



NINETEENTH CONGRESS OF THE ]  
REPUBLIC OF THE PHILIPPINES ]  
*First Regular Session* ]

22 AUG -1 NO 35

RECEIVED BY: \_\_\_\_\_

SENATE

S.B. No. 944

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Introduced by SEN. WIN GATCHALIAN

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

EXPLANATORY NOTE

This legislative measure seeks to reduce the *optional retirement* age of all government employees from sixty (60) years to fifty-five (55) years, and the *compulsory retirement* age from sixty-five (65) to sixty (60) years.

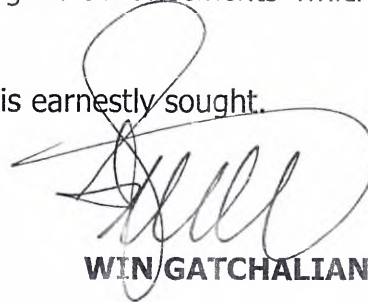
Lowering the compulsory and optional retirement age would allow government employees to fully reap the fruits of their retirement benefits after dedicating long years in government service. Furthermore, the retirees would be given a chance to venture into other fields of endeavor, making them self-sufficient and financially independent.

This bill also seeks to address the unemployment problem in our country. An independent survey reveals that despite reports of economic growth, the Philippines still relatively has one of the highest unemployment rates in Asia. Based on the latest

labor force survey (LFS) data,<sup>1</sup> the official unemployment rate in the country is at 5.8% in March 2022. The latest available data from the IMF<sup>2</sup> reveals that the unemployment rates of most ASEAN economies remain to be relatively lower than the Philippines, for instance: China (3.7%), Vietnam (2.4%), Indonesia (6%), Malaysia (4.5%), and Thailand (1%).

If approved into law, and when the elder set retires early, there will be employment opportunities for more Filipinos, particularly the younger generation who are more adept in new methods and technological advancements which are now becoming essential in the workplace.

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



**WIN GATCHALIAN**

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<sup>1</sup> <https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/title/Employment%20Rate%20in%20March%202022%20is%20Estimated%20at%2094.2%20Percent>

<sup>2</sup> <https://www.imf.org/external/datamapper/LUR@WEO/APQ/VNM/THA/MYS/CHN/IDN/PHL>



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**LOWERING THE COMPULSORY AND OPTIONAL RETIREMENT AGE OF  
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13(b) AND 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE  
GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997**

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

1 SEC. 1. Section 13 (b) of Republic Act No. 8291 (RA 8291), otherwise known  
2 as "The Government Service Insurance System Act of 1997", is hereby further  
3 amended to read as follows:

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

5 (1) the lump sum payment as defined in this Act payable at the time  
6 of retirement plus an old-age pension benefit equal to the basic  
7 monthly pension payable monthly for life, starting upon expiration of  
8 the five-year (5) guaranteed period covered by the lump sum; or

9 (2) cash payment equivalent to eighteen (18) months of his basic  
10 monthly pension plus monthly pension for life payable immediately  
11 with no five-year (5) guarantee.

12 (b) Unless the service is extended by appropriate authorities,  
13 retirement shall be compulsory for an employee at **SIXTY (60)** [sixty-  
14 five (65)] years of age with at least fifteen (15) years of service:

1 Provided, That if he has less than fifteen (15) years of service, he may  
2 be allowed to continue in the service in accordance with existing civil  
3 service rules and regulations; **PROVIDED, FURTHER, THAT ALL**  
4 **EMPLOYEES WHO, AT THE TIME OF EFFECTIVITY OF THIS ACT**  
5 **ARE SIXTY-ONE YEARS OF AGE AND ABOVE SHALL RETIRE**  
6 **UNDER THE FOLLOWING PHASES:**

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

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

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

15  
16 SEC. 2. Section 13-A of RA 8291 is hereby further amended to read as follows:

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

20 (1) he has rendered at least fifteen (15) years of service;

21 (2) he is at least **FIFTY-FIVE (55)** [sixty (60)] years of age at the time  
22 of retirement; and

23 (3) he is not receiving a monthly pension benefit from permanent total  
24 disability.

25  
26 SEC. 3. *Implementing Rules and Regulations.* - Within sixty (60) days upon the  
27 approval of this Act, the Government Service Insurance System shall, in consultation  
28 with the various stakeholders, formulate the rules and regulations necessary for the  
29 proper implementation of this Act.

30  
31 SEC. 4. *Repealing Clause.* - All laws, acts, presidential decrees, executive  
32 orders, administrative orders, rules and regulations, or parts thereof, inconsistent with

1 or contrary to the provisions of this Act are hereby amended, modified or repealed  
2 accordingly.

3

4 SEC. 5. *Effectivity* - This Act shall take effect fifteen (15) days after its  
5 publication in at least two (2) newspapers of general circulation.

*Approved,*