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Introduced by Sen. Ralph G. Recto

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**A RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATUS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) SOCIAL INSURANCE FUND AND THE REPORTED NUMEROUS COMPLAINTS RAISED AGAINST GSIS FOR ALLEGED INEFFICIENCIES IN THE PROCESSING AND DELIVERY OF MEMBERS' BENEFITS, WITH THE END VIEW OF ENSURING A HEALTHY PENSION FUND SYSTEM THAT WOULD BE RESPONSIVE TO THE NEEDS OF ITS MEMBERS**

WHEREAS, the Government Service Insurance System (GSIS) was created under Commonwealth Act No. 186 on November 14, 1936, as amended by Republic Act No. 8291 signed by President Fidel V. Ramos on May 30, 1997;

WHEREAS, under the first paragraph of Section 3 of RA 8291, GSIS is mandated to secure the future of all employees of the Philippine government who have not reached the compulsory retirement age, irrespective of their employment status, except members of the Judiciary and Constitutional Commissions who are covered by separated retirement laws; contractual employees who have no employee-employer relationship with their agencies; uniformed members of the Armed Forces of the Philippines and the Philippine National Police, including the Bureau of Jail Management and Penology and the Bureau of Fire Protection;

WHEREAS, GSIS shall likewise insure its members against the occurrence of certain contingencies by providing and administering a pension fund that has the following social security benefits: compulsory life insurance, optional life insurance, retirement benefits, and disability benefits for work-related accidents and death benefits (second paragraph, Section 3 of RA 8291);

WHEREAS, active GSIS members are entitled to the following loan privileges: salary, policy, emergency and housing loans, subject to the cross-default policy of the System also known as Claims and Loans Interdependence Policy (CLIP).

WHEREAS, the monthly premium contributions of all government employees together with the earnings and accruals thereon shall constitute the GSIS Social Insurance Fund as mandated under Section 34 of RA 8291;

WHEREAS, in light of the Constitutional provisions in Article III, Section 7 which provides that "The right of the people to information on matters of public concern shall be recognized", and Article XI, Section 1 which states that "Public office is a public trust. Public officers and employees must, at all times, be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice, and lead modest lives," it is the right of every GSIS member to be informed about the status of the GSIS Social Insurance Fund and to merit an efficient processing and delivery of their benefits;

WHEREAS, there have been reports that a substantial amount of GSIS Funds were invested in the international stock market which at present have remained undisclosed, despite the specific provision of RA 8291 on the required submission of GSIS to both Houses of Congress regarding its annual report on all investments made (Section 36);

WHEREAS, international stock markets were tremendously affected during the global financial crisis in 2008;

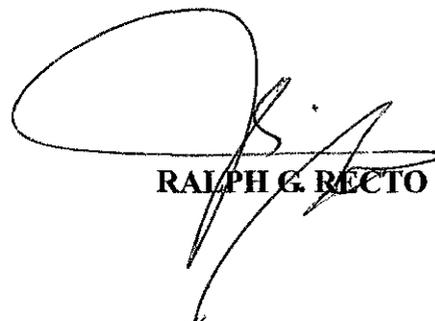
WHEREAS, there have been frequent reports of complaints by GSIS members and pensioners' about the undue delay in the processing and delivery of their benefits and its alleged inefficiency in updating members' records, non-posting or delayed posting of premium remittances causing underpayments or non-payment of dividends, non-deduction of loan remittances, and implementation of so-called CLIP which some members believe to be unlawful and onerous as it affects housing loans and retirement benefits.

Whereas, due to the alleged inefficiencies and irregularities in the processing of claims and benefits of members, some groups of public school teachers are already clamoring for a withdrawal from GSIS and possibly setting up an independent insurance system that would hopefully be more responsive to their needs ("*Manila teachers want out of GSIS*" by Ramon J. Farolan, *Inquirer*, 7/23/2007);

WHEREAS, in order to allay the fears of government workers who are contributing to the Fund that there will be insufficient funds to support their retirement benefits, among others, it is imperative upon the GSIS authorities to undertake measures to remedy these problems and to improve its system and procedures for rendering services to its members;

***NOW THEREFORE, BE IT RESOLVED***, by the Philippine Senate, to direct the Committee on Government Corporations and Public Enterprises to conduct an inquiry, in aid of legislation, on the status of the Government Service Insurance System (GSIS) Social Insurance Fund and the reported numerous complaints raised against GSIS for alleged inefficiencies in the processing and delivery of members' benefits, with the end view of ensuring a healthy pension fund system that would be responsive to the needs of its members.

*Adopted,*



**RALPH G. RECTO**