

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

FIRST REGULAR SESSION

SENATE BILL NO. 276



Introduced by Senator Alberto G. Romulo

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

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 fourth months (1 - 1/4) basic salary for every year of their respec-
6 tive government services or the equivalent nearest fraction thereof
7 favorable to them on the basis of the highest salary which they
8 respectively received in the course of their employment in the Govern-
9 ment, but in no case shall the benefit to be paid to any official or
10 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 with
15 interest earned pursuant to existing rules and regulations of the
16 Government Service Insurance System and the payment of the corresponding
17 employee premium.

18 Covered officials and employees retired or separated under this
19 Act shall likewise be entitled to the commutation of unused vacation
20 and sick leaves in accordance with existing rules and regulations.

21 SECTION 3. Coverage. It will cover all employees of the
22 National Government, including Government-Owned or Controlled Corpo-
23 rations, as well as the personnel of all Local Government Units.
24 The benefits authorized under this Act shall apply to all regular,
25 temporary, casual, emergency and contractual employees, regardless
26 of age, who have rendered at least a total of two (2) consecutive
27 years government service as of the date of separation. The term
28 "contractual employees" as used in this Act does not include experts
29 and consultants hired by agencies for a limited period to perform
30 specific activities or services with definite expected output.

1 Uniformed personnel of the Armed Forces of the Philippines,
2 including those of the PC-INP are excluded from the coverage of
3 this Act.

4 SECTION 4. Discretion of Agency Heads in the Acceptance
5 of Applications for Early Retirement and Voluntary Separation.
6 So as not to prejudice the smooth functioning of government
7 agencies and the delivery of essential public services, acceptance
8 of applications for early retirement and voluntary separation from
9 the service shall be subject to the discretion of the heads of the
10 government offices or agencies concerned.

11 No official or employee shall be separated or retired under this
12 Act unless his application for early retirement or voluntary separa-
13 tion shall have been accepted by the head of Agency concerned.

14 SECTION 5. Exclusiveness of Benefits. An official or employee
15 who retires or elects to be separated from the service under this Act
16 shall not be eligible for optional retirement with gratuity under
17 RA Nos. 1616 and 4968 or with pension under C. A. No. 186, as amended
18 by R.A. No. 660 or under P.D. No. 1146, as amended, or vice-versa.

19 SECTION 6. Restriction on the Employment and Replacement of
20 Retired or Separated Personnel. Officials and employees who are retired
21 or separated under this Act shall not be eligible for employment in
22 the government whether on the permanent, temporary, casual, contractual
23 or emergency status within a period of five (5) years after separation
24 unless they refund the benefits they have received.

25 Officials and employees who are separated under this Act may be
26 replaced by the Agency head concerned in cases where the vacated po-
27 sition is essential to the proper functioning of the Agency.

28 Except for key positions above Division Chiefs, replacement shall
29 in all cases, be chosen from the existing personnel of the agency concerned
30 or from any other government agency.

31 Subsequent hirings shall be based on work requirements not existing
32 at the time the employees were separated.

33 SECTION 7. Period of Applicability and Effectivity of the Incentive
34 Benefits. The Incentive Benefits for early retirement and voluntary
35 separation shall be applicable or available only for a period of three
36 (3) months from the date of approval of this Act. No applications for
37 early retirement and voluntary separation benefits under this Act shall
38 be entertained after the lapse of the three (3) months prescriptive period.

39 SECTION 8. Submission of Revised Staffing Patterns. Government
40 agencies affected by this early retirement and voluntary separation program
41 shall be allowed to re-submit for approval of the Department of Budget
42 and Management within a period of three months after the end of this
43 personnel reduction program, their respective revised Staffing Patterns
44 on the basis of their reduced personnel.

1 SECTION 9. Funding. For national government employees, the
2 sum of FOUR BILLION PESOS, or so much thereof as may be necessary,
3 is hereby appropriated ot of any funds in the National Treasury not
4 otherwise appropriated, for payment of the early retirement and
5 separation incentive benefits authorized in this Act.

6 For employees of government-owned or controlled corporations,
7 the benefits herein granted shall be paid from the internal funds of
8 the respective corporations. In no case shall the benefits paid
9 to employees of government-owned or controlled corporations be less
10 than the benefits granted by their respective Collective Bargaining
11 Agreements, if any, or other existing corporate programs, if any.

12 For employees of Local Government Units, the benefits shall be
13 paid from available funds of each Local Government Agency.

14 SECTION 10. Implementing Rules and Regulations. The rules
15 and regulations for the implementation of this Act shall be issued
16 by the Department of Budget and Management.

17 SECTION 11. Effectivity. This Act shall take effect upon
18 approval and publication in the official gazette.

19 APPROVED.

ALBERTO G. ROMULO
Senator

