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SENATE
P.S. Res. No. 229

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Introduced by Sen. Antonio "Sonny" F. Trillanes IV

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON GOVERNMENT CORPORATIONS AND PUBLIC ENTERPRISES AND OTHER PERTINENT COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGED INEFFICIENCIES AND IRREGULARITIES OF THE GOVERNMENT SERVICE AND INSURANCE SYSTEM

WHEREAS, numerous complaints on the alleged inefficiencies and irregularities of the Government Service and Insurance System (GSIS) have been lodged with members of the Senate, not to mention the persistent complaints which have been published in newspapers and posted online in the internet;

WHEREAS, among the many issues raised against the GSIS is its policy decision, as communicated in its press statement in compliance with Republic Act 8291 or the Government Service Insurance System Act of 1997 issued on October 16, 2009, which provides that by March 2010, GSIS will start suspending the monthly benefits of the spouses of deceased pensioners who are found to be gainfully employed or have other sources of income¹;

WHEREAS, said unilateral withdrawal of benefits on the part of the GSIS appears to be grossly unfair on the part of its members, who religiously paid their contributions to GSIS with the knowledge that their survivors are supposed to enjoy said benefits regardless of whether or not the latter are gainfully employed or have other sources of income. Furthermore, said policy decision was made without the proper consultation in accordance with existing laws;

WHEREAS, under former President Winston F. Garcia's leadership, the GSIS had been "pruning" the yearly increase in the retirees' pensions – from 10 percent to 5 percent to 3.5 percent² contrary to Sec. 4-k of RA 9527 or the "Expanded Senior Citizen's Act" which mandates that:

"Retirement benefits of retirees from both government and private sector shall be regularly reviewed to ensure their continuing responsiveness and sustainability, and to the extent practicable and feasible, shall be upgraded to be at par with the current scale enjoyed by those in actual service."

¹ "GSIS Press Release – October 16, 2009," <http://www.coolbuster.net/2010/02/gsis-survivorship-pension-issue.html> (7 September 2010).

² Dominico C. Moneva, "GSIS unfair in removing survivorship benefits," <http://opinion.inquirer.net/inquireropinion/letterstotheeditor/view/20100221-254597/GSIS-unfair-in-removing-survivorship-benefits> (accessed 7 September 2010).

WHEREAS, likewise sometime in November 2003, the GSIS also prohibited further increases in the survivorship benefit and stopped the giving of cash gifts to survivors, clearly violating Section 4 (k) of Republic Act 9257 or the Senior Citizen's Act;

WHEREAS, moreover, public school teachers throughout the country have been burdened by the inefficiency of the Government Service Insurance System (GSIS) in updating members' records, non-posting or delayed posting of premium remittances causing underpayments or non-payment of dividends, non-deduction of loan remittances, problematic issuance of an E-Card Plus, and implementation of Claims and Loans Interdependence Policy (CLIP), which appears to be very onerous as it affects housing loans and retirement benefits of members;

WHEREAS, in many instances, it appears that the benefits and privileges of many teachers have been taken away from them because per the records of the GSIS, the teachers are "*delinquent members*" when in truth and fact, the payments for their loan accounts and GSIS premium contributions are regularly deducted every month from their salaries and these deductions are reflected on their monthly payrolls;

WHEREAS, in addition, a number of alleged anomalous actions relating to the management of funds of the GSIS have come to light, among which are: (a) the establishment of more than a hundred district offices around the country to replace their 78 service desks which should cost around Php500 million; (b) the questionable loan GSIS provided to the Public Estates Authority worth almost Php1 billion when GSIS supposedly has no money for servicing claims and loan applications; and (c) the issuance of Office Order No. 35-03 instructing all Operating Units Concerned (OUCs) to defer processing of claims and loan applications while continuing to receive them³;

WHEREAS, in response, the GSIS made a number of public statements regarding issues related to the operation of its Integrated Loans, Membership, Acquired Assets and Accounts Management System (ILMAAAMS) wherein GSIS has passed the blame to IBM, claiming that IBM has been insensitive to the GSIS's appeals for a full and speedy correction on GSIS's database management;⁴

WHEREAS, IBM Philippines issued a clarification of the key facts that have been supposedly omitted from the public statements made by the GSIS and IBM has completely rejected the assertions made by the GSIS against IBM in paid newspaper and television advertisements, press releases and interviews with the media;⁵

WHEREAS, the prompt and proper posting of the premium remittances and loan repayments is the heart and soul of GSIS operations—from the collection of premiums to the maintenance of the membership database and on to the processing of loans and claims;

WHEREAS, in the past years, government employees by the thousands have staged numerous protest actions all over the country against the GSIS. In their protest actions in Manila,

³ Alexander Martin Remollino, "GSIS Chief's Retention to Help GMA's Presidential Bid – Courage Leader," <http://bulatlat.com/news/3-38/3-38-gsis.html> (accessed 8 September 2010).

⁴ IBM, "A Message to our Valued Clients and Partners in the Philippines," <http://www-07.ibm.com/ph/statement/> (accessed 9 September 2010).

⁵ *ibid.*

government employees appeared to be angry enough to take on the police and GSIS security in order to assert their grievances;⁶

WHEREAS, there is a need to discuss and clarify all of these issues and to carefully and seriously investigate these alleged irregularities and inefficiencies of the Government Insurance Service System (GSIS) and/or conduct a comprehensive performance review of the said agency in order to determine the reasons and/or factors behind these *irregularities and inefficiencies* and to correct and provide solutions for the same with the end view of enabling government employees to have proper access to the benefits they are legally entitled to and in order to prevent further the recurrence of said problems in the future;

NOW, THEREFORE, be it resolved as it is hereby resolved to direct the Committee on Government Corporations and Public Enterprises and other pertinent committee/s, to conduct an inquiry in aid of legislation into the alleged inefficiencies and/or irregularities of the Government Service Insurance System (GSIS) and *conduct a comprehensive performance review* of the said agency with the end in view of coming up with policy measures, policy declaration and remedial legislation to address the subject problems, irregularities and/or inefficiencies.

ADOPTED,


ANTONIO "SONNY" F. TRILLANES IV
Senator

⁶ *ibid.*