

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Fifteenth Congress
First Regular Session

COMMITTEE REPORT NO. 730

Submitted by the Committee on Veterans Affairs and Welfare and the Committee on Appropriations on 09 MAR 2011

RE: House Bill No. 4359

Recommending its approval in substitution of House Bill No. 601

Sponsor: Reps. Herminia B. Roman, Joseph Emilio A. Abaya, Rufus B. Rodriguez, and Maximo B. Rodriguez, Jr.

Mr. Speaker:

The Committee on Veterans Affairs & Welfare and the Committee on Appropriations to which was referred House Bill No. 601, introduced by Reps. Rufus B. Rodriguez and Maximo B. Rodriguez, Jr., entitled:

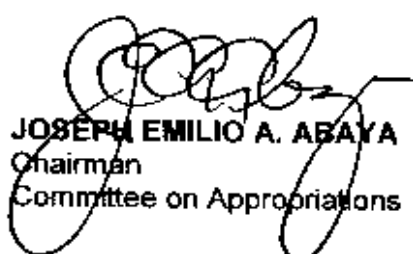
"AN ACT PROVIDING FOR THE PAYMENT OF THE ADMINISTRATIVE TOTAL DISABILITY PENSION TO SENIOR VETERANS OF WARS AND MILITARY CAMPAIGNS"

have considered the same and recommend that the attached House Bill No. 4359, entitled:

"AN ACT PROVIDING FOR THE PAYMENT OF THE ADMINISTRATIVE TOTAL DISABILITY PENSION TO SENIOR VETERANS OF WARS AND MILITARY CAMPAIGNS"

be approved in substitution of House Bill No. 601 with Reps. Rufus B. Rodriguez, Maximo B. Rodriguez, Jr., Herminia B. Roman, Raymond DC Mendoza, Czarina D. Umali, Jorge T. Almonte, Godofredo V. Arquiza, Ma. Theresa B. Bonoan-David and Joseph Emilio A. Abaya as authors thereof.

Respectfully submitted,


JOSEPH EMILIO A. ABAYA
Chairman
Committee on Appropriations


HERMINIA B. ROMAN
Chairperson
Committee on Veterans Affairs & Welfare

THE HONORABLE
THE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

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

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. ~~4358~~

Introduced by Representatives Rufus B. Rodriguez, Representative Maximo B. Rodriguez, Jr., Herminia B. Roman, Raymond DC Mendoza, Czarina D. Umali, Jorge T. Almonte, Godofredo V. Arquiza, Ma. Theresa B. Bonoan-David & Joseph Emilio A. Abaya

AN ACT
PROVIDING FOR THE PAYMENT OF THE ADMINISTRATIVE TOTAL DISABILITY
PENSION TO SENIOR VETERANS OF WARS AND MILITARY CAMPAIGNS

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

1 SECTION 1. All collections of the Bureau of the Treasury from escheated
2 unclaimed deposits shall be earmarked as a special account in the general fund as one
3 of the sources for the payment of the Total Administrative Disability Pension for senior
4 veterans of wars and military campaigns, subject to the submission of a special budget,
5 pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, S.1987.

6 SEC. 2. The amount necessary for the continued payment of the arrearages for
7 the Total Administrative Disability Pension shall be included in the Annual General
8 Appropriations Act until such arrearages are fully paid.

9 SEC. 3. All existing laws or parts thereof which are inconsistent with the
10 provisions of this Act are hereby repealed or modified accordingly.

11 SEC. 4. This Act shall take effect fifteen (15) days following its publication in at
12 least two (2) newspapers of general circulation.

13 Approved,

FACT SHEET
House Bill No. 1359
(In substitution of House Bill No. 601)
(As approved by the Committees)

**“AN ACT PROVIDING PAYMENT OF THE TOTAL ADMINISTRATIVE
DISABILITY PENSION TO SENIOR VETERANS OF WARS AND
MILITARY CAMPAIGNS”**

Introduced by: **HON. RUFUS B. RODRIGUEZ & MAXIMO B. RODRIGUEZ, JR.**
Committee Referral: **VETERANS AFFAIRS & WELFARE**
Committee Chairperson: **HON. HERMINIA B. ROMAN**
Committee Referral: **APPROPRIATIONS**
Committee Chairperson: **JOSEPH EMILIO A. ABAYA**

OBJECTIVES

- To augment the payment of the Total Administrative Disability (TAD) Pension which has not been fully implemented since its enactment in 1994.
- To ease the economic difficulties of our veterans.

KEY PROVISIONS

- Authorizes the release of all collections of the Bureau of Treasury from escheated unclaimed deposits as one of the sources for the payment of the Total Administrative Disability Pension of veterans.
- Includes the amount required for the continued payment of the arrearages for the TAD Pension in the annual budget of the Philippine Veterans Affairs Office until the same are fully paid.

RELATED LAW

- R.A. 6948, as amended – standardizing and upgrading the benefits for military veterans and their dependents



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

HON. JOSEPH EMILIO A. ABAYA

Congressman, 1st District, Cavite
Chairman, Committee on Appropriations

February 8, 2011

HON. HERMINIA B. ROMAN

Chairperson
Committee on Veterans Affairs and Welfare

Dear Chairperson Roman:

The Committee on Appropriations in its meeting held today at Conference Rooms 7 and 8, R. V. Mitra Building, approved to report out House Bill No. 601, entitled "AN ACT PROVIDING FOR THE PAYMENT OF THE ADMINISTRATIVE TOTAL DISABILITY PENSION TO SENIOR VETERANS OF WARS AND MILITARY CAMPAIGNS" with the following amendments:

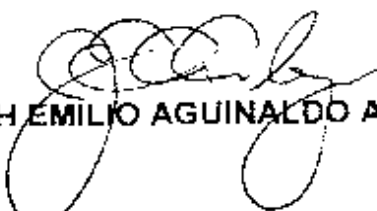
- 1) Delete Section 1 and in lieu thereof substitute the following:

SECTION 1. ALL COLLECTIONS OF THE BUREAU OF THE TREASURY FROM ESCHEATED UNCLAIMED DEPOSITS SHALL BE EARMARKED AS A SPECIAL ACCOUNT IN THE GENERAL FUND AS ONE OF THE SOURCES FOR THE PAYMENT OF THE TOTAL ADMINISTRATIVE DISABILITY PENSION FOR SENIOR VETERANS OF WARS AND MILITARY CAMPAIGNS, SUBJECT TO THE SUBMISSION OF A SPECIAL BUDGET, PURSUANT TO SECTION 35, CHAPTER 5, BOOK VI OF E.O. NO. 292, S. 1987.

- 2) Delete Sections 2 and 3 and in lieu thereof substitute the following :

SEC. 2. THE AMOUNT NECESSARY FOR THE CONTINUED PAYMENT OF THE ARREARAGES FOR THE TOTAL ADMINISTRATIVE DISABILITY PENSION SHALL BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT UNTIL SUCH ARREARAGES ARE FULLY PAID.

Very truly yours.


JOSEPH EMILIO AGUINALDO ABAYA 44

cc: Rep. Rufus B. Rodriguez
Rep. Maximo B. Rodriguez, Jr.

**FIFTEENTH CONGRESS
REPUBLIC OF THE PHILIPPINES
FIRST REGULAR SESSION**

HOUSE OF REPRESENTATIVES

**Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.**

House Bill No. 001

EXPLANATORY NOTE

This bill was originally introduced as House Bill No. 3344 by the undersigned Rufus B. Rodriguez during the Fourteenth Congress. It was approved by the Committee on Veterans Affairs and Welfare under Committee Report No. 565, dated May 21, 2008.

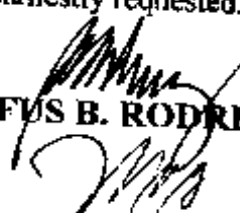
Congress has enacted R.A. No. 6948, otherwise known as "An Act Standardizing and Upgrading the Benefits for Military Veterans and their Dependents," in order to recognize immense contributions of our war veterans, who selflessly and valiantly defended our sovereignty against foreign intruders during World War II.

Yet, for more than ten years, the law sadly has not been implemented, mainly due to budgetary constraints and partly to administrative inefficiencies; causing tremendous pecuniary losses to thousands of veterans and their beneficiaries, some of whom have died while waiting for the release of what supposedly they are legally and justly entitled to receive.

If only to provide relief, albeit inadequate and certainly not commensurate to what our wartime heroes have accomplished for our country, the proposed measure intends to authorize the release of dormant accounts under the management and control of DBM, in order to cover for initial payment to qualified veterans, who at this time, urgently need financial assistance to shoulder their medical and other pressing needs.

The concrete manifestation of the government's profound gratitude to our gallant veterans, more than honoring their contributions through superficial ceremonies, is to expend all efforts to provide needed assistance, financial or otherwise, to our indubitably genuine heroes.

Hence, immediate passage of this measure is earnestly requested.


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

FIFTEENTH CONGRESS
REPUBLIC OF THE PHILIPPINES
First Regular Session

)
)
)

HOUSE OF REPRESENTATIVES

House Bill No. 601

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

**AN ACT
PROVIDING FOR THE PAYMENT OF THE ADMINISTRATIVE TOTAL
DISABILITY PENSION TO SENIOR VETERANS OF WARS AND MILITARY
CAMPAIGNS**

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

SECTION 1. The dormant accounts under the control of the Department of Budget and Management are hereby made available for the initial payment of the Administrative Total Disability Pension for military veterans in accordance with Section 2 of Republic Act No. 7696.

SEC. 2. Thereafter, the amount required to pay his pension for the coming years shall be included in the annual budget of the Philippine Veterans Affairs Office (PVAO).

SEC. 3. One tenth of the total amount of arrearages in this pension shall likewise be included in the budget for the coming years until such arrearages are fully paid.

SEC. 4. *Repealing Clause.* All existing laws or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Approved,

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

MINUTES OF THE SECOND MEETING OF THE COMMITTEE ON VETERANS AFFAIRS AND WELFARE HELD ON NOVEMBER 9, 2010 AT 1:30 P.M., CONFERENCE ROOMS 14 & 15, RAMON V. MITRA BUILDING, HOUSE OF REPRESENTATIVES, QUEZON CITY

GUESTS PRESENT:

1. Lt. Gen. Ernesto G. Carolina – Administrator, Philippine Veterans Affairs Office (PVAO)
2. Dir. Prudencio C. Borlaza – Bureau of Treasury (BTr)
3. Justice Manuel R. Pamaran – Veterans Federation of the Philippines (VFP)
4. RVP Orestes Lopez – Treasurer General, VFP
5. Judge Salvador Princesa – Philippine Veterans Legion (PVL)
6. Bgen. Rosalino Alquiza – Chairman, Heritage Research & Development Foundation, Inc.
7. Atty. Igor Bailen – Department of Foreign Affairs (DFA)

I. CALL TO ORDER

The meeting was called to order at 1:35 P.M. by Congresswoman Heminia B. Roman, Chairperson of the Committee on Veterans Affairs and Welfare.

II. ROLL CALL

Upon motion of Rep. Czarina Umali, duly seconded, the roll call was dispensed with.

III. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

Upon motion of Rep. Umali and there being no objection, the reading of the minutes of the previous meeting was dispensed with and the same considered approved.

IV. PRELIMINARY REMARKS OF THE CHAIRPERSON

The Chairperson welcomed all the Members, resource persons and veterans present to the second meeting of the Committee.

V. DELIBERATION OF HOUSE BILL NO. 3284, AMENDING PRESIDENTIAL DECREE NO. 538 CREATING THE PHILIPPINE VETERANS INVESTMENT DEVELOPMENT COMPANY (PHIVIDEV) INDUSTRIAL AUTHORITY AS AMENDED BY EXECUTIVE ORDER 1031, BY ADDING TWO (2) REPRESENTATIVES FROM THE LOCAL GOVERNMENT UNITS OF THE MUNICIPALITIES OF VILLANUEVA AND TAGOLOAN IN MISAMIS ORIENTAL AS MEMBERS OF BOARD OF DIRECTORS

Cong. Rufus B. Rodriguez, author of the bill, informed the Body that the bill was approved by the House in the 14th Congress. He explained that it is necessary to

have two (2) additional board members representing the municipalities of Villanueva and Tagoloan in Misamis Oriental to effect a smooth coordination between the LGUs and the investors. He mentioned that PHIVIDEC Industrial Authority (PIA) lost about P400M worth of investments due to non-coordination and conflict between the board members and representatives of Han Jin Company. He also noted that the usual number of board members is eleven (11) and that, currently, there are only seven (7) board members.

Brig. Gen. Alquiza, representing the Heritage Foundation, proposed to increase the remuneration of the members of the Board of Directors to P3,000.00 to be more attuned to the present cost of living. He also noted that, as indicated in the bill, it is the board members who will be fixing their own remuneration. He suggested that it should pass through the proper channel and would require the approval of the President of the Philippines.

Cong. Rufus Rodriguez agreed to the suggestion and further raised the amount to P5,000.00 so that Congress will not always be amending the section on remuneration. He informed the Body that there was a Resolution adopted in the 14th Congress which requires the recommendation from the Department of Budget and Management (DBM) and approval of the Office of the President (OP) for any proposed increase in salaries or allowances. This requirement would serve as the control mechanism on the matter.

Rep. Raymond Mendoza moved for the approval of the bill. With the motion duly seconded and there being no objection, the Body approved HB 3284. The Chairperson instructed the Committee Secretary to prepare and file the necessary Committee Report with all the Members present as co-authors.

VI. DELIBERATION OF HOUSE BILL NO. 601, PROVIDING FOR THE PAYMENT OF THE ADMINISTRATIVE TOTAL DISABILITY PENSION TO SENIOR VETERANS OF WARS AND MILITARY CAMPAIGNS

Rep. Rodriguez explained that the bill was approved during the 14th Congress under Committee Report No. 565 to provide relief to our war time heroes who have accomplished so much for the country. The purpose of the measure is the release of dormant accounts under the management and control of the DBM to cover the initial payment of arrears to qualified veterans. The bill is also a manifestation of the profound gratitude of the government to the veterans by providing sources of funds to pay the arrears in their pensions.

At this point, Director Prudencio Borlaza, representative from the Bureau of Treasury (BTr) was recognized to update the Body on the status of the dormant accounts previously submitted by the agency. He clarified that although BTr maintained several dormant accounts, the same were the proceeds from loans which are subject to agreements and cannot be appropriated. He added that there are dormant deposits from the various banks that can be possible funding sources; however, these accounts are subject to escheat proceedings.

Cong. Rufus Rodriguez replied that it is the intention of the bill to capture these dormant accounts to use for the payment of arrears. He cited that during the 2010

General Appropriations Act (GAA) he was able to include the P3B under the Unprogrammed but the Government did not have any additional revenue. He also informed the Body that he was in receipt of a communication from USec. Mario Relampagos of DBM clarifying that the DBM do not have any dormant accounts.

Replying to the query of Cong. Rodriguez, Dir. Borlaza replied that the following amounts were escheated for the past five (5) years and turned-over to the BTr: P11M in 2005; P14M in 2006; P64M in 2007; P30M in 2008; and P6M in 2009. He stated however that these amounts have already been appropriated. However for CY 2010, the dormant accounts which have not been appropriated amounted to approximately P4M as of September.

Cong. Rodriguez remarked that even if the amount is not that big, the Government will be able to start paying the veterans. When this bill will be enacted into law, Director Borlaza clarified that the amount collected by the BTr shall be earmarked for the payment of the veterans' pension arrears and not be transferred to the general fund, the disbursement of which will pass through the usual budgetary accounting rules and procedures.

At this point, the Chairperson acknowledged the presence of the representative from the Department of Foreign Affairs, Atty. Igor Bailen and the President of the Philippine Veterans Legion (PVL), Judge Salvador Princesa. Judge Princesa commented that despite the many laws for the veterans' welfare, the budget for the Total Administrative Disability (TAD) pension is still not fully implemented since 1994. He is very thankful to Cong. Rodriguez for taking up the cause of fully implementing the benefits of the veterans as well as to Administrator Carolina. He reiterated that the veterans are clamoring for the payment of their pensions and benefits. He stated that only a few veterans were able to receive their partial TAD pension payments. He said that Cong. Rodriguez represents the energy and the spirit of the human consideration extended to the veterans who are dying by the thousands every year. He expressed his desire for the inclusion in the budget of all the benefits due to the veterans and its eventual one time release similar to the Equity benefit given by the US Government to the Filipino veterans. He was proud to announce that he was one of the first three recipients of the benefit who got the check after a month.

The Chairperson acknowledged Administrator Carolina to comment on HB 601. Administrator Carolina mentioned that PVAO supported the bill even if the amount is not sufficient as long as the intention or desire to pay what is due to the veterans is there. Since 1994 or 15 years ago, no amount has been appropriated for this purpose and he believed that through this measure it will now be possible to pay the TAD pension. He believed that this bill is an expression of the Government's concrete desire to pay what is due to the veterans. He added that the importance of this measure is not only to express our gratitude to the heroic deeds of the veterans but also to make an impact on the generation of our future veterans. He stated that in South Korea, there is no delay in the benefit or pension due to their veterans because they want the younger generation to witness how the veterans are being treated so that they will be motivated to fight for or defend their country. The prompt pension payment, not only express their country's gratitude to their veterans but also

impacts on the young generation's perspective on how their government treats its war heroes.

Justice Pamaran was recognized by the Chairperson to comment on the bill. He suggested that the dormant accounts intended for the veterans' benefits should not be escheated and transferred to the National Treasury but rather should remain as an amount already appropriated for the veterans. In addition, he proposed to amend Section 1 of the bill to reflect that the amount should not be escheated but be turned over to PVAO.

Cong. Rufus Rodriguez, however, clarified that the law provides that dormant accounts are subject to escheat proceedings and then be transferred to BTr for the account of the veterans. He agreed that Section 1 should be amended and should read as follows: "The dormant accounts which are escheated from all banks and government financial institutions which are now under the control of the Bureau of Treasury are hereby made available and appropriated for the payment of the Total Administrative Disability (TAD) Pension in accordance to the Section 2 of RA 7696". He clarified that accounts that will be escheated are those accounts that have no movement for last five (5) years. He emphasized that the important thing in this measure as indicated in the explanatory note is that, it is a concrete manifestation of the intention to start paying the veterans.

Thereafter, Cong. Raymond Mendoza moved for the approval of the bill. With the motion duly seconded and there being no objection, the Body approved HB 601. Upon the instruction of the Chair, the Committee Secretary will prepare and submit the necessary Committee Report to the Committee on Appropriations for their comments.

VII. DELIBERATION OF HOUSE BILL 1658, PROVIDING FOR THE PAYMENT OF ARREARS IN THE VETERANS' PENSIONS AND BENEFITS MANDATED PURSUANT TO REPUBLIC ACT NO. 7696, AS AMENDED, OTHERWISE KNOWN AS AN ACT STANDARDIZING AND UPGRADING THE BENEFITS FOR MILITARY VETERANS AND THEIR DEPENDENTS AND APPROPRIATING FUNDS THEREFOR; AND

HOUSE BILL NO. 1158, MANDATING THE USE OF THE PROCEEDS FROM THE DEVELOPMENT, LEASE OR USE OF CERTAIN GOVERNMENT PROPERTIES FOR PAYMENT PENSIONS AND OTHER BENEFITS OF THE VETERANS AND FOR OTHER PURPOSES

Cong. Rufus Rodriguez, author of HB 1658, presented his bill as another funding source for the payment of arrearages. The bill mandates that the proceeds from the development, lease or use of certain government properties be allocated to fund the arrears in the Total Administrative Disability (TAD) pension. He rationalized that these properties: (1) Arroceros Property in Manila; (2) Veterans Memorial Medical Center (VMMC) in Quezon City; (3) Taguig Industrial Estate; (4) Properties given by the Japanese Government to the Philippine Government under the Reparations Agreement including the Roponggi, Nampeidai, Fujimi properties in Tokyo, Noniwacho, Obanoyama properties in Kobe; are for the veterans and their proceeds should be used for their benefits. He informed the Body of the on-going development

in the Roponggi area and that the government is getting a substantial amount from its development.

Justice Pamaran was recognized by the Chairperson. He suggested that HB 1158 & 1658 be consolidated because they have the same purpose. VFP is supporting the two bills but they preferred that the Taguig Industrial Estate be excluded from the list of properties to be developed as the property, managed by the VFP through Proclamation No. 192, was already developed. On the site stands the Veterans Center which served as the venue for the different activities of the Filipino War Veterans including the Veterans Rehabilitation, Medicare and Training Center. He suggested that only the properties that are not yet develop and are not being used for the veterans' benefits are to be included in the bill. To show VFP'S sincerity in supporting the two measures, he invited the Committee to conduct an ocular inspection on the Taguig Industrial Estate, which could serve as a model for development.

In reply to the query of the Chairperson, Administrator Carolina stated that he supported the inclusion of the Taguig Industrial Estate in the coverage of the bill. As Administrator of PVAO, it is his mandate to consider the welfare of all veterans and not just one particular group. All of the veterans would benefit if said property would be included. He added that even if the property was the subject of a proclamation, it can still be included, citing the case of VMMC which is covered by two Proclamations and a Public Law.

He clarified that although the TAD pension which is not yet fully implemented are considered "arrears", in reality it is the "unpaid obligations of the government to the veterans". He emphasized that it is very unbecoming that the government have unpaid obligation to its own defenders.

The author noted the concerns raised by Justice Pamaran on the Taguig Industrial Estate. Given that the purpose of the bill is to gather all the possible funds from the different properties to pay the unpaid obligations of the government to the veterans, he inquired if it is possible that the property be part of the funding sources to pay the obligations. Justice Pamaran replied that the income from the Taguig Industrial Estate is being used for the maintenance of the VFP.

Administrator Carolina reiterated that the proceeds from the Taguig Industrial Estate should benefit all the veterans and not just a particular group. He stressed that DND and PVAO were supporting the measures as its passage would strengthen the supervision and control powers of the DND over the VFP. It would empower DND to determine how all the revenues and income derive from the property be utilized.

The PVAO Administrator also informed the Body that there is already a Supreme Court decision that VFP is a public corporation. Relative to that decision, the Commission on Audit have been auditing VFP for the past two years. Management audit is also necessary as VFP was organized and managed as a private corporation prior to the Supreme Court decision. It is also imperative for COA to insist that VFP conform to the governments' accounting and auditing rules and regulations.

Congresswoman Umali moved that the two measures, HB 1658 and 1158 be consolidated given that the intent of the two bills are basically similar. There being no objection, the Committee approved their consolidation.

Thereafter, Congresswoman Umali also moved for the approval of the consolidated bill. With the motion duly seconded and there being no objection, the Body approved the consolidated bill. Upon the instruction of the Chair, the Committee Secretary will prepare and submit the necessary Committee Report to the Committee on Appropriations for their comments.

VIII. OTHER MATTERS

The Chairperson deferred the deliberation of the other measures as the authors were not present.

Relative to HB 757 and HB 1273 on the proposed increased on veterans' pension, the Chairperson directed the PVAO Administrator to head the Technical Working Group that would consolidate the two bills.

The PVAO Administrator suggested that the Committee considers amending RA 6948 to stop the accumulation of unpaid obligation of the government by removing the portion of TAD pension under Section 5 (h). Gen. Alquiza agreed to the suggestion to repeal Section 5 (h) of RA 6948 and recommended an increase in the Old Age Pension instead.

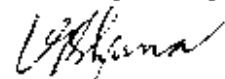
IX. ADJOURNMENT

There being no other matter to be discussed, the meeting was adjourned at 3:15pm.

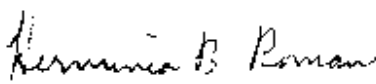
Prepared by:


MARY ROSE M. DALUMPINES
SLSO I

I hereby certify to the correctness of the foregoing.


EVA S. LUNA
Committee Secretary

Noted By:


HERMINIA B. ROMAN
Chairperson