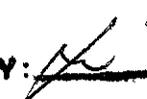


SENATE

10 JUL 28 19:00

P. S. Res. No. 50

RECEIVED BY: 

Introduced by Sen. Ralph G. Recto

A RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN OMNIBUS ASSESSMENT AND REVIEW, IN AID OF LEGISLATION, OF THE ACTUARIAL STATUS OF STATE AND PRIVATE SECTOR PENSION AND INSURANCE FUNDS AS MANAGED BY THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), SOCIAL SECURITY SYSTEM (SSS) AND THE PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH), AS WELL AS THE HOUSING FUNDS AS ADMINISTERED BY THE HOME DEVELOPMENT MUTUAL FUND (HDMF) OR Pag-IBIG, WITH THE END VIEW OF ENSURING THE FINANCIAL VIABILITY OF THESE GOVERNMENT CORPORATIONS AND IMPROVING THE DELIVERY OF THEIR SERVICES

WHEREAS, Section 9, Article II of the Constitution directs the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all;

WHEREAS, the Constitution also mandates Congress to "give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good;"

WHEREAS, in promoting the general welfare of the people, Congress has enacted laws that created pension and insurance funds both for those who work in the public and private sector that are managed by the Government Service Insurance System (GSIS), the Social Security System (SSS) and the Philippine Health Insurance Corporation (PhilHealth);

WHEREAS, a socialized housing fund had also been created, in the furtherance of the people's welfare, for those employed in the public and private sector that is being administered by the Home Development Mutual Fund (HDMF) or Pag-IBIG;

WHEREAS, the GSIS covers all government workers except members of the Judiciary and Constitutional Commissions; contractual employees who have no employee-employer relationship with their agencies; and uniformed members of the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP), including the Bureau of Jail Management and Penology (BJMP) and the Bureau of Fire Protection (BFP);

WHEREAS, benefits and services enjoyed by members of GSIS include compulsory and optional life insurance and retirement, separation and employee's compensation benefits, as well as loan privileges that include salary, policy, emergency and housing;

WHEREAS, the SSS covers those in the private sector and provides disability, sickness, maternity, retirement and death benefits to its members, as well as other services such as emergency and salary loans and a wide array of housing and business loans;

WHEREAS, the PhilHealth is the State's primary instrument in providing quality and accessible health care services to the people;

WHEREAS, the PhilHealth covers those working both in the private and public sectors, and is mandated by law to provide social health insurance coverage to all Filipinos by this year;

WHEREAS, membership to the Pag-IBIG Fund, on the other hand, is now mandatory to all SSS- and GSIS-covered employees; uniformed members of the AFP, BFP, BJMP and PNP; as well as Filipinos employed by foreign-based employers because of the new HDMF law enacted in 2009;

WHEREAS, members of the Pag-IBIG Fund enjoy housing and short-term loans;

WHEREAS, the laws that created GSIS, SSS, PhilHealth and HDMF allow these government corporations to use members' contributions and premiums to finance their loan services and other investments in order to ensure their respective financial viability in providing the benefits and services they, in turn, owe to their members;

WHEREAS, there are reports that some of these corporations, if not all of them, have either invested members' funds in the international stock market or employed foreign investment firms to manage their accounts;

WHEREAS, the global economic crisis of 2008 had adversely affected international stock markets and thus there is a need to review the investments made by these government corporations;

WHEREAS, as reports on the delay in the delivery of services continue to hound these government corporations, coupled with concerns on their capability to pay obligations to their members when due, there is a need for Congress to assess and review the actuarial status of these pension and insurance funds;

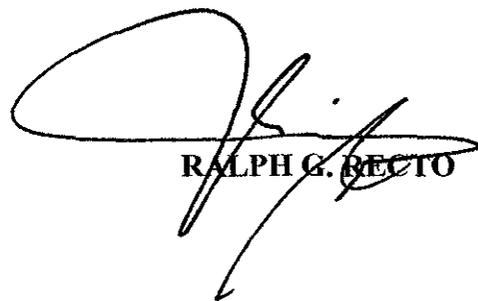
WHEREAS, the assessment and review would also allow Congress determine if legislation is needed in order to address the problems that may affect the administration of these funds, if there are any, to prevent a scenario in which the national government may be called upon to bail out these corporations;

WHEREAS, an assessment and review would also enable these government corporations to improve the delivery of services to their respective members and contributors;

WHEREAS, it is also important that the millions of people who are members and beneficiaries to these funds be informed on the status of their contributions in line with their constitutional right to information;

Now Therefore, Be It Resolved, by the Philippine Senate, to direct the appropriate Senate committees to conduct an omnibus assessment and review, in aid of legislation, of the actuarial status of state and private sector pension and insurance funds as managed by the Government Service Insurance System (GSIS), Social Security System (SSS) and the Philippine Health Insurance Corporation (PhilHealth), as well as the housing funds as administered by the Home Development Mutual Fund (HDMF) or Pag-IBIG, with the end view of ensuring the financial viability of these government corporations and improving the delivery of their services.

Adopted,


RALPH G. RECTO