



GSIS

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Institutionalizing Reforms to Provide a More Responsive Service to Members and Pensioners

(as of December 2014)

FOR ACTIVE MEMBERS

1. **Revised the Claims and Loans Interdependency Policy (CLIP).** Under the CLIP, outstanding loan balances of members are unilaterally deducted from the proceeds of their retirement or separation benefits, often resulting in zero proceeds when they retire.

The GSSS Board of Trustees thus issued a policy that provided retiring members an easier settlement of their loan balance. Dubbed **Choice of Loans Amortization Schedule for Pensioners (GLASP)**, the program empowers members as they are given options on how to settle their outstanding loan accounts. More importantly, GSSS no longer forcibly deducts housing loan obligations from the members' retirement benefits.

2. **Stopped the suspension of members' loan privileges.** The present GSSS Management and Board recognized the inequity for employees working in suspended agencies to lose their access to GSSS loan windows and dividends even if their social insurance contributions are mandatorily deducted from their salaries by their agencies. Thus, beginning July 2013, the loan privileges of government employees working in agencies that are delayed or deficient in their premium payments have been restored.

Under this policy, suspended agencies may choose from any of three options to restore the loan privileges of their employees:

- Pay their premium delinquencies in full; or
- Restructure their arrears and commit to settling these through a memorandum of agreement (MOA) with GSSS; or
- Upon payment of at least 90% of any three consecutive months' premium obligations beginning July 2013, sign an undertaking to enter into a MOA with GSSS to settle its premium deficiencies.

FOR PENSIONERS

3. **Revoked the Annual Renewal of Active Status (ARAS).** Given the age and fragile health of over 300,000 GSSS old-age and disability pensioners, the policy of requiring them to personally appear in the GSSS office during their birth month to renew their status was discontinued.

In lieu of the annual requirement, GSSS partnered with the Philippine Statistics Authority (PSA, formerly National Statistics Office), which now provides a monthly report on the status of its local pensioners. Those living abroad, however, are still required to renew their active status via Skype, a web-based software that allows users to make telephone calls or conduct video conference through the Internet free of charge. Similarly, pensioners based in the Autonomous Region in Muslim Mindanao still need to renew their active status pending PSA's completion of a reporting and registration system in the region.

4. **Restored survivorship pension.** Believing the principle that pension is a right and not a privilege, GSSS restored the survivorship benefit of surviving spouses even if they are gainfully employed and receiving income or pension from other institutions. With its retroactive application, GSSS paid accrued amounts of pension that were previously suspended. In addition, GSSS no longer requires the surviving heir or beneficiary to apply for a survivorship pension upon filing an application for a funeral benefit (constructive notice of application).

5. **Increased the minimum basic pension to Pphp5,000.** For the first time in many years, GSSS increased the minimum basic pension to Pphp5,000 for some 58,000 old-age and disability pensioners beginning in January 2013. Also, around 43,000 pensioners who were receiving over Pphp5,000 but less than Pphp8,000, were granted a Pphp200 increment in addition to the regular 1.5% increase given to them.

6. **Revived the payment of proportionate pension.** This ensures that pensioners are granted the benefits due them. The pension is now computed proportionately starting from the effective day of retirement, or five years thereafter for those who retired with a five-year lump sum benefit. Previously, the pension is paid a month after the date of retirement or after the five-year guaranteed period. This policy, implemented retroactively from September 2009, benefited more than 47,000 pensioners.

7. **Granted a Pphp20,000 Pensioner Emergency Loan (PEL).** In the aftermath of strong typhoons that hit the country in 2013, GSSS offered for the first time a Pphp20,000 emergency loan for pensioners living in areas that were declared under a state of calamity. As of November 2014, the System released more than Pphp140 million in PEL.

8. **Insured pension loan.** The GSSS further improved the terms of its pension loan program by providing loan redemption insurance (LRI). With insurance, loan balance will be deemed paid in the event of the borrower's demise. The LRI for pension loan guarantees that the survivors of deceased pensioners will receive the full amount of funeral and survivorship benefits. In the past, survivors of deceased pensioners complained about receiving reduced funeral and survivorship benefits because of the previous policy to deduct the pension loan balance from the proceeds of said benefits.

Improved Access to Service

9. **Renewed partnership with Land Bank of the Philippines (LANDBANK).** In December 2010, GSSS reengaged LANDBANK as an additional servicing bank in addition to Union Bank of the Philippines (UnionBank). As a result, members and pensioners benefited from the LANDBANK's extensive branch network nationwide, 70 percent of which are in the provinces. Its close to 1,000 automated teller machines (ATMs) all over the country operating 24 hours a day, in addition to the UnionBank's network, enable GSSS members and pensioners to withdraw their loan proceeds and monthly pension any time.

10. **Deployed more GSSS Wireless Automated Processing System (GWAPS) kiosks.** The 200 units in 2010 had increased nearly fourfold. With more than a thousand GWAPS kiosks installed in all division offices of the Education Department (DepEd), provincial capitols, city halls, and clusters of municipalities, members and pensioners can conveniently transact with GSSS. They need not visit any GSSS offices to apply for the usual loans, saving them time, money, and effort.

Year	Number of kiosks deployed
2011	494
2012	60
2013	282
2014	145
Total	981

The GSIS also deployed 34 kiosks in Robinsons Malls to further expand the reach of its services. Thirty rapid deployment portable kiosks are also available, particularly in calamity-hit areas. With the increased deployment and online capabilities of GWAPS, the pension fund had tripled its efficiency in processing emergency loans.



Portable kiosks were deployed in Loon, Bohol, in the aftermath of the earthquake that hit the province.

11. Reconfigured the GSIS structure. In February 2011, the GSIS reshaped its organization to be more service-responsive. The chain of command was simplified and regional operations were reconfigured into full service, one-stop-shop branch offices under a decentralized system.

- **Opened the Pasig Extension Office.** Inaugurated on 17 October 2013, this office makes services more accessible to more than 107,000 GSIS members and nearly 15,000 pensioners in Pasig, Pateros, Taguig, Marikina, and the Rizal province. It is also near DepEd's Central Office, whose personnel accounts for 73% of Pasig's membership base.

- **Set up service desks.** Fifty-eight service desks were established in various parts of the country, particularly outside urban centers, to serve walk-in members and pensioners and accept loan applications and forms for processing by branch offices.

For instance, members and pensioners who live in Bontoc, Mountain Province, need not make the six-hour trip to the GSIS Baguio Branch Office. Instead, they can visit the service desk in the Bontoc provincial capitol every second and fourth Monday of the month for their GSIS concerns.

12. Established a 24/7 call center. GSIS stakeholders here and abroad can reach the GSIS contact center (847-4747) round the clock, seven days a week, for their queries and concerns.

Eased Transaction Processes through System Enhancements

13. Streamlined documentary requirements. GSIS members, pensioners, and other claimants now find it easier to comply with documentary requirements in filing for their social insurance benefits, as the number of forms for accomplishment and submission has been reduced. One to seven documents were weeded out from the previous set of GSIS requirements for retirement or separation benefit, life claim, funeral benefit, survivorship benefit, preneed (education and memorial) claims, employees' compensation, request for check replacement, check releasing, and over-the-counter application for loans.

The separate clearances from the Office of the Ombudsman, Civil Service Commission, and Office of the President are no longer required. Retiring members need to submit only the Declaration of Pendency/Nonpendency of Case after the approval of their retirement claim and before release of check or crediting of the proceeds to their GSIS eCard or unified multipurpose identification (UMID) card account.

14. Electronically credited GSIS benefits. GSIS benefits, such as retirement, life insurance, survivorship, and preneed claims, are now electronically credited to the accounts of members through their GSIS eCard or UMID card instead of releasing the benefits through checks. GSIS members will no longer have to wait for their claim checks to be printed, deposited, and cleared before cashing them in the bank. This ensures the timely release of benefits to members and gives them the option to withdraw the amount from the nearest ATM.

15. Implemented the system of electronic billing and online payment. In July 2014, the GSIS introduced the Electronic Billing and Collection System (eBCS), a Web-based application that enables the pension fund to send its billing statements for premium and loan amortization to government agencies electronically, and accept payments online.

eBCS is used by government personnel in charge of approving and remitting payments to GSIS. It allows government agencies to download GSIS billing statements, upload the electronic remittance file, and review the account history of members. The system ensures the seamless and efficient posting of payments, ultimately resulting in the accurate computation of members' benefit proceeds. Retiring officers therefore save time and government resources, as they can now do all the work in the comfort of their offices, including payment of GSIS bills.

16. Developed the Electronic GSIS Membership Online (eGSISMO) System. The GSIS will soon fully implement this program for members aged 59 and above. It is a web-based system or inquiry facility that will allow them to electronically view or access their basic information, membership profile, premium payments, status of loan application, loan repayments and balances, service records, and SOLAs anytime.

Improved Recording and Posting of Members' Accounts and Refund of Loan Overpayments

17. Updated members' accounts. The concern on members' inaccurate statements of account has been a chronic issue dating back to 1997 and prior years. Members have long complained that their premiums and loan payments are not properly recorded and posted to their accounts despite the mandatory salary deduction. This has greatly affected the computation of their loanable amounts and other benefits to which they are entitled.

GSIS carried out the following measures to address this issue:

- **Reconciliation of agency accounts.** The GSIS closely coordinates with agencies to address any disparity in the records of their employees. It sends agency advisories every month to resolve discrepancies between billing and payment or between billing and posting of accounts. Advisories also urge agencies, through their liaison officers, to inform GSIS of any change in the status of their employees, such as promotion and salary increment, for immediate updating of their records.
- **Creation of the Reconciliation Task Force.** This team was directed to cleanse the database of erroneously posted data and recommend measures to address system and programming flaws.
- **Project Statement of Loan Accounts (SOLA).** Under this project, retiring members aged 59 years old and above are provided individual statement of accounts to determine their outstanding loan balances to date. Piloted in the Department of Health and the Department of Social Welfare and Development in the National Capital Region, the project ensures that members' loan records are already updated before they retire and that their benefits are released promptly.
- **Waived written request of members to refund loan overpayment.** The GSIS now automatically refunds excess loan payments to members without a request subject to certain conditions. The refund is credited to their eCard or UMID card account or, in its absence, through checks. (A written request is needed only in cases when the GSIS still has to validate the posting of payment in members' accounts.)

Enhanced Loan Programs

19. Liberalized the Emergency Loan Program (ELP). To help ease the plight of members adversely affected by calamities, the GSIS enhanced the features of its ELP through the following: reduced interest rate to 6 percent from 8 percent; waived the service fee of 1 percent; and extended to 3 months the grace period to pay the first amortization.

20. Granted special loan assistance package for Yolanda and other calamity-hit members and pensioners. Beginning in November 2013 when super typhoon Yolanda hit the country, GSIS offered a special emergency assistance package for members and pensioners affected by calamities.

- **Loan Moratorium Program** – provided for automatic deferment of all loan payments, without interest and penalties, for all members and pensioners either living or working in the 191 areas worst hit by Yolanda, and even by subsequent calamities.

- **Home Emergency Loan Program (HELP)** – a one-time special loan program for GSIS members who are either residing or working in areas worst hit by Yolanda. The loanable amount, ranging from Php30,000 to Php200,000, is based on the member's total length of service.

• **Enhanced Emergency Loan Program** – an emergency loan with an increased credit limit of Php40,000 for members who have outstanding emergency loan balance. Under this program, the 12 monthly amortizations for an existing emergency loan is no longer required for loan renewal.

- **Pension Emergency Loan Program** – a new Php20,000 loan window for pensioners affected by Yolanda and other calamities. This is also covered by a loan redemption insurance.

In December 2014, GSIS disbursed Php18 billion in calamity assistance alone, benefiting 311,305 stakeholders.

21. Partnered with Pag-IBIG. The lacklustre housing performance of the pension fund prompted GSIS to find ways to rationalize its 50-year-old home lending program. A review of the program showed that in 2010, GSIS extended only Php600 million in home loans to its more than 500 members, compared to the Php5.5 billion released by the Home Development Mutual Fund (Pag-IBIG Fund) to over 11,000 government employees. It is 10 times more than the amount the GSIS lent for housing to 20 times more government employees.

In addition, more than 16,000 housing units valued at Php34.57 billion were either foreclosed or cancelled due to lack of a collection infrastructure. To achieve cost-efficiency, the GSIS partnered with Pag-IBIG Fund and tapped its core housing know-how.

A Php5-billion credit facility was extended to Pag-IBIG Fund for direct lending to GSIS members and pensioners for their housing needs. The facility was fully utilized and helped finance the construction of over 8,000 housing units of GSIS members.

Upheld Transparency and Good Governance in Business Transactions

22. Instituted open and competitive procurement process in reinsuring big-ticket accounts (P50 million and above). In response to the President's call for good governance for transparency in all business transactions, the GSIS held open and competitive public bidding for the reinsurance needs of the National Power Corporation, the Power Sector Assets and Liabilities Management Corporation, the National Grid Corporation of the Philippines, and the Metro Rail Transit Corporation.

In 2011, the GSIS individually bid out only eight accounts, which included those of the power sector. It was the year when GSIS started opening to the market. As a result of the competitive bidding process, the GSIS has in fact attracted the participation of other local insurance companies, such as Federal Phoenix, Malayan, United Coconut Planters Bank, Charter Ping An, and Corporate Guarantee Insurance Company. In 2012, the number of reinsurance accounts that were bid out rose to 52, or an increase of 85 percent in 2014.

Apart from over Pnp1 billion savings generated from reduced premiums, insured agencies obtained improved coverage by having lower deductibles, which allows them to claim against their insurance for losses or damages at lower participation limits.

Savings on reinsurance premium
(Compared to 2010 premium costs)

2014	2013	2012	2011
Pnp424,075,411.45	Pnp422,777,665.91	Pnp546,919,999.76	Pnp344,186,856.69

23. Forged partnerships for greater efficiency. As part of revisiting the structure and functions of GSIS to attain greater operational efficiency, the System focused on its core mandate of providing social insurance and outsourced functions that could be implemented more effectively by other agencies.

The GSIS thus partnered with the key shelter agency, Pag-IBIG, to implement its direct home lending program under a Pnp5-billion credit facility. The GSIS thus partnered with the key shelter agency, Pag-IBIG, to implement its direct home lending program under a Pnp5-billion credit facility. It entered into an agreement with the Philippine Statistics Authority to determine the status of GSIS pensioners.

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The GSIS likewise turned over several significant pieces of artworks to the National Museum, which will “preserve, maintain, secure, and promote” them. To highlight this partnership, an area within the National Museum was named Government Service Insurance System Wing. The Wing encompasses three large galleries on the Senate (Third Floor) of the National Museum, where more than 100 GSIS artworks are displayed, including the famous Parisian Life of Juan Luna and the masterpieces of National Artists Fernando C. Amorsolo, Carlos “Botong” Francisco, Vicente S. Manansala, Hernando R. Ocampo, Ang Kiukok, Bencab, and National Artist-elect Federico Aguilar y Alcuaz.

Implemented Corporate Social Responsibility Programs

24. Enhanced Scholarship Program. Under its revised college scholarship program, low-income GSIS members are now given priority through scholarship grants to their children who are incoming college students in schools accredited by the Commission on Higher Education. This is unlike past scholarship programs in which scholars were selected through an electronic raffle.

Under the enhanced program, nominees of members with a salary grade of 24 or below, or its equivalent, are accepted. A chosen scholar is entitled to the actual cost of tuition and miscellaneous fees not exceeding Pnp20,000 and a monthly stipend of Pnp2,000. The scholar may opt to take a four- or five-year course but must meet the scholastic requirements set by the school for student retention under the program.

25. Pursued its mission in vital social sectors – education and environment. The pension fund embarked on repair and rehabilitation projects for selected public elementary and secondary schools in the country’s poorest areas through its Adopt-a-School Program in coordination with the Department of Education (DepEd). Promoting good environmental stewardship, the GSIS conducted environmental awareness and conservation seminars, as well as tree-planting and coastal clean-up activities.

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Impact of Reforms

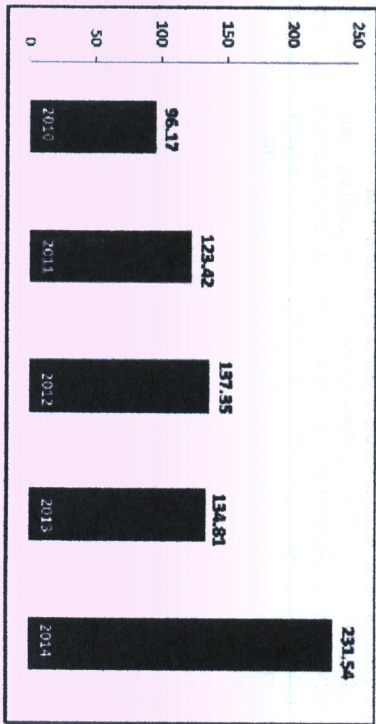
1. Strong financial standing for the past four years. Revenue posted growth from Pnp96 billion in 2010, Pnp123 billion in 2011, Pnp137 billion in 2012, and Pnp135 billion in 2013. In 2014, revenue rose to Pnp 232 billion.

Total assets stood at Pnp787 billion in 2013 from Pnp567 billion in 2010. Assets already reached Pnp910 billion in (unaudited).

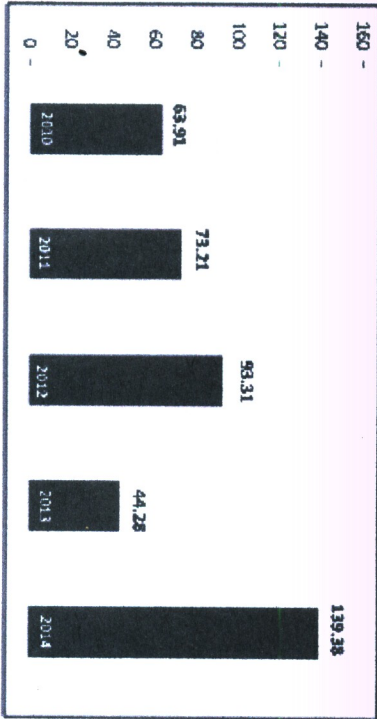
Key financial indicator (in billion pesos)	2014	2013	2012	2011	2010
Revenues	231.54	134.81	137.35	123.42	96.17
Total Income	139.38	44.28	93.31	73.21	63.91
Claims and benefits paid	84.16	83.19	65.54	54.27	46.04
Assets	910.43	787.65	731.93	633.64	566.71

Total income similarly rose from Pnp64 billion in 2010 to an all-time high of Pnp139 billion in 2014. Claims were also processed within the prescribed turnaround time, owing to the reduced number of documentary requirements and the crediting of benefits (retirement, life insurance, survivorship, and preneed) to the eCard or UMID card accounts of members.

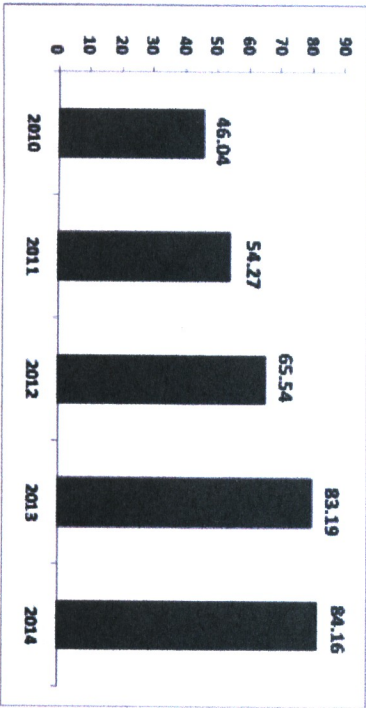
REVENUES (in billion pesos)



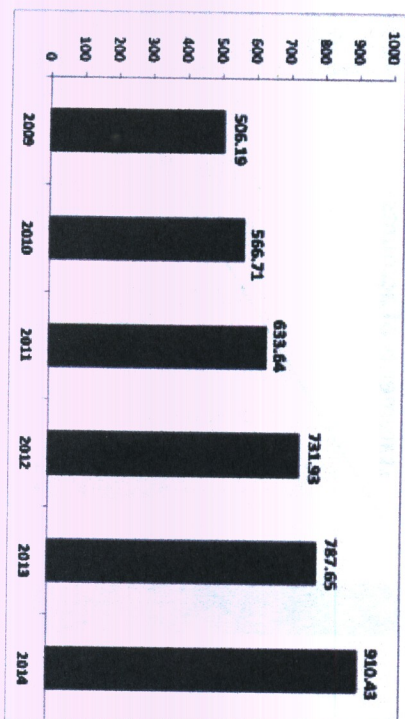
TOTAL INCOME (in billion pesos)



CLAIMS AND BENEFITS PAID (in billion pesos)

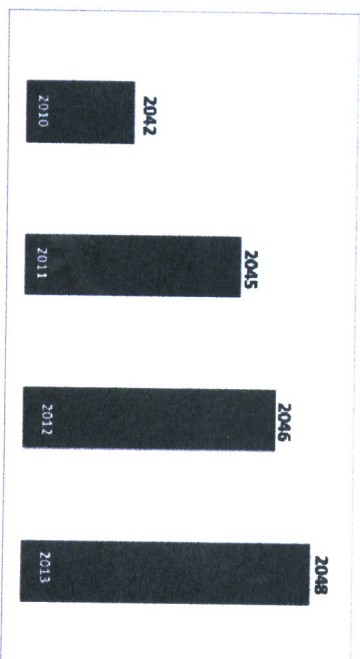


ASSETS (in billion pesos)



Notwithstanding the grant of additional benefits for members and pensioners, the actuarial life of the Fund increased to 2048 last year from 2042 three years ago. This means that members are assured that when they retire, GSIS will be there to pay their pension throughout the duration of their retirement.

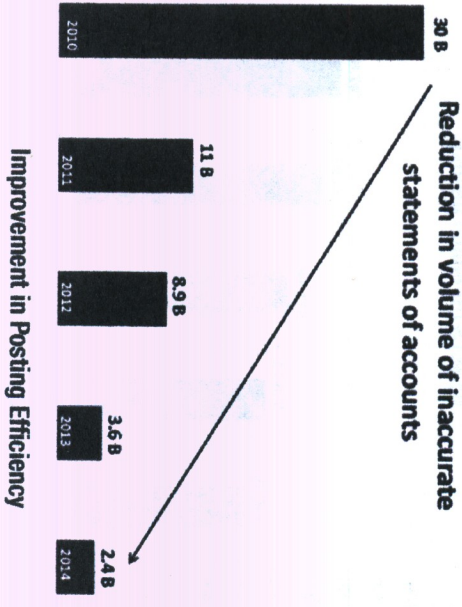
ACTUARIAL LIFE OF THE GSIS FUND



2.

Updated members' records and improved posting and collection efficiency. Unreconciled or unposted payments for 2009 and prior years, which accumulated to Php30 billion in 2010, have considerably gone down to Php11 billion in 2011, to Php8.9 billion in 2012, and to Php3.6 billion in 2013. This further went down to Php2.4 billion as of December 2014. The efficiency of GSIS to post and collect premiums and loans payment accurately also improved from 83.5 percent in 2010 to 95.28 percent in 2014. Further, claims are being processed within the prescribed turn-around time.

Reduction in volume of inaccurate statements of accounts



Improvement in Posting Efficiency

Year	Collections (in million pesos) Premiums, Loans and MOA	Unreconciled/clarification accounts (in million Pesos)	Posting Efficiency Rate
2010	77,684	12,812	83.51%
2011	89,316	11,354	87.29%
2012	103,483	13,292	87.16%
2013	108,970	10,527	90.34%
2014	190,553	9,003	95.28%

Claims and benefits processing efficiency

Type of claim	Turnaround time (TAT)	Period	Percent within TAT
Retirement/separation	90	Sept-Dec	96.42%
Disability	90	Sept-Dec	94.71%
Regular life insurance	60	Oct-Dec	93.70%
Survivorship	60	Oct-Dec	92.32%
Funeral	30	Nov-Dec	90.13%

3. Settlement of past due accounts of suspended agencies and local government units (LGUs) due to nonpayment of premiums and loans. In 2014, a total of 223 suspended agencies and LGUs have already signed agreements with GSIS to update the records and restored the loan privileges of more than 800,000 affected employees.

In September 2012, the Department of Budget and Management (DBM), DepEd, and GSIS signed a tripartite agreement that resulted in the refund of premiums (representing the government share) that were deducted from the life insurance benefits of some 93,000 teaching and nonteaching personnel, including those who

have already retired. Pensions were also adjusted accordingly and benefits of active members were proportionately increased in terms of higher loanable amounts and potentially greater retirement benefits.

In June 2014, DBM, DepEd-ARMM, and GSIS signed a similar agreement that benefited around 26,000 DepEd-ARMM teaching and nonteaching personnel.

4. Improvement in ARTA rating for service delivery. The GSIS reaped the fruits of the reforms it has instituted to provide responsive service to members and pensioners. In the 2014 Anti-Red Tape Act - Report Card Survey (ARTA - RCS) conducted by the Civil Service Commission (CSC), the GSIS obtained an overall Excellent rating of 91.19% (covering 57 branch offices) from a Failed rating of 73.82% (covering 45 branch offices) in 2012.

Of the branch offices surveyed in 2014 that were rated Excellent, 21 have so far received the CSC's Citizen's Satisfaction Center Seal of Excellence for exemplary customer service effectiveness.

Most importantly, the GSIS topped the 2014 ARTA survey covering more than 1,000 agencies. The System earned the highest percentage of offices nationwide that have been rated "Excellent" in the survey. Thirty eight branch offices out of 57 surveyed or 67% earned an "Excellent" score (90% and above), with not one office receiving a failing mark.

Improved 2014 CSC Anti-Red Tape Act (ARTA) Rating

2014	2012
91.19% EXCELLENT (57 branch offices)	73.82% FAILED (45 branch offices)

2014 CSC ARTA ratings: Head Office and NCR

Branch	2012	2013	2014
Head office	-	-	93.69
Pasig City	-	-	93.39
Quezon City	-	81.52	90.93
Average	-	Average	92.67

2014 CSC ARTA ratings: North Luzon

Branch	2012	2013	2014
Bulacan	59.74	90.2	96.21
Tarlac	80.92		95.99
Dagupan	69.25	95.81	95.34
Bataan	82.55		94.08
Camarines	76.32	70.45	93.55
Pangasinan	83.13		93.49
Bayambang	79.72		92.66
Laang	77.06	90.58	91.41
Taguigerao	70.18	89.28	91.03
Baguio			90.94
Iba	86.98		90.86
La Union	53.88	90.14	89.86
Cabanatuan	87.50		87.29
N. Luzon Average	75.39	87.75	92.516

2014 CSC ARTA ratings: South Luzon

Branch	2012	2013	2014
Laguna	63.34	93.21	96.72
Virac	88.65		96.43
Sorsogon			92.53
Calapan			92.24
Batangas	53.29	89.12	91.83
Palawan	76.96	89.35	91.29
Masbate	67.77	90.34	91.29
Boac			90.21
Naga			89.90
Legaspi	78.41		89.62
Lucena	55.91	89.11	89.15
Mamburao			85.72
S.O. Luzon Ave.	69.90	90.23	91.41

2014 CSC ARTA ratings: Visayas

Branch	2012	2013	2014
Dumaguete	76.15	89.85	94.16
Catbalogan	87.19		94.20
Tacloban	80.43		93.86
Roxas	67.08	86.12	93.58
Borongan	81.99		92.96
Cataman	84.81		92.25
Aklan	66.17	89.1	92.17
Bohol	71.54	93.28	90.68
Barcolod	68.04	91.57	90.54
Cebu	83.79		89.25
Ormoc	78.03	89.71	88.88
Masina	81.10		88.17
Iloilo			86.51
Ardjique			83.05
Visayas Average	77.41	90.33	90.71

2014 CSC ARTA ratings: Mindanao

Branch	2012	2013	2014
Surigao	68.25	93.86	94.39
Tagum	58.05	89.51	92.60
Butuan	48.10	88.73	92.09
Cotabato	77.94		91.78
Dipolog	71.05	81.48	90.75
General Santos	76.54	92.77	90.25
Davao	76.71	85.57	90.03
Cagayan de Oro	86		89.63
Tandag	83.88		89.44
Pagadian			89.05
Kidapawan	78.81	88.2	88.91
Zamboanga			88.40
Iligan	64.19	81.45	88.12
Basilan			87.41
Malaybalay	63.84	89.81	87.09
Mindanao Ave.	71.65	87.93	89.966

GISIS awarded seal of excellence for frontline service



GISIS President and General Manager Robert Vergara receives the wall mountable glass seal for earning the Seal of Excellence for exemplary frontline service. Of the branch offices surveyed in 2014 that were rated Excellent, 21 have so far received the CSC's Citizen's Satisfaction Center Seal of Excellence for exemplary customer service including the Head Office in Pasay City. From left – CSC Director Lisa Atanatria, CSC Director Laura Mangranca, CSC Director Lydia Castillo, CSC Commissioner Nieves Osorio, CSC Commissioner Robert Martinez, PGM Vergara and GISIS Senior Vice President for NCR Operations Nora Malibay-Saludares.