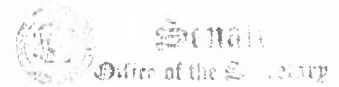


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 JUL 11 P 6:35

SENATE
S. No. 284

RECEIVED BY: _____

Introduced by SENATOR JINGGOY EJERCITO ESTRADA

**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 UNIFORM PERSONNEL RETIREMENT FUND AUTHORITY,
PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Under Section 8 of Article XVI of the Constitution, it was provided that –


"The State shall, from time to time, review to increase the pensions and other benefits due to retirees of both the government and the private sectors."¹

This bill seeks to provide a mechanism for our government to balance and sustain financial flexibility, while also guaranteeing our men and women in uniform that the State can and will continue to provide suitable benefits and remuneration to them, as there is a need to ensure and maintain a viable pension system.

¹ "THE 1987 CONSTITUTION of the REPUBLIC of the PHILIPPINES – ARTICLE XVI | GOVPH." Official Gazette of the Republic of the Philippines, 2020, www.officialgazette.gov.ph/constitutions/the-1987-constitution-of-the-republic-of-the-philippines/the-1987-constitution-of-the-republic-of-the-philippines-article-xvi/.

This measure would also be correspondingly valuable to the modernization of the State's national defense, in order to continuously enhance its capability of protecting our country.

In this light, the immediate passage of this bill is highly recommended.



JINGGOY EJERCITO ESTRADA

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

1 Section 1. *Short Title.* This Act shall be known as the "Military and Uniformed
2 Personnel Services Separation, Retirement, and Pension Act of 2022."

3 Title I

4 Declaration of Policy

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

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

12 It shall therefore be the prime concern of the State to provide all military and
13 uniformed personnel adequate remuneration and benefits, including retirement

1 benefits and pension. The State shall ensure that the retirement benefits and pension
2 scheme of the military and uniformed personnel is secure, reliable, and sustainable.

3 Title II

4 Definition of Terms

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

6 a. "Military and Uniformed Services" shall refer to the Armed Forces of the Philippines
7 (AFP), Philippine National Police (PNP), Philippine Coast Guard (PCG), Bureau of Fire
8 Protection (BFP), Bureau of Jail Management and Penology (BJMP), Bureau of
9 Corrections (BuCor), and employees of National Mapping and Resource Information
10 Agency (NAMRIA) who were Philippine Navy officers and enlisted personnel and
11 members of the defunct Philippine Navy Coast and Geodetic Survey that became the
12 nucleus of the NAMRIA:

13 b. "New Entrants" shall refer to military and uniformed personnel from the Military and
14 Uniformed Services who entered the Military and Uniformed Services after the
15 effectivity of this Act;

16 c. "Active Members" shall refer to military and uniformed personnel from the Military
17 and Uniformed Services in the Active Service, and those who shall enter into the
18 Military and Uniformed Services before the effectivity of this Act;

19 d. "Active Service" shall mean Active Service rendered by a Military or Uniformed
20 Services Personnel as a commissioned officer, non-commissioned officer, enlisted
21 personnel, cadet, probationary officer, trainee or draftee in the Military or Uniformed
22 Services and service rendered by him/her as a civilian official or employee in the
23 Philippine Government prior to the date of his/her separation or retirement from the
24 Military or Uniformed Services, for which armed and/or civilian service he/she shall
25 have received pay from the Philippine Government and/or such others as may
26 hereafter be prescribed by law as Active Service; Provided, that for purposes of
27 retirement, he/she shall have rendered at least ten (10) years of Active Service as an
28 officer or enlisted man in the Military or Uniformed Services; Provided, further, that

1 no period of such civilian government service longer than his/her active armed service
2 shall be credited for purposes of retirement: Provided, finally, that service rendered
3 as a cadet, probationary officer, trainee or draftee in the Military or Uniformed Services
4 shall be credited for retirement purposes with a maximum of four (4) years, subject
5 to applicable rules and regulations;

6 e. "Total permanent physical disability" shall mean the anatomical loss or the
7 permanent loss of use of both hands, of both feet, of both eyes, of both ears or any
8 combination, or loss of mental faculties, as determined by the medical board created
9 for the purpose;

10 f. "Survivors" shall mean:

11 1. Surviving spouse of a deceased Military or Uniformed Services Personnel not legally
12 separated by judicial decree from the deceased issued on grounds not attributable to
13 said spouse, and such marriage was contracted during the Active Service of the
14 deceased: Provided, that entitlement of said spouse to benefits under this Act shall
15 terminate upon re-marriage or co-habitation with another, or the commission of any
16 of the acts amounting to "physical violence", "sexual violence", "psychological
17 violence", or "economic abuse" against the biological or adopted children of the
18 deceased as defined in Republic Act No. 9262, as determined by a Board created for
19 the purpose; Provided, further. That the conviction of the surviving spouse of any
20 crime, which carries a penalty of imprisonment of more than six (6) years and one (1)
21 day, the conception of a child after the death of the deceased, or loss of Philippine
22 Citizenship shall terminate the entitlement of such surviving spouse to benefits under
23 this Act;

24 2. Surviving legitimate, adopted and illegitimate children of a deceased Military or
25 Uniformed Services Personnel conceived, adopted or acknowledged prior to separation
26 or retirement of the parent from active service: Provided, that entitlement of said
27 children to benefits under this Act shall terminate when such children attain twenty-
28 one (21) years of age or upon marriage, whichever is earlier: Provided, further, that
29 children who suffer from total permanent disability as defined in this Act, shall be
30 entitled to benefits under this Act for their lifetime: Provided, finally, that the

1 conviction of the surviving child of any crime which carries a penalty of imprisonment
2 of more than six (6) years and one (1) day. or loss of Philippine Citizenship shall
3 terminate the entitlement of such child to benefits under this Act;

4 3. In default of those mentioned in sub-paragraphs f (1) and (2) above, surviving
5 parents of a deceased Military or Uniformed Services Personnel who are primarily
6 dependent on the deceased for support, or in default thereof, surviving siblings who
7 are under twenty-one (21) years of age and unmarried: Provided, That the conviction
8 of the parent or sibling of the deceased for any crime which carries a penalty of
9 imprisonment of more than six (6) years and one (1) day, or loss of Philippine
10 Citizenship shall terminate the entitlement of such parent or sibling to benefits under
11 this Act;

12 g. "Death or physical disability in line of duty" shall refer to death, illness or injury
13 incurred while in the Active Service and not attended by misconduct, willful failure,
14 the use of drugs or alcoholic liquor or vicious or immoral habits.

15 Title III

16 Applicability

17 Sec. 4. *Applicability.* - This Act shall apply only to all new entrants of the Military
18 and Uniformed Services unless otherwise specified in the succeeding provisions of this
19 Act.

20 Title IV

21 Retirement

22 Sec. 5. *Compulsory Retirement.* - The following active Military or Uniformed
23 Services Personnel shall be compulsorily retired:

- 24 a. Those who attain the age of sixty five (65); *provided*, that he/she has
25 accumulated at least thirty (30) years of satisfactory Active Service;
- 26 b. Those who suffer death in line of duty: *provided*, that he/she has accumulated
27 at least thirty (30) years of satisfactory Active Service;

- 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 killed in action;
6
7 e. Those who are wounded in action and incur total permanent physical disability
8 as a result thereof;
9
10 f. Those subject to attrition, as provided in Section 8 of this Act; *provided*, that
11 he/she has accumulated at least thirty (30) years of satisfactory Active Service:
12 or
13
14 g. Those separated by the appropriate Disciplinary Board under Section 14 of this
15 Act; *provided*, that he/she has accumulated at least thirty (30) years of
16 satisfactory Active Service.
17

18 *Sec. 6. Voluntary Retirement* - Upon accumulation of at least thirty (30) years of
19 satisfactory Active Service, a Military or Uniformed Services Personnel may, at his/her
20 own request, be retired from Active Service, subject to the approval of appropriate
21 authority as provided in the Implementing Rules and Regulations of this Act.

22 Title V

23 Separation

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

- 26 a. Those who attain the age of sixty five (65) without having accumulated at least
27 thirty (30) years of satisfactory Active Service;
28
29 b. Those who suffer death in line of duty but without having accumulated at least
thirty (30) years of satisfactory Active Service;

1 Pension payments for those retired under Title IV shall commence immediately
2 after their retirement from the service, except for those retired due to Attrition under
3 Section 5 (f). Honorably Discharged under Section 5 (g), and those who avail of
4 Voluntary Retirement under Section 6 shall be eligible to receive monthly retirement
5 pay only upon reaching the age of sixty (60); *provided*, further, that the retirement
6 pay of those that are Killed in Action under Section 5 (d), and those that are Wounded
7 in Action resulting in Total Permanent Disability shall be computed at the rate of ninety
8 (90%) of their monthly base and longevity pay regardless of their years in Active
9 Service: *provided*, finally, that nothing in this Section shall be construed as authorizing
10 adjustment of pay, or payment of any differential in retirement pay to Military
11 or Uniformed Services Personnel who are already retired prior to the approval of this
12 Act as a result of increases in salary of those in the Active Service may have their
13 retirement pension adjusted based on the rank they hold and on the prevailing pay of
14 military personnel in the Active Service, at the time of the termination of their recall
15 to Active Service.

16 Sec. 11. *Separation Pay.* - Except for those provided for in Section 13 of this
17 Act, when a Military or Uniformed Services Personnel is separated from the service
18 under Section 7 and Section 9 of Title V of this Act, he/she, or his/her survivors as
19 defined in this Act, shall receive a separation pay equivalent to one-month base plus
20 longevity pay of the permanent grade he/she holds for every year of Active Service:
21 *provided*, that nothing in this Section shall be construed as authorizing adjustment of
22 pay, or payment of any differential in separation pay to Military or Uniformed Services
23 Personnel who are already retired or separated from the service prior to the approval
24 of this Act as a result of increases in salary granted to Military or Uniformed Services
25 Personnel in Active Service.

26 Sec. 12. *Survivorship Benefits.* - The qualified survivors, as defined in this Act, of
27 a deceased Military or Uniformed Services Personnel retired under Title IV, and
28 Section 7 (b) and 7 (c) of Title V of this Act shall be entitled to a monthly annuity
29 equivalent to seventy-five percent (75%) of his/her monthly retirement pay which
30 he/she was receiving to be divided among them in equal shares and with the right of
31 accretion; *provided*, that the minimum monthly annuity to be received shall be

1 equivalent to fifty percent (50%) of the base and longevity pay of the permanent
2 grade last held.

3 Sec. 13. *Benefits for Death and Total Permanent Disability in Line of Duty.* - A
4 Military or Uniformed Services Personnel separated under Section 7(b) and 7(c) of
5 Title V of this Act shall be entitled to a monthly life annuity the amount of which shall
6 be fifty per centum (50%) of the base and longevity pay computed on the basis of
7 his/her actual rank held at time of death or disability.

8 Sec. 14. *Separation by the Disciplinary Board.* - A Military or Uniformed Services
9 Personnel referred to and found by the appropriate Disciplinary Board not fit for
10 retention in the Active Service because of substandard performance, low potentiality,
11 doubtful integrity and/or acts inconsistent with the best interest of the service shall be
12 separated from the Active Service, subject to the approval of appropriate Disciplining
13 Authority as provided in the Implementing Rules and Regulations of this Act; *provided,*
14 that the Disciplining Authority, based on the facts and circumstances of the case, shall
15 determine whether the subject Military or Uniformed Services Personnel shall be
16 granted an Honorable Discharge and is entitled to receive benefits under Sections 10
17 or 11, as applicable, of Title VI of this Act, otherwise, all benefits under this act shall
18 be forfeited.

19 Sec. 15. *Disability Pension.* - A Military or Uniformed Services Personnel retired for
20 disability which is the proximate result of wounds or injuries received or sickness or
21 disease incurred in line of duty or as a battle casualty shall receive, in addition to the
22 other benefits under this Act, Disability Pension fixed as follows:

- 23 a. If and while the disability is rated twenty-five percent (25%), the monthly
24 pension shall be PHP 2,500.00;
- 25 b. If and while the disability is rated fifty percent (50%), the monthly pension
26 shall be PHP 5,000.00;

27

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

11 *Sec. 16. Manner of Increase of Pension Benefits.* - The automatic indexing of
12 Gratuity and Retirement Pay, and Survivorship Benefits of pensioners with the salary
13 increases of active Military and Uniformed Services Personnel is hereby terminated.

14 Pension benefits shall be reviewed annually and increases and/or adjustments in
15 28 Gratuity and Retirement Pay, and Survivorship Benefits, will be based on the 29
16 recommendation of the actuary of the Pension Fund and approved by the Board of
17 Directors of the Fund Manager of the Military and Uniformed Personnel Retirement
18 Fund (MUPRF).

19 Title VII

20 Military and Uniformed Personnel Retirement Fund

21 *Sec. 17. Creation of the Military and Uniformed Personnel Fund Authority.* - For the
22 purpose of carrying out and effecting the declared policy, as provided for in Section 2
23 hereof, there is hereby created a government instrumentality with corporate powers
24 as defined in Section 3 (n) of Republic Act No. 10149 or the GOCC Governance Act of
25 2011, to be known as the Military and Uniformed Personnel Fund Authority which shall
26 be organized within six (6) months from the approval of this Act. The Authority shall
27 execute its powers and functions through its Board of Directors, in such a manner, as
28 will, in its judgment, aid to the fullest possible extent in carrying out the aims and
29 purposes of this Act.

1 Sec. 18. *Board of Directors, Composition.* - The powers and functions of the
2 Authority shall be exercised by the Board of Directors composed by the Chairman and
3 President of the Authority, which shall be appointed by the President of the Philippines,
4 and ten (10) other members: four (4) of whom shall be *ex-officio* Members from the
5 Department of National Defense, Department of the Interior and Local Government,
6 Department of Justice, Department of Transportation, Department of Finance and
7 Department of Budget and Management as designated by the concerned Department
8 Secretary from the undersecretaries of the concerned Departments: another three (3)
9 shall be appointed by the President of the Philippines from the banking, finance,
10 investment, and insurance sector, and one (1) shall be appointed by the President of
11 the Philippines from the legal profession. The Board of Directors shall elect from
12 amongst themselves a Vice-Chairman.

13 The Members of the Board the Department Undersecretaries, shall hold office
14 for six (6) years without reappointment, or until their successors are duly appointed
15 and qualified. Vacancy, other than through the expiration of the term, shall be filled
16 for the unexpired term only: *provided*, that, the Chairman and President shall be
17 initially appointed to a six (6) year term, and one (1) member to a five (5) year term,
18 one (1) member to a four (4) year term, one (1) member to a three (3) year term,
19 and the representative from the legal profession to an initial term of two (2) years.

20 Sec. 19. *Funding Sources.* - Aside from the initial proposed capitalization, the
21 MUPRF shall be funded through the following:

22 a. *Mandatory Contributions.* - It shall be mandatory for New Entrants and Active
23 Members to contribute a percentage of their monthly compensation as their personal
24 share to the MUPRF, the National Government shall allocate its share in the
25 contribution sourced from the annual General Appropriations Act, allocated as follows:

- 26 1. For the first three (3) years after the effectivity of this Act, New Entrants and
27 Active Members shall contribute five percent (5%) of their monthly base and
28 longevity pay as personal share, while the National Government shall provide
29 an equivalent of twenty-two (22%) as its share;

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2. After such period, for the next three years. New Entrants and Active Members shall contribute seven percent (7%), while the National Government shall provide twenty percent (20%); and

3. For every year thereafter. New Entrants and Active Members shall contribute nine percent (9%) and the National Government shall provide eighteen percent (18%).

4. Additional funds to cover past service of Active Members subject to the recommendation of the actuary of the Pension Fund and approved by the Board of Directors of the Fund Manager of the Military and Uniformed Personnel Retirement Fund (MUPRF).

b. *Additional Sources of Funding.* - Additional funds for the maintenance of the MUPRF shall be sourced from the proceeds derived from the lease, joint development, or disposition of the assets of the Military and Uniformed Services, and other government properties identified for that purpose.

Sec. 20. *Termination of Other Contributions of the Same Nature.* - Upon the effectivity of this Act, other mandatory contributions by Military and Uniformed Services Personnel in the same nature and purpose, for their retirement benefits and pension, shall immediately cease and be subject to the provisions of this Act instead.

Sec. 21. *Retirement Grade.* - Military and Uniformed Services members, officers and other ranks, covered under this Act shall be retired in the grade they hold at the time of their retirement.

Title VIII

General Provisions

Sec. 22. *Retired List.* - Military and Uniformed Service Personnel retired under Title IV of this Act shall be carried in the retired list of the applicable Military and Uniformed

1 Services. The name of a retiree who loses his/her Filipino citizenship shall be removed
2 from the Retired List and his/her retirement benefits terminated upon such loss.

3 Sec. 23. Recall to Active Service. - (1) AFP Personnel carried in the retired list 30
4 shall be subject to the Articles of War and may be recalled at any time by the President
5 to Active Service in the permanent grade last held upon retirement. His/her refusal to
6 perform such duty shall be a ground for court-martial under Article 97 of the Articles
7 of War and subsequent termination of payments of benefits as determined by the
8 court martial.

9 (2) When recalled to Active Service, a retiree shall receive the pay and allowances
10 of the permanent grade last held and shall continue to be carried in the retired list
11 and shall be eligible for promotion in the retired list as long as he/she remains in active
12 status.

13 Sec. 24. *Non-Encumbrance of Benefits.* - The benefits authorized under this Act,
14 except as provided herein, shall not be subject to attachment, garnishment, levy,
15 execution or any tax whatsoever; neither shall they be assigned, ceded, or conveyed
16 to any third person; *provided*, that if a retired or separated Military or Uniformed
17 Services Personnel who is entitled to any benefit under this Act has unsettled money
18 and/or property accountabilities incurred while in the Active Service, not more than
19 fifty percent (50%) of the pension gratuity or other payment due such Military or
20 Uniformed Services Personnel or his/her survivors under this Act may be withheld and
21 be applied to settle such accountabilities.

22 Sec. 25. *Accrual of Benefits to Personnel Separated by Court Martial.* - The benefits
23 authorized under this Act shall accrue to AFP Personnel separated by court martial
24 action except when non-entitlement of such benefits is expressly adjudged by the
25 military court and approved by the approving authority.

26 Sec. 26. *Non-Diminution of Benefits.* - Nothing in this Act shall be construed in any
27 manner to reduce whatever retirement and separation pay or gratuity or other
28 monetary benefits which any person is heretofore receiving or is entitled to receive
29 under the provisions of existing law.

1 Title IX

2 Miscellaneous Provisions

3
4 Sec. 27. Penal Clause. – Any person found to have participated directly or
5 indirectly in the commission of fraud, falsification, misrepresentation of facts, collusion
6 or any similar anomaly in the issuance of any certificate or document for any purpose
7 connected with this Act shall upon conviction be punished by a fine of not less than
8 the amount defrauded but not more than threefold such amount and/or imprisonment
9 of not less than six (6) months and one (1) day to six (6) years and perpetual
10 disqualification from holding public office and from practicing any profession or calling
11 licensed by the government.

12 Sec. 28. *Rules and Regulations.* - Within sixty days (60) days upon the effectivity
13 of this Act, the Department of Finance, Department of National Defense, Department
14 of the Interior and Local Government, Department of Justice, Department of
15 Transportation, Department of Environment and Natural Resources, Government
16 Service Insurance System, and the Department of Budget and Management, in
17 coordination with the AFP, PNP, PCG, BJMP, BFP, BuCor and NAMRIA and other
18 relevant offices shall formulate and issue the Implementing Rules and Regulations
19 necessary for the effective implementation hereof.

20 Sec. 29. *Repealing and Modifying Clause.* - Presidential Decree No. 1656,
21 Presidential Decree No. 1638, Republic Act No. 340, Republic Act No. 5976, Republic
22 Act No. 6975, Republic Act No. 8551, Republic Act No. 9263, Republic Act No. 9993,
23 Republic Act No. 10575, and all laws, rules and regulations, and other issuances or
24 parts thereof, which are inconsistent with the provisions of this Act are hereby
25 repealed or modified accordingly.

26 Sec. 30. *Separability Clause.* – If any provision or part hereof is held invalid or
27 unconstitutional, the remainder of the law or the provision or part not otherwise
28 affected shall remain valid and subsisting.

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

4 *Approved,*