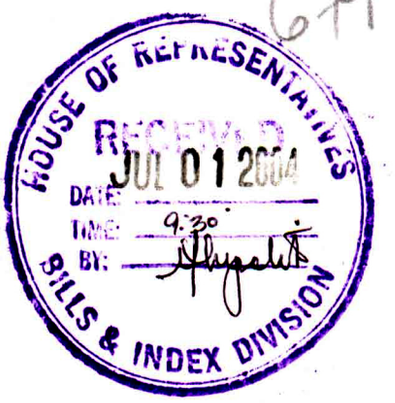
679

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



THIRTEENTH CONGRESS
FIRST REGULAR SESSION

HOUSE BILL NO. 679

INTRODUCED BY HONORABLE ALIPIO CIRILO V. BADELLES

EXPLANATORY NOTE

This is the third re-filing of this legislative initiative that seeks to provide for a system of paying the arrears of pension to World War II veterans. This bill was registered in the 11th Congress as House Bill No. 7321, which was passed co-authored by One hundred ninety-two (192) members of the Eleventh Congress including the three former Speakers Villar, Fuentebella and Belmonte. In the 12th Congress the same was passed by the House of Representatives as House Bill No. 6159.

This measure is premised on the fact that since the enactment of Republic Act No. 7696, Section 5, paragraph (h) thereof, was never implemented due to budgetary constraints. As of December, 2003, the Philippine Veterans Affairs Office has reported that the total outstanding claims and arrearages for the Total Administrative Disability Pension alone amounts to P 14.146 billion with 88,338 beneficiaries which was never given since 1994.

It is, therefore, the purpose and intent of this legislative measure to settle the outstanding obligation of the government to the veterans as a fitting recognition for their patriotic services for the country. Now that they are in the twilight of their lives, after being exposed to the atrocities of war, the State is duty-bound to provide immediate and adequate care in gratitude for their supreme sacrifices. This measure spells out the most rational and viable way given the financial predicament of the national government.

It is hoped that with the approval of this proposal the 13th Congress will achieve two goals: firstly, to make clear to the veteran-beneficiaries that the State is bent on fulfilling its Constitutional duty in recognition of their courageous acts in the face of the hardships during the war and their battle for survival after the war; and second, to reduce the government's obligation by unloading some of the financial burden gradually.

The urgency of this measure and its early approval needs no further elaboration considering the pathetic and pitiable condition that majority of our veterans and their families are in today.

ALIPIO CIRILO V. BADELLES

Republic of the Philippines
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HOUSE BILL NO. _____

INTRODUCED BY HONORABLE ALIPIO CIRILO V. BADELLES

AN ACT
PROVIDING FOR A SYSTEM OF PAYING THE ARREARS OF PENSION TO WORLD WAR II VETERANS, PENALIZING ANY FRAUD COMMITTED IN RELATION TO THIS ACT.

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

SECTION 1. *Declaration of Policy.* – Consistent with the Constitutional mandate to provide immediate and adequate care and benefits to war veterans, it is hereby declared the policy of the State to provide the mechanism necessary to pay the arrears incurred in the Total Administrative Disability pension due to World War II veterans by virtue of Section 5, paragraph (h), of Republic Act No. 6948, as amended.

SEC. 2. *Coverage.* - All veterans, with or without a service-connected or non-service connected disability, who reached the age of seventy (70) years old, shall be entitled to a one time lump sum gratuity payment of Thirty Thousand Pesos (P30,000.00) in lieu of the monthly Total Disability Pension of One Thousand Seven Hundred Pesos (P1,700.00).

World War II veteran-applicants falling under Section 5, paragraph (h), of Republic Act No. 6948, as amended, whose qualification was determined and approved upon the effectivity of this Act, shall, in addition to the lump-sum gratuity, be issued a Certificate of Indebtedness by the National Treasurer of the Republic of the Philippines equivalent to the unpaid amounts thereon.

This Certificate of Indebtedness shall apply to all World War II veteran-applicants falling under Section 5, paragraph (h), of Republic Act No. 6948, as amended, whose qualification was determined and approved under this Act.

SEC. 3. *Issuance of Certificate of Indebtedness.* - The National Treasurer of the Republic of the Philippines is hereby authorized to issue Certificates of Indebtedness equivalent to the unpaid portion of the disability pension incurred from 1994 up to the approval of this Act. This process shall be completed within a period of six (6) months and commencing thirty (30) days after approval of this Act.

All Certificate of Indebtedness issued to individual qualified recipients shall be returned to the National Treasurer for safe-keeping until the stipulated maturity date. Likewise, the said Certificate shall not be subject to impoundment by the Office of the President.

SEC. 4. *Nature of the Certificates of Indebtedness.* – The Certificates of Indebtedness shall be zero-rate based, non-negotiable instruments and redeemable after five (5) years from the issuance of the Certificate, to be charged against the sinking fund established for the purpose. Should the veteran die prior to the maturity date of the Certificate of Indebtedness, the spouse or children or successor-in-interest, following the law on succession, shall be entitled to redeem the face value stated in Certificate upon its maturity.

SEC. 5. *Creation of the Sinking Fund.*. – For the purpose of this Act, the National Treasurer of the Philippines shall establish a Sinking fund to be known as the Veterans Total Administrative Disability Fund (VDATF) for the settlement of all Certificates of Indebtedness. The Sinking fund shall be managed by the National Treasurer of the Philippines to earn interest at a rate necessary for such fund to equal the total face value of the outstanding and issued Certificates of Indebtedness.

The National Treasurer of the Philippines shall designate a government depository bank as its agent for the distribution and redemption of the Certificate of Indebtedness.

SEC. 6. *Appropriations.* - The amount necessary to implement the provisions of this Act shall initially come from the following sources:

a. Contribution of one percent (1%) from the net profit, after tax, of the Philippine Amusement and Gaming Corporation (PAGCOR);

b. Proceeds of the lease/development and sale of government properties assigned for the use of the veterans such as the Arroceros property, the Veterans Memorial Medical Center, the Roppongi and Kobe properties in Japan and other military camps;

c. Proceeds from the Philippine Charity Sweepstakes Office (PCSO) annual sweepstakes draw for the benefit of the veterans;

d. Two percent (2%) veterans share in the sale of the Bases Conversion Development Authority (BCDA) properties as mandated by Section 1, (d), (6) of Republic Act No. 7919, (An Act Amending Republic Act No. 7227 or otherwise known as the Bases Conversion and Development Act);

e. A portion of the net profit, after tax, of the Philippine Veterans Investment Development Corporation-Philippine Industrial Authority (PHIVIDEC-PIA) as mandated by Executive Order No. 257;

f. A portion of the net profit, after tax, of the Subic Bay Metropolitan Authority, Clark Development Corporation, Camp John Hay and Poro Point Corporation.

The amount needed for the lump sum gratuity shall be included in the General Appropriations of the Philippine Veterans Affairs Office, Department of National Defense.

SEC. 7. *Implementing Rules and Regulations.*- The National Treasurer of the Philippines in coordination with the Department of National Defense shall formulate and issue the implementing rules and regulations necessary to implement this Act within thirty (30) days after its approval.

The Philippine Veterans Affairs Office is hereby mandated to submit immediately the list of eligible recipients for each year during the period 1994 until the year preceding the approval of this Act to the Treasurer of the Philippines to determine the amount of the Certificates of Indebtedness to be issued to individual qualified recipients.

SEC. 8. *Fraudulent Claims.* – When fraud and irregularities are shown to have been committed by an individual, government employees and officials in the administration of this Act, with the knowledge of an applicant for the benefits granted under this Act, the awarding of the benefit shall be voided as of the date of its approval. And the benefit under this Act which is due the applicant shall be forfeited without prejudice to the filing of the necessary court action for the fraud committed.

SEC. 9. *Penal Provisions.* - Any person who shall violate any provision of this Act shall, upon conviction, be liable for a fine of not less than Ten Thousand Pesos (P 10,000.00) but not more than One Hundred Thousand Pesos (P100,000.00) or imprisonment of not less than six (6) months but not more than one (1) year, or both such fine and imprisonment at the discretion of the court.

If the violator is a government official or employee acting in connivance with private individual or a group or other government officials or employees, he shall be imposed the same penalty as the principal violator. In addition, he shall be summarily dismissed from the service and absolutely disqualified from holding any public office, whether by election or appointment.

SEC. 10. *Separability Clause.* – If for any reason, any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions hereof which are not effected thereby, shall continue in full force and effect.

SEC. 11. *Repealing Clause.* – All laws, decrees, orders, executive orders, rules and regulations and other issuances, or portions thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 12. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in the completion of its publication in two (2) national newspapers of general circulation.

Approved.