria and other emoluments not integrated into the fixed monthly salary.

2. Appointive officials who, before reaching the mandatory age of 65, are appointed to government position by the President of the Republic of the Philippines and shall remain in government service at age beyond 65:

- 2.3. Contractual employees including casuals and other employees with an employee-government agency relationship are also compulsorily covered, provided they are receiving fixed monthly compensation and rendering the required number of working hours for the month.

- 2.4. **Classes of Membership** – Membership in the GSIS is classified either by type or status of membership.

- 2.4.1. As to type of members, there are regular and special members:

- a. **Regular Members** – are those employed by the government of the Republic of the Philippines, national or local, legislative bodies, government-owned and controlled corporations (GOCC) with original charters, government financial institutions (GFIs), except uniformed personnel of the Armed Forces of the Philippines, the Philippine National Police, Bureau of Jail Management and Penology (BJMP) and Bureau of Fire Protection (BFP), who are required by law to remit regular monthly contributions to the GSIS.

- b. **Special Members** – are constitutional commissioners, members of the judiciary, including those with equivalent ranks, who are required by law to remit regular monthly contributions for life insurance policies to the GSIS in order to answer for their life insurance benefits defined under RA 8291.

- 2.4.2. As to status of membership, there are active and inactive members.

- a. **Active member** – refers to a member of the GSIS, whether regular or special, who is still in the government service and together with the government agency to which he belongs, is required to pay the monthly contribution.

- b. **Inactive member** – a member who is separated from the service either by resignation, retirement, disability, dismissal from the service, retrenchment or, who is deemed retired from the service under this Act.

Section 3 Exclusion from Compulsory Coverage

- 3.1 The following employees are excluded from compulsory coverage:

- 3.1.1. Uniformed personnel of the Armed Forces of the Philippines (AFP), Philippine National Police (PNP), Bureau of Fire Protection (BFP) and Bureau of Jail Management and Penology (BJMP);
- 3.1.2. Barangay and Sanggunian Officials who are not receiving fixed monthly compensation;
- 3.1.3. Contractual Employees who are not receiving fixed monthly compensation; and
- 3.1.4. Employees who do not have monthly regular hours of work and are not receiving fixed monthly compensation.

Section 4 Policy Governing Membership Administration

- 6.2.4 ELP of newly appointed employee shall be effective for a period of 90 days from date of assumption to duty, even without receipt of the corresponding life insurance premiums due and even if GSIS has not received any formal notice of his assumption to duty, subject to the following conditions:

- a. The new employee is receiving fixed monthly compensation.
- b. In case the employee dies within 90 days from the date of assumption to duty, the corresponding death benefit or the proceeds of the life insurance shall be paid to the legal heirs, subject to presentation of proof that the employee was appointed to the position and assumed office within the said period. Premiums due the GSIS shall be deducted from the proceeds of the life insurance benefit.
- c. In case no payment of the monthly premium contributions for life insurance is made after the 90-day term, the life insurance coverage issued shall automatically lapse and the legal heirs of the member shall not be entitled to life insurance benefits in case of his death.

- 6.2.5 No supplemental policies will be issued in case of adjustment in the salary of the policyholder.

- 6.2.6 ELP will earn termination value, which can be withdrawn upon separation or retirement.

- 6.2.7 In case of non-payment of the premiums, an APL will be applied against the termination value of the policy, provided that the said policy has enough termination value, less policy loan, to cover the premiums due for the life insurance cover. Provided further, that such non-payment shall not be more than 12 months.

- 6.2.8 In case non-payment is more than 12 months, the policy shall be lapsed and the remaining termination value shall be the seed fund of the reinstated policy.

Section 7

Automatic Policy Loan (APL) – The APL is a feature of a GSIS life insurance policy that keeps the policy in force in case of non payment of premiums by taking out a loan amount against the unrestricted portion of the policy's accumulated Cash Value (CV) or Termination Value (TV).

- 7.1 The APL shall only be applied if the policy has:

- 7.1.1 An unpaid premium after the grace period; and
- 7.1.2 Earned sufficient CV or TV to cover the unpaid premiums or a fraction thereof, and policy loan, including corresponding interest thereon.

- 7.2 In the case of LEP or ELP, if the premium contribution paid is not sufficient to cover the life insurance premium for the month, after deducting the retirement premium, APL equivalent to the amount of the unpaid premium, or a fraction thereof, shall be applied.

- 7.3 The interest rate shall be the same as the interest rate for policy loan. The interest charged on the APL of a policyholder shall be independent of the interest charged on the agency for delayed remittances.

- 7.4 The formula for computing the APL Balance as of a given date shall be as follows:

$$\text{APL Balance (current month)} = \text{APL Balance (previous month)} + \text{Interest due on APL Balance (previous month)} + \text{Unpaid Premium Due for the Current Month (full or partial)}$$

- 1.12 **CLAIM** – A request from the member or his beneficiaries for payment of benefits that may be due as provided under this Act.
- 1.13 **CLIP** – Refers to Claims and Loans Interdependency Policy. This is a mechanism which ensures the collection of unpaid accounts from the proceeds of a loan or claim of a member or his beneficiaries.
- 1.14 **COMPENSATION** – The fixed monthly salary received by an employee excluding allowances, per diems, bonuses, overtime pay, honoraria and other emoluments not integrated into the fixed monthly salary.
- 1.15 **CONTINGENCIES** – Events such as separation from the service, retirement, disability or death which are payable under this Act.
- 1.16 **CONTRIBUTION** – The amount payable to the GSIS by the member and government agency or employer to which he belongs.
- 1.17 **CSV** – Refers to Cash Surrender Value, which is the amount to be paid to the policyholder of Life Endowment Policy (LEP) or optional life insurance policies when he is separated from the service before maturity date of the policy or when a policyholder is considered a case of Permanent Total Disability (PTD).
- 1.18 **CURRENT DAILY COMPENSATION.** – The actual daily compensation or the fixed monthly compensation divided by twenty-two (22) days.
- 1.19 **DEPENDENTS** – The (a) legitimate spouse dependent for support on the member or pensioner, (b) legitimate/legitimated legally adopted child, including the illegitimate child, who is unmarried, not gainfully employed, not over the age of majority, or is over the age of majority but incapacitated and incapable of self-support due to a mental or physical defect acquired prior to age of majority, and (c) the parents dependent upon the member for support.
- 1.20 **DISABILITY** – Any loss or impairment of the normal functions of the physical and/or mental faculties of a member, which reduces or eliminates his capacity to continue with his current gainful occupation or engage in any other gainful occupation resulting in the loss of income.
- 1.21 **ELP** – Refers to Enhanced Life Policy. This is a compulsory life insurance coverage issued by GSIS after July 31, 2003.
- 1.22 **FUNERAL BENEFIT** – Benefit intended to help defray the expenses incidental to the burial and funeral of the deceased member, pensioner or retiree.
- 1.23 **GAINFUL OCCUPATION** – Any productive activity that provides income of at least equal to the prevailing minimum compensation of government employees.
- 1.24 **GOVERNMENT AGENCY** – Any government office whether national or local, legislative bodies, government-owned and controlled corporations (GOCC) with original charters, government financial institutions (GFIs), constitutional commissions, judiciary, Armed Forces of the Philippines, the Philippine National Police, Bureau of Jail Management and Penology (BJMP) and Bureau of Fire Protection (BFP).
- 1.25 **INVESTMENTS** – Amounts of money or other resources measured in terms of money placed on activities for the purpose of earning profits.
- 1.26 **LEP** – Refers to Life Endowment Policy. This is the life insurance policy issued to regular members prior to August 1, 2003 or to special members after the implementation of this Act.
- 1.27 **MEMBER** – A government employee receiving compensation while in the service of a government agency by virtue of an appointment or election to public office and irrespective of status of appointment.

(AFP), Philippine National Police (PNP), Bureau of Fire Protection (BFP) and Bureau of Jail Management and Penology (BJMP);

- 3.1.2. Barangay and Sanggunian Officials who are not receiving fixed monthly compensation;
- 3.1.3. Contractual Employees who are not receiving fixed monthly compensation; and
- 3.1.4. Employees who do not have monthly regular hours of work and are not receiving fixed monthly compensation.

Section 4 Policy Governing Membership Administration

The basic policy governing membership administration shall be length of service with corresponding paid premiums.

4.1 The basic principles under this policy are:

- 4.1.1 Membership in the GSIS carries with it the legal obligation to promptly remit the required monthly premium contributions. Thus the extent of the benefits to which a member is entitled will depend upon the level of compliance in the remittance of his premium contributions.
- 4.1.2 Government agencies where the members are employed have the legal obligation to remit on time the monthly premium contributions due from members concerned, both for personal and government shares. In case of delay, they have the legal obligation to pay interest as may be prescribed by the Board but not less than two percent (2%) simple interest per month.
- 4.1.3 For purposes of computing the benefits under the social insurance laws administered by the GSIS, a member's period of service in government will only be recognized by GSIS as creditable service if the monthly compulsory premiums corresponding to said period have been paid and remitted, including the interests if there are delays in their remittance.
- 4.1.4 In case of underpayment of the monthly premium contributions due, only such portion of the period of service proportionately equivalent to the amount actually received shall be recognized as creditable service for purposes of computing the benefits under the administration of GSIS.
- 4.1.5 The amount of monthly contributions due from a member is based on his fixed monthly compensation.
- 4.1.6 The compulsory life insurance coverage extended to the members is dependent on the timely remittance of the premiums due for the coverage. Thus, the said coverage may lapse for failure to remit the required premiums.

Section 5 Effectivity of Membership

The effective date of membership shall be the date of the member's assumption to duty on his original appointment or election to public office.

Section 6 Types of Compulsory Life Insurance

The GSIS is administering two (2) types of compulsory life insurance programs for its members. First is the life Insurance policy with an endowment plan or Life Endowment Policy (LEP) as distinguished from the second program which is termed as Enhanced Life Policy (ELP).

- 6.1 **Life Endowment Policy (LEP)** is an insurance policy issued to members prior to August 1, 2003. It has the following features:
- 6.1.1 It provides coverage against death whether due to natural or accidental causes, permanent total disability, and cash benefits upon maturity or separation from the service.
- 6.1.2 The effective date of coverage is the date of appointment regardless of the status thereof, or assumption to duty, whichever is later and applicable.

premium, APL equivalent to the amount of the unpaid premium, or a fraction thereof, shall be applied.

- 7.3 The interest rate shall be the same as the interest rate for policy loan. The interest charged on the APL of a policyholder shall be independent of the interest charged on the agency for delayed remittances.
- 7.4 The formula for computing the APL Balance as of a given date shall be as follows:

$$\text{APL Balance (current month)} = \text{APL Balance (previous month)} + \text{Interest due on APL Balance (previous month)} + \text{Unpaid Premium Due for the Current Month (full or partial)}$$

Section 8 Policy Lapsation

8.1 Basic Rules on Policy Lapsation. – A policy shall be considered lapsed when:

- 8.1.1 The combined outstanding balances of its APL and Policy Loan have exceeded the Cash Value or Termination Value. The regular policy loan of a lapsed policy and the APL, if any, shall be deemed paid by the accumulated CV/TV of the policy; or
- 1.1.2 The policy has no payment for twelve (12) months, or the total unpaid premiums is equal to twelve (12) months, even if there is still balance in the cash or termination value of the policy. After the automatic lapse of a compulsory life insurance policy, the following shall be done:
- If the member is still in the service, the CV/TV balance shall be used as seed fund of his new ELP policy or shall form part of the termination value of his reinstated ELP, as the case may be.
 - If the member is already separated from the service, the CV/TV balance shall be used to pay his other existing loan obligations with the GSIS and any excess shall be paid to the policyholder, subject to the filing of a claim; otherwise, the CV/TV balance will become the seed fund of his new ELP, or added to the termination value of his reinstated ELP, in case of re-entry in government service.
 - The monthly premium billing for lapsed policies shall continue in case the member is still in the service.

8.2 Basic rules on Policy Reinstatement and Conversion from LEP to ELP are as follows:

- 8.2.1 Lapsed policy shall automatically be reinstated on the date the life insurance premiums are paid and remitted to the GSIS for the account of the member effective on the beginning of the due month covered by the payment.
- 8.2.2 Member with lapsed LEP shall be issued an ELP upon receipt of first premium under the new coverage, provided he is still in the service.
- 8.2.3 For members whose LEP has lapsed and were issued new ELP, all unposted life insurance payments prior to policy lapse but posted after policy lapse shall be added to the termination value of the new ELP.
- 8.2.4 After conversion from LEP policy to ELP policy, any excess payment, after applying the payment to the current month and the preceding unpaid months where the member was given a grace period, shall be added to the TV of the ELP.

Section 9 Member's Service Profile

For purposes of establishing data for every member, a Member's Service Profile (MSP) is created in the GSIS database.

The MSP basically contains the service profile of every member which includes among others, the date of first entry in government service, the periods in government service, the respective agencies and the position the member has served, the salaries received, the Total Length of Service (TLS) and the Record of Creditable Service (RCS)

policy issued to regular members prior to August 1, 2003 or to special members after the implementation of this Act.

- 1.27 **MEMBER** – A government employee receiving compensation while in the service of a government agency by virtue of an appointment or election to public office and irrespective of status of appointment.
- 1.28 **ACTIVE MEMBER.** — A member of GSIS, whether regular or special, who is in the government service.
- 1.29 **INACTIVE MEMBER.** – A member who is separated from the service, either by resignation, retirement, disability, dismissal, or retrenchment.
- 1.30 **REGULAR MEMBERS** – Those who, together with the government agency to which they belong, are required to remit life and retirement premium contributions as mandated under Section 5 of RA 8291.
- 1.31 **SPECIAL MEMBERS** – Those who, together with the government agency to which they belong, are required to remit life insurance premiums only.
- 1.32 **PENSION** – A monthly specified cash amount that a qualified member will receive upon retirement or when considered as a case of permanent total disability.
- 1.33 **PRESCRIPTION PERIOD** – The allowable period within which to file a claim for benefit or benefits.
- 1.34 **RCS** – Refers to Record of Creditable Service. The RCS includes service periods with corresponding premium contributions and serves as basis for computing benefits.
- 1.35 **RE-EMPLOYMENT** – Subsequent re-entry in government service after separation from service.
- 1.36 **REINSTATEMENT OF POLICY** – The restoration of the effectivity of the life insurance policy upon payment of the required premiums under terms and conditions of the ELP.
- 1.37 **TERMINATION VALUE** – Accumulated amount earned based on premium payment while the ELP is in force.

**RULE II
MEMBERSHIP OF THE GSIS**

Section 2. Compulsory Membership

- 2.1. All government personnel, whether elective or appointive, irrespective of status of appointment, provided they are receiving fixed monthly compensation and have not reached the mandatory retirement age of 65 years, are compulsorily covered as members of the GSIS and shall be required to pay contributions.
- 2.2. However, employees who have reached the retirement age of 65 or more shall also be covered, subject to the following rules:

An employee who is already beyond the mandatory retirement age of 65 shall be compulsorily covered and be required to pay both the life and retirement premiums under the following situations:
 - 1. An elective official who at the time of election to public office is below 65 years of age and will be 65 years or more at the end of his term of office, including the period/s of his re-election to public office thereafter without interruption.

accidental causes, permanent total disability, and cash benefits upon maturity or separation from the service.

- 6.1.2 The effective date of coverage is the date of appointment regardless of the status thereof, or assumption to duty, whichever is later and applicable.
- 6.1.3 The type of insurance plans issued to members depends on the age nearest the member's birth date at the time of effectivity, as follow

Age Bracket	Plan of Insurance
30 years and below	Endowment at 45
31 years to 40	Endowment at 55
41 years to 59	Endowment at 65
60 years and over	Ordinary Life
- 6.1.4 The amount of insurance is based on the plan of insurance, the age of the member at the effectivity of the plan, and the fixed monthly pay of the member. An insurance factor based on the age and type of insurance is applied to the annual salary to get the amount of insurance.
- 6.15 After the first year of coverage, the plan earns cash value and increases with the regular payment of premiums on the plan.
- 6.1.6 In case of non-payment of the premiums, an APL will be applied against the cash value provided that the policy has enough cash value, less policy loan, to cover the APL. Provided further, that such non-payment shall not extend to more than 12 months. In the case non-payment extends to more than 12 months, the policy shall be lapsed and the remaining cash value shall be the seed fund of the reinstated policy.
- 6.17 **Members Covered under LEP**

The following members are covered under LEP:
 - a. Regular members whose policies were issued before August 1, 2003 and who have opted to continue with their endowment / ordinary life plans.
 - b. Special members

6.2 **Enhanced Life Policy (ELP)** is a compulsory life insurance coverage issued by GSIS to regular members after July 31, 2003.

- 6.2.1 **Coverage**
 - a. Regular members who entered the service after July 31, 2003.
 - b. Regular members whose LEP policies matured on or after July 31, 2003.
 - c. Regular members under LEP who opted/will opt to convert their existing LEP into ELP.
 - d. Regular members whose LEP policy lapsed by reason of non-payment of life insurance premiums but who, after July 31, 2003, have started to remit the premiums due for compulsory life insurance coverage.
- 6.2.2 The insurance coverage is a yearly cover automatically issued to a new member of GSIS based on his fixed monthly compensation. While this does not have an endowment policy, this provides a higher form of death benefit for the family, and at the same time, it has termination value which can be withdrawn upon separation or retirement.
- 6.2.3 Age and length of service will no longer be a factor in determining the amount of insurance coverage.

For purposes of establishing data for every member, a Member's Service Profile (MSP) is created in the GSIS database.

The MSP basically contains the service profile of every member which includes among others, the date of first entry in government service, the periods in government service, the respective agencies and the position the member has served, the salaries received, the Total Length of Service (TLS) and the Record of Creditable Service (RCS).

Updates are made on the basis of changes in personal data, salaries, promotion, transfers, and separation of a member.

A member separated from the service by reason of resignation, retirement, disability, dismissal from the service, retrenchment or in any manner of separation from the government agency to which he is employed, shall continue to be a member although classified under inactive status and his membership shall be maintained in the database of GSIS. Whatever future benefits he is entitled to shall be payable to the member once they become due.

Section 10 Other Policies Affecting Membership Administration

- 10.1. In the case of members whose premiums were remitted to GSIS but later found to be ineligible for Compulsory Membership:
 - 10.1.1 The policies of these members shall be terminated. All remitted payments for both personal and government shares shall be applied to the existing obligations of the member, if any, subject to the policies and procedures on excess payments.
 - 10.1.2 In cases where the member has no other personal obligation to the GSIS, he shall be refunded the personal share for life and retirement, without interest, reckoned from the date the member became ineligible for compulsory membership. The heirs of the member shall no longer be entitled to the benefit in case a contingency occurred prior to the termination of the policy.
 - 10.1.3 The government share for both life and retirement shall be applied to the existing obligation of the agency.
- 10.2 **On the Conversion / Reclassification of a Regular Member to Special Member**

The compulsory life policy of a regular member who is converted/reclassified to special member shall be terminated and provided a LEP coverage, and, henceforth be considered as a special member.
 - 10.2.1 The compulsory life policy of a regular member whose membership classification has been converted to special member by virtue of his appointment as a Judge, Justice or their equivalent, shall be terminated upon separation from his old position. He shall be provided LEP coverage upon assumption to duty to his new position.
 - 10.2.2 All outstanding obligations of the reclassified member shall be collected from the Cash Surrender Value (CSV) or Termination Value (TV) of his terminated ELP policy. Payment of CSV or TV shall be subject to the filing of a claim.
 - 10.2.3 Any remaining TV of the ELP shall be subject to CLIP.
 - 10.2.4 At the time of his termination as a regular member, he shall be entitled to whatever benefits accruing to him at the time of his separation.

Should the regular member qualify for separation benefits, filing of claim for the said benefits shall prescribe after four (4) years from the date of contingency. However, a separated member with 15 years of service can still claim for retirement benefits at age 60 and may choose to receive either the 5 year lump sum and pension after the 5-year guaranteed period or 18 months BMP and pension immediately, subject to the AMC limit then prevailing at the time of filing.

- 10.2.5 If the regular member is sixty (60) years old and with total length of service (TLS) of fifteen (15) years, he should be entitled to retirement benefit, subject to filing of claim.
- 10.3 **On the Conversion of Special Member to Regular Member**
- 10.3.1 The life insurance policy of a special member whose membership classification has been converted to regular member by virtue of his appointment to a position eligible for regular coverage shall be terminated upon separation from his old position. He shall be provided with ELP coverage as a regular member effective upon assumption to duty to his new position.
- 10.3.2 The coverage under ELP shall be guided by the following:
- If the member is active, his membership master records (including MSP) shall be tagged to denote the conversion from LEP to ELP.
 - The member shall be covered under ELP immediately after the conversion of his membership classification in the database has been effected.
- 10.3.3 If the member had previous services as a regular member and has been paid separation or retirement benefits, he shall be considered as a new entrant when re-employed in the government service.
- 10.3.4 The services rendered as a special member shall not be considered part of RCS for purposes of computing retirement and other benefits under RA 8291. However, such services shall be considered only for purposes of determining eligibility to retirement and other benefits.
- 10.4 **On Members Holding Multiple Positions**
- 10.4.1 A member holding two or more part-time positions in government shall be issued only one compulsory life insurance policy and shall only earn service credit in the position that he selects as basis for coverage. Part time employment refers to a job with compensation, covered by a valid appointment whose term specifies working hours of less than forty hours per week, whether in a single agency or multiple agencies.
- 10.4.2 For members employed in two or more agencies in government, GSIS shall only recognize one (1) Remitting Agency (RA) and it shall be the RA corresponding to the position for which he has been covered by GSIS.
- 10.4.3 Any additional compulsory life insurance policy issued to a member on account of a second position that he may have in government shall be invalid and therefore cancelled immediately.
- 10.4.4 All life premiums paid on the cancelled policy issued in connection with the other position shall be added to the cash value or termination value of the active policy.
- 10.4.5 After selecting one of two part time jobs as basis for coverage, the member shall not have the option to transfer the coverage to the other unless, his services in the covered part time job is terminated.
- 10.4 **Non-Permanent Employees Who Are Daily Wage Earners: These employees are not qualified to be GSIS members if they are not receiving fixed monthly compensation.**
- 10.5.1 The monthly equivalent of the salary of non-permanent employee who is paid on a daily basis shall be his daily wage rate multiplied by 22 days.
- 10.5.2 The salary record in the MSP of a non-permanent daily wage

- 16.2 Any unremitted premium contributions and loan amortizations and other amounts due the GSIS shall be deducted from the proceeds of the loans and claims that will be due the member.
- Section 17 Reports on the Status of Members**
- The government agency shall report changes in the member's information, if any, every month as they take place, in the forms or formats prescribed by the GSIS.
- RULE IV
BENEFITS**
- Section 18 Compulsory Life Insurance Benefits under the Life Entowment Policy (LEP)**
- A member under this policy may be entitled to any of the following benefits, depending on the circumstances:
- 18.1 **Maturity benefits**, which is the face amount payable to the member upon maturity of the policy.
- 18.2 **Cash Surrender Value**, which are earned values during the term of the insurance payable to the member when he is separated from the service before maturity date of the policy or when he is considered as a case of PTD.
- 18.3 **Death Benefit**, which is the face value of the policy payable to designated beneficiary/beneficiaries or legal heirs, in the absence of the former, upon the death of a member.
- 18.4 **Accidental Death Benefit (ADB)** is an additional benefit equivalent to the amount of Death Benefit when the member dies by accident.
- In this connection, proof must be presented to sufficiently establish that the cause of the member's death is accidental.
- The right to present sufficient proof to show that death was accidental shall prescribe if the claim for ADB is filed four (4) years after the death of the member.
- 18.5 **Cash Dividend**. A policyholder is entitled to dividends subject to the guidelines as approved by the GSIS Board. This is not a guaranteed benefit.
- Section 19 Compulsory Life Insurance Benefits under the Enhanced Life Policy (ELP)**
- A member under this policy may be entitled to any of the following benefits, depending on the circumstances:
- 19.1 **Death Benefit** equivalent to the latest annual salary multiplied by amount of insurance (AOI) factor which is 1.5 or 18 times the current monthly salary of the member or as determined by the GSIS, payable to the legal heirs, less all outstanding obligations of the member in accordance with the CLIP.
- 19.2 **Termination Value**. The policy earns a Termination Value during the life of the policy computed from the percentage of life insurance premiums actually remitted and paid to GSIS.
- 19.2.1 Termination value is equivalent to a percentage of monthly life insurance premiums as determined by the GSIS, due and paid in full, either by direct remittance or through an APL facility.
 - 19.2.2 The accumulated termination value will grow at such rate as determined by the Actuary.
 - 19.2.3 The termination value shall be paid to the member upon his separation from the government service less all indebtedness of the member with the GSIS in accordance with CLIP.
- 19.3 **Cash Dividend**. A policyholder is entitled to dividends, subject to the guidelines as approved by the GSIS Board. This is not a guaranteed benefit.
- Section 20 Retirement Benefits.**

- may be adjusted subject to the approval of the Board upon the recommendation by the President and General Manager.
- As a general rule, the BMP shall only be computed for those members or dependents/heirs of members who are eligible to receive benefits under this law. It shall be computed on the basis of a percentage of the RAMC at the rate of 2.5% for every year of creditable service, but in no case shall it exceed 90% of the AMC of the member.
- The formula for computing BMP shall be:
- $$BMP = RAMC \times (2.5\% \times RCS)$$
- 20.12 **Adjustment/Increase in Pension**
- Periodic adjustments of the monthly pension of all existing pensioners shall be done on the basis of what is sustainable and prudent for the GSIS as recommended by its Actuary and approved by the Board.
- 20.13 **Policies Affecting Pension Administration**
- 20.13.1 Regardless of the date of retirement, the monthly pension shall commence on the 1st day of the month following the month of retirement.
- 20.13.2 Annual Renewal of Active Status (ARAS) of Old Age and Survivorship Pensioners is required on their birth month every year.
- 20.13.3 **Effects of Non-renewal of Active Status as Pensioner**
- Suspension of payment of monthly pension
 - Non-entitlement to cash gift if status is suspended at the time of declaration
 - Non-entitlement to pension increase if status is suspended at the time of declaration
- Section 21 Separation Benefit.** - Is either one of the following:
- 21.1 For those members who are separated from service and who have at least 3 years of service but less than 15 years shall be entitled to cash payment equivalent to 100% of the member's AMC for each year of creditable service, but not less than P12,000.00, payable upon reaching age 60, or upon his separation if he is already 60 years of age at the time of separation.
- 21.2 A cash payment equivalent to eighteen (18) times the basic monthly pension payable at the time of resignation or separation, provided the member resigns or separates from the service after he has rendered at least 15 years of service and is below 60 years of age, plus an old-age pension benefit equal to the basic monthly pension payable monthly for life upon reaching the age of sixty (60).
- 21.3 Reckoning Date of Separation of Uniformed PNP, BJMP and BFP Personnel shall be February 1, 1996. The computation of benefit shall be based on their basic monthly salary (premium-based) when they ceased to be members of the GSIS.
- 21.4 **Processing of Separation Benefit of Members Who Died While Their Claims are Being Processed**
- 21.4.1 If the member dies during the pendency of his claim for separation benefit and he has rendered at least 15 years of creditable service, his legal heirs shall be entitled to receive cash payment equivalent to eighteen (18) times the basic monthly pension, plus accrued BMP, if any, up to the date of death of the member. Thereafter, the primary beneficiaries shall be entitled to survivorship pension.
- 21.4.1 If the member dies during the pendency of his claim for separation benefit and he has rendered less than 15 years of creditable service, his legal heirs shall be entitled to cash payment equivalent

- tion with the other position shall be added to the cash value or termination value of the active policy.
- 10.4.5 After selecting one of two part time jobs as basis for coverage, the member shall not have the option to transfer the coverage to the other unless, his services in the covered part time job is terminated.
- 10.4 Non-Permanent Employees Who Are Daily Wage Earners: These employees are not qualified to be GSIS members if they are not receiving fixed monthly compensation.
- 10.5.1 The monthly equivalent of the salary of non-permanent employee who is paid on a daily basis shall be his daily wage rate multiplied by 22 days.
- 10.5.2 The salary record in the MSP of a non-permanent daily wage earner shall be correspondingly adjusted when he is granted an increase in the daily wage rate. However, if his daily wage rate is decreased, the original computation of his monthly salary shall remain.
- 10.5.3 Payment of retirement premiums (both Personal and Government Share) for non-permanent services (casual, temporary, contractual) prior to RA 8291 by members who are still in the active service shall no longer be allowed.
- 10.5 Change in Date of Birth
- 10.6.1 The date of birth reflected in the member's information sheet or agency remittance advice shall be adopted.
- 10.6.2 Change of date of birth shall be given due course under the following conditions:
- The request for change is made while the member is still in the government service; and
 - The requesting member submits the original copy of the court order or birth certificate authenticated by the National Statistics Office (NSO) as supporting document.
 - When submitting a court order, the member shall indicate in the request for change of date of birth, the contact number of the court who ordered the change of date of birth, including the branch and province where the court is located.
 - For NSO-authenticated birth certificate, the official watermark of NSO should be present in the document. Failure on the part of the member to comply with the said requirements shall be a ground for rejecting the request.
- 10.6.3 Notwithstanding the change in the member's date of birth, the original amount of insurance as computed during the issuance of the policy shall not be changed and it shall not result in any adjustment in the endowment plan under LEP.

RULE III

COLLECTION AND REMITTANCE OF CONTRIBUTIONS AND OTHER AMOUNTS

Section 11 Amounts of Contribution.

11.1 For Regular Members

Effective June 24, 1997 and up to December 31, 2002, the amount of contributions shall be computed as follows:

Monthly Compensation (MC)	Rate of Contribution	
	Member	Government Agency
If MC is equal to or less than the prevailing Average Monthly Compensation (AMC) during a particular period	9%	
If MC is greater than the prevailing AMC during a particular period:		12%
<ul style="list-style-type: none"> Up to the maximum AMC limit 	9%	

ted and paid to GSIS.

- 19.2.1 Termination value is equivalent to a percentage of monthly life insurance premiums as determined by the GSIS, due and paid in full, either by direct remittance or through an APL facility.
- 19.2.2 The accumulated termination value will grow at such rate as determined by the Actuary.
- 19.2.3 The termination value shall be paid to the member upon his separation from the government service less all indebtedness of the member with the GSIS in accordance with CLIP.

19.3 **Cash Dividend.** A policyholder is entitled to dividends, subject to the guidelines as approved by the GSIS Board. This is not a guaranteed benefit.

Section 20 Retirement Benefits.

Under this Act, the retirement benefit consists of a monthly pension which is computed based on years of creditable service and AMC for the last 3 years.

20.1 Eligibility

- 20.1.1 has rendered at least Fifteen (15) years of service;
- 20.1.2 is at least Sixty (60) years of age; and
- 20.1.3 is not receiving a monthly pension benefit from permanent total disability.

20.2 Retirement Benefit Options. A retiring member has the following options:

- 20.2.1 Five (5) year lump sum equivalent to sixty (60) months of the BMP, subject to qualification requirements, less all outstanding obligations of the member in accordance with the CLIP, plus an old-age pension benefit equal to the BMP payable for life, starting on the first day of the month following the expiration of the five year guaranteed period; or
- 20.2.2 A cash payment benefit equivalent to eighteen (18) times of the BMP, subject to qualification requirements, less all outstanding obligations of the member in accordance with the CLIP, plus monthly pension for life payable on the first month following the date of retirement;

20.3 **Conversion in the Mode of Retirement.** Conversion in the mode of retirement from RA: No. 8291 to any other retirement laws and vice versa administered by the GSIS shall not be allowed.

Those who became GSIS members prior to the implementation of this Act shall have the option to retire under PD 1146, RA 660, or RA 1616, subject to eligibility.

20.4 **Change of Retirement Benefit Option under RA 8291.** Change of retirement benefit option from eighteen (18) months cash payment plus immediate pension to five (5) year lump sum, or vice versa, shall not be allowed.

The GSIS shall process the claim for retirement benefits based on the member's records in the GSIS database.

20.5 Processing of Retirement Benefits of Members Who Died While their Claims are Being Processed

20.5.1 For those qualified for retirement benefits:

- If the deceased member opted for five year lump sum benefit as indicated in his/her claim for retirement application, his legal heirs shall be entitled to five-year lump sum benefit equivalent to sixty (60) months basic monthly pension (BMP). However, the survivorship pension to qualified primary beneficiaries, if any, shall be granted after the end of the 5-year guaranteed period, but filing of claim for survivorship benefit should be done before the end of the 4-year prescription period.
- If the deceased member opted for immediate pension as indicated in his/her claim for retirement benefit his legal heirs shall be entitled to retirement benefits equivalent to eighteen (18) months of BMP, plus accrued pension, if any, up to the date of death of the retiree. The corresponding survivorship pension shall be paid to the qualified primary beneficiaries, if any, and shall be computed from the date

the GSIS.

21.4 Processing of Separation Benefit of Members Who Died While Their Claims are Being Processed

21.4.1 If the member dies during the pendency of his claim for separation benefit and he has rendered at least 15 years of creditable service, his legal heirs shall be entitled to receive cash payment equivalent to eighteen (18) times the basic monthly pension, plus accrued BMP, if any, up to the date of death of the member. Thereafter, the primary beneficiaries shall be entitled to survivorship pension.

21.4.1 If the member dies during the pendency of his claim for separation benefit and he has rendered less than 15 years of creditable service, his legal heirs shall be entitled to cash payment equivalent to one hundred percent (100%) of AMC for each year of creditable service, but not less than Twelve Thousand Pesos (P12,000.00).

Section 22 Unemployment Benefit

22.1 **Conditions for Entitlement to Unemployment Benefit.** A member shall be entitled to the unemployment benefits if the following conditions are met:

- 22.1.1 he/she was a permanent employee at time of separation;
- 22.1.2 his/her separation was involuntary due to the abolition of his/her office or position resulting from reorganization; and
- 22.1.3 he/she has been paying the required premium contributions for at least one (1) year but less than 15 years prior to separation.

22.2 **Amount, Duration and Payment Of Unemployment Benefit.** The amount of unemployment benefit is equivalent to 50% of the AMC and shall be paid in accordance with the following Schedule:

Contributions Made	Benefit Duration
One year but less than three years	2 months
Three or more years but less than six years	3 months
Six or more years but less than nine years	4 months
Nine or more years but less than 11 years	5 months
Eleven or more years but less than fifteen	6 months

22.3 Those entitled to more than two (2) months of Unemployment Benefits shall initially receive two (2) monthly payments. A seven-day (7-day) waiting period shall be imposed on succeeding monthly payments to determine whether the separated member has found gainful employment either in the public or private sector.

22.4 In cases of reemployment, all accumulated unemployment benefit paid to the employee during his/her entire membership with the GSIS shall be deducted without interest from the separation or retirement benefits, as the case maybe, to which the member may be entitled to upon his voluntary resignation, separation or retirement.

Section 23 Disability Benefits.

23.1 **Disability** refers to any loss or impairment of the normal functions of the physical and/or mental faculties of a member, which permanently or temporarily prevents him to continue with his work or engage in any other gainful occupation resulting in the loss of income.

The corresponding *disability benefits* for each kind of disability shall be granted to a member based on the duration of *incapacity to work* and *actual loss of income*.

There are three (3) kinds of disability which shall be determined by the GSIS based on established medical standards:

- Permanent Total Disability
- Permanent Partial Disability
- Temporary Total Disability

23.2 Policies Governing Disability Benefits:

vailing Average Monthly Compensation (AMC) during a particular period	9%	12%
If MC is greater than the prevailing AMC during a particular period:		
• Up to the maximum AMC limit	9%	
• Amount in excess of the AMC limit	2%	

However, effective January 1, 2003, the rate of contribution payable by the member and government agency shall be 9% and 12% respectively, based on the actual monthly salary of the member.

11.2 For Special Members

The Special Member shall pay the required life insurance premiums of 3% of the fixed monthly compensation for both employees' and government agency's share.

Section 12 Budgetary Appropriations to Cover Government Agencies' Contributions

The government agency shall ensure that the necessary amounts for contributions for government share shall be included in their respective annual budgets (or budgetary allocations), including all amounts due the GSIS.

Section 13 Collection of Contributions

13.1. It shall be compulsory upon the government agency to deduct from the fixed monthly compensation the personal share of the members and to promptly remit the same to GSIS.

13.2. It is prohibited for a government agency to delay the remittance to GSIS of the premium contributions deducted from the compensation of the members and use it for other purposes.

Section 14 Remittance of Contributions

14.1 Each government agency shall remit directly to the GSIS the employees' and government agency's contributions within the first Ten (10) days of the calendar month following the month to which the contributions apply. The remittance by the government agency of the contributions to the GSIS shall take priority over and above the payment of any and all obligations, except salaries and wages of its employees.

14.2 The government agency shall also deduct from the fixed monthly compensation of the employee the loan amortizations (consolidated loans, policy loan, emergency loan, housing loan, and other loans), premium payments (optional, pre-need and other non-life insurance) and other amounts due the GSIS.

14.3 The said amounts shall be remitted to the GSIS within the first Ten (10) days of the calendar month following the month when the deductions were effected, accompanied by supporting lists in the form prescribed by the GSIS.

14.4 The member has the corresponding responsibility to ensure that the required premium contributions and other amounts due the GSIS that were deducted from his compensation are promptly remitted to GSIS.

Section 15 Interest on Delayed Remittance

The government agency shall be imposed interest for every month of delay, or a portion thereof, in the remittance of the monthly premium contributions and other amounts due the GSIS, at the rate of 2% per month simple interest. Such interest will begin to accrue at the end of the month following the due month.

Section 16 Effects of Non-Remittance of Contributions and Other Amounts on the Eligibility to Benefits of Members

16.1 All loan privileges of all the members of the affected agencies will be suspended and they shall be disqualified to receive the yearly dividends.

indicated in his/her claim for retirement benefit his legal heirs shall be entitled to retirement benefits equivalent to eighteen (18) months of BMP, plus accrued pension, if any, up to the date of death of the retiree. The corresponding survivorship pension shall be paid to the qualified primary beneficiaries, if any, and shall be computed from the date of death of the retiree, subject to filing of claim.

c. In case the deceased member failed to indicate in his/her retirement option, it shall be computed as if he/she opted for immediate pension.

d. The proceeds of retirement benefits shall be paid and distributed to the legal heirs in accordance with the law on succession under the Civil Code of the Philippines.

20.5.2 For those not qualified for retirement benefits, the GSIS shall determine if he/she is qualified to other applicable benefits under RA 8291 or such other laws administered by the GSIS.

20.6 Effects of Re-Employment

20.6.1 When a retired/separated member is re-employed or reinstated in the service, his/her previous services credited at the time of his/her retirement/separation for which a corresponding benefit had been awarded, shall be excluded in the computation of service. In effect, he/she shall be considered a new entrant.

20.6.2 However, for those who retired prior to the enactment of RA 8291, the previous services of a retired/separated member may be added in the computation of his creditable services (subject to premium-based policy) upon subsequent retirement under RA 8291 only when both conditions are met:

- a. the retiree re-entered government service before June 24, 1997; and
- b. the total amount of benefit previously received, if any, including the prescribed interest was refunded to GSIS on or before March 2, 2006

20.7 Basis of Computation of Total Service

20.7.1 Total Length of Service (TLS) is the number of years in government service regardless of status of employment, with or without premium contributions.

20.7.2 For purposes of computing the total length of service under part-time status of employment, services shall be converted to their full-time equivalent using forty-hour week and fifty two-week a year as basis.

20.8 Computation of Creditable Service

The computation of creditable service for the purpose of determining the amount of benefits payable shall include the period or periods of service with the required premium contributions.

20.9 Computation of Average Monthly Compensation (AMC)

20.9.1 The AMC shall be computed on the basis of the average salary of the member for the last 36 months of creditable service immediately preceding his retirement or separation.

20.9.2 The basis for computing the AMC of a separated or retired member requesting for computation of benefits shall be the prevailing policy on AMC at the time the claim is being processed.

20.10 Computation of Revalued Monthly Compensation = AMC plus Seven Hundred Pesos (P700.00).

20.11 Computation of Basic Monthly Pension – the formula for computing the BMP

- Permanent Total Disability
- Permanent Partial Disability
- Temporary Total Disability

23.2 Policies Governing Disability Benefits:

23.2.1 **Permanent Total Disability (PTD)** – disability due to injury or disease causing complete, irreversible and permanent incapacity that will permanently disable a member to work or to engage in any gainful occupation resulting to loss of income.

The following disabilities shall be deemed total and permanent:

- a. complete loss of sight for both eyes;
- b. loss of two limbs at or above the ankle or wrists;
- c. permanent complete paralysis of two limbs; and
- d. brain injury resulting in incurable imbecility or insanity.
- e. such other cases as may be determined and approved by the GSIS

23.2.2 **Permanent Partial Disability (PPD)** – arises due to the complete and permanent loss of the use of any of the following resulting to the disability to work for a limited period of time:

- a.1. any finger
- a.2. any toe
- a.3. one arm;
- a.4. one hand;
- a.5. one foot;
- a.6. one leg;
- a.7. one or both ears;
- a.8. hearing of one or both ears;
- a.9. slight of one eye;
- a.10. such other cases as may be determined and approved by the GSIS

23.2.3 **Temporary Total Disability (TTD)** – accrues or arises when the impaired physical and/or mental faculties can be rehabilitated and/or restored to their normal functions, but such disability shall result in temporary incapacity to work or to engage in any gainful occupation.

23.2.4 Any disability or injury as a result of, or due to grave misconduct, participation in riots, gross and inexcusable negligence, under the influence of drugs or alcohol or willful intention to injure or kill himself or another, shall not be compensable.

23.2.5 The actual loss of income shall refer to the number of days when a member went on leave of absence without pay (LWOP) reckoned immediately from the date of commencement of disability and for the duration of entitlement thereto, based on medical evaluation. Any LWOP incurred after the duration of entitlement to the benefit shall not be compensable.

23.2.6 If the member has two or more different contingencies during the same period of benefit entitlement, he shall be compensated only once for the overlapping periods.

23.2.7 All injuries, disabilities, illnesses and all other infirmities compensable under PD 626 shall not be compensable under this Act.

23.2.8 Any applicable disability benefit shall be suspended when he/she:

- a. is re-employed; or
- b. recovers from his/her disability as determined by the GSIS, whose decision shall be final and binding; or
- c. fails to present himself for medical examination when required by GSIS; or
- d. is receiving any other pension either from GSIS or another local or foreign institution or organization.

23.3 Computation of Benefit.

23.3.1 *Permanent Total Disability (PTD)*

A member who becomes permanently and totally disabled shall be entitled to the monthly income benefits for life equivalent to the basic monthly pension (BMP) effective from the date of disability.

23.3.2 *Permanent Partial Disability (PPD)*

The period of entitlement to PPD benefit shall be determined after due medical evaluation; but such period of entitlement to the benefit shall not exceed 12 months for the same contingency. Only the leave of absence/s without pay incurred during the period of entitlement, duly certified by the authorized officer of the agency where he is employed, shall be compensable.

The amount of PPD benefit shall be computed by dividing the BMP by 30 days and multiplying the quotient by the number of compensable calendar days of leave of absence without pay (LWOP).

23.3.3 *Temporary Total Disability (TTD)*

The period of entitlement to TTD benefit shall be determined after due medical evaluation and proof of actual loss of work resulting in loss of income by way of the incurred actual number of days of leave of absence/s without pay duly certified by the authorized officer of the agency where he is employed; but such period of entitlement to the benefit shall not exceed 120 days in one calendar year. However, if the disability requires more extensive treatment that lasts beyond 120 days, the payment of the TTD may be extended by the GSIS but not to exceed a total of 240 days.

Only the leave of absence/s without pay incurred during the period of entitlement shall be compensable. Entitlement, however, shall start from the fourth day of the disability.

The amount of TTD benefit shall be computed by multiplying 75% of the daily salary of the member by the number of days of disability based on the medical evaluation but not to exceed 240 days for the same contingency. However, the computed daily salary shall not be less than seventy pesos (P70.00) but not to exceed P340.00 per day.

23.3.4 For the purpose of computing the corresponding benefit of inactive members for each kind of disability, the BMP, with respect to PTD and PPD, and daily salary, with respect to TTD, shall be computed as of the time of separation from GSIS.

23.4.6 *Forfeiture of Disability Benefits.* - All the foregoing provisions notwithstanding, any member who is enjoying disability benefits shall automatically forfeit his/her right to the continued enjoyment thereof if he/she refuses or deliberately fails to:

- a. have himself/herself medically treated by a physician when required by the GSIS; or
- b. take the prescribed medications; or
- c. have himself/herself confined in a hospital without justifiable reason, when such confinement is required by the GSIS; or
- d. avail himself/herself of such rehabilitation facilities as may be duly recommended by the GSIS and made available for him/her; or
- e. Observe such precautionary and/or preventive measures as prescribed by a physician or expressly required of him/her to prevent the aggravation or continuance of his/her disability.

However, upon compliance with the requirements, his/her benefits shall be resumed if he/she is still qualified.

Section 24 *Survivorship Benefits*

24.1 When a member or pensioner dies, the beneficiaries shall be entitled to the following survivorship benefits, whichever is applicable:

- 24.1.1.** *Survivorship pension consisting of:*
- a. the basic survivorship pension which is fifty percent (50%) of the BMP; and
 - b. the dependent children's pension equivalent to 10% of the BMP for each child but not to exceed fifty percent (50%) of the BMP.
- 24.1.2.** Cash payment equivalent to eighteen (18) months BMP;
- 24.1.3.** Cash payment equivalent to one hundred percent (100%) of the AMC for every year of service with paid contributions but not less than Twelve Thousand Pesos (P12,000.00).

24.2 *Survivorship Benefits of Members in Active Service.*

- 24.2.1.** *If at the time of death, a member was in the service and has rendered at least fifteen (15) years of creditable service:*
- c. his primary beneficiaries shall receive the survivorship pension and cash payment equivalent to 18 x the BMP; or
 - d. in the absence of primary beneficiaries, his secondary beneficiaries shall receive the cash payment equivalent to 18 x the BMP; or
 - e. in the absence of secondary beneficiaries, the legal heirs shall receive the cash payment equivalent to 18 x the BMP.

24.2.2. *If at the time of death, the member was in the service with less than fifteen (15) years of creditable service; his primary beneficiaries shall receive the cash payment equivalent to 100% of the AMC for every year of creditable service.*

24.3 *Survivorship Benefits of Inactive Members*

- 24.3.1.** *Primary beneficiaries of inactive members who have at least 15 years of creditable service shall receive the survivorship pension only.*
- a. Primary beneficiaries of inactive members who have at least 3 years but less than 15 years of creditable service and were less than 60 years old at the time of death shall receive the cash payment equivalent to 100% of the AMC for every year of creditable service, but not less than P12,000.00

Including its implementing rules and regulations, policies and guidelines, and other laws administered by the GSIS with respect to:

- 27.1.1.** Coverage of government agencies and employees;
- 27.1.2.** Entitlement of members to the following benefits under these Rules
- a. Separation benefits
 - b. Unemployment or involuntary separation benefits
 - c. Retirement benefits
 - d. Disability benefits
 - e. Survivorship benefits
 - f. Funeral benefits
 - g. Life Insurance benefits
- 27.1.3.** Collection and payment of contributions;
- 27.1.4.** Housing loans and all its related policies, procedures and guidelines;
- 27.1.5.** Optional Life Insurance and Pre-Need Benefits;
- 27.1.6.** Criminal actions arising from this Act; and
- 27.1.7.** Any other matter related to any or all of the foregoing which is necessary for their determination.

Section 28 *Hearing Officer, Powers and Duties.* - Any member of the Board or official of the GSIS who is a lawyer may be designated by the Board as Hearing Officer, with the following powers and duties:

- 28.1.** To receive oral and documentary evidence of the parties to a case and to rule on their admissibility;
- 28.2.** To issue summons, subpoenas, subpoenas duces tecum, orders, and other similar processes necessary for the proper determination and disposition of the case before him/her;
- 28.3.** To appoint a counsel de oficio for pauper litigants who are unable to secure the assistance of counsel, if they request for such assistance;
- 28.4.** To administer oaths or affirmations;
- 28.5.** To submit findings and recommendations to the Board within the time prescribed in these Rules; and
- 28.6.** To perform such other acts as may be directed by the Board or as may be necessary for the effective and efficient discharge of his/her powers and duties.

Section 29 *Clerk of the GSIS.* - The Corporate Secretary or his designated representative shall be the Clerk of the GSIS, with the following powers and duties;

- 29.1.** To issue under the seal of the GSIS all ordinary writs and processes incident to pending cases, the issuance of which does not involve the exercise of functions appertaining to the Board, or Hearing Officer or Board Officer, and make out and sign all writs and processes issuing from the GSIS.
- 29.2.** To perform, in the absence of the Board or the Hearing Officer, all the duties of the Board or the Hearing Officer receiving applications, petitions, inventories, reports, and the issuance of all orders and notices that follow as a matter of course under the Rule;
- 29.3.** To safely keep all records, papers, files, exhibits and public property committed to his charge, and the seal of the GSIS;
- 29.4.** To keep a general docket, each page of which shall be numbered and prepared for receiving all the entries in a single case; and to enter therein all cases, numbered consecutively in the order in which they were received; and, under the heading of each case and a complete title thereof, the date of each paper filed or issued, of each order of judgment entered, and of each step taken in the case;
- 29.5.** To keep a judgment book containing a copy of each judgment rendered by the Board in the order of the date; and a book of entries of judgment or orders of the Board;
- 29.6.** To keep an execution book in which he or his deputy shall record at length in chronological order each execution, and the officer's return thereon, by virtue of which real property is sold.

The amount of TTD benefit shall be computed by multiplying 75% of the daily salary of the member by the number of days of disability based on the medical evaluation but not to exceed 240 days for the same contingency. However, the computed daily salary shall not be less than seventy pesos (P70.00) but not to exceed P340.00 per day.

23.3.4 For the purpose of computing the corresponding benefit of inactive members for each kind of disability, the BMP, with respect to PTD and PPD, and daily salary, with respect to TTD, shall be computed as of the time of separation from GSIS.

23.3 Conditions for Entitlement:

23.4.1 Permanent Total Disability (PTD)

23.4.1.1 A member who becomes permanently and totally disabled shall be entitled to the PTD benefits when:

- a. he/she is in the service at the time of disability; or
- b. if separated from the service, he has paid at least thirty six (36) months contributions within the five year (5) period immediately preceding his/her disability; or has paid a total of at least one hundred eighty (180) months contributions prior to his/her disability; Provided, however, that the following conditions shall be met:
 - he/she is gainfully employed prior to the commencement of disability resulting in loss of income as evidenced by any incontrovertible proof thereof;
 - he/she is not a registered member of any social insurance institution; and
 - he/she is not receiving any other pension either from GSIS or another local or foreign institution or organization.

23.4.1.2 In addition to the monthly income benefits for life, a cash payment equivalent to eighteen (18) times his/her basic monthly pension (BMP), shall be paid to a member who was in the service at the time of his/her permanent total disability and who has paid a total of one hundred eighty (180) monthly contributions.

23.4.1.3 A separated member who has at least three (3) years of service and becomes permanently and totally disabled but has not paid a total of at least one hundred eighty (180) monthly contributions prior to his/her disability shall be entitled only to cash payment equivalent to one hundred percent (100%) of his/her average monthly compensation for each year of service with paid contributions but not less than twelve thousand pesos (P12,000.00).

23.4.2 Permanent Partial Disability (PPD)

A member whose disability is partial shall be entitled to the PPD benefit when:

- a. he/she is in the service at the time of disability; or
- b. if separated from the service, he has paid at least thirty six (36) months contributions within the five year (5) period immediately preceding his/her disability; or has paid a total of at least one hundred eighty (180) months contributions prior to his/her disability; Provided, however, that the following conditions shall be met:
 - he/she is gainfully employed prior to the commencement of disability resulting in loss of income as evidenced by any incontrovertible proof thereof;

receive the cash payment equivalent to 100% of the AMC for every year of creditable service.

24.3 Survivorship Benefits of Inactive Members

24.3.1. Primary beneficiaries of inactive members who have at least 15 years of creditable service shall receive the survivorship pension only.

- a. Primary beneficiaries of inactive members who have at least 3 years but less than 15 years of creditable service and were less than 60 years old at the time of death shall receive the cash payment equivalent to 100% of the AMC for every year of creditable service, but not less than P12,000.00.
- b. Primary beneficiaries of inactive members who have less than 15 years of creditable service but were at least 60 years old at the time of separation and have received the corresponding separation benefit, shall not be entitled to survivorship benefits. However, if the member has not received yet his separation benefit within four years after his/her separation, the primary beneficiaries shall receive the cash benefit equivalent to 100% of the inactive member's AMC for every year of creditable service, but not less than P12,000.00.

24.4 Payment of Survivorship Benefits

24.4.1. The survivorship benefits shall be paid as follows:

- a. When the dependent spouse is the only survivor, he shall receive the basic survivorship pension;
- b. When only the dependent children are the survivors, they shall be entitled only to the dependent children's pension equivalent to 10% of the BMP for every dependent child, not exceeding five (5), counted from the youngest and without substitution;
- c. When the survivors are the dependent spouse and the dependent children, the dependent spouse shall receive the basic survivorship pension for life or until he remarries or cohabits, and the dependent children shall receive the dependent children's pension.
- d. When the dependent spouse and dependent children are already receiving the basic survivorship pension and dependent children's pension, respectively, any subsequent death, emancipation or disqualification of any one of them shall not entitle the other beneficiaries to the forfeited share.
- e. In the absence of a natural guardian, the *guardian de facto* of dependent children, as well as the physically or mentally incapacitated dependent children, must file a Petition for Guardianship to be able to claim the survivorship benefits on behalf of the dependent children.
- f. When the pensioner dies within the 5-year period after receiving the five-year lump sum, the survivorship pension shall be paid only after the end of the said five-year period. However, filing of claim for survivorship benefit should be done before the end of the 4-year prescription period.

24.5 Conditions for Entitlement to Survivorship Benefits

The primary and secondary beneficiaries, except dependent children, shall be entitled to applicable survivorship benefits, subject to the following:

- a. not engaged in any gainful occupation as defined in Sec 2 (p) of RA 8291;
- b. the surviving spouse and the deceased member were living together as husband and wife;
- c. not gainfully engaged in a business or economic activity (self-employed);
- d. employed/engaged in a business or economic activity but receiving income less than the minimum compensation of government employees;
- e. not receiving any other pension from the GSIS or another local or foreign institution or organization; and
- f. In the case of the dependent spouse, payment of the basic survivorship pension shall discontinue when he remarries, cohabits, or engages in common-law relationship.

The foregoing conditions, except the last one, must be present immediately preceding the death of the member or pensioner.

Section 25 Funeral Benefits

29.4. To keep a general docket, each page of which shall be numbered and prepared for receiving all the entries in a single case; and to enter therein all cases, numbered consecutively in the order in which they were received; and, under the heading of each case and a complete title thereof, the date of each paper filed or issued, of each order of judgment entered, and of each step taken in the case;

29.5. To keep a judgment book containing a copy of each judgment rendered by the Board in the order of the date; and a book of entries of judgment or orders of the Board;

29.6. To keep an execution book in which he or his deputy shall record at length in chronological order each execution, and the officer's return thereon, by virtue of which real property has been sold;

29.7. To prepare, for any person demanding the same, a copy certified if proper under the seal of the GSIS of any paper, record, order, judgment, or entry, in this office, for the fees prescribed by this Rule;

29.8. To comply the decisions of the Board and cause their publication in a series to be known as GSIS Reports; and

29.9. To keep such other books and perform such other duties as the Board may direct.

Section 30 Prescription.- Claims for benefits under Republic Act No. 8291, except for life insurance and retirement, shall prescribe after four (4) years from date of contingency.

Section 31 Construction.- The provisions of these sections shall be liberally construed in order to promote their purpose and to assist the parties in obtaining just, speedy, and inexpensive determination of every action and proceeding.

Section 32 Suppletory Application of Rules of Court.- In the absence of any applicable provision in these Rules, the pertinent provisions of the Revised Rules of Court of the Philippines shall, whenever practicable and convenient, be applied by analogy or in a suppletory character and effect.

Section 33 General Principles in Hearing and Determination of Cases.- The proceedings before the hearing officer shall be summary and non-litigious in nature and the technicalities of law and procedure and the rules obtaining in the courts shall not strictly apply.

In the hearing, investigation and determination of any question or controversy, and in exercising any duty or power under the law and this Rule, the Board or Hearing Officer shall act on the merits of the case with the end in view of promoting justice and equity.

Section 34 Caption and Title.- Each pleading shall contain a caption setting forth the name, "Republic of the Philippines," followed by the name, "Government Service Insurance System" immediately below and, below the latter the name "Metro Manila."

The full names of all the parties shall be stated in the caption of the Petition.

Section 35 Parties.- The party initiating the action shall be called the "Petitioner" and the party against whom the action is brought shall be called "Respondent."

Section 36 Who May File Petition.- The GSIS, in appropriate cases, or any person whose rights are or may be prejudiced by the operations or the enforcement of Republic Act No. 8291, Commonwealth Act No. 186, as amended, including its implementing rules and regulations, policies and guidelines and other laws administered by the GSIS on matters herein above specified, may file a petition before the GSIS either personally or through counsel.

Section 37 Contents of the Petition. - The petition shall state the following:

37.1. The full name, address and legal capacity of the petitioner;

37.2. The full name and address of the respondent;

37.3. A clear and concise statement of the petitioner's cause or causes of action, specifying therein the particular section/s of the law or rule violated or sued upon. If the basis of the action is a rule, regulation, resolution, memorandum or order of the Board, the date of the promulgation thereof shall be stated and a copy thereof attached; and

37.4. The relief sought.

Section 38 Verified Pleadings. - All pleadings shall be verified.

Section 39 Prohibited Pleading and Motions. - The following pleadings, motions or petitions shall not be allowed in the cases covered by this Rule:

39.1. Motions to dismiss

39.2. Motions for a bill of particulars

39.3. Motions for new trial, or for reopening of trial

39.4. Petitions for relief from judgment

contributions prior to his/her disability. Provided, however, that the following conditions shall be met:

- he/she is gainfully employed prior to the commencement of disability resulting in loss of income as evidenced by any incontrovertible proof thereof;
- he/she is not a registered member of any social insurance institution; and
- he/she is not receiving any other pension either from GSIS or another local or foreign institution or organization

23.4.3 Temporary Total Disability (TTD)

23.4.3.1. A member shall be entitled to the TTD benefit when:

- a. he/she is in the service at the time of disability; or-
- b. if separated from the service, he has paid at least thirty six (36) months contributions within the five year (5) period immediately preceding his/her disability; or has paid a total of at least one hundred eighty (180) months contributions prior to his/her disability; Provided, however, that the following conditions shall be met:
 - he/she is gainfully employed prior to the commencement of disability resulting in loss of income as evidenced by any incontrovertible proof thereof;
 - he/she is not a registered member of any social insurance institution; and
 - he/she is not receiving any other pension either from GSIS or another local or foreign institution or organization

23.4.3.2. The payment of TTD benefit may be extended by the GSIS up to a maximum of two hundred forty (240) days, subject to medical evaluation.

23.4.4 **Notice and Filing of Claims and Other Documents Required.** - A written notice of sickness or injury shall be given by a member or anybody in his/her behalf within one (1) month from the date of the occurrence of the contingency. If the member is in the service, the notice shall be given to the GSIS; if separated from the service, the member shall notify the GSIS directly.

The notice must contain the following information:

- a. Name and address of the member;
- a. His/Her agency if in the government or employer if in the private sector;
- b. Date and nature of sickness or injury;
- c. Place of confinement; and
- d. Any other pertinent information that may be required by the GSIS.

23.4.5 **Periodic Medical Report** - The disabled member, except those with permanent partial disability, shall submit annual medical reports on his/her impairment, duly certified by his/her attending physician, and/or submit himself/herself to annual medical and physical examination. If he/she fails to comply with this requirement, the payment of his/her benefit shall be suspended and shall be resumed only upon his/her compliance thereto provided that, he/she is found still entitled to the benefits. The benefit corresponding to the period of suspension shall also be paid.

conditions, or engages in common-law relationship.

The foregoing conditions, except the last one, must be present immediately preceding the death of the member or pensioner.

Section 25 Funeral Benefits

- 25.1. **Funeral benefit** is intended to help defray the expenses incident to the burial and funeral of the deceased member, pensioner or retiree under RA 660, RA 1616, PD 1146 and RA 8291. It is payable to any qualified individual, in accordance with the following order of priority:
 - a. Legitimate spouse,
 - b. Legitimate child who spent for the funeral services, or
 - c. Any other person who can show incontrovertible proof that he shouldered the funeral expenses of the deceased
- 25.2. **Amount of Funeral Benefit.** - The amount of funeral benefit are as follows:
 - a. The prevailing amount approved by the Board of Trustees at the time of death of the member or pensioner.
 - b. For uniformed members of the PNP, BJMP and BFP, the amount of funeral benefit is fixed at P10,000.00.
- 25.3. **Conditions for Entitlement.** - Funeral benefit shall be paid upon the death of:
 - a. an active member; or
 - b. a member who has been separated from the service with more than 15 years of creditable service, but entitled to future separation or retirement benefits; or
 - c. old age or disability pensioner; or
 - d. a retiree who at the time of his retirement is at least 60 years of age and with at least 20 years of service but who opts to retire under RA 1616 on or after June 24, 1997; or
 - e. a member who retired under RA 1616 prior to June 24, 1997 with at least twenty (20) years of service, regardless of age.

RULE V

ADJUDICATION OF CLAIMS AND DISPUTES

Section 26 Committee on Claims - The Committee on Claims (CoC) shall evaluate and resolve issues / complaints arising from any dispute in the settlement of claims, such as, but not limited to the following:

- a. interpretation of an existing policy or procedure;
- b. no existing program or system to process a claim;
- c. no existing policy as basis to process a claim;
- d. appeal from an aggrieved party to a settled claim;
- e. findings from either the Internal Audit Services Office or the Commission on Audit that are disputable; and
- f. implementation of and Order from any Court, quasi-judicial body or duly authorized entity due to its being in conflict or inconsistent with existing GSIS laws, policies, rules and regulations; and
- g. any other matter related to any or all of the foregoing which is necessary for their determination

The CoC shall report to the Board on a regular basis the actions taken on issues/complaints elevated to the said Committee.

- 26.1. Disputes on claims shall be appealed to the Committee on Claims within 60 days from date the member received the check representing payment of claim benefit or notice of disapproval. The Committee on Claims shall evaluate the appeal and shall notify the claimant of Committee's decision.
- 26.2. Further appeal on the Committee's decision shall be filed to the Board within 60 days from receipt of Committee's decision.

Section 27 Quasi-Judicial Functions of the GSIS. - The quasi-judicial functions of the GSIS shall be vested in its Board of Trustees.

- 27.1. The GSIS shall have original and exclusive jurisdiction to settle any dispute arising under Republic Act No. 8291, Commonwealth Act No. 186, as amended,

39.1. Motions to dismiss

- 39.2. Motions for a bill of particulars
- 39.3. Motions for new trial, or for reopening of trial
- 39.4. Petitions for relief from judgment
- 39.5. Motions for extension of time to file pleading, affidavits or any other paper
- 39.6. Memoranda
- 39.7. Petition for certiorari, mandamus prohibitions against any interlocutory order issued by the Board or Hearing Officer
- 39.8. Motion to declare the defendant in default
- 39.9. Dilatory motions for postponement
- 39.10. Replies
- 39.11. Third party complaints
- 39.12. Interventions

Section 40 Filing and Service of Pleadings. - All pleadings shall be filed with the Clerk of the GSIS at the Office of the Corporate Secretary.

The party filing any pleadings shall serve the respondent or opposing party with a copy thereof and its supporting documents with proof of service thereof.

Section 41 Summons. - Upon the filing of a petition; the Clerk of the GSIS shall immediately indorse the same to the Hearing Officer for the issuance of the Summons.

Within two (2) days from the receipt of the indorsement from the Clerk of the GSIS, the Hearing Officer shall issue the corresponding summons to the respondent/s together with a copy of the petition and other supporting documents

Section 42 Responsive Pleading. - The respondent shall file his Comment or Answer to the Petition within ten (10) days after service of summons.

Section 43 Effect of Failure to Answer. - Should the respondent fail to answer the petition within the reglementary ten (10) days period herein provided, the Board motu proprio, or on motion of the petitioner, shall render judgment as may be warranted by the facts alleged in the petition and limited to what is prayed for therein except as to the amount of damages which the Board may decide in its discretion.

Section 44 Proceedings before the Hearing Officer

- 44.1. **Preliminary Conference.** - Before conducting the hearing, the Hearing Officer may call the parties to a preliminary conference for the purpose of defining and simplifying the issues in the Petition, entering into admissions or stipulations of facts and threshing out all other preliminary matters
- 44.2. **Affidavits, Hearing and Judgment.**
 - a. Whenever required and within ten (10) days from receipt of the order by the Hearing Officer, the parties shall submit the affidavits of witnesses and other evidences on the factual issues, together with a brief statement of their positions setting forth the law and the facts relied upon by them.
 - b. The affidavits to be submitted shall state only facts of direct personal knowledge of the affiants which are admissible in evidence, and shall show their competence to testify to the matters stated.
 - c. A violation of this requirement shall be cause to expunge the inadmissible affidavit or portion thereof from the record.
 - d. Except in criminal actions arising from this Act, the Hearing Officer shall determine whether the findings and recommendations may be rendered, without need of a formal hearing, on the basis of the pleadings, affidavits and other evidence, and position/s statements submitted by the parties; in which case, he may require the parties to submit their Position Papers within a period of twenty (20) days from notice. The Hearing Officer shall render his findings and recommendations not later than thirty (30) working days from the submission of the Position Paper or the last pleading.
 - e. In cases where the Hearing Officer deems it necessary to hold a hearing

to clarify specific factual matters before rendering his findings and recommendations, he shall set the case for hearing for the purpose. At such hearing, witnesses whose affidavits were previously submitted may be asked clarificatory questions by the proponent and by the Hearing Officer and may be cross-examined by the adverse party.

f. The order setting the case for hearing shall specify the witnesses who will be called to testify, and the matters on which their examination will deal.

44.3. **Findings and Recommendations of Hearing Officers.**- Within thirty (30) working days from the time the parties have closed their respective evidence and filed their last pleading, the Hearing Officer shall submit his findings and recommendations to the Board, together with documentary and testimonial evidence presented in the case.

44.4. **Decision of the Board.** - The Board shall decide the case transmitted to it by the Hearing Officer within thirty (30) days from its submission. If the case was heard directly by the Board, it shall render its decision thereon within thirty (30) working days from the time case is submitted by the parties for decision.

44.5. **Appeals.** - Within fifteen (15) days from receipt of notice of decision or award; the aggrieved party may appeal the decision of the GSIS Board of Trustees to the Court of Appeals by filing a verified Petition for Review under Rule 43 of the Revised Rules of Court.

Pending cases and those filed prior to July 1, 1997, shall be governed by the applicable rules of procedures.

44.6. **Execution of Decision.**- When no Petition for Review is filed and there is no order to stay by the Board, by the Court of Appeals or by the Supreme Court, any decision or award of the Board shall be enforced and executed in the same manner as decisions of the Regional Trial Court. For this purpose, the Board shall have the power to issue to the City or Provincial Sheriff or its appointed sheriff such writs of execution as may be necessary for the enforcement of such decision or award, and any person who shall fail or refuse to comply with such decision, award, writ or process after being required to do so, shall, upon application by the GSIS, be punished for contempt.

**RULE VI
FUNDS OF THE GSIS**

Section 45 Funds.

45.1. All contributions described and payable under Rule III of this IRR, together with their earnings and accruals, shall constitute the GSIS Social Insurance Fund. The said Fund shall be used to finance the benefits administered by the GSIS under RA 8291. In addition, the GSIS shall administer the optional life insurance and pre-need plans under this IRR, the Employee's Compensation Insurance Fund created under PD 626, as amended, the General Insurance Fund created under Act No. 656, as amended, and such other special funds existing or that may be created for special groups or persons rendering services to the government. The GSIS shall maintain the required reserves to guarantee the fulfillment of its obligations under RA 8291.

45.2. The funds of the GSIS shall not be used for purposes other than what are provided for under RA 8291. Moreover, no portion of the funds of the GSIS or income thereof shall accrue to the General Fund of the national government and its political subdivisions, instrumentalities and other agencies, including government-owned and controlled corporations except as may be allowed under the Act.

Section 46 Deposits and Disbursements.- All revenues collected and all accruals thereto shall be deposited, administered and disbursed in accordance with the law. A maximum expense loading of twelve percent (12%) of the yearly revenues from all sources may be disbursed for administrative and operational expenses as may be otherwise approved by the President of the Philippines on the basis of actuarial and management studies.

Section 47 Investment of Funds.- The funds of the GSIS which are not needed to meet the current obligations may be invested under such terms and conditions and rules and regulations as may be prescribed by the Board; *Provided*, That investments shall satisfy the requirements of liquidity, safety/security and yield in order to ensure the actuarial solvency of the funds of the GSIS.

49.6. Re-adjust the benefits, contributions, premium rates, interest rates or the allocation or re-allocation of the funds to the contingencies covered;

49.7. To have the power of succession;

49.8. To sue and be sued;

49.9. To enter into, make, perform and carry out contracts of every kind and description with any person, firm or association or corporation, domestic or foreign;

49.10. To carry on any other lawful business whatsoever in pursuance of, or in connection with the provisions of this Act;

49.11. To have one or more offices in and outside of the Philippines, and to conduct its business and exercise its powers throughout and in any part of the Republic of the Philippines and/or any or all foreign countries, states and territories: *Provided*, That the GSIS shall maintain a branch office in every province where there exists a minimum of fifteen thousand (15,000) active members and where the setting up of the branch office is financially viable;

49.12. To borrow funds from any source, private or government, foreign or domestic, only as an incident in the securitization of housing mortgages of the GSIS or to finance its receivables from any government or private entity;

49.13. To invest, own or otherwise participate in equity in any establishment, firm, or entity, domestic or foreign;

49.14. To approve appointments in the GSIS except appointments to positions which are policy determining, primarily confidential or highly technical according to the Civil Service rules and regulations; *Provided*, That all positions in the GSIS shall be governed by a compensation and position classification system and qualifications standards approved by the GSIS Board of Trustees based on a comprehensive job analysis and audit of actual duties and responsibilities: *Provided, further*, That the compensation plan shall be comparable with the prevailing compensation plans in the private sector and shall be subject to periodic review by the Board no more than once every four (4) years without prejudice to yearly merit review or increases based on productivity and profitability;

49.15. To design and adopt an Early Retirement Incentive Plan (ERIP) and/or financial assistance for the purpose of retirement for its own personnel;

49.16. To fix and periodically review and adjust the rates of interest and other terms and conditions for loans and credits extended to members or other persons, whether natural or judicial;

49.17. To enter into agreement with the Social Security System or any other entity, enterprise, corporation or partnership for the benefit of members transferring from one system to another subject to the provision of Republic Act No. 7699, otherwise known as the Portability Law;

49.18. To be able to float proper instruments to liquefy long-term receivables by selling the same in the secondary market;

49.18. To submit annually, not later than June 30, a public report to the President of the Philippines and the Congress of the Philippines regarding its activities in the administration and enforcement of RA 8291 during the preceding year, including information and recommendations on broad policies for the development and perfection of the programs of the GSIS;

49.20. To maintain a Provident Fund, which consists of contributions made by both the GSIS and its officials and employees and their earnings, for the payment of benefits to such officials and employees or their heirs under such terms and conditions as it may prescribe;

49.21. To approve and adopt guidelines affecting investments, insurance coverage of government properties, settlement of claims, disposition of acquired assets, privatization or expansion of subsidiaries, development of housing projects, increased benefit and loan packages to members, and the enforcement of the provisions of this Act;

49.22. Any provision of law to the contrary notwithstanding, to authorize the payment of extra remuneration to the officials and employees directly involved in the collection

Section 54 Auditor.

54.1. The Chairman of the Commission on Audit shall be the *ex officio* auditor of the GSIS. For this purpose, he may appoint a representative who shall be the Auditor of the GSIS, and the necessary personnel to assist said representative in the performance of his duties.

54.2. The Chairman of the Commission on Audit or his authorized representative shall submit to the Board soon after the close of each calendar year, an audited statement showing the financial condition and progress of the GSIS for the calendar year just ended.

Section 55 Legal Counsel.

55.1. The Government Corporate Counsel shall be the legal adviser and consultant of the GSIS, and the GSIS may assign to it cases for legal action or trial, issues for legal opinions, preparation and review of contracts/agreements and others, as the GSIS may decide or determine from time to time. *Provided, however*, That the present legal services group as well as Branch Attorneys shall serve as the GSIS in-house legal counsel.

55.2. The GSIS may, subject to approval by the proper court, deputize any personnel of the legal services group and its Branch Attorneys to act as special sheriff in the enforcement of writs and processes issued by the court, *quasi-judicial* agencies or administrative bodies in cases involving the GSIS.

Section 56 Powers of the Insurance Commission.- The Insurance Commissioner or his authorized representatives shall make an examination of the financial condition and methods of transacting business of the GSIS at least once every three (3) years to coincide with the GSIS actuarial review and valuation. The report of said examination shall be submitted to the Board of Trustees, with copies furnished the Office of the President of the Philippines and the two Houses of Congress of the Philippines within five (5) days after the close of the examination: *Provided, further*, That for each examination, the GSIS shall pay the office of the Insurance Commissioner an amount equal to the actual expenses incurred in conducting the examination, including the salaries of the examiners and the actuary for the actual time spent.

**RULE VIII
PENAL PROVISIONS**

Section 57 Who may file a Criminal Action.- Criminal actions arising from violations of RA 8291 and these Implementing Rules and Regulations, may be initiated by the aggrieved member, either under the provisions of RA 8291 itself or, as appropriate, under the Revised Penal Code.

Section 58 Penalties under Article 172 of the Revised Penal Code.- Any person found to have participated directly or indirectly in the commission of fraud, collusion, falsification, or misrepresentation in any transaction with the GSIS whether for him or for some other persons, shall suffer the penalties provided for in Article 172 of the Revised Penal Code.

Section 59 Other Penalties.- Persons who commit criminal acts in connection with the operation of RA 8291 shall be subject to the following penalties.

59.1. Whoever shall obtain or receive any money or check invoking any provision of this Act or any agreement there under, without being entitled thereto with the intent to defraud any member, any government agency, the GSIS, or any third party, shall be punished by a fine of not less than Five thousand pesos (P5,000.00) nor more than Twenty thousand pesos (P20,000.00) or by imprisonment of not less than six (6) years and one (1) day to twelve (12) years, or both, at the discretion of the court.

59.2. Whoever fails or refuses to comply with the provisions of RA 8291 or with the rules and regulations adopted by the GSIS shall be punished by a fine of not less than Five thousand pesos (P5,000.00) nor more than Twenty thousand pesos (P20,000.00) or by imprisonment of not less than six (6) years and one (1) day to twelve (12) years, or both, at the discretion of the court.

59.3. The Heads of Offices. Treasurer. Finance Officer. Cashier. Disbursing Officer

subdivisions, instrumentalities and other agencies, including government-owned and controlled corporations except as may be allowed under the Act.

Section 46 Deposits and Disbursements.- All revenues collected and all accruals thereto shall be deposited, administered and disbursed in accordance with the law. A maximum expense loading of twelve percent (12%) of the yearly revenues from all sources may be disbursed for administrative and operational expenses as may be otherwise approved by the President of the Philippines on the basis of actuarial and management studies.

Section 47 Investment of Funds.- The funds of the GSIS which are not needed to meet the current obligations may be invested under such terms and conditions and rules and regulations as may be prescribed by the Board; *Provided*, That investments shall satisfy the requirements of liquidity, safety/security and yield in order to ensure the actuarial solvency of the funds of the GSIS.

47.1. For purposes of transparency and accountability, the GSIS shall report to the Houses of Congress, on an annual basis, investments in the following:

- 47.1.1. In interest-bearing bonds or securities or other evidence of indebtedness of the Government of the Philippines;
- 47.1.2. In interest-bearing deposits or securities of any domestic bank doing business in the Philippines;
- 47.1.3. In direct housing loans to members and group housing projects secured by first mortgage, giving priority to the low-income groups; and in short- and medium-term loans to members such as salary, policy, educational, emergency, stock purchase plan and other similar loans;
- 47.1.4. In bonds, securities, promissory notes or other evidence of indebtedness of educational or medical institutions to finance the construction, improvement and maintenance of schools and hospitals;
- 47.1.5. In real estate property, including shares of stocks involving real estate property and investments secured by first mortgages on real estate or other collaterals acceptable to the GSIS;
- 47.1.6. In debt instruments and other securities traded in the secondary markets;
- 47.1.7. In loans to, or in bonds, debentures, promissory notes or other evidence of indebtedness of any solvent corporation created or existing under the laws of the Philippines;
- 47.1.8. In investments in stocks for trading, whether common and preferred, of any solvent corporation or financial institutions;
- 47.1.9. In investments in the equity of any establishment, firm or entity, either fully or partially owned by GSIS;
- 47.1.10. In domestic mutual funds including investments related to the operations of mutual funds; and
- 47.1.11. In foreign mutual funds and in foreign currency deposits or foreign currency-denominated debts, non-speculative equities and other financial instruments or other assets issued in accordance with existing laws of the countries where such financial instruments are issued;

47.2. **Records and Reports.**- The GSIS shall maintain appropriate books of accounts, including electronic records, to record its assets, liabilities, income, expenses, receipts and disbursements of funds and other financial transactions and operations. The GSIS shall keep and cause to be kept such records, as may be necessary for the purpose of making actuarial studies, calculations and valuations of the funds of the GSIS including such data needed in the computation of rates of disability, mortality, morbidity, separation and retirement among the members and any other information useful for the adjustment of benefits of the members.

47.3. **Examination and Valuation of Funds.** - The GSIS shall make an actuarial examination and valuation of its funds in accordance with accepted actuarial principles every three (3) years to coincide with the review of the Insurance Commission.

47.4. **Exemption of GSIS and its Assets and Funds from Taxes, Assessments, Fees, Charges, and Duties-State Policy.**

- a. It is declared policy of the State that the actuarial solvency of the funds of the GSIS shall be preserved and maintained at all times and that contribution rates necessary to sustain the benefits under this Act shall be kept as low as possible in order not to burden the members of the GSIS and their government agency.
- b. Accordingly, notwithstanding any laws to the contrary, the GSIS, its assets, properties, revenues including all accruals thereto, and benefits paid, are exempt by virtue of RA 8291 from all taxes, assessments, fees, charges and duties of all kinds as well as all legal proceedings.

perfection of the programs of the GSIS;

- 49.20. To maintain a Provident Fund, which consists of contributions made by both the GSIS and its officials and employees and their earnings, for the payment of benefits to such officials and employees or their heirs under such terms and conditions as it may prescribe;
- 49.21. To approve and adopt guidelines affecting investments, insurance coverage of government properties, settlement of claims, disposition of acquired assets, privatization or expansion of subsidiaries, development of housing projects, increased benefit and loan packages to members, and the enforcement of the provisions of this Act;
- 49.22. Any provision of law to the contrary notwithstanding, to authorize the payment of extra remuneration to the officials and employees directly involved in the collection and/or remittance of contributions, loan repayments and other monies due to the GSIS at such rates and under such conditions as it may adopt; *Provided*, That the best interest of the GSIS shall be observed;
- 49.23. To determine, fix and impose interest upon unpaid premiums due from the government agency and employees;
- 49.24. To ensure the collection or recovery of all indebtedness, liabilities and/or accountabilities, including unpaid premiums or contributions in favor of the GSIS arising from any cause or source whatsoever, due from all obligors, whether public or private;
- 49.25. For this purpose, the Board shall demand payment or settlement of such obligations within thirty (30) days from the date the obligation becomes due, and in the event of failure or refusal of the obligor or debtor to comply with the demand, to initiate or institute the necessary or proper actions or suits, criminal, civil, administrative or otherwise, before the courts, tribunals, commissions, boards, or bodies of proper jurisdiction within thirty (30) days reckoned from the expiry date of the period fixed in the demand within which to pay or settle the account;
- 49.26. To design and implement programs that will promote and mobilize savings and provide additional resources for social security expansion and at the same time afford individual members appropriate returns on their savings/investments. The programs shall be so designed as to spur socio-economic take-off and maintain continued growth; and
- 49.27. To exercise such powers and perform such other acts as may be lawful, necessary, useful, incidental or auxiliary to attain the purposes and objectives of RA 8291 and carry out its provisions.

Section 50 The Board of Trustees; Its Composition; Tenure and Compensation.

- 50.1. The corporate powers and functions of the GSIS shall be vested in and exercised by the Board of Trustees composed of the President and General Manager of the GSIS and Eight (8) other members to be appointed by the President of the Philippines, whose representation shall be as follows:
 - a. One (1) from either the President of the Philippine Public School Teachers Association (PPSTA) or the President of the Philippine Association of School Superintendents (PASS);
 - b. Two (2) from leading organizations or associations of government employees/retirees;
 - c. Four (4) from the banking, finance, investment, and insurance sectors; and
 - d. A recognized member of the legal profession who at the time of appointment is also a member of the GSIS.

The Trustees shall elect from among themselves a Chairman while the President and General Manager of the GSIS shall automatically be the Vice-Chairman

- 50.2. The Trustees, except the President and General Manager who shall cease as trustee upon his separation, shall hold office for six (6) years without reappointment, or until their successors are duly appointed and qualified. Vacancy, other than through the expiration of the term, shall be filled for the unexpired term only. The members of the Board shall be entitled to a *per diem* of Two Thousand Five Hundred Pesos (P2,500.00) for each board meeting actually attended by them, but not to exceed Ten Thousand Pesos (P10,000.00) a month and reasonable transportation and representation allowances as may be fixed by the Board.

Section 51 Powers and Functions of the Board of Trustees. - The Board of Trustees shall have the powers and functions:

- 51.1. To formulate the policies, guidelines and program to effectively carry out the purposes of RA 8291;
- 51.2. To promulgate such rules and regulations as may be necessary or proper for the effective execution of the powers, functions, duties and responsibilities of the GSIS, its officers and employees;

Act or any agreement there under, without being entitled thereto with the intent to defraud any member, any government agency, the GSIS, or any third party, shall be punished by a fine of not less than Five thousand pesos (P5,000.00) nor more than Twenty thousand pesos (P20,000.00) or by imprisonment of not less than six (6) years and one (1) day to twelve (12) years, or both, at the discretion of the court.

- 59.2. Whoever fails or refuses to comply with the provisions of RA 8291 or with the rules and regulations adopted by the GSIS shall be punished by a fine of not less than Five thousand pesos (P5,000.00) nor more than Twenty thousand pesos (P20,000.00) or by imprisonment of not less than six (6) years and one (1) day to twelve (12) years, or both, at the discretion of the court.
- 59.3. The Heads of Offices, Treasurer, Finance Officer, Cashier, Disbursing Officer, Budget Officer or other official or employee who fails to include in the annual budget the amount corresponding to the government agency and employee contributions, or who fails or refuses or delays by more than thirty (30) days from the time such amount becomes due and demandable, or to deduct the monthly contributions of the employee shall, upon conviction by final judgment, suffer the penalties of imprisonment from six (6) months and one (1) day to six (6) years, and a fine of not less than Three thousand pesos (P3,000.00) but not more than Six thousand pesos (P6,000.00), and in addition shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.
- 59.4. Any employee or member who receives or keeps fund or property belonging, payable or deliverable to the GSIS and appropriates the same, or takes or misappropriates or uses the same to any purpose other than that authorized by this Act, or permits another person to take, misappropriate or use said fund or property by expressly consenting thereto, or through abandonment or negligence, or is otherwise guilty of the misappropriation of said fund or property, in whole or in part, shall suffer the penalties provided in Article 217 of the Revised Penal Code, and in addition shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.
- 59.5. Any employee, who after deducting the monthly contribution or loan amortization from a member's compensation, fails to remit the same to the GSIS within thirty (30) days from the date they should have been remitted under Rule III of the IRR shall be presumed to have misappropriated such contribution or loan amortization and shall suffer the penalties provided in Article 315 of the Revised Penal Code, and in addition shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.

59.6. The heads of the offices of the national government its political subdivisions, branches, agencies and instrumentalities, including government-owned or controlled corporations and government financial institutions, and the personnel of such offices who are involved in the collection of premium contributions, loan amortization and other accounts due the GSIS who shall fail, refuse or delay the payment, turnover, remittance or delivery of such accounts to the GSIS within thirty (30) days from the time that the same shall have been due and demandable shall, upon conviction by final judgment, suffer the penalties of Imprisonment of not less than one (1) year nor more than five (5) years and a fine of not less than Ten thousand pesos (P10,000.00) nor more than Twenty thousand pesos (P20,000.00), and in addition shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.

59.7. The officers and/or personnel referred to above shall be liable not only criminally but also civilly to the GSIS or to the employee or member concerned in the form of damages, including surcharges and interests.

59.8. For the charges or complaints referred to above, the liabilities therein set forth shall be construed as waiver of the State of its immunity from suit; hence, the above-mentioned officials and/or personnel may not invoke the defense of non-suitability of the State.

59.9. Failure of the Members of the GSIS Board, including the Chairman and the Vice-Chairman, to comply with the provisions on penalties referred to above shall subject them to imprisonment of not less than six (6) months nor more than one (1) year or a fine of not less than Five thousand pesos (P5,000.00) nor more than Ten thousand pesos (P10,000.00) without prejudice to any civil or administrative liability which may also arise therefrom.

RULE IX GENERAL PROVISIONS

Section 60 Dispensation of Social Insurance Benefits.

60.1. The GSIS shall pay the retirement benefits to the employee on his last day of service in the government: *Provided*, That all requirements are submitted to the

rules necessary to sustain the benefits which shall be reported as possible in order not to burden the members of the GSIS and their government agency.

- b. Accordingly, notwithstanding any laws to the contrary, the GSIS, its assets, properties, revenues including all accruals thereto, and benefits paid, are exempt by virtue of RA 8291 from all taxes, assessments, fees, charges and duties of all kinds as well as all legal proceedings.
- c. These exemptions shall continue unless expressly and specifically revoked and any assessment against the GSIS, as of the approval of RA 8291, are hereby considered paid;
- d. All laws, ordinances, regulations, issuances, opinions or jurisprudence contrary to or in derogation of this provision are deemed repealed, superseded and rendered ineffective and without legal force and effect.
- e. These exemptions shall not be affected by subsequent laws to the contrary, unless Section 39 of RA 8291 is expressly, specifically and categorically revoked or repealed by law and a provision is enacted to substitute or replace the exemptions grant. This provision is essential to maintain or protect the solvency of the fund, notwithstanding, and independently of the guaranty of, the national government to secure the solvency of GSIS funds or the payments of its liabilities to its members.

47.5 **Exemption of all Funds of the GSIS from Tax, Attachment, Execution, Levy or Other Legal Processes.**- The funds and/or the properties referred to herein as well as the benefits, sums or monies corresponding to the benefits under this Act shall be exempt from attachment, garnishment, execution, levy or other processes issued by the courts, quasi judicial agencies or administrative bodies including Commission on Audit (COA) disallowances and from all financial obligations of the members, including his pecuniary accountability arising from or caused or occasioned by his exercise or performance of his official functions or duties, or incurred relative to or in connection with his position or work except when his monetary liability, contractual or otherwise, is in favor of the GSIS.

47.6. **Government Guarantee.** - The Government of the Republic of the Philippines guarantees the fulfillment of the obligations of the GSIS to its Members as and when they fall due.

VII ADMINISTRATION

Section 48 Implementing Body. - The Government Service Insurance System as created under Commonwealth Act No. 186 shall implement the provisions of RA 8291.

Section 49 Powers and Functions of the GSIS. - The GSIS shall exercise the following powers and functions:

- 49.1. To formulate, adopt, amend and/or rescind such rules and regulations as may be necessary to carry out the provisions and purposes of RA 8291, as well as ensure the effective execution of the powers, functions, duties, and responsibilities of the GSIS, its officers and employees;
- 49.2. To adopt or approve the annual and supplemental budget of receipts and expenditures including salaries and allowances of the GSIS personnel; and to authorize such capital and operating expenditures and disbursements of the GSIS as may be necessary and proper for the effective management and operation of the GSIS;
- 49.3. To invest the funds of the GSIS, directly or indirectly, in accordance with the provisions of RA 8291;
- 49.4. To acquire, utilize and dispose of, in any manner recognized by law, real or personal property in the Philippines or elsewhere necessary to carry out the purposes of RA 8291;
- 49.5. To conduct continuing actuarial and statistical studies and valuations to determine the financial condition of the GSIS and, taking into consideration such studies and valuations and the limitations herein provided.

- 51.1. To formulate the policies, guidelines and program to effectively carry out the purposes of RA 8291;
- 51.2. To promulgate such rules and regulations as may be necessary or proper for the effective execution of the powers, functions, duties and responsibilities of the GSIS, its officers and employees;
- 51.3. To have the primary duty to receive and hear appeals for administrative remedies involving disciplinary actions against GSIS employee, before such appeals are referred to the courts as formal complaints;
- 51.4. Upon the recommendation of the President and General Manager, to approve the annual and supplemental budget of receipts and expenditures of the GSIS, and to authorize such operating and capital expenditures and disbursements of the GSIS as may be necessary or proper for the effective management, operation and administration of the GSIS.
- 51.5. Upon the recommendation of the President and General Manager, to approve the GSIS' organizational and administrative structures and staffing pattern, and to establish, fix, review, revise and adjust the appropriate compensation package for the officers and employees of the GSIS with reasonable allowances, incentives, bonuses, privileges and other benefits as may be necessary or proper for the effective management, operation and administration of the GSIS, which shall be exempt from Republic Act No. 6758, otherwise known as the Salary Standardization Law and Republic Act No. 7430, otherwise known as the Attrition Law;
- 51.6. To fix and periodically review and adjust the rates of interest and other terms and conditions for loans and credits extended to its members or other persons, whether natural or juridical;
- 51.7. The provision of any law to the contrary notwithstanding, to compromise or release, in whole or in part, any claim or to settle liability to the GSIS, regardless of the amount involved, under such terms and conditions as it may impose for the best interest of the GSIS;
- 51.8. To approve and adopt guidelines affecting investments, insurance coverage of government properties, settlement of claims, disposition of acquired assets, development of housing projects; increased benefit and loan packages to members, and the enforcement of the provisions of this Act.
- 51.9. To determine, fix and impose interest upon unpaid or unremitted premiums and/or contributions; and
- 51.10. To do and perform any and all acts necessary, proper or incidental to the attainment of the purpose and objectives of this Act.

Section 52 Appointment, Qualifications, and Compensation of the President and General Manager of Other Personnel.

- 52.1. The President and General Manager of the GSIS shall be its Chief Executive Officer and shall be appointed by the President of the Philippines. He shall be a person with management and investments expertise necessary for the effective performance of his duties and functions under this Act.
- 52.2. The GSIS President and General Manager shall be assisted by one or more executive vice-presidents, senior vice-presidents, vice-presidents and managers in addition to the usual supervisory and rank-and-file positions who shall be appointed and removed by the President and General Manager with approval of the Board, in accordance with the existing Civil Service rules and regulations.

Section 53 Powers and Duties of the President and General Manager

- 53.1. The President and General Manager of the GSIS shall among others, execute and administer the policies and resolutions approved by the Board and direct and supervise the administration and operations of the GSIS.
- 53.2. The President and General Manager, subject to the approval of the Board, shall appoint the personnel of the GSIS, remove, suspend, or otherwise discipline them for cause, in accordance with existing Civil Service rules and regulations, and prescribe their duties and qualifications to the end that only competent persons may be employed.

RULE IX GENERAL PROVISIONS

Section 60 Dispensation of Social Insurance Benefits.

- 60.1. The GSIS shall pay the retirement benefits to the employee on his last day of service in the government: Provided, That all requirements are submitted to the GSIS within a reasonable period prior to the effective date of the retirement;
- 60.2. The GSIS shall discontinue the processing and adjudication of retirement claims under Republic Act 910 and R.A. No. 1616 except refund of retirement premiums. Instead, all agencies concerned shall process and pay the gratuities of their employees after securing the appropriate clearance from the GSIS to clear any outstanding obligations to the System.

Section 61 Development and Disposition of Acquired Assets.

- 61.1. The GSIS shall have the right to develop and dispose of its acquired assets obtained in the ordinary course of its business. To add value to, improve profitability on, and/or enhance the marketability of an acquired asset, the GSIS may further develop/renovate the same either with its own capital or through a joint venture arrangement with private companies or individuals.
- 61.2. The GSIS may sell its acquired assets in accordance with existing Commission on Audit (COA) rules and regulations for an amount not lower than the current market value of the property. For this purpose, the GSIS shall conduct an annual appraisal of its properties or acquired assets to determine its current market value. All notices of sale shall be published in newspapers of general circulation.
- 61.2. No injunction or restraining order issued by any court, commission, tribunal or office shall bar, impede or delay the sale and disposition by the GSIS of its acquired assets except on questions of ownership and national or public interest.

Section 62 Government Assistance to the GSIS.- The GSIS may call upon any government agency for such assistance as may be necessary in the discharge of its duties and functions.

Section 63 Non-Impairment of Benefits, Powers, Jurisdiction, Rights, Privileges, Functions and Activities. - Nothing in this IRR shall be construed to repeal, amend or limit any provision of RA 8291 nor of any existing laws, Presidential Decrees and Letters of Instructions, not otherwise specifically inconsistent with the provisions of RA 8291.

Section 64 Exclusiveness of Benefits. - Whenever other laws provide similar benefits for the same contingencies covered by RA 8291, the member who qualifies to the benefits shall have the option to choose which benefits will be paid to him. However, if the benefits provided by the other law chosen are less than the benefits provided under RA 8291, the GSIS shall pay only the difference.

Section 65 Appropriations.- The amount necessary to carry out the provisions of RA 8291 shall be included in the respective budgets of the covered agencies in the national government obligation program starting CY 1998.

Section 66 Separability Clause.- Should any provision of RA 8291 or any part thereof be declared invalid, the corresponding provisions in this IRR shall be correspondingly stricken out, amended, or qualified as appropriate. The other provisions, insofar as they are separable from the invalid ones, shall remain in force and in effect.

Section 67 Repealing Clause.- All provisions of existing implementing rules and regulations, circulars, and other procedures corresponding to laws and any other law or parts of law specifically inconsistent with RA 8291 and with these IRR 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 RA 8291 shall remain in force and in effect. Provide, further, That subsequent to the effectivity of RA 8291, a new employee or an employee who has previously retired or been separated and is re-employed in the service, shall be covered by the provisions of these IRR.

Section 68 Effectivity of the Revised Implementing Rules and Regulations.- These revised IRR shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.