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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS

First Regular Session

House Bill No. 701

Introduced by **HON. ROZZANO RUFINO B. BIAZON**

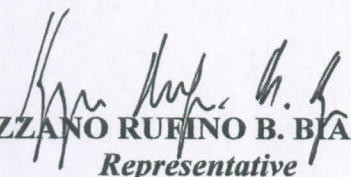
EXPLANATORY NOTE

It is the avowed policy of the State not only to strengthen professionalism in the Armed Forces of the Philippines (AFP) but to provide, as well, for adequate remuneration and benefits to its members in line with the mandate of the 1987 Philippine Constitution, as provided in Section 5 (3), Article XVI thereof.

In furtherance of this Constitutional mandate and in view of current economic demands on the meager remuneration of our men in uniform, there is a need to upgrade some of their benefits in order to afford them a modicum of comfort, especially after their retirement from military service.

Furthermore, the bill provides an opportunity to interested individuals who have previously rendered civilian service prior to their joining the AFP to further serve the military establishment by giving them the option to include or exclude said civilian service to their military service for the purpose of retirement. This will remedy the vague provision in military retirement laws on whether or not a prospective retiree has the option to tack his civilian service to his military service prior to his retirement

In view thereof, the passage of this bill is earnestly sought.


ROZZANO RUFINO B. BIAZON
Representative
Lone District, Muntinlupa City

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AN ACT

FURTHER AMENDING SECTIONS 3 AND 17 OF PRESIDENTIAL DECREE NO. 1638 ENTITLED "AN ACT ESTABLISHING A NEW SYSTEM OF RETIREMENT AND SEPARATION FOR MILITARY PERSONNEL OF THE ARMED FORCES OF THE PHILIPPINES", AS AMENDED BY PRESIDENTIAL DECREE NO. 1650, AND FOR OTHER PURPOSES.

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

SECTION 1. Section 3 of Presidential Decree no. 1638, as amended by Presidential Decree 1650, is hereby amended to read as follows:

"Section 3. For the purpose of this Decree, active service of a military person shall mean active service rendered as a commissioned officer, enlisted PERSON, cadet, probationary officer, trainee or draftee in the Armed Forces of the Philippines and service rendered as a civilian official or employee in the Philippine Government prior to the date of separation or retirement from the Armed Forces of the Philippines, for which military and/or civilian service said person shall have received **AN APPOINTMENT AND/OR MONETARY REMUNERATION OR PAY** from the Philippine Government, and/or such other **SERVICE** as may hereafter be prescribed by law as active service; *Provided*, That, for purposes of retirement, said person shall have rendered at least ten (10) years of active service as an officer or enlisted **PERSON** in the Armed Forces of the Philippines; *Provided, further*, That, no period of such civilian government service longer than his active service shall be credited for retirement[.]: **PROVIDED, FINALLY, THAT, THE PERSON CONCERNED SHALL HAVE THE OPTION TO INCLUDE OR EXCLUDE SUCH CIVILIAN SERVICE TO HIS MILITARY SERVICE FOR THE PURPOSE OF RETIREMENT.**"

Sec. 2. Section 17 of the same Act is hereby amended to read as follows:

"Section 17. When an officer or enlisted PERSON is retired from the Armed Forces of the Philippines under the provisions of this Decree, he shall, at his option, receive a gratuity equivalent to one (1) month of base pay and longevity pay of the grade next higher than the permanent grade last held for every year of service payable in one (1) lump sum or a monthly retirement pay equivalent to two and one-half percent (2 1/2%) for each year of active service rendered, but not exceeding [eighty-five percent (85%)] **EIGHTY SEVEN AND A HALF PERCENT (87.5%)** of the monthly base and longevity pay of the grade next higher than the permanent grade last held **BUT NOT MORE THAN THIRTY FIVE (35) YEARS OF ACTIVE SERVICE: Provided,** That an officer retired under Section 11 or 12 shall be entitled to benefits computed on the basis of the base and longevity pay of the permanent grade last held: *Provided, further,* That, such retirement pay shall be subject to adjustment on the prevailing scale of base pay of military personnel in the active service: *Provided, furthermore,* That, [when he retires, he] **UPON RETIREMENT, SAID MILITARY PERSON** shall be entitled at his option, to receive in advance and in lump sum his annual retirement pay for the first three (3) years and thereafter receive his retirement pay payable in equal monthly installment as they accrue: *Provided, finally,* That, if said person dies within the three-year period following his retirement and is survived by beneficiaries as defined in this Decree, the latter shall only receive the derivative benefits thereunder starting the first month after the aforesaid three-year period. Nothing in this Section shall be construed as authorizing adjustment of pay, or payment of any differential in retirement pay to officers and enlisted personnel who are already retired prior to the approval of this Decree as a result of increases in salary of those in the active duty: *Provided,* That, retirees who are recalled to active duty may have their retirement pension adjusted based on the rank they hold and on the prevailing pay of military personnel in the active service, at the time of the termination of their recall to active duty."

Sec. 3. *Rules and Regulations.* – The Secretary of National Defense is hereby authorized to promulgate rules and regulations as maybe necessary to implement the provisions of this Act. Nothing in this Act shall diminish the retirement and separation benefits to which military personnel are already entitled under existing laws and other related issuances.

Sec. 4. *Separability Clause.* – If any provision of this Act or any part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

Sec. 5. *Repealing Clause.* – This Act repeals all laws, executive orders, letters of instruction, issuances, circulars, administrative orders, rules or regulations that are inconsistent herewith.

Sec. 6. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in a newspaper of nationwide circulation.

Approved,