

MALACAÑANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 91

CREATING A PRESIDENTIAL RETIREMENT INCOME COMMISSION.

WHEREAS, there are at present various pension/retirement funds which contribute to the functioning of the current Philippine retirement income systems;

WHEREAS, it is necessary to integrate the different pension/retirement fund systems to make them more equitable, efficient, affordable and financially sound; and

WHEREAS, to pursue the integration there is a need for the creation of a government agency which will review the operation of the current Philippine retirement income system and make recommendations for reform and improvement of the pension fund systems.

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Creation of a Presidential Retirement Income Commission. There is hereby created a Presidential Retirement Income Commission composed of not more than fifteen (15) members to be appointed by the President representing labor, management, private sector and the academe including representatives from the Department of Finance, the Social Security System, Government Service Insurance System, and the AFP Retirement and Separation Benefit System, Pag-Ibig, Department of Labor, Bureau of Internal Revenue, Department of Social Welfare and Development and the voluntary occupational pension system.

SEC. 2. Functions and Powers. The Commission shall have the following functions and powers:

- a) Assess the operation of the current retirement income system to focus on the coverage of the major components of the system; the level of benefits the system is likely to produce for different workers retiring in the future; the projected cost of each element of the system and of the system as a whole; the impact of SSS minimum benefits; the adequacy of the current



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safety net programs of assistance to the elderly poor; and adequacy of funding for retirement and pension systems.

- b) Develop a shared vision of the basic scope and structure of the retirement income system, to include desired targets for income replacement and aggregate cost for the system; appropriate division of responsibility between government and private institutions and between mandatory and voluntary programs in the operation of the retirement system; and the allocation of the system's costs;
- c) Develop a more specific approaches in structuring the SSS and GSIS programs to provide a first pillar base for a more equitable, efficient, affordable, and incentive-compatible defined-benefit pension plan;
- d) Assess alternative approaches in creating both a funded, second pillar and an improved safety net program for low income retirees; and
- e) Review options for shifting a portion of the responsibility for assuring a minimum standard of living to the aged and disabled to programs that are more directly targeted on the needy and are financed through the government budget.

SEC. 3. Time Frame. The Commission will submit an interim report and a final report. The interim report will outline the current status of the retirement income system and discuss areas needing improvement to be issued by September 1, 1999. The final report will detail the Commission's recommendation for change to be issued by February 1, 2000.

SEC. 4. Effectivity. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 6th day of April in the year of Our Lord, Nineteen Hundred and Ninety-Nine.



[Handwritten Signature]
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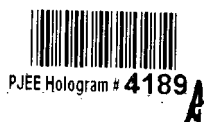
By the President:



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[Handwritten Signature]

RONALDO B. ZAMORA
Executive Secretary



Date

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