

## **[ GSIS RESOLUTION NO. 110, July 02, 2012 ]**

### **PENSION INCREASE FOR OLD AGE AND DISABILITY PENSIONERS EFFECTIVE 1 JANUARY 2013**

WHEREAS, around twenty-five percent (25%) of old-age and disability pensioners are receiving monthly pensions which are less than the minimum monthly net take-home pay for government employees of Php5,000.00, as provided under Section 37 of R.A. No. 10155, the General Appropriations Act of 2012;

WHEREAS, pursuant to Board Resolution No. 229 dated 8 December 2009, the GSIS provides a 1.5% annual pension increase to old-age and disability pensioners based on: (1) the 2005 monthly pension for existing qualified pensioners; and (2) the original monthly pension for retirees who started receiving their regular monthly pensions after 2005;

WHEREAS, the President and General Manager recommended a pension increase that would uplift the condition of pensioners receiving monthly pensions lower than Php5,000.00 but which would have a negligible effect on the actuarial life of the Social Insurance Fund;

WHEREAS, based on the study, dated 2 July 2012, submitted by the Senior Vice President, Actuarial and Risk Management Group, the life of the Social Insurance Fund is expected to reach the year 2045 with the recommended pension increase, compared to year 2046 without the pension increase; and the projected additional reserves required for the pension increase is approximately Five Billion Six Hundred Eighty-Four Million Pesos (Php5,684,000,000.00);

WHEREAS, the proposed pension increase is subject to approval by the President of the Philippines, pursuant to Section 9 (b) of R.A. No. 8291, the GSIS Act of 1997;

RESOLVED, to APPROVE and CONFIRM, subject to approval by the President of the Philippines, the following pension increase for old age and disability pensioners effective 1 January 2013:

1. to adjust the minimum basic monthly pension to Five Thousand Pesos (Php5,000.00);
2. to grant the one and a half percent (1.5%) increase, as provided under Board Resolution No. 229 dated 8 December 2009;
3. for those pensioners still entitled to less than Php5,000.00 after the 1.5% increase, to adjust their monthly pension to Five Thousand Pesos (Php5,000.00); and
4. for retirees receiving monthly pension more than Php5,000.00 but less than Php8,000.00 after the 1.5% increase, to grant an adjustment of Two Hundred Pesos (Php 200.00) per month.

RESOLVED FURTHER, that Board Resolution No. 229 dated 8 December 2009 shall remain in effect: (1) with respect to the guidelines for entitlement to pension