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SENATE
S. B. No. 2501

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(In Substitution of Senate Bill Nos. 284, 1421, 2434 and 2446 taking into consideration HBN 8969)

Prepared and submitted jointly by the Committees on National Defense and Security, Peace, Unification and Reconciliation; Government Corporations and Public Enterprises; Ways and Means; and Finance with Senators Ejercito Estrada, Revilla Jr., Marcos and Gatchalian as authors thereof

AN ACT
PROVIDING A NEW SEPARATION, RETIREMENT AND PENSION SYSTEM FOR THE MILITARY AND THE UNIFORMED PERSONNEL, AND APPROPRIATING FUNDS THEREFOR

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

TITLE I

GENERAL PROVISIONS

1
2
3 Section 1. *Declaration of Policy.* – The State duly recognizes the vital role of
4 the Military and Uniformed Personnel in providing internal and external security,
5 promoting peace and order, and ensuring public safety.

6 The State also recognizes its obligation to ensure a secure, reliable and
7 sustainable pension system for the Military and Uniformed Personnel given the
8 distinctive personal risks in their role in nation-building and national defense and
9 security.

10 The State shall provide immediate and adequate care, benefits and other forms
11 of assistance to war veterans and veterans of military campaigns, their surviving
12 spouses and orphans.

13 Towards these ends, the State shall establish a fiscal framework that fully
14 supports their funding requirements.

1 Sec. 2. *Coverage.* – Unless otherwise specified, this Act shall apply only to new
2 entrants of the Military and Uniformed Services.

3 Sec. 3. *Definition of Terms.* –

4 a) *New Entrants* are Military or Uniformed Personnel, as referred under this
5 Act, who entered or re-entered the Military or Uniformed Services after the
6 effectivity of this Act;

7 b) *Military Personnel* refer to employees of the government who wear
8 uniforms, with ranks, may be armed or unarmed, primarily involved in
9 national defense, enforcement of laws, and in the maintenance of peace,
10 order, and security and who belong to the Armed Forces of the Philippines
11 (AFP);

12 c) *Uniformed Personnel* refer to employees of the government who wear
13 uniforms, with ranks, may be armed or unarmed, primarily involved in the
14 enforcement of laws, and in the maintenance of peace, order, and security
15 and who belong to any of the following services: Philippine National Police
16 (PNP), Philippine Coast Guard (PCG), Bureau of Fire Protection (BFP),
17 Bureau of Jail Management and Penology (BJMP), Bureau of Corrections
18 (BuCor), and the Hydrography Branch of the National Mapping and
19 Resource Information Authority (NAMRIA);

20 d) *Pension* refers to the sum of money representing the monthly retirement
21 pay or the monthly life annuity of a Military or Uniformed Personnel;

22 e) *Survivors* refer to the following:

23 1) Surviving spouse of the deceased Military or Uniformed Personnel who
24 married the deceased prior to the latter's retirement or separation and
25 not legally separated by judicial decree from the deceased issued on
26 grounds not attributable to the surviving spouse: *Provided,* That
27 entitlement to benefits shall terminate when the surviving spouse
28 remarries, cohabits, engages in a common law relationship, commits any
29 crime of violence or abuse against the children of the Military or
30 Uniformed Personnel, is convicted of any crime which carries the penalty
31 of imprisonment of more than six (6) years and one (1) day, loss of
32 Philippine citizenship, or dies;

1 such Military Personnel shall have rendered at least nine (9) years of satisfactory
2 active duty prior to resignation or separation.

3 *Sec. 9. Survivorship Pension Rates.* – The survivorship pension rates of Military
4 Personnel shall be governed by existing laws and regulations created therefor.

5 *Sec. 10. Adjustments in Pension.* – There shall be no automatic adjustment of
6 the pension to the prevailing scale of salary of the active Military Personnel of the
7 same rank: *Provided,* That the President of the Philippines is hereby authorized,
8 subject to the recommendation of the Armed Forces of the Philippines Trust Fund
9 Committee (AFP Trust Fund Committee) created under this Act, to adjust the
10 retirement and survivorship pension by not less than one-point five percent (1.5%)
11 thereof, in consideration of fiscal or economic conditions, as certified by the
12 Development Budget Coordination Committee.

13 *Sec. 11. Harmonization of Total Permanent Disability Benefits.* – Military
14 Personnel with total permanent disability as a result of injuries sustained or sickness
15 contracted in the performance of duty, duly certified by the appropriate medical
16 certification process, shall be compulsorily retired.

17 *Sec. 12. Termination of Benefits.* – Retired Military Personnel who lose their
18 Filipino citizenship shall be removed from the retired list and forfeit all rights to receive
19 the benefits herein provided upon such loss.

20 CHAPTER III

21 ARMED FORCES OF THE PHILIPPINES TRUST FUND

22 *Sec. 13. Armed Forces of the Philippines Trust Fund (AFP Trust Fund).* – The
23 AFP Trust Fund is hereby created for the budgetary support and payment of
24 separation, retirement, pension, survivorship, and other benefits granted under this
25 Act.

26 The AFP Trust Fund is separate and distinct and should not be commingled
27 with the Government Service Insurance System (GSIS) funds. The GSIS shall not
28 advance funds and grant any form of loans to the AFP Trust Fund Committee from
29 the GSIS administered funds.

30 *Sec. 14. Funding Sources.* – The AFP Trust Fund shall be funded through the
31 following:

32 a) *Mandatory Contributions.* – Military Personnel shall contribute seven

1 percent (7%) of their base pay and longevity pay as personal share and
2 the National Government shall contribute fourteen percent (14%) as its
3 counterpart share: *Provided*, That the aforementioned rates may be
4 adjusted by the Development Budget Coordination Committee, in
5 consultation with the AFP Trust Fund Committee, on account of adverse
6 fiscal or economic conditions or the fiscal constraints of the National
7 Government;

8 b) *Additional Sources of Funding.* – The AFP Trust Fund may be funded from
9 the proceeds of the following:

- 10 1) All residual assets and funds of the AFP Retirement and Separation
11 Benefits System (RSBS);
- 12 2) Sale of military reservations, as may be authorized by Congress,
13 pursuant to the provisions of existing laws and regulations governing
14 sales of government properties, including such immovable and other
15 facilities as may be found therein, not otherwise covered by the Bases
16 Conversion and Development Authority (BCDA), as provided for in
17 Republic Act No. 7227, otherwise known as the "Bases Conversion and
18 Development Act of 1992," as amended;
- 19 3) Lease or joint development of military reservations, as may be
20 authorized by the President, pursuant to the provisions of existing laws
21 and regulations governing lease or joint development of government
22 properties, including such immovable and other facilities as may be
23 found therein, not specifically enumerated under Republic Act No.
24 7227, as amended;
- 25 4) Income derived from public-private partnerships entered into by the
26 Department of National Defense (DND) or the AFP, as may be
27 authorized by the President, pursuant to the provisions of existing laws
28 and regulations;
- 29 5) Non-strategic real estate assets of the DND or the AFP as determined
30 by the Secretary of National Defense; and
- 31 6) Earnings and dividends from investment made by the GSIS as the fund
32 manager.

1 *Sec. 15. AFP Trust Fund Committee.* – To carry out the declared policy of this
2 Act, the AFP Trust Fund Committee, hereinafter referred to as the Trust Fund
3 Committee, is hereby created. The AFP Trust Fund Committee shall be organized
4 within ninety (90) days from the effectivity of this Act. It shall be composed of the
5 following members:

- 6 a) Secretary of Finance as Chairperson;
- 7 b) Secretary of National Defense as Co-Chairperson;
- 8 c) Chief of Staff of the AFP;
- 9 d) Secretary of Budget and Management; and
- 10 e) President and General Manager of the GSIS.

11 The Bureau of the Treasury shall serve as the Secretariat of the Trust Fund
12 Committee and maintain the records and accounts of all investments, receipts,
13 disbursements, and other transactions relating to the management, administration,
14 and utilization of the AFP Trust Fund: *Provided*, That these records and accounts are
15 maintained in accordance with the existing accounting and auditing laws, rules and
16 regulations, and audited by the Commission on Audit.

17 *Sec. 16. Powers and Functions of the Trust Fund Committee.* – The Trust Fund
18 Committee shall exercise the following powers and functions:

- 19 a) Formulate policies, guidelines and programs to ensure that the AFP Trust
20 Fund is actuarially and financially optimal and sustainable;
- 21 b) Act as Trustee of the AFP Trust Fund and direct how the assets of the AFP
22 Trust Fund are managed;
- 23 c) Perform oversight functions over the AFP Trust Fund manager;
- 24 d) Provide the proper mechanisms for consultation and information
25 dissemination among members regarding the management, utilization,
26 investment, and administration of AFP Trust Fund;
- 27 e) Implement and execute functions related to the disposition of assets
28 identified under this Act;
- 29 f) Commission an actuarial evaluation of the fiscal sustainability of the
30 separation, retirement and pension scheme, including specific
31 recommendations on the rates for contributions and investment options for
32 the AFP Trust Fund, as applicable;

- 1 g) Obtain information from any officer or office of local governments and
2 agencies and instrumentalities of the National Government, as may be
3 necessary;
- 4 h) Assess possible risks to the fiscal sustainability of the pension of Military
5 Personnel and propose appropriate policy interventions;
- 6 i) Identify, manage, and control risks that the pension of the Military Personnel
7 may pose to the National Government's fiscal position;
- 8 j) Inform both Houses of Congress of such risks through the annual Fiscal Risk
9 Statement and propose legislative reforms to address such risks; and
- 10 k) Perform other necessary functions for the effective management of the AFP
11 Trust Fund.

12 CHAPTER IV

13 INVENTORY, ACCOUNTING AND DISPOSITION OF ASSETS

14 *Sec. 17. Inventory of Assets.* – Within thirty (30) days from the creation of the
15 AFP Trust Fund Committee, the Military Service, through the DND, shall submit a
16 complete list of assets to the AFP Trust Fund Committee to identify additional sources
17 of funding as provided in Section 14(b) of this Act.

18 Thereafter, the AFP Trust Fund Committee shall conduct a complete accounting
19 and inventory of the assets of the Military Service that may be used to support the
20 AFP Trust Fund, including the amount, value, description and nature of such funds,
21 properties, assets, records, choses in action, and other rights, claims, or causes of
22 action pertaining thereto, and submit a report to the Office of the President, both
23 Houses of Congress, and the Commission on Audit (COA).

24 *Sec. 18. Accounting of Assets.* – Within thirty (30) days from the receipt of the
25 inventory by the AFP Trust Fund Committee, the COA shall audit the accounting and
26 inventory of the assets of the Military Service to determine the completeness of the
27 inventory and establish the reasonableness of the asset valuation.

28 Within one (1) year from the submission of the accounting and inventory of the
29 assets of the Military Service, the COA shall submit to the AFP Trust Fund Committee,
30 both Houses of Congress and the Office of the President the audit report, including
31 the complete list of the assets of the Military Service and their valuation, and the
32 empirical basis and the methodologies employed for the valuation.

1 Upon retirement, Uniformed Personnel shall choose between the following
2 modes of payment of retirement benefits:

- 3 a) Lump Sum – To receive in advance and in one lump sum, retirement
4 benefits equivalent to thirty-six (36) months; and three (3) years
5 thereafter, to receive monthly retirement benefits as they accrue; or
6 b) Direct Pension – To receive monthly retirement benefits as they accrue.

7 The retirement pay of Uniformed Personnel who is killed-in-action or wounded-
8 in-action resulting in total permanent disability, as duly certified by the appropriate
9 medical certification process, shall be computed at the rate of ninety percent (90%)
10 of the monthly base and longevity pay of the retirement grade of the personnel
11 regardless of years in active duty.

12 *Sec. 24. Separation Pay.* – Uniformed Personnel who separate or resign from
13 the service without reaching twenty (20) years of satisfactory active duty shall receive
14 a separation pay equivalent to one-month base pay plus longevity pay of the
15 permanent grade held at the time of separation for every year of active duty:
16 *Provided,* That such Uniformed Personnel shall have rendered at least nine (9) years
17 of satisfactory active duty prior to resignation or separation.

18 *Sec. 25. Survivorship Pension Rates.* – The survivorship pension rates of
19 Uniformed Personnel shall be governed by existing laws and regulations created
20 therefor.

21 *Sec. 26. Adjustments in Pension.* – There shall be no automatic adjustment of
22 pension to the prevailing scale of salary of the active Uniformed Personnel of the
23 same rank: *Provided,* That the President of the Philippines is hereby authorized,
24 subject to the recommendation of the Uniformed Personnel Trust Fund Committee
25 created under this Act, to adjust the retirement and survivorship pension by not less
26 than one-point five percent (1.5%) thereof, in consideration of fiscal or economic
27 conditions, as certified by the Development Budget Coordination Committee.

28 *Sec. 27. Harmonization of Total Permanent Disability Benefits.* – Uniformed
29 Personnel with total permanent disability as a result of injuries sustained or sickness
30 contracted in the performance of duty, duly certified by the appropriate medical
31 certification process, shall be compulsorily retired.

32 *Sec. 28. Termination of Benefits.* – Retired Uniformed Personnel who lose their

1 Filipino citizenship shall be removed from the retired list and forfeit all rights to receive
2 the benefits herein provided upon such loss.

3 CHAPTER III

4 UNIFORMED PERSONNEL TRUST FUND

5 *Sec. 29. Uniformed Personnel Trust Fund.* – The Uniformed Personnel Trust
6 Fund is hereby created for the budgetary support and payment of separation,
7 retirement, pension, survivorship, and other benefits granted under this Act.

8 The Uniformed Personnel Trust Fund is separate and distinct and should not be
9 commingled with the GSIS funds. The GSIS shall not advance funds and grant any
10 form of loans to the Uniformed Personnel Trust Fund Committee from the GSIS
11 administered funds.

12 *Sec. 30. Funding Source.* – The Uniformed Personnel Trust Fund shall be
13 funded through the following:

- 14 a) *Mandatory Contributions.* – Uniformed Personnel shall contribute nine
15 percent (9%) of their monthly base pay and longevity pay as personal share
16 and the National Government shall contribute twelve percent (12%) as its
17 counterpart share: *Provided,* That both the aforementioned rates may be
18 adjusted by the Development Budget Coordination Committee, in
19 consultation with the Uniformed Personnel Trust Fund Committee, on
20 account of adverse fiscal or economic conditions or the fiscal constraints of
21 the National Government; and
22 b) Earnings and dividends from investment made by the GSIS as the fund
23 manager.

24 *Sec. 31. Uniformed Personnel Trust Fund Committee.* – To carry out the
25 declared policy of this Act, the Uniformed Personnel Trust Fund Committee is hereby
26 created. The Trust Fund Committee shall be organized within ninety (90) days from
27 the effectivity of this Act. It shall be composed of the following members:

- 28 a) Secretary of Finance as Chairperson;
29 b) Chief of the PNP;
30 c) Chief of the BFP;
31 d) Chief of the BJMP;
32 e) Director General of BuCor;

- 1 f) Commandant of PCG;
- 2 g) Director of the Hydrography Branch of NAMRIA;
- 3 h) Secretary of Budget and Management; and
- 4 i) President and General Manager of the Government Service Insurance
- 5 System (GSIS).

6 *Provided*, That the participation of representatives of the Uniformed Personnel
7 in deliberations and decision-making processes of the Trust Fund Committee shall be
8 limited to the matters concerning their respective service.

9 The Bureau of the Treasury shall serve as the Secretariat of the Trust Fund
10 Committee and maintain the records and accounts of all investments, receipts,
11 disbursements, and other transactions relating to the management, administration,
12 and utilization of the Uniformed Personnel Trust Fund: *Provided*, That these records
13 and accounts are maintained in accordance with the existing accounting and auditing
14 laws, rules and regulations, and audited by the COA.

15 *Sec. 32. Powers and Functions of the Trust Fund Committee.* – The Uniformed
16 Personnel Trust Fund Committee shall exercise the following powers and functions:

- 17 a) Formulate policies, guidelines and programs to ensure that the fund is
- 18 actuarially and financially optimal and sustainable;
- 19 b) Act as Trustee of the Uniformed Personnel Trust Fund;
- 20 c) Perform oversight functions over the fund manager;
- 21 d) Provide the proper mechanisms for consultation and information
- 22 dissemination among members regarding the management, utilization,
- 23 investment, and administration of funds;
- 24 e) Commission an actuarial evaluation of the fiscal sustainability of the
- 25 separation, retirement and pension scheme, including specific
- 26 recommendations on the rates for contributions and investment options for
- 27 the Uniformed Personnel Trust Fund, as applicable;
- 28 f) Obtain information from any officer or office of local governments and
- 29 agencies and instrumentalities of the National Government, as may be
- 30 necessary;
- 31 g) Assess possible risks to the fiscal sustainability of the pension of Uniformed
- 32 Personnel and propose appropriate policy interventions;

- 1 h) Identify, manage, and control risks that the pension of the Uniformed
- 2 Personnel may pose to the National Government's fiscal position;
- 3 i) Inform both Houses of Congress of such risks through the annual Fiscal Risk
- 4 Statement and propose legislative reforms to address such risks; and
- 5 j) Perform other necessary functions for the effective management of the
- 6 Uniformed Personnel Trust Fund.

7 TITLE IV

8 MANAGEMENT OF TRUST FUNDS

9 Sec. 33. *Manager of Trust Funds.* – The GSIS is hereby designated as the fund
10 manager of AFP and Uniformed Personnel Trust Funds, and shall:

- 11 a) Implement an investment management strategy as directed by the
- 12 Committees;
- 13 b) Monitor market and economic trends and track securities to make informed
- 14 investment decisions that would be beneficial to the continued growth and
- 15 sustainability of the trust funds;
- 16 c) Present and report its portfolio strategy to the Committees;
- 17 d) Design and implement programs that will promote and mobilize earnings,
- 18 savings and additional resources for social security expansion and afford
- 19 individual members appropriate returns on their savings/investments;
- 20 e) Conduct continuing actuarial and statistical studies and valuations to
- 21 determine the financial condition of the trust funds and taking into
- 22 consideration such studies and valuations, recommend to the Committees
- 23 the adjustment of benefits, contributions, interest rates or the allocation of
- 24 the funds to the contingencies covered;
- 25 f) Track financial results of companies in the portfolio and its various metrics,
- 26 including price-to-earnings ratios, inflation-adjusted return, sales, earnings,
- 27 and dividends; and
- 28 g) Perform other acts necessary to fulfill its mandate under this Act, or such
- 29 acts that may be delegated by the Committees.

30 Sec. 34. *Structure, Staffing Pattern, and Operating Budget.* – The
31 organizational structure and staffing pattern for the management of the trust funds
32 within the GSIS and for the creation of the Trust Fund Secretariat within the Bureau

1 of the Treasury shall be approved by the Trust Fund Committees within one hundred
2 twenty (120) days from the effectivity of this Act, subject to further extensions as
3 may be approved by the Trust Fund Committees: *Provided*, That appointees to
4 various positions shall comply with the qualification standards approved by the Civil
5 Service Commission: *Provided, further*, That the GSIS shall be entitled to reasonable
6 annual management fees but shall not exceed one percent (1%) of the total assets
7 managed in each trust fund charged against the respective Trust Funds.

8 *Sec. 35. Tax Treatment of the AFP and Uniformed Personnel Trust Funds. –*
9 Notwithstanding any law to the contrary, the trust funds, its assets, revenues,
10 including all accruals thereto, and benefits paid, are exempt from all taxes,
11 assessments, fees, charges, or duties of all kinds. These exemptions shall continue
12 unless expressly and specifically revoked.

13 Subject to Section 41 of this Act, the trust funds, the properties of the Military
14 identified by the AFP Trust Fund Committee to be disposed and sums or monies for
15 the payment of the benefits provided under this Act are exempt from attachment,
16 garnishment, execution, levy or other processes issued by the courts, quasi-judicial
17 agencies or administrative bodies and from all financial obligations of the members,
18 including pecuniary accountability arising from or caused or occasioned by the
19 members' exercise or performance of official functions or duties, or incurred relative
20 to or in connection with the members' position or work except when the monetary
21 liability, contractual or otherwise, is in favor of the trust funds.

22 All other applicable tax exemptions granted to the GSIS shall also apply to the
23 trust funds.

24 *Sec. 36. Government Guarantee. –* The government of the Republic of the
25 Philippines hereby guarantees the fulfillment of the obligations of the trust funds to
26 its members when they fall due.

27 TITLE VI

28 MISCELLANEOUS, PENAL, AND FINAL PROVISIONS

29 *Sec. 37. Administration of Benefits. –* The powers and functions of units or
30 instrumentalities of agencies that employ Military or Uniformed Personnel and
31 administer their separation, retirement and pension system or parts thereof shall
32 remain with the existing offices of their respective agencies.

1 The respective services or mother units shall monitor proof of life or life events
2 that will affect the qualification of pensioners and beneficiaries to receive the pension
3 or benefit. The computation of pension and benefits accruing to each retiree or
4 beneficiary shall be undertaken by the concerned mother unit.

5 *Sec. 38. Adjustments in Salary and Pension Benefits.* – Upon the effectivity of
6 this Act, there shall be a guaranteed annual adjustment in the base pay of three
7 percent (3%) for the next ten (10) years for those in the active duty and pension
8 benefits of the retirees.

9 On the fifth (5th) year, and when the need arises thereafter, there shall be a
10 review on the base pay and the rule on automatic indexation by the Development
11 Budget Coordination Committee.

12 *Sec. 39. Separation, Retirement and Pension Benefits of the Active Military and*
13 *Uniformed Personnel.* – The separation, retirement and pension benefits of Military
14 or Uniformed Personnel in active duty prior to the effectivity of this Act shall be
15 governed by existing laws and regulations created therefor and shall be funded
16 annually under the General Appropriations Act: *Provided,* That the maximum
17 retirement pay for active Military or Uniformed Personnel who will compulsorily retire
18 after the effectivity of this Act shall be increased to ninety percent (90%): *Provided,*
19 *further,* That the rate of ninety percent (90%) shall also apply to those deemed
20 compulsorily retired by reason of having been killed-in-action or wounded-in-action
21 after the effectivity of this Act resulting in total permanent disability: *Provided, finally,*
22 That the separation, retirement and pension benefits payable to the Uniformed
23 Personnel from the Bureau of Corrections who were affected by the implementation
24 of Republic Act No. 10575 or the “Bureau of Corrections Act of 2013” and who may
25 or may not have contributed to the GSIS, shall also be covered in full by the General
26 Appropriations Act.

27 *Sec. 40. Medical Insurance.* – Military or Uniformed Personnel, who enter the
28 service after the effectivity of this Act, shall be provided medical insurance upon their
29 compulsory retirement.

30 *Sec. 41. Non-encumbrance of Benefits.* – The benefits authorized under this
31 Act, except as provided herein, shall not be subject to attachment, garnishment, levy,
32 execution or any tax whatsoever, and may not be assigned, ceded, or conveyed to

1 any third person: *Provided*, That if a retired or separated Military or Uniformed
2 Personnel who is entitled to any benefit under this Act has unsettled money or
3 property accountabilities incurred while in the active duty, an amount not exceeding
4 fifty percent (50%) of the pension gratuity or other payment due to the Military or
5 Uniformed Personnel or their survivors under this Act may be withheld and be applied
6 to settle such accountabilities.

7 *Sec. 42. Rule on Interpretation.* – Nothing in this Act shall be construed as
8 authorizing any downward adjustment of pay, or payment of any differential in
9 retirement pay, to Military or Uniformed Personnel who are already retired prior to
10 the effectivity of this Act.

11 *Sec. 43. Submission of Report to Congress.* – In accordance with the pertinent
12 provisions of this Act and its Implementing Rules and Regulations, and International
13 Financial Reporting Standards and Principles, the Committees shall submit to both
14 Houses of Congress every three (3) years after the effectivity of this Act, the financial
15 statements and reports, and all information as may be required, to monitor and assess
16 the distribution of retirement benefits and pension, as well as the overall performance
17 of Military or Uniformed Trust Funds, which are funded in whole or in part by the
18 National Government.

19 *Sec. 44. Penal Clause.* – Any person who participates directly or indirectly in
20 the commission of fraud, falsification, misrepresentation of facts, collusion or any
21 similar anomaly in the issuance of any certificate or document for any purpose
22 connected with this Act shall, upon conviction, be punished by a fine of not less than
23 the amount defrauded but not more than threefold of such amount or imprisonment
24 of not less than six (6) months and one (1) day to six (6) years and perpetual
25 disqualification from holding public office and from practicing any profession licensed
26 by the government: *Provided*, that a conviction or acquittal obtained under this
27 section shall not be a bar to the filing of an administrative, civil, or criminal case under
28 existing laws.

29 *Sec. 45. Implementing Rules and Regulations.* – Within sixty (60) days from
30 the effectivity of this Act, the Secretaries of Finance, National Defense, Interior and
31 Local Government, Justice, Transportation, Environment and Natural Resources,
32 Budget and Management, and the President and General Manager of the GSIS, in

1 consultation with the concerned Military or Uniformed Services, shall promulgate the
2 necessary rules and regulations for the effective implementation of this Act: *Provided*,
3 That the non-promulgation of the implementing rules and regulations shall not
4 prevent the implementation of this Act upon effectivity.

5 Supplemental rules and regulations governing the management and
6 administration of the pension system of the Military or Uniformed Personnel may be
7 issued within one (1) year from the effectivity of this Act.

8 *Sec. 46. Separability Clause.* – If any provision or part of this Act is declared
9 invalid or unconstitutional, the remaining parts or provisions not affected shall remain
10 in full force and effect.

11 *Sec. 47. Repealing Clause.* – The pertinent provisions of these laws are hereby
12 repealed, amended, or modified accordingly.

- 13 a) Section 11 of Republic Act No. 340, as amended, entitled "An Act to
14 Establish a Uniform Retirement System for the Armed Forces of the
15 Philippines, to Provide for Separation Therefrom, and for Other Purposes";
16 b) Sections 2(b), 3, 5, 11, 12, 14, 16, 17, 18, 19, 20, and 22 of Republic Act
17 No. 5976, otherwise known as the "Coast Survey Officers Retirement and
18 Separation Act of 1969";
19 c) Sections 5, 17, and 26 of Presidential Decree No. 1638, entitled
20 "Establishing a New System of Retirement and Separation for Military
21 Personnel of the Armed Forces of the Philippines and for Other Purposes,"
22 as amended by Presidential Decree No. 1650;
23 d) Presidential Decree No. 361, entitled "Providing for an Armed Forces
24 Retirement and Separation Benefits System," as amended by Presidential
25 Decree No. 1656 and Presidential Decree No. 1909;
26 e) Section 39 of Republic Act No. 6975, otherwise known as the "Department
27 of the Interior and Local Government Act of 1990";
28 f) Section 3 of Republic Act No. 8291, as amended, otherwise known as "The
29 Government Service Insurance System Act of 1997";
30 g) Sections 4 and 5 of Republic Act No. 9040, otherwise known as "The AFP
31 Tax Exemption for Pay and Allowances Act of 2001";
32 h) Sections 17 and 18 of Republic Act No. 9993, otherwise known as the

1 "Philippines Coast Guard Law of 2009";

2 i) Sections 2 and 24 of Republic Act No. 10575, otherwise known as "The
3 Bureau of Corrections Act of 2013"; and

4 j) Section 8 of Republic Act No. 11709, as amended, entitled "An Act
5 Strengthening Professionalism and Promoting the Continuity of Policies and
6 Modernization Initiatives in the Armed Forces of the Philippines, by
7 Prescribing Fixed Terms for Key Officers Thereof, Increasing the Mandatory
8 Retirement Age of Generals/Flag Officers, Providing for a More Effective
9 Attrition System, and Providing Funds Therefor."

10 All other laws, rules and regulations, and other issuances or parts thereof,
11 which are inconsistent with the provisions of this Act, are hereby repealed, amended,
12 or modified accordingly.

13 *Sec. 48. Effectivity.* – This Act shall take effect after fifteen (15) days following
14 the completion of its publication in the Official Gazette or in a newspaper of general
15 circulation.

16 *Approved,*

17