

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

Thirteenth Congress
First Regular Session

House Bill No. 2561



Introduced by Honorable Tomas M. Dumpit

EXPLANATORY NOTE

This bill seeks to provide for a mechanism of paying the arrears of pension to World War II veterans.

For their patriotic services for the cause of freedom, the State is duty-bound to provide immediate and adequate care to the veterans. This is a fitting recognition of veterans whose young lives were exposed to the atrocities of war - life they could have fully enjoyed were it not for the patriotic call of duty. Now that they are in the twilight of their lives, they need all the assistance that the State could provide in gratitude for their supreme sacrifices.

Since the enactment of Republic Act No. 7696, Section 5, paragraph (h) thereof, was never implemented due to budgetary constraints. In 2003, the total outstanding claims and arrearages for the Total Administrative Disability pension alone amounts to P14.146 billion with 88,338 beneficiaries which was never given since 1994.

This measure intends to settle the past obligation of the State with most rational and viable way given the financial predicament of the government. This will allow veterans to enjoy the fruits of their sacrifices.

This remedial measure hopes to achieve two goals: first, to impress upon the veterans the state's affirmative action in fulfilling its constitutional duty in recognition of the courageous acts that these veterans displayed in the face of adversities and, two, to reduce the government's obligation by unloading some of its burden gradually.

In view of the foregoing, early approval of this bill is earnestly sought.

A large, stylized handwritten signature in black ink, which appears to be 'T. Dumpit', written across the bottom right of the page.

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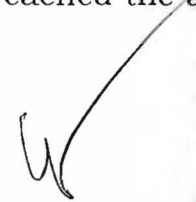
AN ACT

PROVIDING FOR A SYSTEM OF PAYING THE ARREARS OF PENSION TO 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 whose disability is rated from ninety-one to one hundred *per centum* (91% - 100%), shall, in lieu of a monthly pension of One Thousand Seven Hundred Pesos (P1,700.00) plus Five Hundred Pesos (P500.00) for the spouse and each unmarried minor children as provided for in Section 5, paragraph (h), of Republic Act No. 6948, as amended, receive a Certificate of Indebtedness amounting to Thirty Thousand Pesos (P30,000.00): *Provided*, That a veteran, with or without a service-connected or non-service connected disability, who reached the age



of seventy (70) years, shall be entitled to a one time lump sum gratuity payment of Thirty Thousand Pesos (P30,000.00) in lieu of the monthly Total Administrative Disability Pension of One Thousand Seven Hundred Pesos (P1,700.00): *Provided, further*, that such Certificate of Indebtedness shall be issued within one (1) year from the effectivity of this Act. For this purpose, all benefits due to the veterans or are owing to the veterans for the year immediately preceding this Act shall be received by the veterans not later than six (6) months from the effectivity of this Act. In case of non payment of the benefits due to the veterans in the previous years, a Certificate of Indebtedness shall be issued by the National Treasurer of the Philippines subject to the provision of this Act.

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 upon the effectivity of this Act.

SEC. 3. *Issuance of Certificate of Indebtedness.* - The National Treasurer of the Republic of the Philippines is hereby authorized to issue Certificate 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 the 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 Certificate of Indebtedness shall be zero-rate based, non-negotiable instruments and redeemable after seven (7) 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 the 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 (VTADF) 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 Certificate 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 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. 7917, (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 Act 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 from 1994 until the year preceding the approval of this Act to the National 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 Provision.* - Any person who shall violate any provision of this Act shall, upon conviction, be liable for a fine of not less than Five Thousand Pesos (P5,000.00) but not more than Fifty Thousand Pesos (P50,000.00) or imprisonment of not less than two (2) months but not more than one (1) year, or both such fine and imprisonment at the discretion of the court.

SEC.10 *Separability Clause.* -If for any reason, any portion or provision of this Act shall be declared unconstitutional, other parts or provisions hereof which are not affected thereby, shall continue to be in full force and effect.

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

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

Approved: