



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

Nineteenth Congress
First Regular Session

HOUSE BILL NO. **4238**



Introduced by Congressman Jorge “PATROL” Bustos

EXPLANATORY NOTE

No less than the country’s Constitution recognizes the invaluable role of the military and uniformed personnel, our frontliners in public order, security and safety, in the protection of our sovereignty from threats, unrest, and lawlessness, in and out of our country’s borders. Section 5 of Article XVI of the 1987 Constitution mandates the State to pursue the strengthening of the patriotic spirit and nationalist consciousness of the military, and also to ensure professionalism in the service, with provisions for premium remuneration and benefits of its members. Indeed, this obligation of the State extends beyond their active service, as these pensions and financial support give a tremendous boost in keeping the nationalistic spirit and patriotism alive in the hearts and lives of our modern heroes.

The Constitution also states that the State shall, from time to time, review pertinent provisions of law to upgrade the pensions and other benefits due to retirees of both the government and the private sectors. In coming up with more efficient reforms and more streamlined system of benefits for the military and uniformed personnel, it is but necessary to provide adequate and acceptable remuneration and compensation by balancing governmental interest and the mandate to provide for such benefits.

Time and again, our President, President Rodrigo Roa Duterte, have always highlighted that “*the (present) administration will remain steadfast in protecting and*

advancing their (military and uniformed personnel) welfare through modernization, capacity-enhancing initiatives, and provision of benefits for their families.”¹ He has also emphasized the importance of reforms, particularly as to the pensions of retirees, as there will be an impending “budget burden where the total cost of the pensions of retired soldiers will exceed the compensation of those in active service.”²

In seeking a common ground to provide a win-win solution and at the same time, still give our military and uniformed personnel their best due, this proposed measure pursues to provide the government with ample financial flexibility, at the same time ensuring that the State will not waver from its duty towards maintaining a uniformed personnel with commensurate benefits and compensation, whether they be in the active service or retirees, as the case may be.

This proposed bill seeks to provide a unified system for the separation, retirement and pension system of the military and the unified personnel namely: the Armed Forces of the Philippines (AFP), the Philippine National Police (PNP), the Philippine Coast Guard (PCG), the Bureau of Fire Protection (BFP), the Bureau of Jail Management and Penology (BJMP) and the Bureau of Corrections (BuCor). This new unified system will ensure a sustainable, permanent, viable and ACCEPTABLE solution to the “ballooning effect” budget of the current pension system without diminishing the benefits that the retirees and current active members of military and uniformed system are entitled to under existing laws.

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



CONG. JORGE “PATROL” BUSTOS

¹ Gita-Carlos, Ruth Abbey, “Duterte vows support for retired MUP, dependents of fallen troops,” Philippine News Agency, downloaded from <https://www.pna.gov.ph/articles/1088451>, last accessed 25 May 2020.

² <https://newsinfo.inquirer.net/1313261/ph-military-backs-duterte-call-for-revised-pension-system-for-uniformed-personnel>, last accessed 13 October 2020.



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AN ACT

**PROVIDING FOR A UNIFIED SYSTEM FOR SEPARATION, RETIREMENT,
AND PENSION OF THE MILITARY AND UNIFORMED PERSONNEL (MUP)
SERVICES OF THE REPUBLIC OF THE PHILIPPINES, CREATING THE
MILITARY AND UNIFORMED PERSONNEL RETIREMENT FUND,
PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

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

Section 1. *Short Title.* – This Act shall be known as the “Military and Uniformed
Personnel Service Separation, Retirement, and Pension Act.”

Title I
Declaration of Policy

Sec. 2. *Declaration of Policy.* – The State duly recognizes the vital role of
military and uniformed personnel in providing internal and external security,
promoting peace and order, ensuring public safety, and further strengthening local
government capability, aimed towards the effective delivery of basic services to the
citizenry.

The State also recognizes the extraordinary hazards, risks, perils, and dangers that military and uniformed personnel encounter in the performance of their duties.

It shall therefore be the prime concern of the State to provide all military and uniformed personnel adequate remuneration and benefits, including retirement benefits and pension. The State shall ensure that the retirement benefits and pension scheme of the military and uniformed personnel is secure, equitable, and sustainable.

Title II

Definition of Terms

Sec. 3. *Definition of Terms.* – For the purposes of this Act:

- a. “Active Members” refers to military and uniformed personnel from the Military and Uniformed Services in the Active Service prior to the affectivity of this Act;
- b. “Active Service” refers to Active Service rendered by a Military or Uniformed Services Personnel as a commissioned officer, non-commissioned officer, enlisted personnel, cadet, probationary officer, trainee or draftee in the Military or Uniformed Services; *Provided*, That service rendered as a cadet, probationary officer, trainee or draftee in the Military or Uniformed Services shall be credited for retirement purposes with a maximum of four (4) years, subject to applicable rules and regulations;
- c. “Combat Casualty” refers to death or total permanent physical disability incurred, while in Active service, during legitimate actual combat or armed encounter, attack or operation;

- 1 d. “Death or Permanent Physical Disability in Line of Duty” refers to death, illness
2 or injury incurred while in the Active Service and not attended by misconduct,
3 willful failure, the use of drugs or alcoholic liquor or vicious or immoral habits;
4
- 5 e. “Military Services” refers to the Armed Forces of the Philippines (AFP);
6
- 7 f. “Uniformed Personnel Services” refer to Philippine National Police (PNP),
8 Philippine Coast Guard (PCG), Bureau of Fire Protection (BFP), Bureau of Jail
9 Management and Penology (BJMP) and Bureau of Correction (BuCor);
10
- 11 g. “New Entrants” refers to military and uniformed personnel from the Military
12 and Uniformed Services who entered or re-entered the Military and Uniformed
13 Services after the effectively of this Act;
14
- 15 h. “Survivors” refers to the following:
16
- 17 1. Surviving spouse of a deceased Military or Uniformed Services Personnel
18 not separated by judicial decree from the deceased: *Provided*, That their
19 marriage was contracted during the Active Service of the deceased:
20 *Provided, further*, That entitlement of said spouse to benefits under this
21 Act shall terminate upon re-marriage or co-habitation with another, or the
22 commission against the biological or adopted children of the deceased of
23 any of the acts of violence or abuse as defined under Republic Act No.
24 9262, otherwise known as “Anti-Violence Against Women and Their
25 Children Act of 2004” and other related penal laws, and other acts
26 inimical to the welfare of the child of the deceased as determined by a
27 Board created for the purpose: *Provided, finally*, That the conviction of

1 the surviving spouse of any crime which carries a penalty of imprisonment
2 of more than six (6) years and one (1) day, the conception of a child after
3 the death of the deceased, or loss of the Philippine Citizenship or
4 acquisition of dual citizenship, shall terminate the entitlement of such
5 surviving spouse to benefits under this Act;

6
7 2. Surviving legitimate, adopted and illegitimate children of a deceased
8 Military or Uniformed Services Personnel conceived, adopted or
9 acknowledge prior to separation or retirement of the deceased from active
10 service; *Provided*, That entitlement of said children to benefits under this
11 Act shall terminate when such children attain twenty-one (21) years of
12 age or upon marriage, whichever is easier; *Provided, further*, That
13 children who suffer from total permanent disability as defined in this Act,
14 shall be entitled to benefits under this Act during their lifetime; *Provided*,
15 *finally*, That the conviction of the surviving child of any crime which
16 carries a penalty of imprisonment of more than six (6) years and one (1)
17 day, or loss of Philippine Citizenship or acquisition of dual citizenship,
18 shall terminate the entitlement of such child to benefits under this Act;

19
20 3. In default of those mentioned in sub-paragraphs h (1) and (2) above,
21 surviving parents of a deceased Military or Uniformed Services Personnel
22 who are primarily dependent on the deceased for support, or in default
23 thereof, surviving siblings who are under twenty-one (21) years of age
24 and unmarried; *Provided*, That the conviction of the parent or sibling of
25 the deceased for any crime which carries a penalty of imprisonment of
26 more than six (6) years and one (1) day, or loss of Philippine Citizenship

1 or acquisition of dual citizenship, shall terminate the entitlement of such
2 parent or sibling to benefits under this Act;
3

- 4 i. “Total Permanent Physical Disability” refers to the anatomical loss or the
5 permanent loss of use of both hands, of both feet, or both eyes, of both ears or
6 any combination, or loss of mental faculties, as determined by the medical board
7 created for the purpose.
8

9 **Title III**
10 **Applicability**
11

12 Sec. 4. *Applicability.* – This Act shall apply only to all New Entrants of the
13 Military and Uniformed Services.
14

15 **Title IV**
16 **Retirement**
17

18 Sec. 5. *Compulsory Retirement.* – The following active Military or Uniformed
19 Services Personnel shall be compulsory retired:
20

- 21 a. Those who attain the age of fifty-six (56): *Provided*, That he/she has
22 accumulated at least thirty (30) years of satisfactory Active Service;
23
24 b. Those who suffer death in line of duty: *Provided*, That he/she has accumulated
25 at least thirty (30) years of satisfactory Active Service;
26

- 1 c. Those who incur total permanent physical disability in line of duty: *Provided*,
2 That he/she has accumulated at least thirty (30) years of satisfactory Active
3 Service;
4
5 d. Those who are combat casualties;
6
7 e. Those subject to attrition, as provided in Section 18 of this Act: *Provided*, That
8 he/she has accumulated at least thirty (30) years of satisfactory Active Service;
9 or
10
11 f. Those separated by their respective Discipline Board under Section 18 of this
12 Act: *Provided*, That he/she has accumulated at least thirty (30) years of
13 satisfactory Active Service.
14

15 Sec. 6. *Voluntary Retirement*. – Upon accumulation of at least thirty (30) years
16 of satisfactory Active Service, a Military or Uniformed Services Personnel may apply
17 for voluntary retirement from Active Service, subject to the approval of their respective
18 appropriate authority.
19

20 **Title V** 21 **Separation** 22

23 Sec. 7. *Compulsory Separation*. – The following Military or Uniformed Services
24 Personnel shall be compulsory separated from the Active Service:
25

- 26 a. Those who attain the age of fifty-six (56) without having accumulated at least
27 thirty (30) years of satisfactory Active Service;
28

- 1 b. Those who death in line of duty but without having accumulated at least thirty
2 (30) years of satisfactory Active Service;
3
4 c. Those who incur total permanent physical disability in line of duty but without
5 having accumulated at least thirty (30) years of satisfactory Active Service;
6
7 d. Those subject to attrition, as provided in Section 18 of this Act, without having
8 accumulated at least thirty (30) years of satisfactory Active Service; or
9
10 e. Those separated by their respective Disciplinary Board under Section 13 of this
11 Act without having accumulated at least thirty (30) years of satisfactory Active
12 Service.
13

14 Sec. 8. *Voluntary Separation.* – A Military or Uniformed Services Personnel,
15 who has not accumulated at least thirty (30) years of satisfactory Active Service, may
16 apply for separation from Active Service, subject to the Approval of their respective
17 appropriate authority.
18

19 **Title VI**
20 **Retirement and Separation Benefits**
21

22 Sec. 9. *Gratuity and Retirement Pay.* – When a Military or Uniformed Services
23 Personnel is retired under Title IV of this Act, he/she shall, at his/her option, received
24 Gratuity Pay or Retirement Pay described below:
25

- 26 a. Gratuity Pay – equivalent to one (1) month of base and longevity pay of
27 the permanent grade last held for ever year of service payable in one (1)
28 lump sum;

1 b. Retirement Pay – a monthly retirement pay equivalent to two and one-half
2 percent (2 ½%) for each year of Active Service rendered, but not
3 exceeding ninety percent (90%) of the monthly base and longevity pay of
4 the permanent grade last held: *Provided*, That when he/she retires, he/she
5 shall be entitled to receive a lump sum equal to eighteen (18) months of
6 his retirement pay, and thereafter receive his/her annual retirement pay
7 payable in equal monthly instalments: *Provided, further*, That if he/she
8 dies before his/her retirement pay begins to accrue, the Survivors of the
9 latter shall be entitled thereof but shall receive only the derivative benefits
10 thereunder when they accrue: *Provided, finally*, That the retirement pay
11 of combat casualties, shall be computed at the rate of ninety (90%) of their
12 monthly base and longevity pay regardless of their years in Active
13 Service;

14
15 After the retirement from the service, those retired under Title IV shall
16 immediately receive their benefits under this Act: *Provided*, That, those retired due to
17 Attrition under Section 5 (e), Honorably Discharged under Section 5 (f), and those who
18 avail of Voluntary Retirement under Section 6 shall be eligible to receive monthly
19 retirement pay only upon reaching the age of fifty (50): *Provided, however*, that
20 survivors shall immediately receive their survivorship benefits in the event the retiree
21 dies before his fiftieth (50th) birthday for cause/s not attributable to the Survivor entitled
22 thereto; *Provided, further*, That nothing in this Section shall be construed as
23 authorizing adjustment of pay, or payment of any differential in retirement pay to
24 Military or Uniformed Services Personnel who are already retired prior to the approval
25 of this Act as a result of increases in salary of those in the Active Service may have
26 their retirement pension adjusted based on the rank they hold and on the prevailing pay

1 of military personnel in the Active Service, at the time of the termination of their recall
2 to Active Service.

3
4 Sec. 10. *Separation Pay.* – Except for those provided for in Section 12 of this
5 Act, when a Military or Uniformed Services Personnel is separated from the service
6 under Section 7 and Section 8 of Title V of this Act, he/she, or his/her survivors shall
7 receive a separation pay equivalent to on-month base plus longevity pay of the
8 permanent grade last held for every year of Active Service: *Provided*, That nothing in
9 this Section shall be construed as authorizing adjustment of pay, or payment of any
10 differential in separation pay to Military or Uniformed Services Personnel who are
11 already retired or separated from the service prior to the affectivity of this Act as a
12 result of increases in salary granted to Military or Uniformed Services Personnel in
13 Active Service.

14
15 Sec. 11. *Survivorship Benefits.* – The survivors of a deceased Military or
16 Uniformed Services Personnel retired under Title IV, and separated under Section 7
17 (b) of Title V of this Act shall be immediately entitled to a monthly annuity equivalent
18 to seventy-five percent (75%) of his/her monthly retirement pay which the deceased
19 was receiving or entitled to received, to be divided among them in equal shares and
20 with the right of accretion: *Provided*, That the minimum monthly annuity to be
21 received shall be equivalent to fifty percent (50%) of the base and longevity pay of the
22 permanent grade last held: *Provided, Finally*, That if lump sum equal to eighteen
23 months (18) is availed and retiree dies within eighteen (18) months after retirement,
24 survivorship benefits shall only start on first month immediately after the eighteen (18)
25 months reckoned from date of retirement.

1 Sec. 12. *Benefits for Death and Total Permanent Disability in Line of Duty.* – A
2 Military or Uniformed Services Personnel separated under Section 7(c) of Title V of
3 this Act or his Survivors shall be immediately entitled to a monthly life annuity the
4 amount of which shall be fifty per centum (50%) of the base and longevity pay
5 computed on the basis of his/her actual rank held at time of death or disability.

6
7 Sec. 13. *Separation by the Disciplinary Board.* – A Military or Uniformed
8 Services Personnel referred to and found by their respective Disciplinary Board not fit
9 for retention in the Active Service because of substandard performance, low
10 potentiality, doubtful integrity and/or acts inconsistent with the best interest of the
11 service shall be separated from the Active Service: *Provided*, That the Disciplinary
12 Board, based on the facts and circumstances of the case, shall determine whether the
13 subject Military or Uniformed Services Personnel shall be granted an Honorable
14 Discharge and is entitled to receive benefits under Section 9 or 10 of Title VI of this
15 Act, as applicable, otherwise, all benefits under this act shall be forfeited.

16
17 Sec. 14. *Disability Pension.* – A Military or Uniformed Services Personnel retired
18 due to disability which is the proximate result of wounds or injuries received, or
19 sickness or disease incurred in line of duty or as a battle casualty, shall receive, in
20 addition to the other benefits under this Act, Disability Pension fixed as follows:

21
22 a. If and while the disability is rated twenty-five percent (25%), the additional
23 monthly pension shall be PHP 2,500.00;

24
25 b. If and while the disability is rated fifty percent (50%), the additional monthly
26 pension shall be PHP 5,000.00;

- 1 c. If and while the disability is rated sixty percent (60%), the additional monthly
2 pension shall be PHP 6,000.00;
3
- 4 d. If and while the disability is rated seventy percent (70%), the additional monthly
5 pension shall be PHP 7,000.00;
6
- 7 e. If and while the disability is rated eighty percent (80%), the additional monthly
8 pension shall be PHP 8,000.00;
9
- 10 f. If and while the disability is rated ninety percent (90%), the additional monthly
11 pension shall be PHP 9,000.00; or
12
- 13 g. If and while the disability is rated one hundred percent (100%), the additional
14 monthly pension shall be PHP 10,000.00;
15

16 **Title VII**
17 **Military and Uniformed Personnel Retirement Fund**
18

19 Sec. 15. *Fund Management.* – A new subsidiary of the Government Service
20 Insurance System (GSIS) shall be established for the management and maintenance of
21 the Military and Uniformed Personnel Retirement Fund (MUPRF). Within six (6)
22 months from the effectivity of this Act, the GSIS shall determine the manner and
23 undertake the creation of a subsidiary that will assume the management and
24 maintenance of the MUPRF either through the passage of an original charter by the
25 Congress or through Republic Act No. 11232 otherwise known as the “Revised
26 Corporation Code of the Philippines.”
27

Sec. 16. *Fund Administration.* – The Military and Uniformed Services shall create or assign respective office, unit or entity that shall administer their respective Retirement and Separation Fund (RSF) and discharge all necessary functions, except for the management and maintenance of the fund, relevant to the retirement and separation benefits of the New Entrants, in collaboration agreement with the GSIS subsidiary managing the fund.

Sec. 17. *Funding Sources.* – The MUPRF shall be initially allocated a capital of Five Billion Pesos (5,000,000,000.00). Aside from the initial capitalization, the MUPRF shall be funded through mandatory contributions of New Entrants of seven percent (7%) of their Base Pay as their personal share to the MUPRF, and twenty percent (20%) from the National Government sourced from the annual General Appropriations Act.

Title VIII

General Appropriation

Sec. 18. *Attrition.* – The attrition systems of Military and Uniformed Services shall be formulated by their respective Organizations.

Sec. 19. *Retirement Grade.* – Military and Uniformed Services covered under this Act shall be retired in the grade they hold at the time of their retirement: *Provided*, That for those compulsorily retired due to age or combat casualty shall be retired at one (1) grade higher than the permanent grade last held.

Sec. 20. *Manner of Increase of Pension Benefits.* – Upon effectivity of this Act, there shall be no automatic indexing of Gratuity and Retirement Pay, Survivorship

1 Benefits and other benefits with the salary increases of active Military and Uniformed
2 Services Personnel.

3
4 The Pension benefits, including additional Disability Pension, shall be regularly
5 reviewed every three (3) years and may be adjusted as recommended by the actuary of
6 the Pension Fund and approved by the Board of Directors of the Fund Manager of the
7 MUPRF.

8
9 Sec. 21. *Retirement List.* – Military and Uniformed Service Personnel retired
10 under Title IV of this Act shall be carried in the retirement list of the applicable Military
11 and Uniformed Services. The name of a retiree who loses his/her Filipino Citizenship
12 shall be removed from the Retirement List and his/her retirement benefits terminated
13 upon such loss regardless of acquisition of dual citizenship.

14 Sec. 22. *Recall to Active Service.* – (1) AFP Personnel carried in the Retirement
15 List shall be subject to the Articles of War and may be recalled at any time by the
16 President to Active Service in the permanent grade last held upon retirement. His/her
17 refusal to perform such duty shall be a ground for court-martial under Article 97 of the
18 Articles of War and subsequent termination of payments of benefits as determined by
19 the court martial.

20
21 (2) When recalled to Active Service, a retiree shall receive the pay and
22 allowances of the permanent grade last held and shall continue to be carried in the
23 Retirement List. He/she shall be eligible for promotion under the Regular Force while
24 in active status or in the Reserve Force when in inactive status.

25
26 Sec.23. *Non-Encumbrance of Benefits.* – The benefits authorized under this Act
27 shall exclusively for the benefits of the retired or separated Military or Uniformed

1 Services Personnel and except as provided herein, shall not be subject to attachment,
2 garnishment, levy, execution or any tax whatsoever; neither shall they be assigned,
3 ceded, or conveyed to any third person; *Provided*, that if a retired or separated Military
4 or Uniformed Services Personnel who is entitled under this Act has unsettled money
5 and/or property accountabilities incurred while in the Active Service, not more than
6 fifty percent (50%) of the pension gratuity or other payment due such Military or
7 Uniformed Services Personnel or his/her survivors under this Act may be withheld be
8 applied to settle such accountabilities.

9
10 Sec. 24. *Accrual of Benefits.* – The benefits authorized under this Act shall
11 accrue to Military or Uniformed Services Personnel separated by board action or court
12 martial action except when non-entitlement of such benefits is expressly adjudged by
13 the board or by the military court and approved by the approving authority.

14
15 Sec. 25. *Non-Diminution of Benefits.* – Nothing in this Act shall be construed in
16 any manner to reduce whatever retirement and separation pay or gratuity or other
17 monetary benefits which any person is receiving or entitled to receive under the
18 provisions of existing laws.

19 **Title IX**
20 **Miscellaneous Provisions**
21

22 Sec. 26. *Penal Clause.* – Any person found to have participated directly or
23 indirectly in the commission of fraud, falsification, misrepresentation of facts,
24 collusion or any similar anomaly in the issuance of any certificate or document for any
25 purpose connected with this Act shall upon conviction be punished by a fine of not less
26 than the amount defrauded but not more than threefold such amount and/or
27 imprisonment of not less than six (6) months and one (1) day to six (6) years and

1 perpetual disqualification from holding public office and from practicing any
2 profession or calling licensed by the government; *Provided*, that the maximum penalty
3 shall be imposed if the offense was committed by any group who belongs to an
4 organized/syndicated crime group.

5
6 *Sec. 27. Implementing Rules and Regulations.* – Within sixty (60) days upon the
7 effectivity of this Act, the DOF, DND, DOJ, DOTR, Government Service Insurance
8 System (GSIS), and the Department of Budget and Management (DBM), in
9 coordination with the AFP, PNP, PCG, BJMP, BFP, BuCor and other relevant offices
10 shall formulate and issue the Implementing Rules and Regulations necessary for the
11 effective implementation hereof.

12
13 *Sec. 28. Appropriations.* – The amount necessary for the implementation of the
14 provisions of this Act shall be included in the annual General Appropriations Acct
15 following its enactment into law.

16
17 *Sec. 29. Repealing Clause.* – The pertinent provisions of Republic Act No. 6975,
18 Republic Act No. 8551, Republic Act No. 9263, Republic Act No. 9993, and Republic
19 Act No. 10575 are hereby amended accordingly.

20
21 Presidential Decree No. 1656, Presidential Decree No. 1638, Republic Act No.
22 340, and Republic Act No. 5976 are hereby repealed. However, those considered
23 Active Members upon the enactment of this Act shall continue to receive the benefits
24 of the aforementioned laws. Nothing in this Act shall be construed to eliminate or in
25 any way diminish any benefits being enjoyed by Military and Uniform Personnel at the
26 time of pro time of promulgation of this Act.

1 All laws, rules and regulations, and other issuances or parts thereof, which are
2 inconsistent with the provisions of this Act are hereby repealed or modified
3 accordingly.

4
5 Sec. 30. *Separability Clause.* – If any provision of this Act shall be declared
6 invalid or unconstitutional, the remaining parts or provisions not otherwise affected
7 shall remain in force and effect.

8
9 Sec. 31. *Effectivity Clause.* – This Act shall take effect fifteen (15) days
10 following its complete publication in the Official Gazette or in two (2) national
11 newspapers of general circulation.

12
13
14 Approved,

