

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1605



Introduced by Rep. Precious Hipolito Castelo

EXPLANATORY NOTE

In light of the fact that no government agency undertakes a conscious monitoring on how pension funds under the care of the Social Security System on the one hand and by the Government Service Insurance Service on the other are being administered, it behooves a cognizant entity to adopt a proactive approach as would insure that state pension funds are carefully invested at no risk whatsoever on either SSS or GSIS against losses or the possibility that such funds are being siphoned off to benefit private sector entities.

Toward this end, the Bangko Sentral ng Pilipinas or the Monetary Board, as the case may be, shall issue rules, regulations, guidelines and other sanctions as it may see fit that will introduce a culture of transparency in the business or corporate affairs of both the SSS and the GSIS.

There shall be an internal system of disclosure initiated by the state pension fund itself for the full dissemination and information as regard how substantial chunk of funds may be utilized for all their bonafide members and stakeholders. Not surprisingly, SSS or GSIS is awash with cash but this shall not lend freedom for them to invest in anyway they see.

It is of paramount consideration that pension funds are contributed by private and public workers in the SSS and GSIS, respectively and therefore, it is only fitting and proper that serious custodial job is reposed upon those that manage these pension funds. In no permissible instance must management provide any part of the pension funds to buoy up or resuscitate an otherwise ailing private or public entity.

Pension funds must accrue only to their legitimate contributors, no one else.

It is the intention of this bill to ensure that pension funds are not being siphoned off for purposes other than the higher interest of its contributors, hence the immediate passage of this proposed bill is most earnestly sought.


PRECIOUS HIPOLITO CASTELO

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AN ACT

ENSURING THAT PENSION FUNDS OF SOCIAL SECURITY SYSTEM AND THE GOVERNMENT INSURANCE SERVICE SYSTEM ARE SUBJECT OF A CULTURE OF TRANSPARENCY AND INTERNAL SYSTEM OF DISCLOSURE IN ALL ITS BUSINESS OR CORPORATE AFFAIRS AND FOR OTHER PURPOSES

Be it enacted in the Senate and the House of Representatives of the Republic of the Philippines in Congress assembled:

SECTION 1: This Act shall be known as the "Pension Funds Disclosure Act."

SEC. 2. There shall be adopted a culture of transparency and internal system of disclosure in all the business and corporate affairs of the Social Security System and the Government Service Insurance System as a matter of right and privilege on the part of their private and public workers, respectively.

To this end, the *Bangko Sentral ng Pilipinas* or the Monetary Board, as the case may be, must undertake a proactive approach to ensure that no funds whatsoever could be siphoned off for purposes other than the benefits of the state pension funds members and contributors.

SEC. 3. All returns on investment under this system of disclosure shall be fully disseminated for the information of the private workers in the case of SSS and public workers in the case of GSIS.

SEC. 4. The Social Security System and the Government Service Insurance System shall issue respective rules, regulations, guidelines and sanctions against violations under this Act.

SEC. 5. This Act shall take effect thirty (30) days after its publication in the Official Gazette.

Approved,