

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

**Thirteenth Congress
First Regular Session**

HOUSE BILL NO. 2875

Introduce by Honorable Raul T. Gonzalez, Jr.

EXPLANATORY NOTE

This bill seeks to establish a uniform system of retirement and separation benefits scheme for the uniformed members of the Department of Interior and Local Government in order to provide the prompt payment of the benefits due to those who are retiring or honorably separated from the service.

The proposed bill is a consolidation of various existing laws pertaining to the retirement and separation benefits previously received, extended, granted and entitled to be received by former members of the defunct PC and INP before the creation of PNP, BFP and BJMP. There is a perceived need to clarify, restore and to provide retirement and separation benefits to member of the uniformed personnel of the DIULG, since the merger of the defunct PC and INP under RA 6975 has brought to fore some problems pertaining to retirement which imperative to be addressed through an appropriate legislation. It is also to the best interest of the country that the welfare of the uniformed members of the DILG after their retirement or honorable separation be insured similar to the received by their counterpart in the Armed Forces of the Philippines wherein their ranks/grades, salaries, longevity pay, allowances, retirement, age and other emoluments are almost similar. RA 6975 and its implementing Rules and Regulations provides for the rationalization of compensation schemes and retirement and separation benefits systems of the different components of the PNP, to ensure that no member of the PNP shall suffer any Diminution in basic, longevity and incentive pays and allowances and retirement benefits due them before the creation of the PNP and benefits provided should also be the same with that of the BFP and BJMP.

However, on the part of the BFP and BJMP, there was no clear cut guidelines to their retirement and separation benefit systems, thus, they resorted to the old and many times amended GSIS law, the RA 1616, whereby all their retirees received Gratuity lump sum or so called "take all" instead of the monthly retirement pay as provided in the RA 6975. Up to present, BFP and BJMP retiree has enjoyed the monthly pension, which was supposedly envisioned by the government to repay its employees after serving faithfully the Fire and Jail Services. Their situation indeed is the exact opposite of the phrase "to ensure that no member shall suffer any diminution in retirement benefits". Although retirement benefits have been made through the enactment of RA 8551 however, it still needs proper legislation for specific retirement law together with the BFP and BJMP as uniformed component of the DILG.

The proposed measure is one way of giving importance and due recognition to the service of the uniformed personnel with the end in view of enhancing and keeping at a high level their morale, while taking into consideration the great share of burden they perform, even to the extent of risking their lives while actively engage in the service and delicate tasks of suppressing the activities of criminal elements, disasters and of the people causing widespread lawlessness, disorder of public safety and wanton destruction endangering the political and economic stability of the country.

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Approved of this bill is earnestly requested.

Raul T. Gonzalez Jr.
RAUL T. GONZALEZ, JR.

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AN ACT
ESTABLISHING A UNIFORM SYSTEM OF RETIREMENT AND
SEPARATION BENEFITS FOR THE UNIFORMED PERSONNEL OF THE
DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT FURTHER
AMENDING REPUBLIC ACT NO. 6975 AS AMENDED BY REPUBLIC ACT
NO. 8551, AND FOR OTHER PURPOSES.

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

ARTICLE I

TITLE AND DECLARATION OF POLICY

SECTION 1. Title. – This act shall be known as the Department of Interior and Local Government (DILG) Uniformed Personnel Retirement and Separation benefits System of 2001

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the state to promote and enhance the efficiency, welfare and interest of all government officials and employees particular in the prompt payment of all the benefits due to those who are retiring or honorably separating from the government service.

ARTICLE II

COVERAGE

SEC 3. Coverage. – This Act shall cover uniformed personnel of the Department of the Interior and Local Government who are eligible for optional and compulsory retirement and honorable separation from government service. For purposes of this Act, uniformed personnel shall include the uniformed officers and non-officers of The Philippine National Police (PNP) Bureau of Fire Protection (BFP) and Bureau of Jail Management and Penology (BJMP) organized under republic Act Number 6975.

ARTICLE III

MODES OF RETIREMENT

SEC 4. Sec. 72 of Republic Act No. 6975 is hereby amended to read as follows:

“ Sec. 72. Active Service. – [For the purpose of this Act,]active service of the uniformed personnel shall refer to services rendered as an officer and non-officer, cadet, trainee or draftee in the Philippine National Police, Bureau of Fire Protection or Bureau of Jail Management and Penology, or in the city or municipal police, fire and jail force prior to integration of the Philippine Constabulary (PC) / Integrated National Police (INP) OR IN THE Armed Forces of the Philippines (AFP), and services rendered as a civilian official or employee of the Philippine Government prior to the date of separation and retirement from the PNP, BFP, or BJMP. For which services he shall have received pay from Philippine Government and/or such others as may hereafter be prescribe by law as active service:

Provided, that, for purposes of retirement , he shall have rendered at least ten (10) years of active services an officer or non-officer in the AFP, and/or in the INP and/or in the PNP, BFP, or BJMP. Provided, further, that for cadet services, the maximum number of service to be credited shall not exceed the duration of the pre-commission ship course in the curriculum. Provided, finally, that services rendered as cadet, provisional officer, trainee in the AFP or as a cadet trainee in the INP or PNP, BFP, BJMP shall be credited for purposes of longevity pay.”

SEC. 5. Section 40 of Republic Act No. 6975 is hereby amended to read as follows:

“SEC. 40. OPTIONAL RETIREMENT , -

A) Upon accumulation of at least twenty (20) years of satisfactory active service, an officer or non-officer may, at his own request and with the approval of the NATIONAL POLICE COMMISSION IN CASE OF PNP PERSONNEL, OR THE SECRETARY OF DILG IN CASE OF PERSONNEL OF BFP AND BJMP, WITH AN ACTIVE RANK OF SENIOR SUPERINTENDENT AND HIGHER, AND BY THEIR RESPECTIVE CHIEFS OF BUREAUS/OFFICEWS. WIYH AN ACTIVE RANK OF SUPERINTENDENT AND BELOW, shall be retired from the service and entitled to receive benefits provided for by law, PROVIDED, THAT A PNP OFFICER.

OR NON-OFFICER WITH AT LEAST TWENTY (20) YEARS OF ACTIVE SERVICE WHO IS ATTRITTED IN ACCORDANCE WITH SECTION 25, 26, 27, 28, 29, AND 30 OF REPUBLIC ACT NO. 8551 SHALL BE CONSIDERED RETIRED AND BE AUTHORIZED TO RECEIVE RETIREMENT GRATUITY OR PENSION BENEFITS, PRESCRIBE UN`ER THE RETIREMENT BENEFITS OF THIS PROGRA

B)AN OFFICER OR NON-CFFICER WHO, HAVING ACCUMULATED AT LEAST TWENTY (20) YEARS OF ACTIVE SERVICE, INCURS PHYSICAL DISABILITY IN LINE OF DUTY OTHR THAN THE TOTAL PERMANENT DISABILITY MAY AT HIS OPTION BE RETIRED.”

Sec. 6. Sec.39 of Republic Act No. 6975 is hereby amended to read as follows:

“ Sec. 39 Compulsory Retirement, - [Compulsory retirement, for officer and non-officer, shall be upon the attainment of age fifty-six (56): Provided, in case of any officer with rank of chief superintendent, director or deputy director general, the commission may allow his retention in the service for un extendible period of one (1) year.]

- A) UPON ATTAINING FIFTY-SIX YEARS OF AGE WITH AT LEAST TEN (10) YEARS IN ACTIVE SERVICE. AN OFFICER OR NON-OFFICER SHALL BE COMPULSORILY RETIRED; PROVIDED, THAT IN THE IN CASE OF AN OFFICER WITH THE RANK OF CHIEF SUPERINTENDENT, DIRECTOR, DEPUTY DIRECTOR GENERAL OR DIRECTOR GENERAL, THE PRESIDENT, THROUGH THE RECOMMENDATION OF THE NATIONAL POLICE COMMISSION IN THE CASE OF BFP AND BJMP OFFICERS MAY ALLOW HIS RETENTION IN THE SERVICE FOR AN UNEXTENDABLE PERIOD OF ONE (1) YEAR: PROVIDED, FURTHER, THAT THE COMPULSORY RETIREMENT OF AN OFFICER SERVING IN A STATUTORY POSITION SHALL BE DEFERRED UNTIL THE COMPLETION OF THE PRESCRIBED TOUR OF DUTY;
- B) AN OFFICER OR NON-OFFICER WITH AT LEAST TWENTY (20) YEARS OF ACCUMULATED SATISFACTORY ACTIVE SERVICE, WHO DIES IN THE LINE OF DUTY, SHALL BE CONSIDERED COMPULSORILY RETIRED FOR SUPERVISORSHIP BENEFITS UNDER THIS ACT
- C) AN OFFICER OR NON-OFFICER WHO, HAVING ACCUMULATED AT LEAST TWENTY (20) YEARS OF SERVICE, INCURS TOTAL PERMENENT DISABILITY IN LINE OF DUTY SHALL BE COMPULSORILY RETIRED.

Sec. 7. Section 74 of RA 6975 is hereby amended to read as follows:

“Sec. 74. – Retirement in the Next Higher Grade – Uniformed personnel covered under this Act shall, for purposes of retirement pay, be retired in one grade higher than the permanent grade last held, Provided, that, they have served for at least one (1) year of active service in the permanent grade. PROVIDED, FURTHER, THAT, ANY PERSONNEL WHO RETIRED UNDER TEMPORARY STATUS SHALL BE RETIRED IN HIS PRESENT GRADE.”

ARTICLE IV

SEPARATION

SEC. 8 Separation by reason of death. – An officer or non-officere with less than twenty (20) of active service who dies in line of duty or on account of any wound, injury or illness contracted in line of duty shall be considered separated from the service in the next higher grade for survivorship benefits under this Act. (n)

SEC. 9. Separation by reason of permanent disability. – An officer or non-officer with less than twenty (20) years of active service who incurs in line of duty total permanent physical disability, shall be separated from the service in the next higher grade than the permanent grade he holds. (n)

Sec. 10. Separation by reason or temporary disability. – an officer or non-officer who incurs in line of duty physical disability other than total permanent with less than twenty (20) years of active service may, at his option be separated from the service in the grade next higher than the permanent grade he holds. (n)

ARTICLE V

RETIREMENT AND SEPARATION BENEFITS

SEC. 11. Sec. 34 of Republic Act No. 8551 amending Sec. 75 of Republic Act No. 6975 is hereby further amended to read as follows:

“Retirement benefits – Monthly retirement pay shall be fifty percent (50%) of the basic pay and longevity pay of the retired grade in case of twenty (20) years of active service, increasing by two and one-half percent (2.5%) for every year of active service rendered beyond twenty (20) years to a maximum of ninety percent (90%) for thirty-six (36) years of active service and over: Provided, that the uniformed personnel shall have the option to receive in advance and in lump sum, his retirement pay for the first five (5) years: Provided, Further, that, payment of the retirement benefits in lump sum shall be made ON THE ACTUAL DATE OF RETIREMENT [within six (6) months from effectivity date of retirement and/or completion] AND THEREAFTER RECEIVE ANNUAL RETIREMENT PAY PAYABLE IN EQUAL MONTHLY INSTALLMENT. Provided, finally, that, retirement pay of the officers or non-officers of the PNP, BJMP, and BFP shall be subject to adjustments based on the prevailing scale of base pay of police, FIRE and JAIL personnel in the active service.

SEC. 12. Survivorship benefits – a) The survivor of officer or non-officer retired under section six (6) of this Act or the survivors of an officer or non-officer with at least twenty (20) years of service retired under section 5 of this Act shall be entitled to a monthly annuity equivalent to seventy-five (75%) percent of his monthly retirement pay which he was receiving to be divided among them in equal shares and with the right of accretion. (n)

b) The survivor of an officer or non-officer separated under section 8 or 9 of this Act shall be entitled to a monthly annuity equivalent to fifty per centum (50%) of his base and longevity pay base on his separation grade to be divided among them in equal share and with the right to accretion or one hundred fifty (150%) percent if an officer or non-officer dies with honors of distinction for conspicuous courage and gallantry in action and risk his/her life above and beyond the call of duty or have showed heroism. Provided, that, in case of survivors of an officer in the grade of Senior Superintendent and higher, the basis, of computation of their annuity shall be in the grade next higher than separation grade.

SEC. 13. Separation Benefits. – a) An officer or non-officer separated by reason of permanent disability under section 9 of this Act shall be entitled to monthly annuity the amount of which shall be fifty (50%) percent of the base and longevity pay computed on the basis of the next higher grade than the permanent grade he holds; and

b) An officer or non-officer with less than twenty (20) years of accumulated active service separated by reason of temporary disability under section 10 of this Act shall be entitled to a separation pay equivalent to one and one-fourth (1-1/4) month base pay and longevity pay of his separation grade for every year of active service computed on the basis of next higher grade than the permanent grade he holds. (n)

ARTICLE VI

OTHER BENEFITS

Sec. 14. Continuation of Benefits under P.D. No. 1184. The National Police Commission, in the case of the PNP uniformed personnel, or the Secretary, Department of the Interior and Local Government, in the case of BFP and BJMP uniformed personnel, shall continue to grant the following death and disability benefits pursuant to Presidential Decree No. 1184.

a. Death Benefits;

1. Gratuity equivalent to one year's salary
2. Burial expenses equivalent to three (3) months salary;
3. Monthly pension equivalent to eighty (80%) percent of the descendant's salary for a period of five (5) years from the date of death;
4. Reimbursement of reasonable expenses for medicines, medical attendance, hospital fees, necessary transportation and subsistence; and
5. Restoration of deducted leave credits for absences incurred due to sickness or injury which caused his death.

b. Permanent Total Disability Benefits;

1. Gratuity equivalent to one (1) years salary;
2. Lifetime monthly pension equivalent to eighty (80%) percent of the member's last salary;
3. Reimbursement of reasonable expenses for medicines, medical attendance, hospital fees, necessary transportation and subsistence; and
4. Restoration of deducted leave credits.

SEC. 15. Old Age Pension. – Upon reaching the age of sixty-five (65), a retiree shall be entitled to an old age pension equivalent to three thousand five hundred pesos (3,500php) for the first year of effectivity of this Act increasing by five hundred Pesos (500php) for every year until it reaches the maximum equivalent amount of Five Thousand Pesos (5,000.00php). In case a separated retiree dies, his or her surviving spouse who is sixty (60) years old and above shall continue to receive and be entitled to seventy five (75%) percent of the old age pension. (n)

ARTICLE VII

DILG Uniformed Personnel Pension and Gratuity System

SEC. 16. A DILG Uniformed Personnel Pension and Gratuity System (DILGUPPGS) is hereby established to provide itself a self-reliant funding scheme which shall guarantee continuous financial support to the pension, gratuity and welfare benefits of this Act.

SEC. 17. The DILGUPPGS shall be funded as follows;

- a. Appropriation and contribution
- b. Donations, gifts, legacies, bequest, and other similar funds.
- c. All earnings of the DILGUPPGS which shall not be subject to any tax whatsoever.

SEC. 18. Officers and non-officers in the active service shall contribute to the DILGUPPS an amount equivalent to five percent (5%) of their monthly base pay. The PNP/BFP/BJMP shall also contribute a government counterpart fund equivalent to five (5%) of the monthly base pay of the officers and non-officers and such contribution shall be paid to the DILGUPPS, PROVIDED, HOWEVER, that, any officer or non-officer who is due for compulsory retirement or is optionally retireable and actually elects to retire within one year from the effectivity of this Act, shall no longer be required to contribute to the DILGUPPS, PROVIDED, FURTHER, that, any officer or non-officer who is separated or retired shall upon his/her separation or retirement be refunded in one lump sum all his/her contributions to the DILGUPPS's plus interest equivalent to the members marginal rate of contribution to the GILGUPPS's profitably, at any instance not lower than five (5%) percent.

SEC. 19. The funds of the DILGUPPS shall be allowed to grow to be able to provide perpetually the cash requirement covering the retirement, separation and welfare benefit payments to uniformed members of the DILG on a self-sustaining basis: PROVIDED, that, prior to the time when perpetual self-sufficiency of the funds of the System is attained as determined by actuarial evaluation, the yearly requirement for retirement, separation and welfare benefits of the uniformed personnel of the DILG provided in this Act, and such other similar laws as may hereafter be enacted, shall be included in and funded out of the general appropriations of the Philippine national Police/bureau of Fire Protection/Bureau of Jail Management and Penology, PAROVIDED, FURTHER, that, such appropriation be administered by the DILGUPPS PROVIDED, FURTHERMORE, that, the DILGUPPS shall exert efforts to gradually absorb payment of benefits under this Act in order to reduce the amount to be appropriated to the PNP/BFP?BJMP for the payment of retirement and separation benefits.

SEC. 20. The DILGUPPS shall be administered by a twelve-man Board of Trustees, with the Chief of the Philippines National Police as Chairman. The Board of Trustees shall be composed of seven (7) members coming from the PNP, four (4) member coming from the BFD and two (2) members coming from the BJMP. The members of the Board of Trustees shall be nominated by the Chief, PNP among the officers and non-officers of the PNP and approved by the NAPOLCOM in the case of PNP members, the Chief, BFP and BJMP with the approval of the Secretary, DILG in the case of BFP and BJMP members respectively. A management agency shall be created and organized by the Chief PNP to assist the Board of Trustees in the operation of DILGUPPS. As Chairman of the Board, the Chief PNP may issue rules and regulations governing the PNPPGS and may promulgate from time to time policies including the grant of welfare benefits such as but not limited to health care and memorial services, subject to the approval of NAPOLCOM and the Secretary DILG, PROVIDED, that, investments of the funds of the System shall be subject to the approval of the Board of Trustees.

SEC. 21. Appropriation – The amount of ONE BILLION PESO (p1,000,000,000.00) is hereby appropriated out any amount available at the treasurer of the Philippines not otherwise appropriated, to form part as the seed money for the DILGUPPS.

ARTICLE VIII

GENERAL PROVISIONS

SEC. 23. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the Secretary of the DILG, in coordination with the PNP, BJMP, BFP and the NAPOLCOM, shall promulgate rules and regulations for the effective implementation of this Act.

SEC. 24. Appropriations – The amount necessary to carry out the provisions of this Act is hereby authorized to be appropriated in the General Appropriations Act of the year following its enactment into law and thereafter. The system shall also be funded from donations, gifts, legacies, bequest and earnings which shall not be subject to any tax whatsoever.

SEC. 25. Repealing Clause – All laws or parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 26. Separability Clause – In case any provision of this Act or any portion thereof is declared unconstitutional or invalid by a competent court, other provisions shall not be affected thereby.

SEC. 27. Effectivity Clause – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in any two (2) major newspapers of general circulation whichever comes earlier.

Approved.