

H. No. 4942
S. No. 373

(12)

Republic of the Philippines
Congress of the Philippines
Metro Manila

Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-
fifth day of July, nineteen hundred and eighty-eight.

[REPUBLIC ACT NO. 6683]

AN ACT PROVIDING BENEFITS FOR EARLY RETIRE-
MENT AND VOLUNTARY SEPARATION FROM THE
GOVERNMENT SERVICE, AS WELL AS INVOL-
UNTARY SEPARATION OF CIVIL SERVICE OFFI-
CERS AND EMPLOYEES PURSUANT TO VARIOUS
EXECUTIVE ORDERS AUTHORIZING GOVERN-
MENT REORGANIZATION AFTER THE RATIFICA-
TION OF THE 1987 CONSTITUTION, APPROPRI-
ATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES

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

SECTION 1. Declaration of Policy. — It is hereby declared the policy of the State to promote economy, efficiency and effectiveness in government operations, particularly in the delivery of essential public services. For this purpose, the State shall endeavor to streamline government functions and to maintain necessary positions

through an appropriate retirement and voluntary separation scheme.

SEC. 2. *Coverage.* — This Act shall cover all appointive officials and employees of the National Government, including government-owned or controlled corporations with original charters, as well as the personnel of all local government units. The benefits authorized under this Act shall apply to all regular, temporary, casual and emergency employees, regardless of age, who have rendered at least a total of two (2) consecutive years of government service as of the date of separation. Uniformed personnel of the Armed Forces of the Philippines including those of the PC-INP are excluded from the coverage of this Act.

SEC. 3. *Early Retirement and Voluntary Separation Benefits.* — All appointive government officials and employees included in the coverage hereof who voluntarily elect in writing to be retired or separated from the service and whose retirement has been approved under the provisions of this Act shall be paid retirement or separation benefits equivalent to one and one-fourth (1¼) month basic salary for every year of their respective government services or the nearest equivalent fraction thereof favorable to them on the basis of the highest salary which they respectively received in the course of their employment in the government: *Provided*, That in no case shall the benefit to be paid to any appointive official or employee be less than Ten thousand pesos (P10,000): *Provided, further*, That any appointive official or employee who has previously been found guilty in an administrative proceeding and whose rank or salary has been reduced shall be paid on the basis of his last salary.

SEC. 4. *Additional Benefits.* — In addition to the benefits herein authorized, covered appointive officials and employees who retire or voluntarily elect to be separated from the service under this Act shall be entitled to the

return of GSIS personal contributions pertaining to retirement only and the payment of the corresponding share of the government with interest earned pursuant to existing rules and regulations of the Government Service Insurance System. They shall likewise be entitled to the commutation of unused vacation and sick leaves in accordance with existing rules and regulations: *Provided, however*, That should the government agency concerned lack the necessary funds for this, the same shall come from the appropriation to fund this Act: *Provided, further*, That those who retire after rendering government service for thirty-one (31) years or more and avail themselves of the incentive benefits provided under this Act shall be entitled to an additional ten percent (10%) of the amount corresponding to what they will receive from the thirty-first year onward.

SEC. 5. *Exclusiveness of Benefits.* — An appointive official or employee who retires or elects to be separated from the service under this Act shall not be eligible for optional retirement with gratuity under Republic Act Nos. 1616 and 4968 or with pension under Commonwealth Act No. 186, as amended by Republic Act No. 660, or under Presidential Decree No. 1146, as amended, or vice-versa.

SEC. 6. *Abolition of Positions.* — The positions vacated through the early retirement or separation of its incumbent shall be abolished unless the head of the office or agency, with the approval of the President in the case of the Executive Department, the Chief Justice in the case of the Judiciary, the Senate President or the Speaker of the House of Representatives in the case of Congress, the Chairman in the case of the Constitutional Commissions, certifies within the period of sixty (60) days from the time of approval or acceptance of the application for retirement or separation that the exigencies of the service require its retention.

SEC. 7. *Discretion of Agency Heads in Acceptance of Application for Early Retirement and Voluntary Sepa-*

ration. — No appointive official or employee shall be separated or retired under this Act unless his application for early retirement or voluntary separation shall have been accepted by the head of the government office or agency or by the chief executive officer of the government-owned or controlled corporation concerned as the case may be.

For purposes of this Act, "head of government office or agency" refers to the Secretary in the case of bureaus, divisions and other offices under a department; governor or mayor, as the case may be, in the case of local government units; the Chief Justice in the case of the employees of the Judiciary; the Senate President or the Speaker of the House of Representatives, as the case may be, in the case of employees of the Legislature; the Chairman in the case of the Constitutional Commissions; and in the case of other offices not within the authority of those previously mentioned, their overall superior.

The application for early retirement or voluntary separation shall be accepted unless the services of the applicant shall be deemed necessary. The application of those with pending administrative cases punishable by dismissal or removal shall be held in abeyance until the final disposition of such cases without prejudice to their receiving benefits under this law in case of acquittal.

The applications of those with criminal cases of grave nature committed in relation to their office shall be held in abeyance.

SEC. 8. *Restriction on the Employment and Replacement of Retired or Separated Personnel.* — Appointive officials and employees who are retired or separated under this Act shall not be eligible for appointment to, or employment in any branch, division, instrumentality or agency of the government, including government-owned or controlled corporations with original charters whether on a permanent, temporary, casual, or emergency status within

a period of five (5) years after separation unless they refund the benefits they received: *Provided, however,* That those reemployed in the government shall be treated as new entrants insofar as GSIS coverage is concerned.

Positions vacated but retained shall be filled by personnel chosen from among the most deserving employees in the agency concerned or from any other agency.

SEC. 9. *Period of Applicability and Effectivity of the Incentive Benefits.* — Applications for early retirement and voluntary separation benefits hereunder shall be entertained only if filed within a period of two (2) months from the issuance of the rules and regulations for the implementation of this Act pursuant to Section 13 hereof. The oldest employees who are the most senior in the service will be given priority in the payment of benefits.

SEC. 10. *Funding.* — For national government employees, the sum of Three billion pesos, or so much thereof as may be necessary, is hereby authorized to be appropriated out of any funds in the National Treasury not otherwise appropriated for payment of the early retirement and separation incentive benefits authorized in this Act.

For employees of government-owned or controlled corporations, the benefits herein granted shall be paid from the internal funds of the respective corporations. In no case shall the benefits paid to employees of government-owned or controlled corporations be less than the benefits granted by their existing corporate programs, if any.

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

Government-owned or controlled corporations and local government units which may not be able to adequately fund the incentive benefits under this Act may avail

themselves of the Three billion peso fund appropriation for this purpose but only to the extent of twenty-five percent (25%) of the requirements on the condition that their plantilla and staffing pattern shall, for a period of one (1) year from the effectivity of this Act, be subject to approval of the Department of Budget and Management: *Provided*, That in the case of government-owned or controlled corporations, said twenty-five percent (25%) may be deducted by the Department of Budget and Management from whatever budgetary allocation and assistance they may get from the National Government in the future.

The above provisions notwithstanding, all savings accruing from the abolition of positions pursuant hereto shall be earmarked and used exclusively for the payment of the benefits under this Act.

SEC. 11. *Retroactive Coverage.* — Officials and employees who were previously separated from the government service not for cause but as a result of the reorganization pursuant to various executive orders authorizing government reorganization issued after the ratification of the 1987 Constitution shall be deemed covered and entitled to avail of the incentive benefits under this Act.

SEC. 12. *Penalties.* — Any government official who compels an employee under any guise whatsoever to retire or be separated from government service by virtue of this Act or otherwise violates provisions hereof shall, upon conviction, be punished by a fine not exceeding One thousand pesos (P1,000) or by imprisonment not exceeding six (6) months or both such fine and imprisonment in the discretion of the court.

SEC. 13. *Implementing Rules and Regulations.* — The implementing rules and regulations shall be issued within fifteen (15) days from the date of effectivity of this Act by the Department of Budget and Management, in consultation with the Civil Service Commission: *Provided*,

That any provision of law to the contrary notwithstanding, the only documents or supporting papers to be submitted by appointive officials and employees who wish to avail themselves of the benefits under this Act are the following:

(a) A duly approved application under oath for early retirement or voluntary separation in accordance with this Act, including a statement of the number of years of service in the government and the rate of the highest salary received;

(b) Money and property clearance from the agency concerned where proper pursuant to Section 7 hereof; and

(c) A simplified statement of assets and liabilities, net worth, and financial and business interests in the case of regular employees: *Provided, further*, That the processing and actual payment of benefits to the appointive officials and employees concerned shall be completed within fifteen (15) days from the date of submission of all the foregoing documents.


SEC. 14. *Compliance and Reporting.* — Six (6) months from the effectivity of this Act, the Department of Budget and Management and the Civil Service Commission shall, on the basis of the reports of the various heads of government offices and agencies, render a report to Congress on the number of government employees affected, the type or nature of positions involved, the total amount spent and an evaluation thereof.


SEC. 15. *Repealing Clause.* — All laws, rules and regulations or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 16. *Separability Clause.* — If any part, section or provision of this Act shall be held invalid or unconstitutional, no other part, section or provision thereof shall be affected thereby.

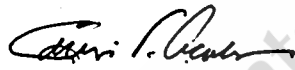
SEC. 17. *Effectivity.* — This Act shall take effect upon publication in two (2) newspapers of general circulation.

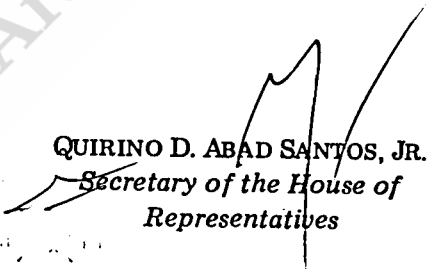
Approved,


JOVITO R. SALONGA
President of the Senate
JM


RAMON V. MITRA
Speaker of the House
of Representatives

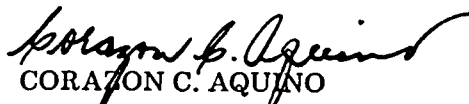
This Act which is a consolidation of House Bill No. 4942 and Senate Bill No. 373 was finally passed by both the Senate and the House of Representatives on October 21, 1988.


EDWIN P. ACOBA
Secretary of the Senate
EPA


QUIRINO D. ABAD SANTOS, JR.
Secretary of the House of
Representatives

Approved: December 2, 1988




CORAZON C. AQUINO
President of the Philippines