

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



22 OCT 27 P3:52

**SENATE**

S. No. 1421

RECEIVED BY:

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**Introduced by SENATOR RAMON BONG REVILLA, JR.**

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**AN ACT  
STRENGTHENING THE MILITARY AND UNIFORMED PERSONNEL PENSION  
SYSTEM, CREATING THE MILITARY AND UNIFORMED PERSONNEL  
INSURANCE FUND, AMENDING SECTIONS 3 AND 24 OF REPUBLIC ACT  
NUMBER 8291, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

Uniformed services are vested with the great tasks of upholding Philippine sovereignty and territorial integrity; protecting lives and properties; and maintaining peace and order.

To perform their respective mandates, uniformed services engage in the active recruitment of their respective manpower complement. Such recruitment will invariably result not only in increased current operational cost, but also in higher future pension payments.

The current pension system for military and uniformed personnel retirees, however, is unsustainable. The pension is entirely dependent on the annual general appropriations. Apart from delays in the payment of pension claims, the government is also facing a ballooning pension requirement without a viable fund source.

For 2022 alone, the government has set aside P163.9 billion, or 3.3 % of its total new appropriations, for military and uniformed personnel pensions.

This bill seeks to address the fiscal hemorrhage by establishing a government guaranteed insurance fund to cover the insurance needs of new entrants to the uniformed services. This fund shall be managed by the Government Service Insurance System (GSIS) and shall be supported by agency contributions equivalent to 21% of the total monthly base pay of their respective uniformed personnel. Proceeds from

investing the fund shall then be used to pay for the separation or retirement benefits of qualified uniformed personnel members. It also ensures that existing pensioners and uniformed personnel in active service prior to its approval shall enjoy the prevailing retirement benefits at the time of their initial appointment, recruitment, or admission to the uniformed services.

Through the creation of the Military and Uniformed Personnel (MUP) Insurance Fund, it is hoped that a viable and sustainable funding source for pension requirements shall be secured, and a responsible management of limited government resources shall be realized.

In view of the foregoing, the approval of this bill is most earnestly sought.



**RAMON BONG REVILLA, JR.**

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

1 Section 1. *Short Title.* — This Act shall be known as the "*Military and Uniformed*  
2 *Personnel Insurance Fund Act of 2022.*"

3 Sec. 2. *Declaration of Policy.* - The State recognizes the invaluable contribution  
4 of the uniformed services in providing an environment conducive to nation-building  
5 and economic development. The State likewise recognizes the role of uniformed  
6 personnel who faithfully carry out their mandate to uphold Philippine sovereignty and  
7 territorial integrity; to protect lives and properties; and to maintain peace, order, and  
8 safety - often at great personal risk and peril.

9 To recompense such dedicated performance of duty, it is hereby declared the  
10 policy of the State to provide immediate and adequate care, benefits, and other forms  
11 of assistance to veterans of the uniformed services, as well as to their surviving  
12 spouses and orphans.

13 Towards this end, the State shall develop a sound, viable, and tax-exempt  
14 military and uniformed personnel insurance and pension fund that caters to the needs  
15 of the military and uniformed personnel of the National Government, and motivates  
16 them to faithfully abide by their commitments to the country and its people.

1           Sec. 3. *Definition of Terms.* - For purposes of this Act, the following terms are  
2 hereby defined:

3           (a) Military and Uniformed Personnel (MUP) Insurance Fund shall refer to the  
4 special insurance fund for the new entrants to the uniformed services of the  
5 National Government created under Section 4 of this Act;

6           (b) Base Pay shall refer to the primary cash compensation for work performed  
7 by uniformed personnel of the uniformed services, excluding any other pay,  
8 allowances, benefits or incentives;

9           (c) Government Service Insurance System (GSIS) shall refer to the Government  
10 Service Insurance System created by Commonwealth Act No. 186, as amended;

11           (d) New Entrants shall refer to newly-appointed, -recruited or -admitted  
12 uniformed personnel of the uniformed services after the effectivity of this Act;

13           (e) Uniformed Personnel shall refer to the commissioned officers and enlisted  
14 personnel of the uniformed services; and

15           (f) Uniformed Services shall refer to the Armed Forces of the Philippines (AFP),  
16 Philippine National Police (PNP), Bureau of Fire Protection (BFP), Bureau of Jail  
17 Management and Penology (BJMP), Philippine Coast Guard (PCG) and  
18 commissioned corps of the National Mapping and Resource Information  
19 Authority (NAMRIA).

20           Sec. 4. *Military and Uniformed Personnel Insurance Fund.* - To carry out the  
21 purposes of this Act, the Military and Uniformed Personnel Insurance Fund is hereby  
22 created, herein referred to as the "MUP Insurance Fund", as a special insurance fund  
23 for the new entrants to the uniformed services who received their initial appointments  
24 after the effectivity of this Act. The GSIS shall be responsible for the administration of  
25 the MUP Insurance Fund and the implementation of the provisions of this Act:  
26 *Provided,* That the MUP Insurance Fund shall be administered and reported separately  
27 from the GSIS Social Insurance Fund provided under Section 34 of Republic Act No.  
28 8291, otherwise known as "*The Government Service Insurance System Act of 1997.*"  
29 The MUP Insurance Fund shall not be used for purposes other than those provided for  
30 under this Act. No portion of the MUP Insurance Fund or income thereof shall accrue  
31 to the General Fund of the national government and its political subdivisions,

1 instrumentalities and other agencies, including government-owned and controlled  
2 corporations, except as may be allowed under this Act.

3       Sec. 5. *Coverage.* - Upon recruitment, appointment or admission, coverage in  
4 the MUP Insurance Fund shall be mandatory for all new entrants to the uniformed  
5 services.

6       Sec. 6. Section 3 of Republic Act (RA) No. 8291, or the "The Government  
7 Service Insurance System Act of 1997," is hereby amended to read as follows:

8       "SECTION 3. Compulsory Membership. — Membership in the GSIS shall be  
9 compulsory for all employees receiving compensation and **FOR NEW**  
10 **ENTRANTS TO THE UNIFORMED SERVICES COVERED BY THE MUP**  
11 **INSURANCE FUND**, who have not reached the compulsory retirement age,  
12 irrespective of employment status, except members of the Armed Forces of the  
13 Philippines and the Philippine National Police, subject to the condition that they  
14 must settle first their financial obligation with the GSIS, and contractual who  
15 have no employer and employee relationship with the agencies they serve."

16       Sec. 7. Section 24 of Republic Act No. 8291 is hereby further amended to read  
17 as follows:

18       "SECTION 24. Compulsory Life Insurance. — All employees except for Members  
19 of the Armed Forces of the Philippines (AFP) and the Philippine National Police  
20 (PNP)] **AND NEW ENTRANTS TO THE UNIFORMED SERVICES COVERED**  
21 **BY THE MUP INSURANCE FUND** shall, under such terms and conditions as  
22 may be promulgated by the GSIS, be compulsorily covered with life insurance,  
23 which shall automatically take effect as follows: " XXX."

24       Sec. 8. *MUP Insurance Fund Generation.* — The government agency concerned  
25 shall contribute to the MUP Insurance Fund an amount equivalent to twenty-one  
26 percent (21%) of the monthly base pay of their uniformed personnel appointed after  
27 the effectivity of this Act. The government agency concerned shall include in its annual  
28 appropriation such sums as may be necessary to cover the required contribution  
29 provided for in this Act. The manner of collection and remittance of contributions to  
30 the MUP Insurance Fund shall be in accordance with the relevant provisions of RA  
31 8291.

1           Sec. 9. *MUP Insurance Fund Investments.* - The portions of the MUP Insurance  
2 Fund, which are not needed to meet any current obligation, may be invested in  
3 accordance with Section 36 of RA 8291.

4           Sec. 10. *Retirement, Separation and Other Benefits.* - The provision of  
5 retirement, separation, and other benefits chargeable against the MUP Insurance  
6 Fund, including eligibility requirements, shall be governed by the relevant provisions  
7 of RA 8291.

8           Sec. 11. *Grant of Additional Retirement and Separation Benefits.* — GSIS may,  
9 upon determination of actuarial soundness, provide better pension benefits to qualified  
10 military and uniformed personnel retirees covered by the MUP Insurance Fund.

11           Sec. 12. *Exemptions from Tax, Legal Process and Lien.* - All laws to the contrary  
12 notwithstanding, all contributions for the MUP Insurance Fund and all accruals thereto  
13 and income or investment earnings therefrom shall be exempt from any tax,  
14 assessment, fee, charge, or customs or import duty, in accordance with Section 39 of  
15 RA 8291.

16           Sec. 13. *Government Guarantee.* - The government of the Republic of the  
17 Philippines hereby guarantees the fulfillment of the obligations of the GSIS to  
18 uniformed personnel members covered by the MUP Insurance Fund as and when they  
19 fall due.

20           Sec. 14. *Cost of MUP Insurance Fund Administration.* — The MUP Insurance  
21 Fund shall bear the costs of its administration and development, in such amounts and  
22 for limits as the GSIS Board of Trustees may deem appropriate, but not exceeding ten  
23 percent (10%) of the annual revenues from all sources: *Provided,* That the President  
24 of the Philippines may, on the basis of actuarial and management studies, increase  
25 the allotment for the administrative and operational expenses for the MUP Insurance  
26 Fund.

27           Sec 15. *Audit.* - The audit of the MUP Insurance Fund shall be conducted in  
28 accordance with Section 22 of RA 8291.

29           Sec. 16. *Pension Benefits for Pensioners and Active Uniformed Personnel Prior*  
30 *to the Effectivity of this Act.* - Existing pensioners and uniformed personnel in active  
31 duty prior to the effectivity of this Act shall enjoy the retirement benefits provided

1 under Presidential Decree No. 1638 as amended, Republic Act No. 6975 as amended  
2 by Republic Act No. 8551, Republic Act No. 9993, and other applicable laws.

3       Sec. 17. *Appropriations.* - The amount necessary for the initial implementation  
4 of this Act shall be charged against any available funds and/or savings of the AFP,  
5 PNP, BFP, BJMP, PCG and NAMRIA. Thereafter, such sums as may be necessary for  
6 the implementation of this Act shall be included in the General Appropriations Act.

7       Sec. 18. *Implementing Rules and Regulations (IRR).* - Within ninety (90) days  
8 from effectivity of this Act, the GSIS and the Department of Budget and Management  
9 (DBM) shall, in coordination with the Department of Environment and Natural  
10 Resources (DENR), the Department of the Interior and Local Government (DILG), the  
11 Department of National Defense (DND), and the Department of Transportation  
12 (DOTr), and after consultation with directly affected stakeholders, promulgate the  
13 rules and regulations to effectively implement the provisions of this Act.

14       Sec. 19. *Separability Clause.* - If any provision of this Act is declared invalid or  
15 unconstitutional, other provisions hereof which are not affected thereby shall remain  
16 in full force and effect.

17       Sec. 20. *Repealing Clause.* - All laws, decrees, orders, rules and regulations  
18 which are inconsistent with the provisions of this Act are hereby repealed or modified  
19 accordingly.

20       Sec. 21. *Effectivity.* - This Act shall take effect fifteen (15) days following its  
21 complete publication in the Official Gazette or in at least two (2) newspapers of general  
22 circulation in the Philippines.

*Approved,*