

[**GSIS RESOLUTION NO. 140, November 16, 2005**]

INCREASE OF 3% IN THE MONTHLY PENSIONS OF REGULAR PENSIONERS

RESOLVED, to APPROVE an increase of 3% in the monthly pensions of regular pensioners, effective January 1, 2006, in accordance with the following guidelines:

1. Entitlement

1.1 Entitled to the pension adjustment are the following pensioners under R.A. 8291, P.D. 1146 and R.A. 660 who are receiving their regular monthly pensions; and are still qualified to their corresponding pensions and living as of January 1, 2006;

1.1.1 Old-age/retirement pensioners, including joint-life retirees;

1.1.2 Disability pensioners;

1.2 Entitled also are retirees who received in advance their guaranteed pensions in the form of lump sum and who shall be resuming their regular monthly pension within calendar year 2006. Effectivity of their adjustment shall only be upon resumption of their regular monthly pensions.

1.3 Not entitled are :

1.3.1 Basic Survivorship and Dependent Pensioners;

1.3.2 Joint-life beneficiaries;

1.3.3 Retirees who received in advance their guaranteed pensions in the form of lump sums and who shall be resuming their regular monthly pension after calendar year 2006;

1.3.4 Separated members who received the cash payment of 18 times the Basic Monthly Pensions (BMP) as separation benefit and shall be starting their monthly pensions on or after January 1, 2006. They shall only be entitled to pension increases if they have been regular pensioners for at least five (5) years;

1.3.5 Pensioners under R.A. 7699 (Portability Law) who are receiving their regular, pro-rata pensions, including those who are receiving pro-rata pension as a result of the Premium-Based Policy.

2. Amount of Pension Adjustment

| Type of Pension | Rate of Increase | Minimum Pension* |
|-------------------------------|------------------|------------------|
| Old-Age/Retirement/Disability | 3.0% | P2,500.00 |

* Minimum Pension does not apply to pro-rata pension of pensioners under R.A. 7699 and as a result of the Premium-Based Policy.

3. Financial Requirements for the Social Insurance Fund

| | |
|-------------------------------------|-----------|
| Additional Monthly Cash Outlay | P24.59M |
| Additional Annual Cash Outlay | P295.10M |
| Additional Reserve Requirement | P1.85B |
| Resulting Average Monthly Pensions: | |
| Old-Age/Retirement/Disability | P6,174.83 |

4. Future Policy on Pension Increases

Effective January 1, 2006, all new retirees shall only be entitled to pension increases that may be granted five (5) years after their retirement date.

Adopted: 16 Nov. 2005 (Board Meeting No. 22)

