

Senator Pimentel Backs Gov't Plan to Raise SSS and GSIS Pensions - MabuhayRadio

Written by Senator Pimentel's Press Office

Monday, 05 January 2009 03:21 - Last Updated Monday, 05 January 2009 03:22

Senate Minority Leader Aquilino Q. Pimentel, Jr. (PDP-Laban) today said an administration plan to raise the monthly retirement pensions for members of the Social Security System and Government Service Insurance System should prod Congress to act on long-pending bills that prescribe such benefit adjustment.

Senator Pimentel said the planned increase is long-overdue and should be implemented through appropriate legislation and amendments to the SSS and GSIS charters.

In the case of the SSS, Mr. Pimentel noted the persistent grievance of retirees about the "meager and unrealistic" pension they are getting.

On the other hands, he said GSIS members have lately been complaining about the adoption of a new system of computing pensions that is based on the actual amount of premium contributions which supposedly puts them at a disadvantage by reducing the amount of the monthly benefit.

"It is imperative on the part of the government, specifically the SSS and GSIS, to extend pension, disability and other benefits to retirees that are reasonable, adequate, and commensurate to their contributions to the social security scheme. These benefits should be granted without impairing the financial soundness of the pension funds intended for employees

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from both the private and public sectors,” Senator Pimentel said.

The hike in SSS and GSIS pensions was favorably considered by administration financial, economic and budget managers during a recent meeting of the Development Budget Coordinating Committee (DBCC).

Socio-Economic Planning Secretary Ralph Recto and Finance Secretary Margarito Teves said the proposed upgrading of the SSS and GSIS pensions was part of government steps to enable the people to cushion the impact of the global financial crisis and to stimulate economic growth.

Senator Pimentel said the SSS and the GSIS are now in a much better financial position to increase the pensions of retirees, citing official data that the actuarial life of the SSS is good until 2036 and that of the GSIS until 2055.

Aside from this, the SSS reported that it expects its net income to reach P21.54 billion last year. In the first six months of 2008, the SSS earned a net income of P16.75 billion.

The GSIS, for its part, reported that its net income went up to P50 billion last year, up 21 percent from P21.2 billion in 2007.

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The income of the SSS and GSIS is derived from premium contributions and from earnings from loans to individual and corporate members, investments and other business ventures.

Senator Pimentel is the author of a bill that seeks to restructure the mode of computing SSS pensions that will entitle the retirees to a bigger amount.

Under the Social Security Act of 1987 (Republic Act 8282) SSS members with at least 10 credited years are entitled to a minimum monthly pension of P1,200 while those with 20 years get P2,400.

Senator Pimentel said his proposal seeks to raise the minimum monthly pension to P3,000. It will also grant an annual increase of P500 in the pension until it reaches P5,000 which will be the minimum amount that retirees should get.

The Pimentel bill provides that the new minimum monthly pension shall apply to all SSS pensioners regardless of the date of their retirement.

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“With the spiraling cost of living, specially in the prices of foods, medicines and other essential commodities, the current amount of monthly pension has been rendered woefully inadequate to meet even the barest needs of SSS pensioners,” the bill’s author said.

Senator Pimentel said the minimum pension of P5,000 proposed for SSS retirees would make it at par with the monthly pension for war veterans and military retirees that they receive from the Philippine Veterans Affairs Office. # # #

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