“D. BENEFITS

“SEC. 9. Computation of the Basic Monthly Pension. — (a) The basic monthly pension is equal to:

“(1) thirty-seven and one-half percent (37.5%) of the revalued average monthly compensation; plus

“(2) two and one-half percent (2.5%) of the said revalued average monthly compensation for each year of service in excess of fifteen (15) years: Provided, That the basic monthly pension shall not exceed ninety percent (90%) of the average monthly compensation.

“(b) The basic monthly pension maybe adjusted upon the recommendation of the President and General Manager of the GSIS and approved by the President and General Manager of the GSIS and approved by the President of the Philippines in accordance with the rules and regulations prescribed by the GSIS: Provided, however, That the basic monthly pension shall not be less than One thousand and three hundred pesos (P1,300.00): Provided, further, That the basic monthly pension for those who have rendered at least twenty (20) years of service after the effectivity of this Act shall not be less than Two thousand four hundred pesos (P2,400.00) a month.

“SEC. 10. Computation of Service — (a) The computation of service for the purpose of determining the amount of benefits payable under this Act shall be from the date of original appointment/election, including periods of service at different times under one or more employers, those performed overseas under the authority of the Republic of the Philippines, and
those that may be prescribed by the GSIS in coordination with the Civil Service Commission.

(b) All service credited for retirement, resignation or separation for which corresponding benefits have been awarded under this Act or other laws shall be excluded in the computation of service in case of reinstatement in the service of an employer and subsequent retirement or separation which is compensable under this Act.

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

“SEPARATION BENEFITS

“SEC. 11. Separation Benefits. — The separation benefit shall consist of: (a) a cash payment equivalent to one hundred percent (100%) of his average monthly compensation for each year of service he paid contributions, but not less than Twelve thousand pesos (P12,000.00) payable upon reaching sixty (60) years of age upon separation, whichever comes later: Provided, That the member resigns or separates from the service after he has rendered at least three (3) years of service but less than fifteen (15) years; or

“(b) A cash payment equivalent to eighteen (18) times his basic monthly pension payable at the time of resignation or separation, plus an old-age pension benefit equal to the basic monthly pension payable monthly for life upon reaching the age of sixty (60): Provided, That the member resigns or separates from the service after he has rendered at least fifteen (15) years of service and is below sixty (60) years of age at the time of resignation or separation.

“SEC. 12. Unemployment or Involuntary Separation Benefits. — Unemployment benefits in the form of monthly cash payments equivalent to fifty percent (50%) of the average compensation shall be paid to a permanent employee who is involuntarily separated from the service due to the abolition of his office or position usually resulting from reorganization: Provided, That he has been paying integrated contributions for at least one (1) year prior to separation. Unemployment benefits shall be paid in accordance with the following schedule:

“Contributions Made Benefit Duration

1 year but less than 3 years 2 months
3 or more years but less than 6 years 3 months
6 or more years but less than 9 years 4 months
9 or more years but less than 11 years 5 months
11 or more years but less than 15 years 6 months

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

“All accumulated unemployment benefits paid to the employee during his entire membership
with the GSIS shall be deducted from voluntary separation benefits.

“The GSIS shall prescribe the detailed guidelines in the operationalization of this section in the rules and regulations implementing this Act.

“RETIREMENT BENEFITS

“SEC. 13. Retirement Benefits. — (a) Retirement benefit shall be:

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

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

“(b) Unless the service is extended by appropriate authorities, retirement shall be compulsory for an employee at sixty-five (65) years of age with at least fifteen (15) years of service: Provided, That if he has less than fifteen (15) years of service, he may be allowed to continue in the service in accordance with existing civil service rules and regulations.

“SEC. 13-A. Conditions for Entitlement. — A member who retires from the service shall be entitled to the retirement benefits enumerated in paragraph (a) of section 13 hereof: Provided, That:

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

(2) he is at least sixty (60) years of age at the time of retirement; and

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

“SEC. 14. Periodic Pension Adjustment. — The monthly pension of all pensioners including all those receiving survivorship pension benefits shall be periodically adjusted as may be recommended by the GSIS’ actuary and approved by the Board in accordance with the rules and regulations prescribed by the GSIS.

“PERMANENT DISABILITY BENEFITS

“SEC. 15. General Conditions for Entitlement. — A member who suffers permanent disability for reasons not due to his grave misconduct, notorious negligence, habitual intoxication, or willful intention to kill himself or another, shall be entitled to the benefits provided for under Sections 16 and 17 immediately following, subject to the corresponding conditions thereof.

“SEC. 16. Permanent Total Disability Benefits. — (a) If the permanent disability is total, he shall receive a monthly income benefit for life equal to the basic monthly pension effective from the
date of disability: Provided, That:

(1) he is in the service at the time of disability; or

(2) if separated from the service, he has paid at least thirty-six (36) monthly contributions within the five-year (5) period immediately preceding his disability, or has paid a total of at least one hundred eighty (180) monthly contributions, prior to his disability: Provided, further, That if at the time of disability, he was in the service and has paid a total of at least one hundred eighty (180) monthly contributions, in addition to the monthly income benefit, he shall receive a cash payment equivalent to eighteen (18) times his basic monthly pension: Provided, finally, That a member cannot enjoy the monthly income benefit for permanent disability and the old-age retirement simultaneously.

“(b) If a member who suffers permanent total disability does not satisfy conditions (1) and (2) in paragraph (a) of this section but has rendered at least three (3) years service at the time of his disability, he shall be advanced the cash payment equivalent to one hundred percent (100%) of his average monthly compensation for each year of service he paid contributions, but not less than Twelve thousand pesos (P12,000.00) which should have been his separation benefit.

“(c) Unless the member has reached the minimum retirement age, disability benefit shall be suspended when:

“(1) he is reemployed; or

“(2) he recovers from his disability as determined by the GSIS, whose decision shall be final and binding; or

“(3) he fails to present himself for medical examination when required by the GSIS.

“(d) The following disabilities shall be deemed total and permanent:

“(1) complete loss of sight of both eyes;

“(2) loss of two (2) limbs at or above the ankle or wrist;

“(3) permanent complete paralysis of two (2) limbs;

“(4) brain injury resulting in incurable imbecility or insanity; and

“(5) such other cases as may be determined by the GSIS.

“SEC. 17. Permanent Partial Disability Benefits. — (a) If the disability is partial, he shall receive a cash payment in accordance with a schedule of disabilities to be prescribed by the GSIS: Provided, That he satisfies either conditions (1) or (2) of Section 16 (a);
“(b) The following disabilities shall be deemed permanent partial:

“(1) complete and permanent loss of the use of:

(i) any finger
(ii) any toe
(iii) one arm
(iv) one hand
(v) one foot
(vi) one leg
(vii) one or both ears
(viii) hearing of one or both ears
(ix) sight of one eye

“(2) such other cases as may be determined by the GSIS.

“TEMPORARY DISABILITY BENEFITS

“SEC. 18. Temporary Total Disability Benefit. — (a) A member who suffers temporary total disability for reasons not due to any of the conditions enumerated in Section 15 hereof shall be entitled to seventy-five percent (75%) of his current daily compensation for each day or fraction thereof of temporary disability benefit not exceeding one hundred twenty (120) days in one calendar year after exhausting all his sick leave credits and collective bargaining agreement sick leave benefits, if any, but not earlier than the fourth day of his temporary total disability: Provided, That:

“(1) he is in the service at the time of his disability; or

“(2) if separated, he has rendered at least three (3) years of service and has paid at least six (6) monthly contributions in the twelve-month period immediate preceding his disability.

“Provided, however, That a member cannot enjoy the temporary total disability benefit and sick leave pay simultaneously: Provided, further, That if the disability requires more extensive treatment that lasts beyond one hundred twenty (120) days, the payment of the temporary total disability benefit may be extended by the GSIS but not to exceed a total of two hundred forty (240) days.

“(b) The temporary total disability benefit shall in no case be less than Seventy pesos (P70.00) a day.

“(c) The notices required of the member and the employer, the mode of payment, and the other requirements for entitlement to temporary total disability benefits shall be provided in the rules and regulations to be prescribed by the GSIS.

“SEC. 19. Non-scheduled Disability. — For injuries or illnesses resulting in a disability not listed in the schedule of partial/total disability, as provided herein, the GSIS shall determine the
nature of the disability and the corresponding benefits therefor.

“SURVIVORSHIP BENEFITS

“SEC. 20. Survivorship Benefits. — When a member or pensioner dies, the beneficiaries shall be entitled to survivorship benefits provided in Sections 21 and 22 hereunder subject to the conditions therein provided for. The survivorship pension shall consist of:

(1) the basic survivorship pension which is fifty percent (50%) of the basic monthly pension; and

(2) the dependent children’s pension not exceeding fifty percent (50%) of the basic monthly pension.

“SEC. 21. Death of a Member. — (a) Upon the death of a member, the primary beneficiaries shall be entitled to:

(1) survivorship pension: Provided, That the deceased:

(i) was in the service at the time of his death; or

(ii) if separated from the service, has at least three (3) years of service at the time of his death and has paid thirty-six (36) monthly contributions within the five-year period immediately preceding his death, or has paid a total of at least one hundred eighty (180) monthly contributions prior to his death; or

(2) the survivorship pension plus a cash payment equivalent to one hundred percent (100%) of his average monthly compensation for every year of service: Provided, That the deceased was in the service at the time of his death with at least three (3) years of service; or

(3) a cash payment equivalent to one hundred percent (100%) of his average monthly compensation for each year of service he paid contributions, but not less than Twelve thousand pesos (P12,000.00): Provided, That the deceased has rendered at least three (3) years of service prior to his death but does not qualify for the benefits under item (1) or (2) of this paragraph.

(b) The survivorship pension shall be paid as follows:

(1) when the dependent spouse is the only survivor, he/she shall receive the basic survivorship pension for life or until he/she remarry;

(2) when only dependent children are the survivors, they shall be entitled to the basic survivorship pension as long as they are qualified, plus the dependent children’s pension equivalent to ten percent (10%) of the basic monthly pension for every dependent child not exceeding five (5), counted from the youngest and without substitution;

(3) when the survivors are the dependent spouse and the dependent children, the dependent spouse shall receive the basic survivorship pension for life or until he/she remarry and the
dependent children shall receive the dependent children’s pension mentioned in the immediately preceding paragraph (2) hereof.

(c) In the absence of primary beneficiaries, the secondary beneficiaries shall be entitled to:

(1) the cash payment equivalent to one hundred percent (100%) of his average monthly compensation for each year of service he paid contributions, but not less than Twelve thousand pesos (P12000): Provided, That the member is in the service at the time of his death and has at least three (3) years of service; or

(2) in the absence of secondary beneficiaries, the benefits under this paragraph shall be paid to his legal heirs.

(d) For purposes of the survivorship benefits, legitimate children shall include legally adopted and legitimated children.

“SEC. 22. Death of a Pensioner. — Upon the death of an old-age pensioner or a member receiving the monthly income benefit for permanent disability, the qualified beneficiaries shall be entitled to the survivorship pension defined in Section 20 of this Act, subject to the provisions of paragraph (b) of Section 21 hereof. When the pensioner dies within the period covered by the lump sum, the survivorship pension shall be paid only after the expiration of the said period.

“FUNERAL BENEFITS

SEC. 23. Funeral Benefit. — The amount of funeral benefit shall be determined and specified by the GSIS in the rules and regulations but shall not be less than Twelve thousand pesos (P12,000.00): Provided, That it shall be increased to at least Eighteen thousand pesos (P18,000.00) after five (5) years and shall be paid upon the death of:

(a) an active member as defined under Section 2(e) of this Act; or

(b) a member who has been separated from the service, but who may be entitled to future benefit pursuant to Section 4 of this Act; or

(c) a pensioner, as defined in Section 2(o) of this Act; or

(d) a retiree who at the time of his retirement was of pensionable age under this Act but who opted to retire under Republic Act No. 1616.

“LIFE INSURANCE BENEFITS

“SEC. 24. Compulsory Life Insurance. — All employees except for Members of the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP) shall, under such terms and conditions as may be promulgated by the GSIS, be compulsorily covered with life insurance, which shall automatically take effect as follows:
(1) for those employed after the effectivity of this Act, their insurance shall take effect on the date of their employment;

(2) for those whose insurance will mature after the effectivity of this Act, their insurance shall be deemed renewed on the day following the maturity or expiry date of their insurance;

(3) for those without any life insurances as of the effectivity of this Act, their insurance shall take effect following said effectivity.

“SEC. 25. Dividends. — An annual dividend may be granted to all members of the GSIS whose life insurance is in force for at least one (1) year in accordance with a dividend allocation formula to be determined by the GSIS.

“SEC. 26. Optional Insurance. — Subject to the rules and regulations prescribed by the GSIS, a member may apply for insurance and/or pre-need coverage embracing life, health, hospitalization, education, memorial plans, and such other plans as may be designed by the GSIS, for himself and/or his dependents. Any employer may likewise apply for group insurance coverage for its employees. The payment of the premiums/installments for optional insurance and pre-need products may be made by the insured or his employer and/or any person acceptable to the GSIS.

“SEC. 27. Reinsurance. — The GSIS may reinsure any of its interests or part thereof with any private company or reinsurer whether domestic or foreign: Provided, That the GSIS shall submit an annual report on its reinsurance operations to the Insurance Commission.