Government Service Insurance System
Paseguruhan ng mga Naglilingkod sa Pamahalaan

BAGONG PILIPINAS

OFFICE OF THE CORPORATE SECRETARY

EXACT COPY OF RES. NO. 21 ADOPTED BY THE GSIS BOARD OF TRUSTEES IN ITS MEETING NO. 4 HELD ON 21 FEBRUARY 2025

Approval of the Policy and Procedural Guidelines on the Payment of GSIS Members' Benefits Resulting from Cessation of GSIS Coverage/Membership

RESOLUTION NO. **21** [1]

WHEREAS, Section 3 of Republic Act (RA) No. 8291 and Section 2.1, Rule II of its Revised Implementing Rules and Regulations provide the general rule that membership in the GSIS shall be compulsory for all employees receiving compensation who have not reached the compulsory retirement age of 65, irrespective of employment status, unless their service is extended by appropriate authorities in accordance with existing Civil Service Commission rules and regulations;

WHEREAS, Policy and Procedural Guidelines (PPG) No. 230-13[2] was issued to establish policies concerning members who are still in government service and continue to pay premiums beyond the compulsory retirement age of 65;

WHEREAS, PPG No. 308-16[3] amended PPG No. 230-13 to include members whose services have been extended beyond 65 years old, pursuant to RA No. 8292[4] and RA No. 9500[5];

WHEREAS, PPG No. 230-13 and PPG No. 308-16 do not have provisions on the processing of claims or entitlement to benefits of members who opt to discontinue their compulsory membership with the

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[1] Classification: Internal Use
[2] Treatment of Premium Payments of Members Beyond the Mandatory Retirement Age of 65, dated 31 May 2013
[3] Amended Guidelines on the Treatment of Premium Payments of Members Beyond the Mandatory Retirement Age of 65, dated 31 May 2016
[4] Higher Education Modernization Act of 1997
[5] University of the Philippines Charter of 2008

U.P. LAW CENTER
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations
APR 28 2025
REGISTERED No. 25-0474
ONAR Registration
TIME: 1015 BY:

GSIS while still in active government service beyond the age of 65, or those who are involuntarily separated due to the effectivity of coverage under special laws other than those provided under RA No. 8291 and whose agencies ceased remitting life and retirement premiums on their behalf;

WHEREAS, there are two types of GSIS membership: (1) regular members, or those who are required to remit life insurance and retirement premium contributions; and (2) special members, or those who are required to remit life insurance premiums only but are still entitled to avail GSIS loans and services;

WHEREAS, uniformed personnel are neither regular nor special GSIS members and are not contributing, or have ceased contributing, the required monthly premium contributions to the GSIS;

WHEREAS, the employment positions of Bureau of Corrections (BuCor) personnel were converted from civilian to uniformed by virtue of RA No. 10575;[6]

WHEREAS, the cessation from the GSIS coverage of the uniformed personnel of the BuCor became effective only on 1 January 2022;

WHEREAS, in a Memorandum dated 25 October 2024, the Vice President of the North Luzon Office (VP-North Luzon) requested for approval of the PPG on the Payment of GSIS Members' Benefits resulting from Cessation of GSIS Coverage/Membership, with the following objectives:

1) Establish policies for the processing of claims of members who opted to discontinue their compulsory membership while still in active government service, even beyond the age of 65, as well as those whose agencies ceased to remit life and retirement premium contributions under Section 5 of RA No. 8291 in view of the conversion of employment positions from civilian to uniformed personnel pursuant to special laws;
2) Provide guidelines on entitlement to separation and/or retirement benefits under

[6] The Bureau of Corrections Act of 2013

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RA No. 8291 for members categorized under any of the coverage of the PPG; and

3) Ensure uniform interpretation and implementation of the policy by the Operating Units Concerned;

WHEREAS, the ManCom approved the proposed PPG on the Payment of GSIS Members' Benefits Resulting from Cessation of GSIS Coverage/Membership during its meeting held on 8 October 2024, with Meeting No. 2024-19-050-MA;

WHEREAS, the Corporate Governance Committee (CGC), through CGC Resolution No. 10002-25, endorsed the recommendation of the VP-North Luzon for Board approval, subject to the following directives:

1. Under IV. POLICIES, A. Coverage, for clarity, specify the requirements or eligibility criteria for entitlement to retirement or separation benefits under RA No. 8291; and
2. Under V. PROCEDURES, Processing of Members' Claims. In Steps 11 and 12, require the accountable personnel to affix their full signature, rather than just their initials, on the pertinent documents;

RESOLVED, to **APPROVE** and **CONFIRM** the Policy and Procedural Guidelines on the Payment of GSIS Members' Benefits Resulting from Cessation of GSIS Coverage/Membership.

A copy of the PPG on the Payment of GSIS Members' Benefits Resulting from Cessation of GSIS Coverage/Membership is made an integral part of this Resolution.

CERTIFIED CORRECT:

ORIGINAL SIGNED
LUZ VICTORIA F. REYES-MORANDO
Corporate Secretary

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MA. RUTH ALMIRALA VASQUEZ
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CONFIRMED:

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RODOLFO G. DEL ROSARIO, JR.
Chairperson

ORIGINAL SIGNED
JOSE ARNULFO A. VELOSO
Vice Chairperson

ORIGINAL SIGNED
JOCELYN G. CABREZA
Trustee

ORIGINAL SIGNED
ALAN R. LUGA
Trustee

ORIGINAL SIGNED
EVELINA G. ESCUDERO
Trustee

ORIGINAL SIGNED
RITA E. RIDDLE
Trustee

ORIGINAL SIGNED
MA. MERCEDITAS N. GUTIERREZ
Trustee

ORIGINAL SIGNED
EMMANUEL L. SAMSON
Trustee

ORIGINAL SIGNED
BEATRIZ G. TORNO
Trustee

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POLICY AND PROCEDURAL GUIDELINES NO. 412-25

FUNCTIONAL AREAS : Membership Administration
Claims
Reconciliation

DISTRIBUTION : All Executive Vice Presidents
All Senior Vice Presidents
All Vice Presidents
All Department and Branch Managers

SUBJECT MATTER : **PAYMENT OF GSIS MEMBERS' BENEFITS RESULTING FROM CESSATION OF GSIS COVERAGE / MEMBERSHIP**

I. BACKGROUND/RATIONALE

Section 3 of Republic Act (R.A.) No. 8291 and Section 2.1, Rule II of its Revised Implementing Rules and Regulations (RIRR) provide the general rule that membership in the GSIS is compulsory for all employees receiving compensation who have not reached the compulsory retirement age of 65 irrespective of employment status, unless the service is extended by appropriate authorities in accordance with existing civil service rules and regulations.

On 31 May 2013, Policy and Procedural Guidelines (PPG) No. 230-13[1] was issued to establish policies concerning members who are still in government service and continuously pay premiums even beyond the mandatory age of 65. On 31 May 2016, it was amended by PPG No. 308-16[2] to include members whose services have been extended beyond 65 years old pursuant to R.A. No. 8292[3] and R.A. No. 9500[4].

However, PPG Nos. 230-13 and 308-16 have no provisions on the processing of claims as well as the entitlement to benefits of members who opted to discontinue their compulsory membership with GSIS while in active government service even beyond 65 and whose agencies ceased to remit integrated premiums on their behalf.

On a different note, membership in the GSIS is classified by type of members, namely: regular members and special members. Regular members, together with

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1 Treatment of Premium Payments of Members Beyond the Mandatory Retirement Age of 65
2 Amended Guidelines on the Treatment of Premium Payments of Members Beyond the Mandatory Age of 65
3 Higher Education Modernization Act of 1997
4 University of the Philippines Charter of 2008

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the government agency to which they belong, are required to remit life and retirement premium contributions. On the other hand, special members, together with the government agency to which they belong, are required to remit life insurance premiums only. Since special members are still contributing members to the System, their reclassification does not make their loans due and demandable and in fact, they continue to enjoy the privilege of availing of GSIS loans and services.

However, with respect to the payment of benefits to special members, Section IV.D of PPG No. 234-13[5] provides that reclassification of membership status from regular to special shall not automatically entitle the member to payment of separation or retirement benefits under R.A. No. 8291 until and unless there is actual separation from government service and that their eligibility to the benefits shall be determined on the basis of the premiums paid during their regular membership with GSIS.

In comparison, GSIS membership of uniformed personnel are neither classified regular nor special members. They are no longer considered members of the GSIS and ceased contributing to the pension fund. Case in point are the Bureau of Corrections (BuCor) personnel whose employment positions were converted from civilian to uniformed by virtue of R.A. No. 10575 (otherwise known as *"The Bureau of Corrections Act of 2013"*) dated 24 May 2013 and its Revised Implementing Rules and Regulations (RIRR) dated 23 May 2016.

As a result of R.A. No. 10575, the Department of Budget and Management (DBM), in its letter dated 16 November 2021, informed the GSIS that the cessation from the GSIS coverage of uniformed personnel of the BuCor has been approved effective 01 January 2022. Thus, the national government will no longer provide counterpart retirement and life insurance premium contribution for BuCor personnel.

The exclusion of the uniformed personnel from the coverage of the GSIS did not change their status as government employees. In light of their continued government service, the Legal Services Group (LSG) in its Memorandum dated 23 February 2022 has initially opined that *"the cessation from GSIS coverage as of January 1, 2022 should not, by itself, entitle the affected BuCor personnel to the release of their separation or retirement benefits in the absence of an actual separation from government service"*. The opinion was anchored on the following policies:

A. Item IV (D) (1) of PPG No. 234-13 issued in June 2013 states that "a GSIS member's subsequent reclassification of membership status from regular to special shall not automatically entitle the member to payment of separation benefits under Section 11 of R.A. No. 8291, or to payment of retirement benefits under Section 13 and 13-A of R.A. No. 8291 until and unless there is actual separation from government service.

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5 Processing of Claims and Loan Privileges of Reclassified Members from Regular to Special.

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B. Section 4.5 of GSIS-DBM Circular No. 2013-1 issued in March 2013 specifically states that "the GSIS and DBM shall not pay the equivalent retirement/separation benefits to employees who are still in the government service."

Consequently, a clarificatory opinion was sought from the LSG to pertinently point out the distinction between government employees such as members of the National Prosecution Service (NPS) of the Department of Justice (DOJ) and other similarly situated officials of National Government Agencies (NGAs), and uniformed personnel of the BuCor. The former are covered by the GSIS as special members, i.e., "those who, together with the government agency to which they belong, are required to remit life insurance premiums only." The latter are excluded from GSIS coverage entirely and thus, are not considered members of the System.

The request for clarification cites Memorandum Circular No. 6-97 dated September 24, 1997[6] on the benefits of the uniformed members from the GSIS and Section 4 of P.D. No. 1146 which states that a member shall be entitled to whatever benefits which have accrued or have been earned at the time of separation. Based from the manner by which a *"separation"* is defined, the grant of GSIS benefits[7] shall be the effectivity of the cessation of GSIS coverage.

The LSG opined that although BuCor personnel are in a situation different from that of other government employees with special retirement schemes, GSIS's current policy and practice do not recognize this distinction and do not consider cessation of GSIS coverage as equivalent to the "separation" referred to in Sections 11 and 13-A of the GSIS Act in order to qualify for separation or retirement benefits. Nevertheless, there is arguable basis for a change in the policy to ensure the equitable administration of the benefits of uniformed BuCor personnel.

Hence, in consideration of the mentioned opinion and to provide comprehensive guidelines in the processing of claims of members who ceased their compulsory membership with GSIS while in active government service even beyond the age of 65 or involuntarily due to effectivity of coverage by special laws other than that provided under R.A. No. 8291 and whose agencies discontinued the remittance of life and retirement premiums as mandated under Section 5 of R.A. No 8291, this PPG is hereby issued.

II. OBJECTIVES

This PPG aims to:

A. Establish policies in the processing of claims of members beyond the mandatory age of 65 who opted to discontinue their compulsory membership while still in active government service even beyond 65, as well as those

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6 GSIS coverage of the Philippine National Police, Bureau of Jail Management and Penology and Bureau of Fire Protection under R.A. No. 8291

7 Subject to the eligibility requirements

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whose agencies ceased to remit life and retirement premium contributions under Section 5 of R.A. No. 8291 in view of the conversion of employment position from Civilian to Uniformed Personnel pursuant to special laws;

B. Provide guidelines on the entitlement to separation and/or retirement benefits under R.A. No. 8291 of members categorized under any of the coverage of this PPG; and

C. Ensure uniform interpretation and implementation of the policy by the Operating Units Concerned (OUCs).

III. DEFINITION OF TERMS

The following terms shall mean:

A. ***Cessation of Membership*** – Separation from GSIS coverage occurs when members, after reaching 65 years of age, opt to cease their membership coverage during their term or tenure, or when members involuntarily cease their membership coverage while in active government service due to the effectivity of coverage by special laws other than that provided under R.A. No. 8291, and whose agencies discontinued the remittance of life and retirement premiums as mandated under Section 5 of R.A. No. 8291.

B. ***Date of Separation or Retirement*** – Date of effectivity of the cessation of membership coverage in the GSIS.

C. ***Retirement Benefits*** – **(a)** (1) the lump sum payment as defined in R.A. No. 8291 payable at the time of retirement plus an old-age pension benefit equal to the basic monthly pension payable monthly for life, starting upon expiration of the five-year guaranteed period covered by the lump sum; or (2) cash payment equivalent to eighteen (18) months of his or her basic monthly pension plus monthly pension for life payable immediately with no five-year guarantee. **(b)** Unless the service is extended by appropriate authorities, retirement shall be compulsory for an employee of sixty-five (65) years of age with at least fifteen (15) years of service: *Provided*, that if he or she has less than fifteen (15) years of service, he or she may be allowed to continue in the service in accordance with existing civil service rules and regulations.[8]

D. ***Separation Benefits*** – Consist of: **(a)** a cash payment equivalent to one hundred percent (100%) of his or her average monthly compensation for each year of service he or she paid contributions, but not less than Twelve Thousand Pesos (P12,000) payable upon reaching sixty (60) years of age or upon separation, whichever comes later: *Provided*, that the member resigns or separates from the service after he has rendered at least three (3) years but less than fifteen (15) years of service; or **(b)** a cash payment equivalent to eighteen (18) times his or her basic monthly pension at the time of resignation or separation, plus an old-age pension benefit equal to the basic

[8] `R.A. No. 8291, section 13.

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monthly pension payable monthly for life upon reaching the age of sixty (60): *Provided*, that the member resigns or separates from the service after he or she has rendered at least fifteen (15) years of service and is below sixty (60) years of age at the time of resignation or separation.[9]

IV. POLICIES

A. COVERAGE

This PPG shall cover the following:

1. Regular members holding elective or appointive offices who, after reaching 65 years of age have opted to discontinue their membership with the GSIS; and

2. Regular members whose positions were converted from civilian to uniformed pursuant to special laws other than that provided under R.A. No. 8291.

B. ENTITLEMENT TO RETIREMENT/SEPARATION BENEFITS

Those covered by this PPG shall be entitled to separation benefit under Section 11 of R.A. 8291, or to payment of retirement benefits under Section 13 and 13-A of R.A. 8291 as applicable, subject to the fulfillment of conditions for entitlement to the said benefits.

> *SECTION 11. Separation Benefits. — The separation benefit shall consist of: (a) a cash payment equivalent to one hundred percent (100%) of his average monthly compensation for each year of service he paid contributions, but not less than Twelve thousand pesos (P12,000) payable upon reaching sixty (60) years of age or upon separation, whichever comes later: Provided, That the member resigns or separates from the service after he has rendered at least three (3) years of service but less than fifteen (15) years.*
>
> *(b) A cash payment equivalent to eighteen (18) times his basic monthly pension payable at the time of resignation or separation, plus an old-age pension benefit equal to the basic monthly pension payable monthly for life upon reaching the age of sixty (60): Provided, That the member resigns or separates from the service after he has rendered at least fifteen (15) years of service and is below sixty (60) years of age at the time of resignation or separation.*
>
> *SECTION 13. Retirement Benefits. — (a) Retirement benefit shall be:*
>
> *(1) the lump sum payment as defined in this Act payable at the time of retirement plus an old-age pension benefit equal to the basic monthly pension payable monthly for life, starting upon expiration of the five-year (5) guaranteed period covered by the lump sum; or*

[9] R.A. No. 8291, section 11.

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(2) cash payment equivalent to eighteen (18) months of his basic monthly pension plus monthly pension for life payable immediately with no five-year (5) guarantee.

(b) Unless the service is extended by appropriate authorities, retirement shall be compulsory for an employee at sixty-five (65) years of age with at least fifteen (15) years of service: Provided, that if he has less than fifteen (15) years of service, he may be allowed to continue in the service in accordance with existing civil service rules and regulations.

SECTION 13-A. Conditions for Entitlement. — A member who retires from the service shall be entitled to the retirement benefits in paragraph (a) of Section 13 hereof: Provided, That:

(1) he has rendered at least fifteen (15) years of service;
(2) he is at least sixty (60) years of age at the time of retirement; and
(3) he is not receiving a monthly pension benefit from permanent total disability.

The GSIS shall process the retirement/separation benefit of those covered by this PPG, in accordance with the existing policies on the processing of retirement/separation benefits, subject to the submission of required documents.

The GSIS shall verify whether any separation or retirement benefits have been previously paid through the system's database prior to processing the benefit claim.

C. EFFECTIVE DATE OF RETIREMENT OR SEPARATION

The date of termination must be indicated in the application for retirement or separation which must be the 1st day after the last day of membership coverage with paid premiums. The loans shall be automatically terminated, and the outstanding balance will become due and demandable in accordance with existing policies and guidelines.

D. AUTOMATIC REFUND OF PREMIUM CONTRIBUTIONS BEYOND MEMBERSHIP COVERAGE

Premium payments remitted beyond the last day of membership coverage shall be automatically refunded as follows:

1. Personal share of the member from the day after the last day of membership coverage, which shall be returned to the member.

2. Government share for the same period, which shall be refunded to the agency, provided that the agency has no arrears in premium remittances and that a reconciliation of the agency's account is made to ascertain its status prior to the refund.

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E. **EXTRACTION OF DATA**

For purposes of determining the number of affected members, the Membership Departments of the Operations Group shall conduct an annual extraction of data of members turning 65 in January of each year.

F. **NOTIFICATION TO AFFECTED MEMBERS**

Every quarter of each year, the Membership Department of the Operations Group shall inform in writing (**Annex A**) all members holding elective or appointive offices who have reached 65 years of age of their option to either continue or discontinue their membership in GSIS, with the corresponding advice that the discontinuance of membership coverage shall automatically entitle the members to payment of separation benefit under Section 11 of R.A. 8291, or to payment of retirement benefits under Section 13 and 13-A of R.A. 8291.

The notification shall include a provision that the member shall provide the GSIS with the certification from the agency on the last day of membership coverage.

G. **SYSTEM AND OTHER REQUIREMENTS**

1. The Information Technology Services Group (ITSG) shall provide the necessary computer services, access and support, as well as automation enhancement, if any, to efficiently and effectively implement this PPG. For this purpose, the OUCs shall submit the consolidated user requirements as basis for establishing the systems requirements and timeline for the completion thereof.

2. The Consolidated User Requirement shall be submitted to the Internal Audit Services Office for notation and the Information Security Office for information security requirements review.

V. PROCEDURES

The detailed procedures to be included in the Manual of Operations of the OUCs shall adhere to the following general guidelines:

Processing of Members' Claim

STEP	ACTIVITY	RESPONSIBILITY	
		Central Office (CO)	**Branch Office (BO)**
1	Receive separation or retirement claim application through Transaction Monitoring System	Staff Assistant (SA) – Central Receiver –	Staff Officer III – FSD (Claims Unit)

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STEP	ACTIVITY	RESPONSIBILITY	
		Central Office (CO)	Branch Office (BO)
	(TMS) from Frontline Services Unit (FSU) / Member's Assistance Unit (MAU)	Frontline Services Division (FSD)	
2	Forward TMS to Staff Officer III – FSD (Claims Unit) for distribution to processors.		N/A
3	Receive TMS from Central Receiver then distribute to processors.	Staff Officer III – FSD (Claims Unit)	
4	Review and validate the completeness of the documents and/or data. 4.1 If complete, proceed to Activity 5. 4.2 If incomplete, return to FSU / MAU	Staff Officer I or Staff Officer II – FSD (Claims Unit)	
5	Check if without or with previously paid separation or retirement benefit through the system's database. 5.1 If without record of payment for separation or retirement benefit, proceed to Activity 6. 5.2 If with record of payment for separation or retirement benefit, prepare Letter of Disapproval (LODI) to be signed by the Department or Branch Manager. Close TMS. (End of Process).		
6	Adjudicate eligibility of the member 6.1 If eligible, proceed to Activity 7. 6.2 If ineligible, prepare LODI to be signed by the Department or Branch Manager informing the claimant of the reason for such. Close TMS. (End of Process)	Staff Officer I or Staff Officer II – FSD (Claims Unit)	
7	Forward TMS to Membership Department (MD) for updating of Membership Service Profile (MSP)	Membership Department	
8	Receive TMS from MD.	Staff Officer I or Staff Officer II – FSD (Claims Unit)	

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STEP	ACTIVITY	RESPONSIBILITY	
		Central Office (CO)	Branch Office (BO)
	8.1 If MSP updating is correct, proceed to Activity No. 9. 8.2 If MSP updating is incorrect, prepare Certified Instruction to Update Record (CIUR). Revert to Activity 7.		
9	Forward TMS to Accounts Management Division (AMD) – Reconciliation Unit for reconciliation of premiums and loan payments.	AMD (Reconciliation Unit)	
10	Receive TMS from AMD with attached screenshots of verified deductibles, if applicable.	Staff Officer I or Staff Officer II – FSD (Claims Unit)	
11	Process retirement or separation benefit. Print and affix full signature in the Notice of Approval (NA), Disbursement Vouchers (DV), Proceeds Sheet (PS), if with proceeds, and Collection Letter (CL), if without proceeds. Forward TMS and signed NA, DV, PS if with proceeds and CL, if without proceeds to Staff Officer III - FSD (Claims Unit) for review	Staff Officer I or Staff Officer II – FSD (Claims Unit)	
12	Review TMS and NA, DV and PS if with proceeds, and CL if without proceeds. Check eligibility to benefit, completeness and correctness of the data. Forward TMS and signed NA, DV, PS if with proceeds and CL, if without proceeds for approval to authorized officers based on the Manual on Codified Signing and Approving Authorities (MOCSAA). 12.1 If correct, proceed to Activity 13 12.2 If incorrect, return TMS and printed documents to Staff Officer I or Staff Officer II – FSD (Claims Unit). Revert to Activity 11	Staff Officer III – FSD (Claims Unit)	

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STEP	ACTIVITY	RESPONSIBILITY	
		Central Office (CO)	Branch Office (BO)
13	Review TMS and NA, DV and PS if with proceeds, and CL if without proceeds. 13.1 If correct, approve separation or retirement benefit based on the MOCSAA. Proceed to Activity 14 13.2 If incorrect, return TMS to Staff Officer III – FSD (Claims Unit) for forwarding to Staff Officer I or Staff Officer II – FSD (Claims Unit). Revert to Activity 11.	Authorized Officer per MOCSAA	
14	Inform member to submit notarized Declaration of Pendency/Non-Pendency of Case (DPNPC) through email/call/text. Attach screenshot of communication made to TMS and tag TMS "Awaiting submission of DPNPC"	Staff Officer III – FSD (Claims Unit)	
15	Receive an email from FSU or MAU regarding the submission of DPNPC of member. 15.1 If the DPNPC is in order and without pending case, proceed to Activity 16. For members with pending case, refer to the existing procedure on handling acceptance of the Declaration Form on the Pendency / Non – Pendency of Case and processing of retirement claims in compliance with the Amended IRR of R.A. No. 10154 as approved under CSC Resolution No. 130224. 15.2 If the DPNPC is not in order, return to FSU or MAU with instructions.	FSD – Claims Unit	
16	Post separation or retirement benefit electronically in the system. Forward TMS and documents to Staff Aide / Staff Assistant / Job	Department Manager or Branch Manager or Officer I or Officer II	

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STEP	ACTIVITY	RESPONSIBILITY	
		Central Office (CO)	Branch Office (BO)
	Order for monitoring of posted claim and sorting of copies.	or Staff Officer III – FSD (Claims Unit)	
17	Receive TMS and printed and signed NA, DV, PS if with proceeds and CL, if without proceeds 17.1 If claim resulted in zero proceeds, transmit one (1) copy for mailing to member and one (1) copy to RMD for safekeeping. Close TMS. 17.2 If claim has proceeds and will be disbursed through check, forward TMS and one (1) copy to Check Printing and Releasing Unit (CPRU) for check processing. One (1) copy for mailing to claimant and one (1) copy to RMD for safekeeping. Close TMS. 17.3 If claim has proceeds and will be disbursed through eCrediting, transmit one (1) copy for mailing to member and one (1) copy to RMD for safekeeping. Close TMS.	Staff Aide / Staff Assistant / Job Order	
	End of Process		

Processing of Automatic Refund of Premium Contributions Beyond Membership Coverage

STEP	ACTIVITY	RESPONSIBILITY	
		Central Office (CO)	Branch Office (BO)
1	Extract data of members who have continued premium contributions beyond the last day of membership coverage.	Membership Department	
2	Compute the total personal share from the day after the last day of membership coverage.	Staff Officer I / Staff Officer II (Reconciliation Unit)	
3	Automatically process the refund to the member's account.	Officer I (Frontline Services Division)	

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STEP	ACTIVITY	RESPONSIBILITY	
		Central Office (CO)	Branch Office (BO)
4	Compute the total government share for the same period.	Staff Officer I / Staff Officer II (Reconciliation Unit)	
5	Reconcile the agency's account	Staff Officer I / Staff Officer II (Reconciliation Unit)	
6	Automatically process the refund of the government share to the agency.	Officer I (Frontline Services Division)	
7	Notify members and agencies of the processed refund, providing details of the amounts and periods covered.	Staff Officer I / Staff Officer II (Reconciliation Unit)	
End of Process			

VI. INFORMATION DISSEMINATION

The Corporate Communications Office shall prepare the information materials for dissemination of this PPG.

A Memorandum Circular (**Annex B**) shall be issued to inform the members of the policies herein set forth.

VII. DATA PRIVACY

The OUCs shall ensure that the creation and collection, storage and transmittal, use and distribution, retention, as well as disposal and destruction of the personal and sensitive personal data of covered members, pensioners, and other stakeholders, as required by this PPG, comply with the requirements of R.A. No. 10173 (the "Data Privacy Act of 2012"), its Implementing Rules and Regulations, and other issuances of the National Privacy Commission.

VIII. ACCOUNTABILITIES AND PENALTIES

Executives or employees who were found to have committed any violation of the provisions of this PPG shall be held accountable and shall be subjected to penalties as may be prescribed under the existing Rules on Administrative Cases in the Civil Service and other pertinent laws, issuances, rules and regulations.

IX. REPEALING CLAUSE

All Office Orders, Circulars, Resolutions, and PPGs which are inconsistent herewith are hereby superseded, modified or repealed accordingly.

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FROM THE RECORD ON FILE
MA. RUTH [illegible] VASQUEZ
Records Management Officer
Office of the Corporate Secretary
28 April 2025

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N°25-0474

Other minor formal amendments and/or revisions that pertain to style, language or numbering and which do not relate to the substance of this PPG are herewith amended accordingly.

X. EFFECTIVITY CLAUSE

This PPG shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation and filing with the University of the Philippines Office of the National Administrative Register.

ORIGINAL SIGNED
JOSE ARNULFO A. VELOSO
President and General Manager

Date Signed: 1 MAR 24 2025

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FROM THE RECORD ON FILE
MA. RUBY ALMIRA G. VASQUEZ
Records Management Officer
Office of the Corporate Secretary
28 April 2025

№25-0474

Government Service Insurance System
Paseguruhan ng mga Naglilingkod sa Pamahalaan

GSIS

BAGONG PILIPINAS

<Date>

<NAME OF MEMBER>
<Address Line 1>
<Address Line 2>

Dear Mr. / Ms. _____,

We are pleased to inform you that GSIS members beyond the mandatory age of 65 years old may now choose to either discontinue their membership with the GSIS or continue paying their monthly premium contributions, following the approval of the Board of Trustees in May 2016.

The new policy shall cover the following:

1. **Officials elected to public office before the age of 65 but who will reach the mandatory retirement age of 65 during their term.** The elective officials shall be allowed to either discontinue or continue paying their premium contributions until the end of their term, including any period of re-election or election to another public office, provided that such period/s of re-election is/are continuous;

2. **Officials who are appointed by the President of the Philippines to public office before the age of 65 for a fixed term and with a fixed monthly compensation but will reach the mandatory retirement age during their tenure.** The appointive officials shall be allowed to either discontinue or continue paying premium contributions until the end of their tenure, including any period of term extension or re-appointment to another office; provided that such period/s of extension or re-appointment is/are continuous; and

3. **Officials or employees who hold co-terminous or highly confidential positions who reach the age of 65 years**, and whose services are considered automatically extended until the expiration of the officials or employees' appointment or until the officials or employees' services are earlier terminated under CSC Memorandum Circular No. 27, series of 2001.

4. **Presidential appointees whose services are extended by the Office of the President** pursuant to Executive Order No. 136, series of 1999. The appointee shall be given an option to either discontinue or continue paying premium contributions upon reaching the age of 65 until the end of his/her extended service.

5. **Non-presidential appointees whose services were extended pursuant to special laws,** such as, but not limited to R.A. No. 8292 (Higher Education Modernization Act of 1997) and R.A. No. 9500 (University of the Philippines Charter of 2008). The appointee shall be given an option to either discontinue or continue paying premium contributions upon reaching the age of 65 until the end of one's extended service.

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MA. RUTH LAURICE C. VASQUEZ
Records Management Officer
Office of the Corporate Secretary
28 April 2025

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The GSIS shall continue to honor premium contributions for members who have decided to pay their monthly contributions, and shall include years of service corresponding to the period of optional coverage of membership, in the computation of their periods with paid premiums.

Meanwhile, the GSIS shall refund all excess premium contributions if they would opt to discontinue their membership coverage upon reaching the age of 65. The discontinuance of GSIS membership shall automatically entitle the member to payment of separation benefit under Section 11 of R.A. 8291, or to payment of retirement benefits under Section 13 and 13-A of R.A. 8291, subject to the fulfillment of conditions for entitlement to the said benefits.

Lastly, we kindly request that you provide GSIS with a certification from your agency confirming the last day of your membership coverage.

Should you need any clarification on the optional continuance of membership, you may:

- get in touch with your Membership Coordinator, _____ at _____;
- call the GSIS Contact Center at 8-847-4747;
- email gsiscares@gsis.gov.ph; or
- seek advice from a GSIS branch office near you.

Thank you.

Very truly yours,

_____
Senior Vice President
_____ Group

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Records Management Officer
Office of the Corporate Secretary
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Government Service Insurance System
Paseguruhan ng mga Naglilingkod sa Pamahalaan

GSIS

BAGONG PILIPINAS

GSIS MEMORANDUM CIRCULAR NO. 065, SERIES OF 2025

FOR : **HEADS OF CONSTITUTIONAL BODIES, BUREAUS AND AGENCIES OF THE NATIONAL GOVERNMENT, LOCAL GOVERNMENT UNITS, GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS, STATE UNIVERSITIES AND COLLEGES, AND ALL OTHERS CONCERNED;**
ALL AGENCY AUTHORIZED OFFICERS
ALL GSIS MEMBERS AND PENSIONERS

SUBJECT : **GUIDELINES ON THE PAYMENT OF GSIS MEMBERS' BENEFITS RESULTING FROM CESSATION OF GSIS COVERAGE / MEMBERSHIP**

Pursuant to Board Resolution No. 21 dated 21 February 2025 approving Policy and Procedural Guidelines (PPG) No. 412-25 on the Guidelines on the Payment of GSIS Member's Benefits Resulting from Cessation of GSIS Coverage/Membership, the following guidelines are hereby issued:

A. COVERAGE

This shall cover the following:

1. Regular members holding elective or appointive offices who, after reaching 65 years of age have opted to discontinue their membership with the GSIS; and

2. Regular members whose positions were converted from civilian to uniformed pursuant to special laws other than that provided under R.A. No. 8291.

B. ENTITLEMENT TO RETIREMENT/SEPARATION BENEFITS

Those covered shall be entitled to separation or retirement benefit, as applicable, subject to the fulfillment of conditions for entitlement to the said benefits.

SECTION 11. Separation Benefits. — The separation benefit shall consist of: (a) a cash payment equivalent to one hundred percent (100%) of his average monthly compensation for each year of service he paid contributions, but not less than Twelve thousand pesos (P12,000) payable upon reaching sixty (60) years of age or upon separation, whichever comes later: Provided, That the member resigns or separates from the service after he has rendered at least three (3) years of service but less than fifteen (15) years.

(b) A cash payment equivalent to eighteen (18) times his basic monthly pension payable at the time of resignation or separation, plus an old-age pension benefit equal to the basic monthly pension payable monthly for life upon reaching the age of sixty (60): Provided, That the member resigns or separates from the service after he has rendered at least fifteen (15) years of service and is below sixty (60) years of age at the time of resignation or separation.

SECTION 13. Retirement Benefits. — (a) Retirement benefit shall be:

(1) the lump sum payment as defined in this Act payable at the time of retirement plus an old-age pension benefit equal to the basic monthly pension payable monthly for life, starting upon expiration of the five-year (5) guaranteed period covered by the lump sum; or

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(2) cash payment equivalent to eighteen (18) months of his basic monthly pension plus monthly pension for life payable immediately with no five-year (5) guarantee.

(b) Unless the service is extended by appropriate authorities, retirement shall be compulsory for an employee at sixty-five (65) years of age with at least fifteen (15) years of service: Provided, that if he has less than fifteen (15) years of service, he may be allowed to continue in the service in accordance with existing civil service rules and regulations.

SECTION 13-A. Conditions for Entitlement. — A member who retires from the service shall be entitled to the retirement benefits in paragraph (a) of Section 13 hereof: Provided, That:

(1) he has rendered at least fifteen (15) years of service;
(2) he is at least sixty (60) years of age at the time of retirement; and
(3) he is not receiving a monthly pension benefit from permanent total disability.

The GSIS shall process the retirement/separation benefit of those covered by these guidelines, in accordance with the existing policies on the processing of retirement/separation benefits, subject to the submission of required documents.

The GSIS shall verify whether any separation or retirement benefits have been previously paid through the system's database prior to processing the benefit claim.

C. EFFECTIVE DATE OF RETIREMENT OR SEPARATION

The date of termination must be indicated in the application for retirement or separation which must be the 1st day after the last day of membership coverage with paid premiums. The loans shall be automatically terminated, and the outstanding balance will become due and demandable in accordance with existing policies and guidelines.

D. AUTOMATIC REFUND OF PREMIUM CONTRUBUTIONS BEYOND MEMBERSHIP COVERAGE

Premium payments remitted beyond the last day of membership coverage shall be auto refunded as follows:

1. Personal share of the member from the day after the last day of membership coverage, which shall be returned to the member.

2. Government share for the same period, which shall be refunded to the agency, provided that the agency has no arrears in premium remittances and that a reconciliation of the agency's account is made to ascertain its status prior to the refund.

E. NOTIFICATION TO AFFECTED MEMBERS

Every quarter of each year, the Membership Department of the Operations Group shall inform in writing all members holding elective or appointive offices who have

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reached 65 years of age of their option to either continue or discontinue their membership in GSIS, with the corresponding advice that the discontinuance of membership coverage shall automatically entitle the members to payment of separation benefit under Section 11 of R.A. 8291, or to payment of retirement benefits under Section 13 and 13-A of R.A. 8291.

The notification shall include a provision that the member shall provide the GSIS with the certification from the agency on the last day of membership coverage.

Please be guided accordingly.

ORIGINAL SIGNED
JOSE ARNULFO A. VELOSO
President and General Manager

Date signed: APR 11 2025

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