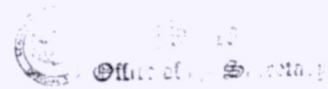


EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*First Regular Session*


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'19 JUL 24 A11 :44

**SENATE**

S. No. 738

RECEIVED BY 

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Introduced by SEN. SHERWIN T. 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.

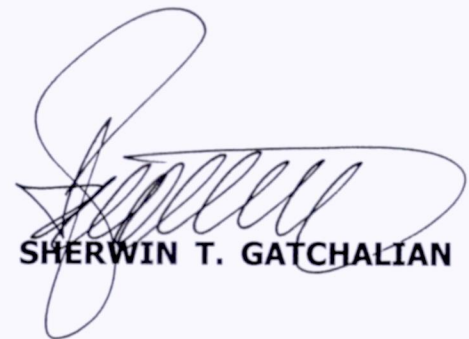
Lowering the compulsory and optional retirement age would allow government employees to fully reap the fruits of their retirement benefits after dedicating long years in government service. Furthermore, the retirees would be given a chance to venture into other fields of endeavor, making them self-sufficient 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 5.1% in April 2019. The latest available data from the IMF<sup>2</sup> reveals that ASEAN economies are exhibiting lower unemployment rates, for instance: China (3.8%), Vietnam (2.2%), Indonesia (5.2%), Malaysia (3.3%), and Thailand (1.2%).

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.



**SHERWIN T. GATCHALIAN**

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<sup>1</sup> <http://www.psa.gov.ph/content/employment-rate-april-2019-estimated-949-percent>

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

SENATE

JUL 24 A11 :45

S. No. 738



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Introduced by SEN. SHERWIN T. 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**

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

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

4           "RETIREMENT BENEFITS

5

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

8

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

14           "(2) cash payment equivalent to eighteen (18) months of

1 his basic monthly pension plus monthly pension for life  
2 payable immediately with no five-year (5) guarantee.  
3

4 "(b) Unless the service is extended by appropriate  
5 authorities, retirement shall be compulsory for an  
6 employee at **SIXTY (60)** [sixty-five (65)] years of age  
7 with at least fifteen (15) years of service: Provided, That if  
8 he has less than fifteen (15) years of service, he may be  
9 allowed to continue in the service in accordance with  
10 existing civil service rules and regulations; **PROVIDED,**  
11 **FURTHER, THAT ALL EMPLOYEES WHO, AT THE**  
12 **TIME OF EFFECTIVITY OF THIS ACT ARE SIXTY-ONE**  
13 **YEARS OF AGE AND ABOVE SHALL RETIRE UNDER**  
14 **THE FOLLOWING PHASES:**  
15

16 **"(1) THOSE WITHIN THE AGES OF SIXTY-FOUR (64)**  
17 **TO SIXTY-FIVE YEARS (65) OLD SHALL BE RETIRED**  
18 **DURING THE FIRST YEAR OF IMPLEMENTATION OF**  
19 **THIS ACT;**  
20

21 **"(2) THOSE WITHIN THE AGES OF SIXTY-TWO (62)**  
22 **TO SIXTY-THREE (63) YEARS OLD SHALL BE**  
23 **RETIRED ON THE SECOND YEAR OF**  
24 **IMPLEMENTATION, AND**  
25

26 **"(3) THOSE WHO ARE SIXTY-ONE (61) YEARS OF AGE**  
27 **SHALL BE RETIRED ON THE THIRD YEAR OF**  
28 **IMPLEMENTATION."**  
29

30 "SECTION 13-A. Conditions for Entitlement. — A member  
31 who retires from the service shall be entitled to the  
32 retirement benefits in paragraph (a) of Section 13 hereof:  
33 Provided, That:  
34

- 35 (1) he has rendered at least fifteen (15) years of service;  
36 (2) he is at least **FIFTY-FIVE (55)** [sixty (60) years] of age  
37 at the time of retirement; and  
38 (3) he is not receiving a monthly pension benefit from  
39 permanent total disability.  
40

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

45 SEC. 3. **Repealing Clause.** - All laws, acts, presidential decrees,

1 executive orders, administrative orders, rules and regulations, or parts  
2 thereof, inconsistent with or contrary to the provisions of this Act are hereby  
3 amended, modified or repealed accordingly.

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

*Approved,*