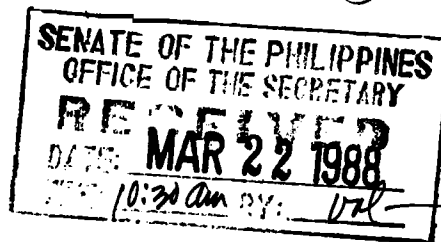


Congress of the Philippines)  
First Regular Session )



S E N A T E

COMMITTEE REPORT NO. 147

Submitted jointly by the Committee on Civil Service and Government Reorganization and the Committee on Finance on

Re: Senate Bill No. 373

Recommending its approval in substitution of S. No. 276 and H. No. 4942

Sponsors: Senators Romulo and Rasul

MR. PRESIDENT:

The Committee on Civil Service and Government Reorganization and the Committee on Finance to which were referred Senate Bill No. 276, introduced by Senators Romulo and Rasul, entitled:

"AN ACT PROVIDING INCENTIVE BENEFITS FOR EARLY RETIREMENT AND VOLUNTARY SEPARATION FROM THE GOVERNMENT SERVICE OF CIVILIAN PERSONNEL, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

and H. No. 4942, introduced by Congressmen Dragon, Montejo, Calingasan, Palacol, Miran, Dominguez, Bacaltos, Romero, Valdez, Maskariño, Ty, Yulo, Mendiola, Puzon, Dimaporo (A.D.), Navarro, Sr., Tirol, Dimaporo (M.A.B.) Adasa, Jr., Congresswomen Roa and Acosta, entitled:

"AN ACT PROVIDING INCENTIVE BENEFITS FOR EARLY RETIREMENT AND VOLUNTARY SEPARATION FROM THE GOVERNMENT SERVICE OF CIVILIAN PERSONNEL, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill (Senate Bill No. 373), prepared by the Committees and entitled:

"AN ACT PROVIDING BENEFITS FOR EARLY RETIREMENT AND VOLUNTARY SEPARATION FROM THE GOVERNMENT SERVICE AS WELL AS INVOLUNTARY SEPARATION OF CIVIL SERVICE OFFICERS AND EMPLOYEES PURSUANT TO PROCLAMATION NO. 3 DATED MARCH 25, 1986 AND THE VARIOUS EXECUTIVE ORDERS AUTHORIZING GOVERNMENT REORGANIZATION AFTER THE RATIFICATION OF THE 1987 CONSTITUTION, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

be approved in substitution of S. No. 276 and H. No. 4942 with Senators Romulo and Rasul as authors thereof.

Respectfully Submitted:

~~NEPTALI A. GONZALES~~  
Chairman  
Committee on Finance

*Santanina T Rasul*  
SANTANINA T. RASUL  
Chairman  
Committee on Civil Service  
& Government Reorganization

*Alberto G. Romulo*  
ALBERTO G. ROMULO  
Vice-Chairman

*with reservations*  
*Vicente T. Paterno*  
VICENTE T. PATERNO  
Vice Chairman

*Ernesto M. Maceda*  
ERNESTO M. MACEDA  
Vice-Chairman

MEMBERS:

*with reservations*  
WILBERTO E. TANADA

*Edgardo J. Angara*  
EDGARDO J. ANGARA

HEHERSON ALVAREZ

SOTERO H. LAUREL

*Leticia Ramos-Shahani with reservation*  
LETICIA RAMOS-SHAHANI

*Alberto G. Romulo*  
ALBERTO G. ROMULO

*John H. Osmena with reservation*  
JOHN H. OSMENA

*Neptali A. Gonzales*  
NEPTALI A. GONZALES

*Jose D. Lina*  
JOSE D. LINA

VICTOR S. ZIGA

*Ernesto F. Herrera*  
ERNESTO F. HERRERA

*Joseph E. Estrada*  
JOSEPH E. ESTRADA

*Agapito A. Aquino with reservations*  
AGAPITO A. AGUINO

*Jose D. Lina*  
JOSE D. LINA

*Vicente T. Paterno*  
VICENTE T. PATERNO

*Edgardo J. Angara*  
EDGARDO J. ANGARA

*Mamintal Abdul J. Tamano*  
MAMINTAL ABDUL J. TAMANO

/JOSEPH E. ESTRADA

SOTERO H. LAUREL

*W/ reservation*  
*René A. Saguisag*  
RENE A. SAGUISAG

EX-OFFICIO MEMBERS

ORLANDO S. MERCADO

*Teofisto Guingona*  
TEOFISTO GUINGONA

JUAN PONCE ENRILE



Congress of the Philippines )  
First Regular Session )

SENATE OF THE PHILIPPINES  
OFFICE OF THE SECRETARY  
**RECEIVED**  
DATE: MAR 22 1988  
10:30 am. Val

SENATE  
S. No. 373

Introduced by Senators  
Romulo and Rasul

AN ACT  
PROVIDING BENEFITS FOR EARLY RETIREMENT AND  
VOLUNTARY SEPARATION FROM THE GOVERNMENT SERVICE  
AS WELL AS INVOLUNTARY SEPARATION OF CIVIL SERVICE OFFICERS  
AND EMPLOYEES PURSUANT TO PROCLAMATION NO. 3 DATED MARCH 25, 1986 AND THE  
VARIOUS EXECUTIVE ORDERS AUTHORIZING GOVERNMENT REORGANIZATION  
AFTER THE RATIFICATION OF THE 1987 CONSTITUTION,  
APPROPRIATING FUNDS THEREFOR, AND FOR  
OTHER PURPOSES

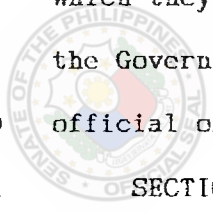
Be it enacted by the Senate and House of Representatives of the  
Philippines in Congress assembled :

1 SECTION 1. Early Retirement and Voluntary Separation Benefits -

2 All government officials and employees included in the coverage hereof  
3 who voluntarily elect in writing to be retired or separated from the  
4 service, shall be paid separation gratuity benefits equivalent to one  
5 and one fourth (1 1/4) months basic salary for every year of  
6 their respective government services or the equivalent nearest  
7 fraction thereof favorable to them on the basis of the highest salary  
8 which they respectively received in the course of their employment in  
9 the Government, but in no case shall the benefit to be paid to any  
10 official or employee be less than Ten Thousand pesos.

11 SECTION 2. Additional Benefits. - In addition to the benefits

12 herein authorized, covered officials and employees who retire or  
13 voluntarily elect to be separated from the service under this Act  
14 shall be entitled to the return of GSIS personal contributions  
15 pertaining to retirement only and the payment of the corresponding  
16 share of the government with interest earned pursuant to existing  
17 rules and regulations of the Government Service Insurance System.  
18 Covered officials and employees retired or separated under this



1 Act shall likewise be entitled to the commutation of unused vacation  
2 and sick leaves in accordance with existing rules and regulations :  
3 Provided, however, That should the government agency concerned lack the  
4 necessary funds for this, the same shall come from the appropriation  
5 to fund this Act: Provided, further, That those who have rendered  
6 government service for 31 years or more and shall avail of the  
7 incentive benefits provided under this Act shall be entitled to an  
8 additional ten percent to be counted from the amount corresponding to  
9 what he will receive from the thirty-first year onward.

10 SECTION 3. Coverage. - This Act shall cover all employees of  
11 the National Government, including government-owned or controlled  
12 corporations, as well as the personnel of all local government units.  
13 The benefits authorized under this Act shall apply to all regular,  
14 temporary, casual, emergency and contractual employees, regardless of  
15 age, who have rendered at least a total of two (2) consecutive years  
16 government service as of the date of separation. The term  
17 "contractual" as used in this Act does not include experts and  
18 consultants hired by agencies for a limited period to perform specific  
19 activities or services with definite expected output.

20 Uniformed personnel of the Armed Forces of the Philippines,  
21 including those of the Philippine Constabulary - Integrated National  
22 Police are excluded from the coverage of this Act.

23 SECTION 4. Discretion of Agency Heads in the Acceptance of  
24 Applications for Early Retirement and Voluntary Separation. - So as  
25 not to prejudice the smooth functioning of government agencies and the  
26 delivery of essential public services, acceptance of applications for  
27 early retirement and voluntary separation from the service shall be  
28 subject to the discretion of the boards of directors of government-  
29 owned or controlled corporations or heads of the government offices or  
30 agencies concerned.

31 No official or employee shall be separated or retired under  
32 this Act unless his application for early retirement or voluntary

1 separation shall have been accepted by the board of directors or head  
2 of agency concerned .

3 SECTION 5. Exclusiveness of Benefits. - An official or  
4 employee who retires or elects to be separated from the service  
5 under this Act shall not be eligible for optional retirement with  
6 gratuity under Republic Act Nos. 1616 and 4968 or with pension  
7 under C.A. No. 186, as amended by Republic Act No. 660 or under  
8 Presidential Decree No. 1146, as amended, or vice-versa.

9 SECTION 6. Restriction on the Employment and Replacement of  
10 Retired or Separated Personnel. - Officials and employees who are  
11 retired or separated under this Act shall not be eligible for  
12 employment in the government whether on a permanent, temporary,  
13 casual, contractual or emergency status within a period of five (5)  
14 years after separation unless they refund the benefits they have  
15 received: Provided, however, That should he be reemployed in the  
16 government, he shall be treated as a new entrant insofar as GSIS  
17 coverage is concerned.

18 Officials and employees who are separated under this Act  
19 shall not be replaced by the agency head concerned unless the  
20 vacated position is essential to the proper functioning of  
21 the agency.

22 Except for key positions above Division Chiefs, replacement  
23 shall, in all cases, be chosen from the existing personnel of the  
24 agency concerned or from any other government agency.  
25 Subsequent hirings shall be based on work requirements not  
26 existing at the time the employees were separated.

27 SECTION 7. Period of Applicability and Effectivity of the  
28 Incentive Benefits. - The incentive benefits for early retirement and  
29 voluntary separation shall be applicable or available only for a  
30 period of three (3) months from the date of approval of this Act. No  
31 applications for early retirement and voluntary separation benefits  
32 under this Act shall be entertained after the lapse of the three (3)



1 months prescriptive period.

2 SECTION 8. Submission of Revised Staffing Patterns. -

3 Government agencies affected by this early retirement and voluntary  
4 separation program shall be allowed to re-submit for approval of the  
5 Department of Budget and Management within a period of three (3)  
6 months after the end of this personnel reduction program, their  
7 respective revised staffing patterns on the basis of their reduced  
8 personnel.

9 SECTION 9. Funding. - For national government employees,  
10 the sum of Four billion pesos, or so much thereof as may be necessary,  
11 is hereby <sup>authorized to be</sup> appropriated out of any funds in the National Treasury not  
12 otherwise appropriated, for payment of the early retirement and  
13 separation incentive benefits authorized in this Act.

14 For employees of government-owned or controlled corporations, the  
15 benefits herein granted shall be paid from the internal funds of the  
16 respective corporations. In no case shall the benefits paid to  
17 employees of government-owned or controlled corporations be less than  
18 the benefits granted by their respective Collective Bargaining  
19 Agreements, if any, or other existing corporate programs, if any.

20 For employees of local government units, the benefits  
21 shall be paid from available funds of each local government agency.

22 Government-owned or controlled corporations and local government  
23 units which may not be able to adequately fund the incentive benefits  
24 under this Act may avail from the four billion peso fund appropriation  
25 for this purpose but only to the extent of twenty-five percent (25%)  
26 of the requirements on the condition that their plantilla and staffing  
27 pattern shall henceforth be subject to approval of the Department of  
28 Budget and Management : Provided, That the said twenty-five percent  
29 (25%) may be deducted by the Department of Budget and Management from  
30 whatever budgetary allocation and assistance they may get from the  
31 national government in the future.

32 SECTION 10. Retroactive Coverage. - Officials and employees

1 who were previously separated from the government service not for  
2 cause but as a result of the reorganization pursuant to Proclamation  
3 No. 3 and the various Executive Orders authorizing government  
4 reorganization issued after the ratification of the 1987 Constitution  
5 shall be deemed covered and entitled to avail of the incentive  
6 benefits under this Act.

7 SECTION 11. Penalties. - Any government official who compels an  
8 employee under any guise whatsoever to retire or be separated from  
9 government service by virtue of this Act shall be penalized in  
10 accordance with Section 55 of P.D. No. 807.

11 SECTION 12. Implementing Rules and Regulations. - The rules  
12 and regulations for the implementation of this Act shall be issued by  
13 the Department of Budget and Management : Provided, That any  
14 provision of law to the contrary notwithstanding, the only documents or  
15 supporting papers to be submitted by the officials and employees who  
16 avail of the benefits under this Act are the following:

17 (a) A duly approved application for early retirement or  
18 voluntary separation in accordance with this Act , or in case of  
19 officials or employees covered by Section 10 hereof, a certification  
20 by the head of the agency that the separation from government service  
21 is pursuant to a reorganization, including a statement of the number  
22 of years of service in the government and the rate of the highest  
23 salary received;

24 (b) Money and property clearance from the agency concerned; and

25 (c) A statement of assets and liabilities

26 Provided, further, That the processing and actual payment of benefits  
27 to the officials and employees concerned shall be completed within  
28 fifteen (15) days from the date of submission of all the foregoing  
29 documents.

30 SECTION 13. Repealing Clause. - All laws, rules and regulations  
31 or parts thereof, inconsistent with the provisions of this Act are  
32 hereby repealed or modified accordingly.



1           SECTION 14. Separability Clause. - If any part, section or  
2 provision of this Act shall be held invalid or unconstitutional, no  
3 other part, section or provision thereof shall be affected thereby.

4           SECTION 15. Effectivity. - This Act shall take effect upon  
5 approval and publication in the Official Gazette.

Approved,



Senate Archives (LRAS)

REPUBLIC OF THE PHILIPPINES  
CONGRESS OF THE PHILIPPINES  
S E N A T E  
M A N I L A



FIRST REGULAR SESSION

S. No. 276

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Introduced by Senator Alberto G. Romulo & Senator Santanina Rasul

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EXPLANATORY NOTE


While there maybe a need to reorganize the various departments, agencies and offices of the government to improve efficiency and service, it is also imperative that in said reorganization process the welfare of government personnel is given primary consideration.

This bill seeks to provide attractive benefits for those who choose early and voluntary retirement from government service.

Thus both ends are served, reorganization for efficiency and service and the welfare of those who choose to retire.

The passage of this bill is recommended.

  
ALBERTO G. ROMULO  
Senator

  
SANTANINA T. RASUL  
Senator

