



**DEPARTMENT OF BUDGET AND MANAGEMENT
GOVERNMENT SERVICE INSURANCE SYSTEM**

March 8, 2013

**JOINT CIRCULAR
No. 2013-1**

TO : All Concerned Officials of the Department of Budget and Management (DBM), Government Service Insurance System (GSIS), and All Others Concerned

SUBJECT : Guidelines and Procedures in the Payment of Retirement Benefits Pursuant to Special Retirement Laws

1.0 PURPOSE

- 1.1 To provide guidelines to implement the grant of retirement benefits to officials of the National Government Agencies (NGAs) who are covered by special retirement laws other than that provided under R.A. No. 8291;
- 1.2 To prescribe the procedures to be adopted by retirees covered by special laws to avail of their retirement benefit package. These retirees include but are not limited to members of the National Prosecution Service (NPS), National Labor Relations Commission (NLRC), and other similarly situated agencies of the national government; and,
- 1.3 To delineate the responsibilities of the Department of Budget and Management (DBM), the Government Service Insurance System (GSIS) and agencies which are covered by special retirement laws.

2.0 COVERAGE

This Circular shall cover all Prosecutors of the NPS of the Department of Justice; Chairman, Commissioners and Labor Arbiters of the NLRC; and other similarly situated officials of NGAs who are expressly recognized by the DBM as having separate laws concerning retirement benefits which are higher than what is usually authorized to be received from the GSIS.

3.0 GENERAL GUIDELINES

- 3.1 Consistent with the provisions of R.A. No. 8291, *The Government Service Insurance System Act of 1997*, government employees who are considered members of the GSIS are required to pay premium contributions equivalent to nine percent (9%) of their salaries corresponding to their personal share. The National Government (NG) share is computed at twelve percent (12%) of their monthly salaries.
- 3.2 The amount of retirement benefits and pension authorized under R.A. No. 8291 is computed as follows:
 - 3.2.1 Thirty-seven and one-half percent (37.5%) of the revalued average monthly compensation; plus
 - 3.2.2 Two and one-half percent (2.5%) of said revalued average monthly compensation for each year of service in excess of fifteen (15) years: Provided, that the basic monthly pension shall not exceed ninety percent (90%) of the average monthly compensation.
- 3.3 Specific NG employees, for which special laws have been enacted providing higher retirement benefits than that paid by the GSIS, are entitled to avail of the separate retirement benefit package under these special laws.
- 3.4 In the payment of this special retirement package, the GSIS will pay the amount of benefits corresponding to the usual rates prescribed under R.A. No. 8291. The NG, on the other hand, shall shoulder the difference between the authorized retirement GSIS package and the benefits covered by special laws. This policy shall likewise be applicable even where pension payments are concerned.
- 3.5 It is understood that the officials covered by special laws shall only be covered by life insurance upon effectivity of the subject special law governing their separate benefits.
- 3.6 Officials of NGAs covered by life insurance only can still avail of the policy loan subject to the existing guidelines on the grant of the loan by the GSIS.
- 3.7 Retirement gratuity and pension benefits shall be prospective in application, unless otherwise provided by law.

4.0 PROCEDURAL GUIDELINES

- 4.1 GSIS shall provide DBM, copy furnished the agency concerned, with a master list of employees entitled to avail of benefits under recently enacted special laws.
- 4.2 Upon receipt of the retirement application from the retiree, the GSIS shall process and pay the applicable benefit entitlement of said retiree under R.A. No. 8291, based on the reconciled GSIS - concerned agency records of premiums paid during the time when the employee was considered a regular member of the GSIS.
- 4.3 The GSIS shall return to the concerned agency, the excess retirement premiums – personal share, deducted from the employee's salary after the enactment and effectivity of the special retirement law and to the DBM, the excess retirement premium – government share corresponding to the said period.
- 4.4 The computed GSIS benefits shall be deducted by the DBM from the retirement benefits payable to the employees covered by the special retirement laws. To ensure that no double payments of retirement benefits occur, the DBM shall not process the payment of retirement benefits without the submission of the duly-signed GSIS computation or statement of account.
- 4.5 The GSIS and DBM shall not pay the equivalent retirement/separation benefits to employees who are still in the government service.
- 4.6 The concerned agency shall submit a letter of request to DBM duly supported by the following:
 - 4.6.1 Service records;
 - 4.6.2 Actual list of retirees and computation sheet of retirement benefits with a breakdown of GSIS actual payments vis-à-vis, amount still due to the employee; and,
 - 4.6.3 GSIS approved application for retirement supported by a copy of retirement benefits voucher issued by the GSIS.

5.0 RELEASE OF FUNDS

- 5.1 The funding requirements for the payment of GSIS benefits shall be sourced from the GSIS funds.

5.2 The funding requirements for the difference between the retirement benefits granted under the special retirement benefit laws and the amounts received from the GSIS shall be sourced from the appropriate funding source under the General Appropriations Act.

6.0 ITEMS FOR RESOLUTION

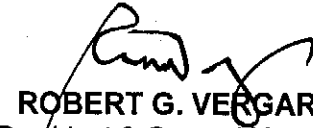
Issues or conflicts arising from the implementation of this Joint Circular shall be resolved jointly by the DBM and GSIS.

7.0 EFFECTIVITY

This Joint Circular shall take effect immediately.



FLORENCIO B. ABAD
Secretary
Department of Budget and Management



ROBERT G. VERGARA
President & General Manager
Government Service Insurance System

