

TWENTIETH CONGRESS OF THE | REPUBLIC OF THE PHILIPPINES | First Regular Session |

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SENATE

S.B. No. 1092

## **Introduced by SEN. WIN GATCHALIAN**

#### **AN ACT**

LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT EMPLOYEES FROM SIXTY (60) YEARS TO FIFTY-SIX (56) YEARS, AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997

#### **EXPLANATORY NOTE**

Principle 3 of the 1991 United Nations Principles for Older Persons states that "older persons should be able to participate in determining when and at what pace withdrawal from the labor force takes place." Consistent with this principle, this measure seeks to reduce the optional retirement age of all government employees from sixty (60) years to fifty-six (56) years.

Lowering the compulsory and optional retirement age would allow government employees to fully reap the fruits of their retirement benefits after dedicating long years in government service. Equipped with their skills and experience, the retirees would be given a chance to venture into other fields of endeavor, making them self-sufficient and financially independent.

This bill also seeks to address the unemployment problem in our country. The latest Labor Force Survey estimates the country's unemployment rate at 4.1%, slightly

higher than the April 2024 unemployment rate of 4.0%.¹ Meanwhile, according to April 2025 data from the International Monetary Fund (IMF), the Philippines has the second highest unemployment rate in the ASEAN at 4.5%, as compared to Vietnam and Singapore's 2% unemployment rate, and Thailand's 1% unemployment rate.²

If approved into law, this measure will create more employment opportunities in the government, especially for younger jobseekers who may be more adept in new business processes and advance technologies. Not only will this help in boosting economic activity, this will also potentially help in streamlining government processes which, in turn, will lead to financial savings for government agencies and better services for the general public.

Hence, the immediate passage of this bill is earnestly sought

WIN GATCHALIAN

<sup>&</sup>lt;sup>1</sup> Philippine Statistics Authority, *Unemployment Rate in April 2025 was Estimated at 4.1 Percent*, PSA, *at* <a href="https://psa.gov.ph/statistics/labor-force-survey">https://psa.gov.ph/statistics/labor-force-survey</a> (last visited June 22, 2025).

<sup>&</sup>lt;sup>2</sup> International Monetary Fund, *Unemployment rate*, IMF, *at* <a href="https://www.imf.org/external/datamapper/LUR@WEO/VNM/THA/SGP/PHL/MYS/IDN/BRN">https://www.imf.org/external/datamapper/LUR@WEO/VNM/THA/SGP/PHL/MYS/IDN/BRN</a> (last visited June 22, 2025).

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

SEC. 1. Section 13-A of Republic Act No. 8291, otherwise known as "The 1 Government Service Insurance Act of 1997" is hereby amended to read as follows: 2 "SECTION 13-A. Conditions for Entitlement. — A member who 3 retires from the service shall be entitled to the retirement benefits in 4 paragraph (a) of Section 13 hereof: *Provided*, That **SUCH MEMBER**: 5 [he] has rendered at least fifteen (15) years of service; (1)6 [he] is at least [sixty (60)] FIFTY-SIX (56) years of age (2) 7 at the time of retirement; and 8 (3)[he] is not receiving a monthly pension benefit from 9 permanent total disability." 10 **SEC. 2.** Repealing Clause. – All laws, decrees, orders, rules and regulations, 11 or other issuances or parts thereof inconsistent with the provisions of this Act are 12

hereby amended, modified, or repealed accordingly.

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- SEC. 3. Effectivity. This Act shall take effect fifteen (15) days after its
- 2 publication in the Official Gazette or in a newspaper of general circulation.

Approved,