

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



Senate  
Office of the Secretary

22 JUL 18 A10 :20

**SENATE**  
S. No. 703

RECEIVED BY:

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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT**  
**ESTABLISHING THE REVISED CHARTER OF THE GOVERNMENT SERVICE**  
**INSURANCE SYSTEM**

**EXPLANATORY NOTE**

On 14 November 1936, the Government Service Insurance System (GSIS) was created by virtue of Commonwealth Act (C.A.) No. 186 to ensure that government employees who devoted their lives to public service are taken care of upon retirement and amply protected in case of contingency or disability. To pursue this mandate, the GSIS Charter was amended by Presidential Decree (P.D.) No. 1146, Republic Act (R.A.) No. 660, R.A. No. 1616, and most recently, by R.A. No. 8291 (Revised GSIS Act of 1997).

This bill aims to introduce amendments to R.A. No. 8291 in order develop and promote the GSIS as a premier social insurance institution providing adequate and excellent social insurance benefits and non-life insurance needs to members, pensioners and stakeholders, ensure the adoption of policies that are beneficial to them and preserve and sustain the financial viability and actuarial solvency of the GSIS Fund.

As of 01 October 2019, there are 1,843,183 active members of the GSIS and 486,569 active pensioners who consist of 353,193 old age and 133,376 survivorship pensioners.

Government employees depend greatly on the GSIS' established processes in providing pension, life insurance, disability, employees' compensation, burial benefits, survivorship benefits and available loans to mitigate the effect of certain contingencies. In order for the State to safeguard public servants from the socio-economic impacts of old age, death, loss of job and disability, it is essential to review and amend R.A. No. 8291.

This bill introduces amendments to R.A. No. 8291 to make it more responsive to the changing needs of the GSIS, its members, pensioners and stakeholders. It highlights the significance of premium contributions of government employees, and supports their involvement in developing and making policies of the GSIS.

The bill also seeks to strengthen and clarify the corporate powers and authority granted to GSIS under R.A. No. 8291 relative to appointments of personnel, authority to approve GSIS' organizational and administrative structures and staffing patterns, to establish, fix, review, revise and adjust the appropriate compensation package, benefits, reasonable allowances, incentives, bonuses, privileges for the officers and employees of the GSIS, and budget autonomy, among others.

The bill likewise seeks to enhance and expand the reinsurance function of the GSIS by exempting the same from the provisions of R.A. No. 9184 (Government Procurement Reform Act) or any subsequent procurement law to allow foreign reinsurance entities to participate in the reinsurance of government properties and interests without being limited by the rigidity and other inflexible requirements of government procurement law, provided that the contract to be awarded shall be the most advantageous for the GSIS or Government of the Philippines guided by the principles of transparency and competitiveness.

Salient provisions include:

1. Emphasis on periods with paid premiums as basis for the computation of actual benefits payable;
2. Revision of the definition of Average Monthly Compensation (AMC);
3. Revision of the computation of the Basic Monthly Pension (BMP);
4. Clarification and rationalization of the survivorship benefits and eligibility therefor, including the pension of surviving spouse and dependent children, survivorship benefits of members in active service, and survivorship benefits of members not in active service;
5. Institutionalization of a sound and tax exempt social security system responsive to the needs of government employees, pensioners and stakeholders;
6. Enhancement and expansion of the reinsurance functions of the GSIS by exempting the same from the provisions of R.A. No. 9184 (Government Procurement Reform Act) or any subsequent procurement law to allow foreign reinsurance entities to participate in the reinsurance of government properties and interests without being limited by the rigidity and other inflexible requirements of government procurement law, provided that the contract to be awarded shall be the most advantageous for the GSIS or Government of the Philippines guided by the principle of transparency and competitiveness;
7. Exemption from Filing Fees and Government Procurement Law on Reinsurance Contracts;
8. Without need of approval or review by the President of the Philippines or named government agencies or instrumentalities, the GSIS shall continue to have the powers to:
  - a) Adopt or approve its annual and supplemental budget of receipts and expenditures including salaries and allowances of GSIS personnel;
  - b) Approve certain appointments in the GSIS;
  - c) Approve GSIS' organizational and administrative structures and staffing pattern; and,

- d) Exemption from Land Reform Program and other existing or future land and agrarian reform legislations.
9. Revised the composition of the Board of Trustees from eight (8) members to eleven (11) members.
10. All GSIS claims and benefits are now imprescriptible.

In light of the foregoing, the immediate passage of this bill is most earnestly sought.

  
**RAMON BONG REVILLA, JR.**

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**AN ACT  
ESTABLISHING THE REVISED CHARTER OF THE GOVERNMENT SERVICE  
INSURANCE SYSTEM**

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

- 1 Section 1. *Short Title.* – This Act shall be known as the “*Revised GSIS Act*”.
- 2 Sec. 2. *Declaration of Policy.* – The State shall provide, develop and promote
- 3 a sound and tax-exempt social security system responsive to the needs of its
- 4 government employees, pensioners and stakeholders. Accordingly, the State shall
- 5 review and strengthen policies that advance and protect the welfare of employees in
- 6 the public sector and ensure their right to participate in policy and decision-making
- 7 processes affecting their rights and benefits. Toward this end, the State shall:
- 8 (a) Establish a premier and financially viable government social insurance
- 9 institution providing excellent service to its members, pensioners and
- 10 other constituents;
- 11 (b) Ensure the adoption of policies beneficial to GSIS members, pensioners
- 12 and other constituents, toward a responsible, integrated, autonomous,
- 13 automated and transparent social security system;
- 14 (c) Provide greater representation for members at the highest policy-making
- 15 level of the GSIS; and,

- 1 (d) Preserve and sustain the fiscal stability of the System, financial viability  
2 and actuarial solvency of the fund and protect the rights and benefits of  
3 members.

4  
5 **A. DEFINITIONS**

6 **Sec. 3. *Definition of Terms.*** – Unless the context indicates otherwise, the  
7 following terms shall mean:

- 8 (a) *Active Member* – A member who is not separated from the service;
- 9 (b) *Average Monthly Compensation (AMC)* – The quotient arrived at after  
10 dividing the aggregate compensation received by the member during  
11 his/her last thirty-six (36) months of service, with premium payments,  
12 preceding his/her separation/retirement/disability/death by thirty-six  
13 (36) or by the number of months he/she received such compensation if  
14 he/she has less than thirty-six (36) months of periods with premium  
15 payments: *Provided*, That for the new entrant and those active members  
16 with less than fifteen (15) years with paid premiums in government  
17 service at the time of the effectivity of this Act, the AMC shall be his/her  
18 quotient arrived at after dividing the aggregate compensation received  
19 by the member during his/her last sixty (60) months of service, with  
20 premium payments, preceding his/her  
21 separation/retirement/disability/death by sixty (60), or by the number of  
22 months he/she received such compensation if he/she has less than sixty  
23 (60) months of periods with premium payments: *Provided further*, That  
24 the AMC in no case exceed the amount and rate as may be respectively  
25 set by the Board under the rules and regulations implementing this Act  
26 as determined by the actuary of the GSIS;
- 27 (c) *Benefits* – Unless otherwise provided in this Act, Benefits shall refer to  
28 those administered by GSIS on behalf of its members, as found under  
29 Sections 11 to 34 of this Act, specifically: retirement, separation,  
30 unemployment, disability, funeral, survivorship and life insurance;
- 31 (d) *Board* – The Board of Trustees of the GSIS;

- 1 (e) *Compensation* – The basic pay or salary received by an employee,  
2 pursuant to his/her election or appointment, excluding per diems,  
3 bonuses, overtime pay, honoraria, allowances and any other  
4 emoluments received in addition to the basic pay which are not  
5 integrated into the basic pay under existing laws;
- 6 (f) *Current Daily Compensation* – For purposes of computing disability  
7 benefits, it refers to the actual daily compensation or the actual monthly  
8 compensation divided by the number of working days in the month of  
9 contingency but not to exceed twenty-two (22) working days;
- 10 (g) *Disability* – Any loss or impairment of the normal functions of the  
11 physical and/or mental faculties of a member which reduces or  
12 eliminates his/her capacity to continue any gainful occupation;
- 13 (h) *Employer* – The national government, its political subdivisions, branches,  
14 agencies or instrumentalities, including, government-owned or  
15 controlled corporations with or without original charters, and  
16 government financial institutions with original charters, the  
17 constitutional commissions and the judiciary;
- 18 (i) *Employee or Member* – Any person, receiving compensation as defined  
19 herein while in the service of the employer, whether by election or  
20 appointment, irrespective of status of appointment, including barangay  
21 and *sanggunian* officials;
- 22 (j) *Gainful Occupation* – Any productive activity that provides the member  
23 with income at least equal to the minimum compensation of government  
24 employees;
- 25 (k) *GSIS* – The Government Service Insurance System created by  
26 Commonwealth Act (C.A.) No. 186, as amended;
- 27 (l) *Inactive Member* – A member who is separated from the service, either  
28 by resignation, retirement, disability, dismissal, or retrenchment;
- 29 (m) *Legal Heir* – Refers to those heirs other than primary and secondary  
30 beneficiaries defined under this Act, who are entitled to succession as  
31 defined by law. For purposes of claiming benefits under this law, the

1 GSIS shall only consider legal heirs up to 4<sup>th</sup> civil degree of  
2 consanguinity;

3 (n) *New Entrant* – refers to new government employees covered by this Act  
4 who enters government service after the effectivity of this Act;

5 (o) *Periods with Paid Premiums (PPP)* – refers to the periods of service of a  
6 regular member while in government service for which the  
7 corresponding compulsory premium contributions were actually paid and  
8 remitted to the GSIS;

9 (p) *Pensioner* – Any person receiving old-age or permanent total disability  
10 pension or any person who has received retirement benefits: *Provided,*  
11 *however,* That one who is receiving survivorship pension benefits as  
12 defined in Sections 29 to 31 of this Act is not a pensioner;

13 (q) *Permanent Partial Disability* – Accrues or arises upon the irrevocable loss  
14 or impairment of certain portion/s of the physical faculties, despite which  
15 the member is able to pursue a gainful occupation;

16 (r) *Permanent Total Disability* – Accrues or arises when recovery from the  
17 impairment mentioned in Section 3(u) is medically remote;

18 (s) *Primary beneficiaries* – The legal dependent spouse until he/she  
19 remarries and the dependent children;

20 (t) *Secondary beneficiaries* – The dependent parents and legitimate  
21 descendants other than the dependent children;

22 (u) *Temporary Total Disability* – Accrues or arises when there is impairment  
23 of physical and/or mental faculties which can be rehabilitated and/or  
24 restored to their normal functions;

25 (v) *Total Assets* – As used under this Act, refers to the value of total assets  
26 as appearing in the GSIS' statements of financial position;

27 (w) *Total Length of Service* – The number of years in government service,  
28 regardless of status of employment, with or without premium  
29 contributions, to be used in determining the eligibility of a member for  
30 retirement under this Act. The term service shall include full-time service  
31 with compensation; *Provided,* That part-time and other services with



1 compensation may be included under such rules and regulations as may  
2 be prescribed by the GSIS.

3  
4 **B. MEMBERSHIP IN THE GSIS**

5 Sec. 4. *Compulsory Membership.* – (a) All government personnel, officers and  
6 employees, whether elective or appointive, irrespective of status of appointment,  
7 provided they are receiving fixed monthly compensation and have not reached the  
8 mandatory retirement age of sixty five (65) years, are compulsorily covered as  
9 members of the GSIS and shall be required to pay contributions;

10 (b) Contractual and casual employees who have an employee-employer  
11 relationship with a government agency are also compulsorily covered;

12 (c) An employee who is already in the government service and reaches the  
13 mandatory retirement age of sixty five (65) but whose service has been extended by  
14 the Civil Service Commission (CSC) for the purpose of completing the fifteen (15) years  
15 of service required under Republic Act (R.A.) No. 8291 to qualify for retirement  
16 benefits;

17 (d) The following are not members of the GSIS:

18 (1) Barangay officials and other government officials who are not  
19 receiving fixed monthly compensation;

20 (2) Personnel who are not receiving fixed monthly compensation and/or  
21 do not have monthly regular hours of work;

22 (3) Personnel covered by contract of service including consultancy and  
23 job order, where no employee-employer relationship exists between  
24 the individual and the employer; and,

25 (4) Uniformed personnel of the Armed Forces of the Philippines (AFP),  
26 Philippine National Police (PNP), Bureau of Fire Protection (BFP) and  
27 Bureau of Jail Management and Penology (BJMP).

28 (e) The following, who are covered by separate retirement schemes, are also  
29 required to remit regular monthly contributions to the GSIS for their life insurance  
30 policies in order to answer for their life insurance benefits defined under this Act:

31 (1) Members of the constitutional bodies;

32 (2) Members of the judiciary, including those with equivalent ranks;

- 1 (3) Members of the National Prosecution Service;
- 2 (4) Members of the Public Attorney's Office; and
- 3 (5) All others who are or may be subsequently covered by a separate
- 4 retirement law.

5 Sec. 5. *Optional Membership.* – The following shall be given the option to  
6 continue their membership in GSIS, even beyond the mandatory retirement age of  
7 sixty five (65):

- 8 (a) An official elected to public office before age sixty five (65) but who will  
9 reach the mandatory retirement age of sixty five (65) during his/her term  
10 shall be allowed to continue paying life and retirement premiums until  
11 the end of his/her term, including any periods of re-election or election  
12 to another public office: *Provided,* That such period/s of re-election or  
13 election are continuous;
- 14 (b) An official appointed by the President of the Philippines to public office  
15 before age 65 for a fixed term and with a fixed monthly compensation,  
16 but who will reach the mandatory retirement age of sixty five (65) during  
17 his/her tenure shall be allowed to continue paying life and retirement  
18 premiums until the end of his/her tenure, including any period/s of term  
19 extension or re-appointment to another office: *Provided,* That the  
20 period/s of extension or re-appointment is/are continuous;
- 21 (c) Non-presidential appointees whose services are extended pursuant to  
22 special laws such as, but not limited to, R.A. No. 8292 (Higher Education  
23 Modernization Act of 1997) and R.A. No. 9500 (University of the  
24 Philippines Charter of 2008). The appointee shall be given an option to  
25 continue paying premium contributions upon reaching the age of 65 until  
26 the end of his/her extended service;
- 27 (d) An official or employee who holds a co-terminus or highly confidential  
28 position who reaches the age of sixty five (65) years, and whose services  
29 are considered automatically extended until the expiration of the  
30 employee's or official's appointment or until the employee's or official's  
31 services are earlier terminated shall be allowed to continue paying life  
32 and retirement premiums until the end of his/her tenure; and,

1 (e) An official or employee whose period of government service is extended  
2 by appropriate authorities and who continues to pay his/her life and  
3 retirement premiums until the end of his/her tenure.

4 **Sec. 6. *Effect of Separation from the Service.*** – A member separated from the  
5 service either by resignation, retirement, disability, dropping from the rolls, dismissal  
6 from the service or retrenchment, or those who are qualified for compulsory  
7 retirement but opted not to continue membership in the GSIS shall be deemed an  
8 inactive member of the system. An inactive member shall be eligible to whatever  
9 benefits he/she has already qualified for in the event of any contingency compensable  
10 under this Act.

11  
12 **C. SOURCES OF FUNDS**

13 **SEC. 7. *Contributions.*** –

14 (a) It shall be mandatory for the member and the employer to pay the monthly  
15 contributions specified in the following schedule:

16

<i>Monthly Compensation</i>	<i>Percentage of Monthly</i>	
	<i>Member</i>	<i>Employer</i>
I. Maximum Average Monthly Compensation (AMC) Limit And Below	9.0%	12.0%
II. Over the Maximum AMC Limit		
-Up to the Maximum AMC Limit	9.0%	12.0%
-In Excess of the AMC Limit	2.0%	12.0%

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29 Members who are excluded from compulsory retirement coverage as  
30 enumerated under Section 4(e) of this Act shall pay three percent (3%) of their  
31 monthly compensation as personal share, and their employers a corresponding three  
32 percent (3%) for their life insurance coverage.

1 (b) It shall be mandatory and compulsory for all employers to include in their  
2 annual appropriations the necessary amounts for the payment of its share of the  
3 contributions indicated above, plus any additional premiums that may be required on  
4 account of the hazards or risks of its employees' occupation.

5 (c) The appropriate penal, civil and administrative sanctions under Section 66  
6 of this Act shall be imposed upon employers who fail to include the payment of  
7 contributions in their annual appropriations or otherwise fail to remit the  
8 accurate/exact amount of contributions on time, or delay the remittance of premium  
9 contributions to the GSIS. The heads of offices and agencies shall be administratively  
10 liable for non-remittance or delayed remittance of premium contributions to the GSIS.

11 *Sec. 8. Collection and Remittance of Contributions.* – (a) The employer shall  
12 report to the GSIS the names of all its employees, their corresponding employment  
13 status, positions, salaries and such other pertinent information, including subsequent  
14 changes therein, if any, as may be required by the GSIS. The employer shall deduct  
15 each month from the monthly salary or compensation the contributions payable by  
16 him/her in accordance with the schedule prescribed in the rules and regulations  
17 implementing this Act and the loan amortizations of each employee.

18 (b) Each employer shall remit directly to the GSIS the employees' and  
19 employers' contributions and loan amortizations within the first ten (10) days of the  
20 calendar month following the month to which the contributions apply. The collection  
21 and remittance by the employer of the contributions and loan amortizations to the  
22 GSIS shall take priority over and above the payment of any and all obligations, except  
23 salaries and wages of its employees.

24 (c) All outstanding government share premium contributions which were not  
25 paid by any government office or agency, including interest, shall be included in the  
26 annual budget and shall be remitted automatically by the Department of Budget and  
27 Management (DBM) to the GSIS.

28 (d) The deduction and remittance by the employer of loan  
29 amortizations due to the GSIS shall, at all times, take priority over and above  
30 the deductions and payment of any and all obligations and payment of any  
31 and all obligations of the member due to private creditors.

1 Sec. 9. *Penalties on Delayed Remittances.* – Agencies which delay the  
2 remittance of the *monthly premium contributions* and other amounts due the GSIS  
3 shall be charged a penalty in the form of interest per month or a portion thereof as  
4 may be prescribed by the Board but not less than two percent (2%) simple interest.  
5 Such interest shall be paid by the employers concerned.

6 Sec. 10. *Government Guarantee.* – The Government of the Republic of the  
7 Philippines hereby guarantees the fulfillment of the obligations of the GSIS to its  
8 members as and when they fall due and accepts general responsibility for the solvency  
9 of the GSIS.

10  
11 **D. BENEFITS**

12 Sec. 11. *Determination of Amount of Benefits.* – (a) The computation of total  
13 length of service for the purpose of determining a member's eligibility to the retirement  
14 benefits payable under this Act shall be based on the service rendered starting from  
15 the date of assumption of office by virtue of a valid appointment or election, including  
16 periods of service at different times under one or more employer/s, those performed  
17 overseas under the authority of the Republic of the Philippines, and those which may  
18 be prescribed by the GSIS in coordination with the CSC.

19 (b) The computation of actual benefits payable under this Act shall be based on  
20 periods with paid premiums.

21 For the purpose of this Section, the term service shall include full-time service  
22 with compensation: *Provided,* That part-time and other services with compensation  
23 may be included under such rules and regulations as may be prescribed by the GSIS.

24  
25 **RETIREMENT BENEFITS**

26 Sec. 12. *General Conditions for Entitlement.* – A member who retires from  
27 service shall be entitled to the retirement benefits enumerated in Section 13(a) hereof:  
28 *Provided,* That the member:

29 (a) Has rendered at least fifteen (15) years of service;

30 (b) Is at least sixty (60) years of age; and,

31 (c) Is not receiving a monthly pension benefit from permanent total disability  
32 under this Act.

1           Sec. 13. *Retirement Benefits.* – (a) Retirement benefit shall either be:

2                   (1) Lump sum payment equivalent to sixty (60) months of the member's  
3                   basic monthly pension (BMP) payable at the time of retirement plus an  
4                   old-age pension benefit equal to the basic monthly pension payable  
5                   monthly for life, starting upon expiration of the five-year (5) period  
6                   covered by the cash payment; or,

7                   (2) Cash payment equivalent to eighteen (18) months of the member's  
8                   basic monthly pension plus monthly pension for life payable  
9                   immediately starting from date of retirement.

10           (b) Unless the service is allowed under Section 5 of this Act or extended by  
11 appropriate authorities, retirement shall be compulsory for an employee at sixty-five  
12 (65) years of age: *Provided*, That if the employee has less than fifteen (15) years of  
13 service, he/she may be allowed to continue in the service in accordance with existing  
14 civil service rules and regulations.

15           Sec. 14. *Computation of the Basic Monthly Pension (BMP).* –

16           (a) The basic monthly pension is equal to two and one half percent (2.5%)  
17 multiplied by the Average Monthly Compensation multiplied by the periods with paid  
18 premiums: *Provided*, That the basic monthly pension shall not exceed ninety percent  
19 (90%) of the Average Monthly Compensation.

20           (b) For the new entrant and those active members with less than fifteen (15)  
21 years with paid premiums in government service at the time of effectivity of this Act,  
22 the basic monthly pension is equal to two percent (2%) multiply by the Average  
23 Monthly Compensation multiply by the periods with paid premiums: *Provided*, That  
24 the basic monthly pension shall not exceed eighty percent (80%) of the Average  
25 Monthly Compensation.

26           (c) The basic monthly pension (BMP) may be adjusted upon the  
27 recommendation of the GSIS' Actuary and the GSIS President and General Manager  
28 (PGM), and approved by the Board of Trustees in accordance with the rules and  
29 regulations prescribed by the GSIS.

30           Sec. 15. *Periodic Pension Adjustment.* – The monthly pension of all pensioners  
31 including all those receiving survivorship pension benefits shall be periodically adjusted  
32 as may be recommended by the GSIS Actuary and the GSIS PGM, and approved by

1 the Board of Trustees of GSIS in accordance with the rules and regulations prescribed  
2 by the GSIS.

### 4 **SEPARATION BENEFITS**

5 **Sec. 16. *General Conditions for Entitlement.*** – A member who separates from  
6 the service before he/she is eligible for retirement under Section 12 of this Act shall  
7 be entitled to the separation benefits enumerated in Section 17 hereof: *Provided, That*  
8 the member:

9 (a) Has rendered at least three (3) years of service; and

10 (b) Is not receiving a monthly pension benefit from permanent total disability  
11 under this Act.

12 **Sec. 17. *Separation Benefits.*** – The separation benefit shall be paid as follows:

13 (a) If the member has rendered at least three (3) years but less than fifteen  
14 (15) years of service at the time of resignation or separation, he/she shall be entitled  
15 to a one-time cash payment equivalent to one hundred percent (100%) of his/her  
16 Average Monthly Compensation for each year of service that he/she paid premium  
17 contributions, but not less than Twelve thousand pesos (Php12,000). The one-time  
18 cash payment shall be payable immediately or upon reaching sixty (60) years of age,  
19 at the option of the member: *Provided, That* the Average Monthly Compensation of  
20 new entrants in government service is equivalent to the average salary received by  
21 the member during the last five (5) years of service with paid premiums;

22 (b) If the member has rendered at least fifteen (15) years of service but is  
23 below sixty (60) years of age at the time of resignation or separation, he/she shall be  
24 entitled to a one-time cash payment equivalent to eighteen (18) times his/her basic  
25 monthly pension at the time of resignation or separation, plus an old-age pension  
26 benefit equal to the basic monthly pension payable monthly for life upon reaching the  
27 age of sixty (60).

28 **Sec. 18. *Effect of Re-Employment in Government Service after Separation.*** –

29 All services credited for retirement, resignation or separation for which corresponding  
30 benefits have been paid under this Act or other laws shall in all cases and without any  
31 exception, be excluded in the computation of service in case of reinstatement in  
32 government service and subsequent retirement or separation which is compensable

1 under this Act. Notwithstanding any other laws and rules and regulations to the  
2 contrary, no refund or return of any applicable retirement or separation benefits  
3 previously availed and received shall be allowed for purposes of including the prior  
4 government services credited for retirement, resignation or separation where benefits  
5 have already been paid to the total years of government service in case of subsequent  
6 retirement or separation.

## 8 **UNEMPLOYMENT BENEFITS**

9 **Sec. 19. *General Conditions for Entitlement.*** – A member who is separated  
10 from the service due to the abolition of his/her office or position resulting from  
11 reorganization shall be entitled to the unemployment benefits enumerated in Section  
12 20 hereof: *Provided,* That the member:

13 (a) Has been paying the required premium contributions for at least one (1)  
14 year prior to separation;

15 (b) Has no pending application of separation benefits or has not been paid the  
16 voluntary separation benefit equivalent to one-time cash payment or 18 times the  
17 basic monthly pension, should he/she opt to avail of the same; and

18 (c) Has not availed of any early retirement program as a result of his/her office's  
19 reorganization.

20 **Sec. 20. *Unemployment or Involuntary Separation Benefits*** – Unemployment  
21 benefits shall be computed as fifty percent (50%) of the Average Monthly  
22 Compensation of the member, payable in accordance with the following schedule:

23 Contributions Made	Benefit Duration
24 1 year but less than 3 years	2 months
25 3 or more years but less than 6 years	3 months
26 6 or more years but less than 9 years	4 months
27 9 or more years but less than 11 years	5 months
28 11 or more years but less than 15 years	6 months

29 The first payment shall be equivalent to two (2) monthly benefits. A seven (7)  
30 day waiting period shall be imposed on succeeding monthly payments.



1 All accumulated unemployment benefits paid to the employee during his/her  
2 entire membership with the GSIS shall be deducted from voluntary separation  
3 benefits.

4 The GSIS shall prescribe the detailed guidelines in the operationalization of this  
5 Section in the rules and regulations implementing this Act.

#### 6 7 **PERMANENT DISABILITY BENEFITS**

8 *Sec. 21. General Conditions for Entitlement.* – A member who suffers  
9 permanent disability for reasons not due to his/her grave misconduct, notorious  
10 negligence, habitual intoxication, or willful intention to kill himself/herself or another,  
11 shall be entitled to the disability benefits provided for in this Act: *Provided,* That he/she  
12 was in the service at the time of disability.

13 *Sec. 22. Types of Disability Benefits.* – There are two (2) types of permanent  
14 disability, which shall be determined by the GSIS based on established medical  
15 standards: (a) permanent total disability and (b) permanent partial disability.

16 *Sec. 23. Permanent Total Disability Benefits.* –

17 (a) The following disabilities shall be deemed permanent and total:

18 (1) Complete loss of sight of both eyes;

19 (2) Loss of two (2) limbs at or above the ankle and wrist;

20 (3) Permanent complete paralysis of two (2) limbs;

21 (4) Complete loss of hearing of both ears;

22 (5) Brain injury resulting in physical incapacity, incurable imbecility or  
23 insanity; and,

24 (6) Such other cases may be determined by the Board of Trustees.

25 (b) The member shall receive a monthly income benefit for life equal to the  
26 basic monthly pension effective from the date of disability.

27 (c) A cash payment equivalent to eighteen (18) times his/her basic monthly  
28 pension shall also be given if the member is in the service at the time of disability and  
29 he/she has paid a total of at least one hundred eighty (180) monthly contributions.

30 (d) A member cannot enjoy the monthly income benefit for permanent disability  
31 and old-age retirement simultaneously.

1 (e) If a member does not satisfy the conditions stated under Section 21 hereof  
2 but has rendered at least three (3) years of service at the time of his/her disability,  
3 he/she shall be advanced the cash payment equivalent to one hundred percent  
4 (100%) of his/her Average Monthly Compensation for each year of service he paid  
5 contributions, but not less than Twelve Thousand Pesos (Php12,000.00) which should  
6 have been his/her separation benefit.

7 (f) Unless the member has reached the minimum retirement age at the time of  
8 disability, his entitlement to permanent total disability benefit shall be suspended  
9 when:

- 10 (1) He/she recovers from disability as determined by the GSIS, whose  
11 decision shall be final and binding; or  
12 (2) He/she fails to undergo medical examination when required by the GSIS.

### 13 14 **PERMANENT PARTIAL DISABILITY BENEFITS**

15 *Sec. 24. Permanent Partial Disability Benefits. –*

16 (a) The following disabilities shall be deemed permanent partial:

17 1. SCHEDULED - Complete and permanent loss of the use of:

- 18 (i) Any finger  
19 (ii) Any toe  
20 (iii) One arm  
21 (iv) One hand  
22 (v) One foot  
23 (vi) One leg  
24 (vii) One or both ears  
25 (viii) Hearing of one or both ears  
26 (ix) Sight of one eye

27 2. NON-SCHEDULED - Such other cases may be determined by the GSIS.

28 (b) The member shall receive a cash payment in accordance with a schedule of  
29 disabilities to be prescribed by the GSIS.

### 30 31 **TEMPORARY TOTAL DISABILITY BENEFITS**



1 shall not be less than Thirty Thousand Pesos (Php30,000.00): *Provided*, That it may  
2 be adjusted after every five (5) years upon recommendation of the GSIS Actuary and  
3 the GSIS PGM and approved by the Board in accordance with the rules and regulations  
4 prescribed by the GSIS. The funeral benefit shall be paid upon the death of any of  
5 the following:

6 (a) A member who:

7 (1) died while in active service; or

8 (2) although separated from government service, is or would have been entitled  
9 to future separation or retirement benefits under Section 17 ("Separation Benefits")  
10 or Section 13 ("Retirement Benefits") of this Act, respectively, and the rule on  
11 constructive filing shall apply in case there is also a filed claim for survivorship benefit.

12 (3) retired under R.A. No. 1616 prior to 24 June 1997 with at least 20 years of  
13 service, regardless of age; or

14 (4) retired under R.A. No. 1616 on or after 24 June 1997, with at least 20 years  
15 of service, and is at least 60 years of age at the time of his/her retirement.

16 (b) An old-age or disability pensioner.

## 17 18 **SURVIVORSHIP BENEFITS**

19 *Sec. 29. General Entitlement to Survivorship Benefits.* – When a member or  
20 pensioner dies, the qualified beneficiaries shall be entitled to the following survivorship  
21 benefits, whichever is applicable.

22 *Sec. 30. Survivorship Pension.* – The survivorship pension shall consist of:

23 (a) The basic survivorship pension which is fifty percent (50%) of the  
24 basic monthly pension but shall not be more than fifty percent (50%) of the  
25 current Step 8 salary of an Undersecretary. The cap on the survivorship pension  
26 may be reviewed every five (5) years by the Board, upon recommendation of  
27 the GSIS Actuary and the GSIS PGM, and approved by the Board of Trustees  
28 in accordance with the rules and regulations prescribed by the GSIS, by  
29 considering the issuances on the salary standardization law.

30 (b) The dependent children's pension equivalent to ten percent  
31 (10%) of the basic monthly pension for each child not exceeding fifty percent

1 (50%) of the basic monthly pension but which shall not be more than fifty  
2 percent (50%) of the current Step 8 salary of an Undersecretary.

3 (c) The maximum amount of basic survivorship pension prevailing at  
4 the time of death of the member or pensioner shall apply. Any subsequent  
5 increase in the Step 8 salary of an Undersecretary will not result in any  
6 adjustment to the survivorship pension already being received.

7 (d) The survivorship pension shall not be guaranteed yearly  
8 adjustments due to inflation.

9 (1) Cash payment equivalent to eighteen (18) months BMP; or

10 (2) Cash payment equivalent to one hundred percent (100%) of the AMC  
11 for every period with paid premiums but not less than Twelve  
12 Thousand Pesos (Php12,000.00).

13 Sec. 31. *Death of a Member.* – Upon the death of a member, the qualified  
14 beneficiaries shall be entitled to:

15 (a) Survivorship pension: Provided, That the deceased:

16 (1) Was in the service at the time of his death and has rendered at least  
17 fifteen (15) years of period with paid premiums (PPP); or

18 (2) If separated from the service, has at least fifteen (15) years of PPP.

19 (b) The survivorship pension plus a cash payment equivalent to  
20 eighteen (18) months BMP: *Provided*, That the deceased was in the service at  
21 the time of his death with at least fifteen (15) years of PPP;

22 (c) A cash payment equivalent to one hundred percent (100% of the  
23 AMC for each year of period with paid premiums, but not less than Twelve  
24 Thousand Pesos (P12,000.00): *Provided*, That the deceased member was in  
25 the service at the time of his death or if separated from the service, has at least  
26 three (3) years of PPP.

27 *The survivorship pension shall be paid as follows:*

28 (a) when the dependent spouse is the only survivor, he/she shall  
29 receive the basic survivorship pension for life or until he/she remarries,  
30 cohabits, or engages in a common-law relationship;

31 (b) when only the dependent children are the survivors, they shall  
32 be entitled only to the dependent children's pension for a maximum of five (5)

1 children for as long as they are qualified, counted from the youngest and  
2 without substitution;

3 (c) when the survivors are the dependent spouse and the dependent  
4 children, the dependent spouse shall receive the basic survivorship pension for  
5 life or until he/she remarries, cohabits, or engages in a common-law  
6 relationship, and the dependent children shall receive the dependent children's  
7 pension;

8 (d) when the dependent spouse and dependent children are already  
9 receiving the basic survivorship pension and dependent children's pension,  
10 respectively, any subsequent death, emancipation or disqualification of any one  
11 of them shall not entitle the other beneficiaries to the forfeited share;

12 (e) when the retiree dies before reaching sixty (60) years of age but  
13 has already received the separation benefit in the form of cash payment  
14 equivalent to 18 months BMP, the survivorship pension shall be paid effective  
15 from the date of death;

16 (f) when the pensioner dies within the 5-year period after receiving  
17 the five-year lump sum, the survivorship pension shall be paid only after the  
18 expiration of the said five-year period.

19 *Survivorship Benefits of Members in Active Service*

20 (a) If at the time of death, a member was in the service and had  
21 rendered at least fifteen (15) years of PPP:

22 (1) His/her primary beneficiaries shall receive the survivorship pension and  
23 cash payment equivalent to eighteen (18) times the BMP; or

24 (2) In the absence of primary beneficiaries, his/her secondary beneficiaries  
25 shall receive the cash payment equivalent to 18 times the BMP; or

26 (3) In the absence of the primary and secondary beneficiaries, the legal  
27 heirs of the member shall receive the cash payment equivalent to 18 times  
28 the BMP;

29 (b) If at the time of death, the member was in the service with less  
30 than fifteen (15) years of PPP; his primary beneficiaries shall receive the cash  
31 payment equivalent to 100% of the AMC for every PPP.

32 *Survivorship Benefits of Inactive Members*

1 (a) Survivors of members who retired under retirement laws not  
2 administered by the GSIS shall not receive any survivorship benefits;

3 (b) Primary beneficiaries of inactive members who have at least  
4 fifteen (15) years of PPP shall receive the survivorship pension only;

5 (c) Primary beneficiaries of inactive members who have at least three  
6 (3) years of PPP but less than fifteen (15) years and were less than sixty  
7 (60) years of age at the time of death shall receive a cash benefit/payment  
8 equivalent to 100% of the deceased inactive member's AMC for every year  
9 PPP, but not less than Php12,000;

10 (d) Primary beneficiaries of inactive members who have less than  
11 fifteen (15) years of PPP and were at least sixty (60) years of age at the  
12 time of separation from the service, shall not be entitled to receive  
13 survivorship benefits. However, if the member has not yet received  
14 separation benefit within four (4) years after his/her separation, the primary  
15 beneficiaries shall receive the cash benefit equivalent to 100% of the  
16 inactive member's AMC for every year of PPP, but not less than Php12,000.

### 17 **LIFE INSURANCE BENEFITS**

18 Sec. 32. *Compulsory Life Insurance.* – All employees, except for those  
19 enumerated under Section 4(e) of this Act, shall, under such terms and conditions as  
20 may be promulgated by the GSIS, be compulsorily covered with life insurance, which  
21 shall automatically take effect on the date of their employment.

22 Sec. 33. *Dividends.* – An annual dividend may be granted to all members of  
23 the GSIS whose life insurance is in force for at least one (1) year in accordance with  
24 a dividend allocation formula to be determined by the GSIS.

25 Sec. 34. *Optional Insurance.* – Subject to the rules and regulations prescribed  
26 by the GSIS, a member may apply for insurance and/or pre-need coverage embracing  
27 life, health, hospitalization, education, memorial plans, and such other plans as may  
28 be designed by the GSIS, for himself/herself and/or his/her dependents. Any  
29 employer may likewise apply for group insurance coverage for its employees. The  
30 payment of the premiums/installments for optional insurance and pre-need products  
31 may be made by the insured or his/her employer and/or any person acceptable to the  
32 GSIS.

1  
2 **NON-LIFE INSURANCE**

3       Sec. 35. *Insurance and Reinsurance.* – In line with its mandate under R.A No.  
4 656 as amended and other related laws, the GSIS shall engage in all kinds of insurance  
5 and reinsurance and all other forms of undertaking to indemnify any person or party  
6 against loss, damage, or liability, including third party liability, arising from unknown  
7 or contingent event, properties or assets, contracts or agreements, causes or rights  
8 of action, or other insurable interests, to the extent of the interests of the government,  
9 against any insurable risk.

10       The GSIS shall have the authority to secure reinsurance support for government  
11 insurable interest or part thereof from any financially sound and capable domestic  
12 reinsurance corporation, foreign corporation that is authorized to transact reinsurance  
13 business in the Philippines in accordance with R.A. No. 10607, or from any insurance  
14 institution owned and operated by a foreign insurance entity; *Provided,* That in the  
15 award of reinsurance contracts, the GSIS shall be exempt from the provisions of R.A.  
16 No. 9184 or any subsequent procurement law and shall ensure that the contract to be  
17 awarded shall be the most advantageous for the GSIS or Government of the  
18 Philippines guided by the principle of transparency and competitiveness thru the  
19 adoption of its own rules and regulations: *Provided further,* That the GSIS shall have  
20 the authority to determine the required capitalization and financial reserve of  
21 interested entities: *Provided, finally,* That the GSIS shall submit an annual report on  
22 its insurance or reinsurance operations to the insurance commission for monitoring  
23 purposes only.

24       For purposes hereof, insurable interest shall mean every interest in property,  
25 whether real or personal, or any relation thereto, or liability in respect thereof, of such  
26 nature that a contemplated peril might directly indemnify the insured.

27       It shall also refers to those interest in which the government or government  
28 agency has a relation or connection with, or concern in it including but not limited to  
29 Overseas Filipino Workers, such that the said government or government agency will  
30 derive pecuniary benefit or advantage from its preservation and will suffer pecuniary  
31 loss or damage from its destruction, termination or injury by the happening of the  
32 event insured against.



1 It may consist in an existing interest, inchoate interest founded on an existing  
2 interest, or an expectancy, coupled with an existing interest in that out of which the  
3 expectancy arises.

4 Accordingly, the insurable interest of government, parent, subsidiary and  
5 acquired asset corporations, including government financial institutions, as these  
6 corporations are defined in Presidential Decree (P.D.) No. 2029, shall also extend to  
7 their physical assets which by declared policy of the government are required to be  
8 privatized.

9  
10 **E. ADJUDICATION OF CLAIMS AND DISPUTES**

11 **Sec. 36. *Prescription.*** – Upon the effectivity of this Act, all benefits due as  
12 defined under Section 3(c) of this Act shall not be prescribed.

13 **Sec. 37. *Facility of Payment.*** – The GSIS shall prescribe rules and regulations  
14 to facilitate payment of benefits, proceeds and claims for benefits under this Act and  
15 any other laws administered by the GSIS. Payments made by the GSIS prior to its  
16 receipt of an adverse claim, to a beneficiary or claimant subsequently found not  
17 entitled thereto, shall not bar the legal and eligible recipient from his/her right to  
18 demand the payment of benefits, proceeds, and claims from the GSIS.

19 **Sec. 38. *Settlement of Disputes.*** – The GSIS shall have original and exclusive  
20 jurisdiction to settle any disputes or issues including but not limited to claims and  
21 benefits arising under this Act, C.A. No. 186, as amended, R.A. No. 8291 and other  
22 laws administered by the GSIS, including its implementing rules and regulations,  
23 policies and guidelines.

24 The Board may designate any member of the Board or official of the GSIS who  
25 is a lawyer, to act as hearing officer to receive evidence, make findings of fact and  
26 submit recommendations together with all the documentary and testimonial evidence,  
27 to the Board within thirty (30) working days from the time the parties have closed  
28 their respective evidence and filed and submitted their last pleading or other requested  
29 documents. The Board shall decide the case within thirty (30) days from the receipt  
30 of the hearing officer's findings and recommendations. The cases heard directly by  
31 the Board shall be decided within thirty (30) working days from the time they are  
32 submitted by the parties for decision.

1           Sec. 39. *Appeals.* – Decisions of the Board shall be appealable to the Court of  
2 Appeals. The appeal shall not stay the award, order or decision sought to be reviewed  
3 unless ordered by the Court of Appeals or by the Supreme Court.

4           Sec. 40. *Execution of Decision.* – When no appeal is perfected and there is no  
5 order to stay by the Board, by the Court of Appeals, or by the Supreme Court, any  
6 decision or award of the Board shall be enforced and executed in the same manner  
7 as decisions of the Regional Trial Court. For this purpose, the Board shall have the  
8 power to issue to the city or provincial sheriff or its appointed sheriff such writs of  
9 execution as may be necessary for the enforcement of such decision or award, and  
10 any person who shall fail or refuse to comply with such decision, award, writ or process  
11 after being required to do so shall, upon application by the GSIS, be punished for  
12 contempt.

13           Sec. 41. *Oaths, Witnesses, and Production of Records.* – When authorized by  
14 the Board, an official or employee of the GSIS shall have the power to administer oath  
15 and affirmation, take depositions, certify to official acts, and issue *subpoena ad*  
16 *testificandum* and *subpoena duces tecum* to compel the attendance of witnesses and  
17 the production of books, papers, correspondences and other records deemed  
18 necessary as evidence in connection with any question arising under this Act. Any case  
19 of contumacy shall be dealt with in accordance with the provisions of Section 580 of  
20 the Revised Administrative Code.

21  
22   **F. FUNDS OF THE GSIS**

23           Sec. 42. *Funds.* – The GSIS shall administer the Social Insurance Fund, which  
24 consists of all contributions payable under Section 7 of this Act together with the  
25 earnings and accruals thereon. Said Fund shall be used to finance the benefits  
26 administered by the GSIS under this Act. In addition, the GSIS shall administer the  
27 following funds, to be known collectively as the “GSIS-Administered Funds”:

- 28           (a) The Optional Insurance Fund for the insurance coverage described in  
29           Section 34 hereof;  
30           (b) The Employees’ Compensation Insurance Fund created under P.D. No. 626,  
31           as amended;  
32           (c) The General Insurance Fund created under R.A. No. 656, as amended; and,

1 (d) Such other special funds existing or that may be created for special groups  
2 or persons rendering services to the government.

3 The GSIS shall maintain the required reserves for each fund to guarantee the  
4 fulfillment of its obligations under this Act.

5 The funds administered by the GSIS shall not be used for purposes other than  
6 those provided for under this Act, any prior or subsequent laws, issuances and rules  
7 and regulations to the contrary notwithstanding.

8 No portion of the funds of the GSIS or income thereof shall accrue to the general  
9 fund of the national government and its political subdivisions, instrumentalities and  
10 other agencies including government-owned and controlled corporations.

11 *Sec. 43. Deposits and Disbursements.* – All revenues collected and all accruals  
12 thereto shall be deposited, administered and disbursed in accordance with law. A  
13 maximum expense loading of two percent (2%) of the total assets may be disbursed  
14 for administrative and operational expenses except as may be otherwise  
15 recommended by the GSIS Actuary and the GSIS PGM, and approved by the Board of  
16 Trustees of GSIS in accordance with the rules and regulations prescribed by the GSIS.

17 *Sec. 44. Investment of Funds.* – The funds of the GSIS which are not needed  
18 to meet the current obligations may be invested under such terms and conditions and  
19 rules and regulations as may be prescribed by the Board: *Provided*, That investments  
20 shall optimize the requirements of liquidity, safety, security and yield as embodied in  
21 formal investment policy guidelines approved by the Board in order to ensure the  
22 actuarial solvency of the funds of the GSIS: *Provided, further*, That the GSIS shall  
23 submit an annual report on all investments made to both Houses of Congress of the  
24 Philippines. The funds may be invested in the following:

25 (a) Interest-bearing or zero-coupon bonds or securities or other evidence of  
26 indebtedness of the Government of the Philippines;

27 (b) Interest-bearing or zero-coupon deposits or securities in any domestic bank  
28 doing business in the Philippines: *Provided*, That in the case of such deposits, these  
29 shall not exceed at any time the unimpaired capital and surplus or total private  
30 deposits of the depository bank, whichever is smaller: *Provided, further*, That said  
31 bank has prior designation as a depository for the purpose by the Monetary Board of  
32 the Bangko Sentral ng Pilipinas;

1 (c) Short-and-medium term loans to members such as salary, policy,  
2 educational, emergency, and other similar loans;

3 (d) Bonds, securities, promissory notes or other evidence of indebtedness of  
4 educational or medical institutions to finance the construction, improvement and  
5 maintenance of schools and hospitals;

6 (e) Real estate property including shares of stocks involving real estate property  
7 and investments secured by first mortgages on real estate or other collaterals  
8 acceptable to the GSIS: *Provided*, That such investments shall, in the determination  
9 of the Board, redound to the benefit of the GSIS, its members, as well as the general  
10 public;

11 (f) Debt instruments and other securities traded in secondary markets;

12 (g) Loans to, or in bonds, debentures, promissory notes or other evidence of  
13 indebtedness of any solvent corporation created or existing under the laws of the  
14 Philippines;

15 (h) Common and preferred stocks of any solvent corporation or financial  
16 institution created or existing under the laws of the Philippines listed in the stock  
17 exchange subject to the requirements of liquidity, safety, security, and expected  
18 returns as embodied in formal investment policy guidelines approved by the Board;

19 (i) Domestic mutual funds including investments related to the operations of  
20 mutual funds; and,

21 (j) Foreign mutual funds and in foreign currency deposits or foreign currency-  
22 denominated debts, non-speculative equities and other financial instruments or other  
23 assets issued in accordance with existing laws of the countries where such financial  
24 instruments are issued: *Provided, further*, That the issuing company has proven track  
25 record of profitability over the last three (3) years.

26 Sec. 45. *Records and Reports.* – The GSIS shall keep and cause to manage  
27 such records as may be necessary for the purpose of making actuarial studies,  
28 calculations and valuations of the funds of the GSIS including such data needed in the  
29 computation of rates of disability, mortality, morbidity, separation and retirement  
30 among the members and any other information useful for the adjustment of the  
31 benefits of the members. The GSIS shall maintain appropriate books of accounts to

1 record its assets, liabilities, income, expenses, receipts and disbursements of funds  
2 and other financial transactions and operations.

3       *Sec. 46. Examination and Valuation of the Funds.* – The GSIS shall make a  
4 periodic actuarial examination and valuation of its funds in accordance with accepted  
5 actuarial principles and best practices.

6       *Sec. 47. Exemption from Tax, Legal Process and Lien.* – It is hereby reaffirmed  
7 as a State policy that the actuarial solvency of all the funds of the GSIS, including  
8 GSIS Administered Funds, shall be preserved and maintained at all times and that  
9 contribution rates necessary to sustain the benefits under this Act shall be kept as low  
10 as possible in order not to burden the members of the GSIS and their employers.

11       Taxes imposed on the GSIS tend to impair the actuarial solvency of all of its  
12 funds and increase the contribution rate necessary to sustain the benefits under this  
13 Act. Accordingly, notwithstanding any laws to the contrary, the GSIS, including GSIS  
14 wholly owned and controlled corporations and its subsidiaries, whether as a direct  
15 taxpayer, collecting or remitting agent, all of its funds, including the non-life and  
16 property insurance funds and those that GSIS is mandated to administered under  
17 special laws, assets, properties, all contributions collected, including all accruals  
18 thereto, all revenues, income or investment earnings therefrom including all accruals  
19 thereto, transactions and benefits paid, as well as all supplies, equipment, papers or  
20 documents shall remain and be exempt from any and all forms and kinds of direct or  
21 indirect taxes, including output and input Value Added Taxes (VAT) and Documentary  
22 Stamp Taxes (DST), assessments, fees, charges, customs or import duty or duties  
23 imposed by the national or local government and shall not be liable to attachments,  
24 garnishments, levy or seizure by or under any legal or equitable process, whatsoever,  
25 either before or after receipt by the person or persons entitled thereto. These  
26 exemptions shall continue unless expressly, specifically, and categorically revoked or  
27 repealed, and any tax assessment imposed against the GSIS as of the approval of this  
28 Act or subsequent thereto is shall be null and void and considered paid and cancelled.  
29 No tax measure of whatever nature enacted shall apply to the GSIS unless it expressly  
30 and categorically revokes the declared policy of the State in this Act and in this Section  
31 granting tax-exemption to the GSIS. Consequently, all laws, ordinances, regulations,  
32 issuances, opinions or jurisprudence contrary to or in derogation of this provision are

1 hereby deemed repealed, superseded and rendered ineffective and without legal force  
2 and effect.

3 The exemptions provided herein shall not be affected nor derogated by  
4 subsequent laws to the contrary unless this Section is expressly, specifically, and  
5 categorically revoked or repealed by law and a provision is enacted to substitute or  
6 replace the exemption herein referred as an essential factor to maintain and/or protect  
7 the solvency of the fund, notwithstanding and independently of the guarantee of the  
8 national government to secure such solvency or liability.

9 All funds, including the non-life and property insurance funds and those that  
10 GSIS is mandated to administered under special laws, and/or the properties of the  
11 GSIS referred to herein shall be exempt from attachment, garnishment, execution,  
12 levy, seizure or any other legal or equitable processes issued by the courts, quasi-  
13 judicial agencies or administrative bodies including Commission on Audit (COA)  
14 disallowances.

15 All the benefits, sums or monies corresponding to the benefits under this Act  
16 shall likewise be exempt from attachment, garnishment, execution, levy, seizure or  
17 any other legal or equitable processes issued by the courts, quasi-judicial agencies or  
18 administrative bodies including COA disallowances, based on financial obligations or  
19 liability of any member, including any pecuniary accountability arising from or caused  
20 or occasioned by exercise or performance of his/her official functions or duties, or  
21 incurred relative to or in connection with his/her position or work except when his/her  
22 monetary liability, contractual or otherwise, is in favor of the GSIS.

23 *Sec. 48. Exemption from Filing Fees and Government Procurement Law on*  
24 *Reinsurance Contracts* - The GSIS shall be exempted from payment of filing fees in  
25 any courts, quasi-judicial agencies or administrative bodies.

26 The selection by the GSIS of reinsurer and the award of reinsurance contracts  
27 pursuant to Section 35 of this Act and other applicable laws shall be exempted from  
28 the provisions of R.A. No. 9184, otherwise known as the Government Procurement  
29 Reform Act or any subsequent procurement law. Provided, that the GSIS shall  
30 prescribe its own rules and regulations guided by the principles of transparency and  
31 competitiveness and shall ensure that the contract to be awarded shall be the most  
32 advantageous for the GSIS or Government of the Philippines.

1  
2 **G. ADMINISTRATION**

3 Sec. 49. *Implementing Body.* – The GSIS shall implement the provisions of this  
4 Act.

5 Sec. 50. *Powers and Functions of the GSIS.* – The GSIS shall exercise the  
6 following powers and functions:

7 (a) Formulate, adopt, amend or rescind rules and regulations necessary to  
8 carry out the provisions and purposes of this Act;

9 (b) Adopt or approve the annual and supplemental budget of receipts and  
10 expenditures including salaries and allowances of the GSIS personnel; to authorize  
11 such capital and operating expenditures and disbursements of the GSIS as may be  
12 necessary and proper for the effective management and operation of the GSIS without  
13 need of approval or review by the President of the Philippines, DBM, Governance  
14 Commission for GOCCS (GCG), COA or other government agencies or  
15 instrumentalities, notwithstanding any laws, rules, regulations and other issuances to  
16 the contrary and the same shall not be affected by subsequent laws, rules, regulations  
17 and issuances to the contrary unless this provision is expressly, specifically and  
18 categorically revoked or repealed by law.

19 Consequently, this provision shall apply retroactively and all laws, ordinances,  
20 regulations, issuances, opinions or jurisprudence contrary to or in derogation of this  
21 provision are hereby repealed, superseded and rendered ineffective and without legal  
22 force and effect.

23 (c) Invest the funds of the GSIS, directly or indirectly, in accordance with the  
24 provisions of this Act;

25 (d) Acquire, develop, utilize or dispose of, in any manner recognized by law,  
26 real or personal property in the Philippines or elsewhere necessary to carry out the  
27 purposes of this Act;

28 (e) Conduct continuing actuarial and statistical studies and valuations to  
29 determine the financial condition of the GSIS and, taking into consideration such  
30 studies, and valuations and the limitations herein provided, re-adjust the benefits,  
31 contributions, premium rates, the formula or the terms and conditions relative to

1 benefits and claims, interest rates or the allocation or reallocation of the funds to the  
2 contingencies covered;

3 (f) Have the power of succession;

4 (g) Sue and be sued;

5 (h) Enter into, make, perform and carry out contracts of every kind and  
6 description with any person, firm or association or corporation, domestic or foreign in  
7 accordance with law: *Provided*, That the procurement by the GSIS of infrastructure  
8 projects, goods, consulting services, and reinsurance shall be exempt from the  
9 provisions of R.A. No. 9184; *Provided, further*, That, in the procurement of said  
10 infrastructure projects, goods, consulting services and reinsurance, the GSIS shall be  
11 governed by the same principles of transparency, competitiveness, simplicity,  
12 accountability and public monitoring as enumerated under Section 3 of R.A. No. 9184.

13 (i) Engage in any lawful business in pursuance of and in furtherance of the  
14 provisions of this Act;

15 (j) Have one or more offices, conduct its business and exercise its powers within  
16 and outside the Philippines: *Provided*, That the GSIS shall maintain a branch office in  
17 every province where there exists a minimum of fifteen thousand (15,000)  
18 membership;

19 (k) Borrow funds from any source, private or government, foreign or domestic,  
20 only as an incident to the securitization of housing mortgages of the GSIS and on  
21 account of its receivables from any government or private entity;

22 (l) Invest, own or otherwise participate in equity in any establishment, firm or  
23 entity;

24 (m) Approve appointments in the GSIS, except appointments to positions which  
25 are policy determining, primarily confidential or highly technical in nature according to  
26 the qualification standards and rules and regulations set by the GSIS PGM and Board  
27 provided hereinafter: *Provided*, That all positions in the GSIS shall be permanent in  
28 nature unless otherwise indicated, and belong to the second level and not classified  
29 as part of the Career Executive Service, and shall be governed by a compensation and  
30 position classification system and qualifications standards approved by the GSIS Board  
31 based on a comprehensive job analysis and audit of actual duties and responsibilities:  
32 *Provided, further*, That the compensation plan shall be comparable with the prevailing



1 compensation plans in the private sector and shall be subject to the periodic review  
2 by the Board no more than once every four (4) years without prejudice to yearly merit  
3 reviews or increases based on productivity and profitability; and which shall be  
4 unqualifiedly and absolutely exempted from any form of approval or review by the  
5 President of the Philippines, DBM, GCG, COA or other government agencies or  
6 instrumentalities, notwithstanding any laws, rules, regulations and other issuances to  
7 the contrary and the same shall not be affected by subsequent laws, rules, regulations  
8 and issuances to the contrary unless this provision is expressly, specifically and  
9 categorically revoked or repealed by law.

10 Consequently, this provision shall apply retroactively and all laws, ordinances,  
11 regulations, issuances, opinions or jurisprudence contrary to or in derogation of this  
12 provision are hereby repealed, superseded and rendered ineffective and without legal  
13 force and effect.

14 (n) Design and adopt an Early Retirement Incentive Plan (ERIP) and/or  
15 financial assistance for the purpose of retirement of its own personnel;

16 (o) Fix and periodically review and adjust the rates of interest and other terms  
17 and conditions for loans and credits extended to members or other persons, whether  
18 natural or juridical;

19 (p) Enter into agreement with the Social Security System or any other entity,  
20 enterprise, corporation or partnership for the benefit of members transferring from  
21 one system to another subject to the provisions of R.A. No. 7699, otherwise known as  
22 the "Portability Law";

23 (q) Float proper instrument to liquefy long term maturity by pooling funds for  
24 short-term secondary market;

25 (r) Not later than June 30 of each year, publish and submit to the President of  
26 the Philippines and Congress an annual report regarding its activities relative to the  
27 administration and implementation of this Act including information and  
28 recommendations on policies relating to functions and operations of the GSIS;

29 (s) Maintain a provident fund, which consists of contributions from both the  
30 GSIS and its employees and their earnings, for the payment of benefits to such  
31 employees or their heirs under such terms and conditions as the GSIS may prescribe;

1 (t) Approve and adopt guidelines affecting investments, insurance coverage of  
2 government properties, settlement of claims, disposition of acquired assets,  
3 privatization or expansion of subsidiaries, development of housing projects, increased  
4 benefit and loan packages to members and the enforcement of the provisions of this  
5 Act.

6 (u) Determine, fix and impose interest on unpaid premiums due from employers  
7 and employees;

8 (v) Ensure the collection or recovery of all indebtedness, liabilities and/or  
9 accountabilities, including unpaid premiums or contributions in favor of the GSIS due  
10 from all obligors, whether public or private. The GSIS shall demand payment or  
11 settlement of the obligations referred to herein within thirty (30) days from the date  
12 the obligation becomes due, and in the event of failure or refusal of the obligor or  
13 debtor to comply with the demand, to initiate or institute the necessary or proper  
14 actions or suits, criminal, civil or administrative or otherwise, before the courts,  
15 tribunals, commissions, boards, or bodies of proper jurisdiction within thirty (30) days  
16 reckoned from the expiry date of the period fixed in the demand within which to pay  
17 or settle the account;

18 (w) Design and implement programs that will promote and mobilize savings  
19 and provide additional resources for social security expansion and at the same time  
20 afford individual members appropriate returns on their savings/investments. The  
21 programs shall be so designed as to spur socio-economic take-off and maintain  
22 continued growth; and,

23 (y) Exercise such powers and perform such acts as may be necessary, useful,  
24 incidental or auxiliary to carry out the provisions and attain the purposes and  
25 objectives of this Act.

26 *Sec. 51. The Board of Trustees.* – The corporate powers and functions of the  
27 GSIS shall be vested in and exercised by the Board composed of the President and  
28 General Manager of the GSIS and ten (10) other members to be appointed by the  
29 President of the Philippines. Of these, five (5) shall be active or retired members of  
30 the GSIS: at least two (2) shall be a representative from the teachers recommended  
31 by the Philippine Public School Teachers Association (PPSTA), the Philippine  
32 Association of School Superintendents (PASS), or by a leading national organization of

1 teachers; at least two (2) shall be from the leading organizations or associations of  
2 government employees/retirees who possess the ethics, experience and competence  
3 to represent the needs of their sectors; and one (1) shall be a member of the legal  
4 profession who at the time of appointment is also a member of the GSIS. The  
5 remaining five (5) shall be recognized individuals from any of the following fields of  
6 expertise: banking and finance, investment, insurance, law, human resources, audit,  
7 management and information technology. The Trustees shall elect from among  
8 themselves a Chairman and a President and General Manager, who shall automatically  
9 be the vice-chairman.

10 The Trustees, except the President and General Manager who shall cease as  
11 trustee upon his/her separation, shall hold office for six (6) years without  
12 reappointment, unless sooner removed or separated, or until their successors are duly  
13 appointed and qualified: *Provided,* That the vacancy, other than through the  
14 expiration of the term, shall be filled for the unexpired term only. The members of the  
15 Board (Trustees) shall be considered as officers, and are members of the GSIS, subject  
16 to the conditions and eligibility of compulsory membership of the GSIS. (42a)

17 *Sec. 52. Powers and Functions of the Board of Trustees.* – The Board shall  
18 have the following powers and functions:

19 (a) Formulate policies, guidelines and programs to effectively carry out the  
20 purposes of this Act;

21 (b) Promulgate such rules and regulations as may be necessary or proper for  
22 the effective exercise of the powers and functions as well as the discharge of duties  
23 and responsibilities of the GSIS, its officers and employees;

24 (c) Upon recommendation of the President and General Manager, to approve  
25 the annual and supplemental budget of receipts and expenditures of the GSIS, and to  
26 authorize such operating and capital expenditures and disbursements of the GSIS as  
27 may be necessary or proper for the effective management, operation and  
28 administration of the GSIS without need of review or approval by the President of the  
29 Philippines, DBM, GCG, COA or other government agencies or instrumentalities and  
30 notwithstanding any provision of law, rules and regulations and any other issuances  
31 to the contrary unless this Section is expressly, specifically and categorically revoked  
32 or repealed by law. Consequently, this provision shall apply retroactively and all laws,

1 ordinances, regulations, issuances, opinions or jurisprudence contrary or in derogation  
2 of this provision are hereby repealed, superseded and rendered ineffective and without  
3 legal force and effect.

4 (d) Upon the recommendation of the President and General Manager, to  
5 approve the GSIS' organizational and administrative structures and staffing pattern,  
6 and to establish, fix, review, revise and adjust compensation packages of officers and  
7 employees of the GSIS with reasonable allowances, incentives, bonuses, privileges  
8 and other benefits as may be necessary or proper for the effective management,  
9 operation and administration of the GSIS, which shall be exempt from R.A. No. 6758,  
10 otherwise known as the "Salary Standardization Law," R.A No. 7430, otherwise known  
11 as the "Attrition Law" and R.A. No. 10149 otherwise known as the "GOCC Governance  
12 Act of 2011"; *Provided*, That all positions in the GSIS shall be permanent in nature  
13 unless otherwise indicated, and belong to the second level and not classified as part  
14 of the Career Executive Service. These powers and functions shall be exercised  
15 without need of review or approval by the President of the Philippines, DBM, GCG or  
16 other government agencies or instrumentalities and notwithstanding any provision of  
17 law, rules and regulations and any other issuances to the contrary unless this Section  
18 is expressly, specifically and categorically revoked or repealed by law. Consequently,  
19 this provision shall apply retroactively and all laws, ordinances, regulations, issuances,  
20 opinions or jurisprudence contrary or in derogation of this provision are hereby  
21 repealed, superseded and rendered ineffective and without legal force and effect;

22 (e) Fix and periodically review and adjust the rates of interest and other terms  
23 and conditions for loans and credits extended to its members or other persons,  
24 whether natural or juridical;

25 (f) The provision of any law, rules and regulations and issuances to the contrary  
26 notwithstanding, to compromise, release, condone or write off from the books of  
27 accounts, in whole or in part, without need of prior approval from and by the President  
28 of the Philippines, COA, Congress of the Philippines, or other agencies, any claim or  
29 settle liability, for or against the GSIS, including, interests, penalties and surcharges  
30 imposed upon delinquent premium contributions and loan amortizations and any civil  
31 liability to GSIS, regardless of the amount involved under such terms and conditions  
32 as the as the Board may find acceptable and practicable in accordance with applicable

1 laws rules and regulations, subject to the Board's best business judgment and the best  
2 interest of the GSIS;

3 (g) Approve and adopt guidelines affecting investments, insurance coverage of  
4 government properties, settlement of claims, disposition of acquired assets,  
5 development of housing projects, increased benefit and loan packages to members,  
6 and the enforcement of the provisions of this Act;

7 (h) Determine, fix and impose interest on unpaid or unremitted premiums  
8 and/or contributions; and,

9 (i) Perform any and all acts necessary and proper to attain the purposes and  
10 objectives of this Act.

11 *Sec. 53. Appointment and Qualifications of the President and General Manager*  
12 *and Other Personnel.* – The President and General Manager of the GSIS shall be its  
13 Chief Executive Officer and shall be appointed by the President of the Philippines.  
14 He/she shall be a person with management and investment expertise necessary for  
15 the effective performance of his/her duties and functions under this Act.

16 The President and General Manager shall be assisted by one or more senior  
17 executive vice-presidents, executive vice-presidents, senior vice-presidents, vice-  
18 presidents and managers in addition to the usual supervisory and rank and file  
19 positions all of whom shall be appointed pursuant to the qualification standards and  
20 rules and regulations set by the President and General Manager and the Board of  
21 Trustees and removed only for just and valid cause by the President and General  
22 Manager with the approval of the Board without undermining their security of tenure.

23 *Sec. 54. Powers and Duties of the President and General Manager.* – The  
24 President and General Manager shall, among others, execute and administer the  
25 policies and resolutions approved by the Board and direct and supervise the  
26 administration and operations of the GSIS. The President and General Manager,  
27 subject to the approval of the Board, shall appoint the personnel of the GSIS, remove,  
28 suspend or otherwise discipline them for valid and just causes, in accordance with  
29 existing Civil Service rules and regulations, and prescribe their duties and qualifications  
30 to the end that only competent persons may be employed.

31 All appointments and plantilla positions in the GSIS shall be permanent in  
32 nature unless otherwise indicated, and belong to the second level and not classified

1 as part of the Career Executive Service. These plantilla positions shall not be arbitrarily  
2 abolished without any valid and just causes.

3         *Sec. 55. The Senior Executive Vice Presidents and Executive Vice Presidents -*  
4         Within the guidelines and limits of authority established by policies of the GSIS, the  
5         Senior Executive Vice Presidents and Executive Vice Presidents shall, among others,  
6         provide overall direction in the delivery of effective, efficient and quality services to  
7         members, pensioners, and/or other constituents. He/she shall also have the overall  
8         direction in the integration of functions of various operational and/or support services  
9         to ensure synergy, uniform and consistent application of polices, guidelines and  
10        management systems to achieve established objectives and targets.

11        The position of Executive Vice President shall be permanent in nature, unless  
12        otherwise indicated, and belong to the second level and not classified as part of the  
13        Career Executive Service. The plantilla position of Executive Vice President shall not  
14        be arbitrarily abolished without any valid and just causes.

15        *Sec. 56. Auditor.* – (a) The Chairman of the COA shall be the ex-officio auditor  
16        of the GSIS. For this purpose, he/she may appoint a representative, who shall be the  
17        auditor of the GSIS, and the necessary personnel to assist said representative in the  
18        performance of his/her duties.

19        (b) The Chairman of the COA or his/her authorized representative shall submit  
20        to the Board soon after the close of each calendar year an audited statement showing  
21        the financial condition and progress of the GSIS for the calendar year just ended.

22        *Sec. 57. Legal Counsel.* – The Legal Services Group (LSG) of the GSIS shall  
23        be the legal counsel of the GSIS. The LSG shall be headed by a Chief Legal Counsel,  
24        who shall be the head counsel of the GSIS with a permanent and highly technical  
25        plantilla position. The Chief Legal Counsel enjoys security of tenure and may not be  
26        removed except for a just and valid cause.

27        The GSIS may refer to the Office of the Government Corporate Counsel (OGCC)  
28        cases for legal action or trial, issues for legal opinions, preparation and review of  
29        contracts/agreements and others, as the GSIS may decide or determine from time to  
30        time.

31        The GSIS may, subject to approval by the proper court, deputize any personnel  
32        of the Legal Services Group to act as special sheriff in the enforcement of writs and

1 processes issued by the court, quasi-judicial agencies or administrative bodies in cases  
2 involving the GSIS.

3 *Sec. 58. Powers of the Insurance Commission.* – The Insurance Commissioner  
4 or his/her authorized representatives shall make an examination of the financial  
5 condition of the GSIS at least once every three (3) years; *Provided, however,* That the  
6 GSIS shall pay the Office of the Insurance Commissioner an amount equal to the actual  
7 expenses incurred by said Office in the conduct of the examination, including the  
8 salaries of the examiners and the actuary of such examination for the actual time  
9 spent.

10 The report of said examination shall be submitted to the Board furnishing the  
11 Office of the President and both Houses of Congress copies thereof within five (5)  
12 days after the close of examination.

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#### 16 **H. GENERAL PROVISIONS**

17 *Sec. 59. Dispensation of Social Insurance Benefits.* – (a) The GSIS shall release  
18 the retirement benefits to the employee within twenty (20) working days from the  
19 actual date of retirement or date of filing of application, whichever comes later:  
20 *Provided,* That all requirements are submitted to the GSIS within a reasonable period  
21 prior to the effective date of retirement.

22 (b) The GSIS shall not process or adjudicate retirement claims under R.A. No.  
23 1616 except refund of retirement premiums and R.A. No. 910. Instead all agencies  
24 concerned shall process and pay the gratuities of their employees. The Board shall  
25 adopt the proper rules and procedures for the implementation of this provision.

26 *Sec. 60. Development and Disposition of Acquired Assets.* – The GSIS shall  
27 have the right to develop and dispose of its acquired assets obtained in the ordinary  
28 course of its business. To add value to, improve profitability of and/or enhance the  
29 marketability of an acquired asset, the GSIS may further develop/renovate its assets,  
30 either with its own capital or through a joint venture arrangement with private  
31 companies or individuals.

1 The GSIS may sell its acquired assets in accordance with existing COA rules  
2 and regulations for an amount not lower than the current market value of the property.  
3 For this purpose, the GSIS shall conduct an annual appraisal of its properties or  
4 acquired assets to determine their current market value. All notices of sale shall be  
5 published in newspapers of general circulation.

6 No injunction or restraining order issued by any court, commission, tribunal or  
7 office shall bar, impede or delay the sale and disposition by the GSIS of its acquired  
8 assets except on questions of ownership and national or public interest.

9 *Sec. 61. Exemption from Land Reform Program.* – The GSIS acquired assets  
10 shall be exempted or excluded from the coverage of the following:

11 (a) Comprehensive Agrarian Reform Program (CARP) as provided under R.A.  
12 No. 6657, as amended, in relation to Executive Order (E.O.) No. 407;

13 (b) Land Reform as provided under P.D. No. 27; and,

14 (c) Other existing or future land and agrarian reform legislations.

15 *Sec. 62. Expropriation.* No entity whether private or public may expropriate  
16 any GSIS property without the express consent or approval of the GSIS President and  
17 General Manager, the GSIS Board of Trustees, the Secretary of Finance and the  
18 President of the Philippines.

19 *Sec. 63. Government Assistance to the GSIS.* – The GSIS may call upon any  
20 officer or employee of any department, bureau or office, subdivision, agency or  
21 instrumentality of the Government, including government-owned or controlled  
22 corporations and local governments for such assistance as may be necessary in the  
23 discharge of its duties and functions.

## 24 25 **I. SANCTIONS**

26 *Sec. 64. Penalty* – (a) Heads of offices of the national government, its political  
27 subdivisions, branches, agencies and instrumentalities, including government-owned  
28 or controlled corporations and government financial institutions, and the personnel of  
29 such offices who are involved in the collection of premium contributions, loan  
30 amortization and other accounts due the GSIS who shall fail, refuse or delay the  
31 payment, turnover, remittance or delivery of such accounts to the GSIS, within thirty  
32 (30) days from the time that the same shall have become due and demandable, shall



1 upon conviction by final judgment, suffer the penalties of imprisonment of not less  
2 than twenty (20) years but not more than thirty (30) years and a fine of not less than  
3 Five Hundred Thousand Pesos (Php500,000.00) but not more than Five Million Pesos  
4 (Php5,000,000.00) and, in addition, shall suffer the penalty of absolute perpetual  
5 disqualification from holding public office and/or other accessory penalties as may be  
6 provided by law.

7 (b) The treasurer, finance officer, cashier, disbursing officer, budget officer or  
8 other official or employee who fails to include in the annual budget the amount  
9 corresponding to the employer and employee contributions, or who fails or refuses or  
10 delays to remit to the GSIS by more than thirty (30) days from the time such amount  
11 becomes due and demandable, or fails to deduct the monthly contributions of the  
12 employee shall, upon conviction by final judgment, suffer the penalties of  
13 imprisonment of not less than twelve (12) years but not more than twenty (20) years,  
14 and a fine of not less than Five Hundred Thousand Pesos (Php500,000.00) but not  
15 more than Two Million Pesos (Php2,000,000.00) and, in addition, shall suffer absolute  
16 perpetual disqualification from holding public office.

17 (c) Any employee, who after deducting the monthly contribution or loan  
18 amortization from a member's compensation, fails to remit the same to the GSIS within  
19 thirty (30) days from the date they should have been remitted under Section 11(b)  
20 hereof shall be presumed to have misappropriated such contribution or loan  
21 amortization and shall, upon conviction by final judgment, suffer the penalties of  
22 imprisonment of not less than twelve (12) years but not more than twenty (20) years  
23 and a fine of not less than Five Hundred Thousand Pesos (Php500,000.00) but not  
24 more than Two Million Pesos (Php2,000,000.00) and, in addition, shall suffer absolute  
25 perpetual disqualification from holding public office.

26 (d) Any employee or member who receives or keeps fund or property  
27 belonging, payable or deliverable to the GSIS and appropriates the same, or takes or  
28 misappropriates or uses the same for any purpose other than that authorized by this  
29 Act, or permits another person to take, misappropriate or use said fund or property  
30 by expressly consenting thereto, or through abandonment or negligence, or is  
31 otherwise guilty of the misappropriation of said fund or property, in whole or in part  
32 shall, upon conviction by final judgment, suffer the penalties of imprisonment of not

1 less than twelve (12) years but not more than twenty (20) years and a fine of not less  
2 than Five Hundred Thousand Pesos (Php500,000.00) but not more than Two Million  
3 Pesos (Php2,000,000.00) and, in addition, shall suffer absolute perpetual  
4 disqualification from holding public office.

5 (e) Any person found to have participated directly or indirectly in the  
6 commission of fraud, collusion, falsification, or misrepresentation in any transaction  
7 with the GSIS whether for himself/herself or for some other persons shall, upon  
8 conviction and final judgment, suffer the penalties of imprisonment of not less than  
9 six (6) years but not more than twelve (12) years and a fine of not less than Five  
10 Hundred Thousand Pesos (Php500,000.00) but not more than Two Million Pesos  
11 (Php2,000,000.00) and, in addition, suffer absolute perpetual disqualification from  
12 holding public office.

13 (f) Any person who shall willfully, wrongfully and fraudulently obtain or receive  
14 any money or check invoking any provision of this Act or any agreement thereunder,  
15 without being entitled thereto, shall, upon final judgment, suffer the penalties of  
16 imprisonment of not less than six (6) years but not more than twelve (12) years and  
17 a fine of not less than Five Hundred Thousand Pesos (Php500,00.00) but not more  
18 than One Million Pesos (Php1,000,000.00) and such other accessory penalties as may  
19 be imposed by law.

20 (g) Any person who fails or refuses to comply with the provisions of this Act or  
21 with the rules and regulations adopted by the GSIS shall, upon final judgment, suffer  
22 the penalties of imprisonment of not less than six (6) years but not more than twelve  
23 (12) years and a fine of not less than Five Hundred Thousand Pesos (Php500,000.00)  
24 but not more than One Million Pesos (Php1,000,000.00) and such accessory penalties  
25 as may be provided by law.

26 (h) The officers and personnel referred to in paragraph (a) of this Section shall  
27 also be civilly liable to the GSIS or to the employee or member concerned in the form  
28 of damages, including surcharges and interests.

29 (i) For the charges or complaints referred to in paragraph (a) of this Section,  
30 the penalties therein set forth shall be construed as an agreement to waive any claim  
31 to sovereign immunity from suit or legal proceedings. Thus, abovementioned officials  
32 and personnel may not invoke the defense of non-suability of the State. Waiver of the

1 State of its immunity from suit, hence, the above-mentioned offices officials and/or  
2 personnel may not invoke the defense of non-suability of the State.

3 Criminal and civil actions arising from violations of the provisions of this Act  
4 may be commenced by the GSIS or by the aggrieved member, either under this Act  
5 or, in appropriate cases, under the Revised Penal Code and other special laws.

6 *Sec. 65. Implementing Rules and Regulations.* – Within ninety (120) days from  
7 the effectivity of this Act, the GSIS shall promulgate such rules and regulations as may  
8 be necessary to carry out the provisions of this Act.

9 *Sec. 66. Non-impairment of Benefits, Powers, Jurisdiction, Rights, Privileges,*  
10 *Functions and Activities.* – Nothing in this Act shall be construed to repeal, amend or  
11 limit any provision of existing laws, Presidential Decrees, Letters of Instructions, not  
12 otherwise specifically inconsistent with the provisions of this Act.

13 *Sec. 67. Exclusiveness of Benefits.* — Whenever other laws provide similar  
14 benefits for the same contingencies covered by this Act, the member who qualifies for  
15 the benefits shall have the option to choose which benefits will be paid to him/her.  
16 However, if the benefits provided by the law chosen are less than the benefits provided  
17 under this Act, the GSIS shall pay only the difference.

18 *Sec. 68. Non-Conversion of Mode of Retirement.* – No change in the mode of  
19 retirement chosen shall be allowed once the proceeds, or a portion thereof, of the  
20 member's retirement claim under a particular law have been credited to the account  
21 of the member or received by the member.

22 *Sec. 69. Appropriations.* – The amount necessary to carry out the provisions  
23 of this Act shall be included in the respective budgets of the agencies in the national  
24 government obligation program of the year following its enactment into law and  
25 thereafter.

26 *Sec. 70. Separability Clause.* – Should any provision of this Act or any part  
27 thereof be declared invalid, the other provisions, so far as they are separable from the  
28 invalid ones, shall remain in force and effect.

29 *Sec. 71. Repealing Clause.* – C.A. 186, P.D. No. 1146, as amended by R.A. No.  
30 8291, P.D. No. 712, and Section 9 of R.A. No. 656, as amended by P.D. No. 245,  
31 Section 86 (r) of R.A. 10963 otherwise known as the Tax Reform for Acceleration and  
32 Inclusion (TRAIN) Act, are hereby expressly repealed. The provisions of R.A. No. 9184

1 otherwise known as "Government Procurement Reform Act" and R.A. No. 10149  
2 otherwise known as the "GOCC Governance Act of 2011" are hereby modified  
3 accordingly. All other laws, decrees, executive orders, rules and regulations or parts  
4 thereof which are contrary to or specifically inconsistent with the provisions of this Act  
5 are hereby repealed or amended accordingly: *Provided*, That the rights under existing  
6 laws, rules and regulations vested upon or acquired by an employee who is already in  
7 the service as of the effectivity of this Act shall remain in force and effect: *Provided*,  
8 *further*, That subsequent to the effectivity of this Act, a new employee or an employee  
9 who has previously retired or separated and is reemployed in the service shall be  
10 covered by the provisions of this Act.

11       Sec. 72. *Effectivity*. – This Act shall take effect fifteen (15) days after its  
12 publication in the *Official Gazette* or in at least two (2) newspapers of general  
13 circulation.

*Approved,*