

AN ACT TO AMEND REPUBLIC ACT NUMBERED FIVE HUNDRED FORTY-ONE BY INCORPORATING A NEW SECTION, TO BE KNOWN AS SECTION FOUR-A, AND TO AMEND SECTION EIGHT THEREOF.

REPUBLIC ACT NO. 581, September 15, 1950

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

SECTION 1. Republic Act Numbered Five hundred forty-one is hereby amended by inserting between sections four and five a new section, to be known as section four-A, which shall read as follows:

"SEC. 4-A. General Powers of the Pension Board.-For the purposes of this Act, the board shall have the powers and privileges of a corporation, and as such may sue and be sued.

"The Board shall also have the power to adopt rules and regulations for the administration of the pension fund and the transaction of its business with the approval of the Secretary of the Interior; to adopt from time to time its budget, expenditures, including salaries of its personnel and to appropriate annually from its fund such amount as may be necessary to meet the same; to prescribe the form of application for pension to be issued to members of the Police and Fire Departments who are entitled to retire under this Act.

"No member of the board shall directly or indirectly take part in any investigation, deliberation or proceeding when such member is an interested party or when his application for pension is under consideration by the board, except in connection with his application for loan from the pension fund.

"The board shall also have the power to invest directly or through a banking institution authorized by law to engage in business in the Philippines, upon such terms and conditions as may be agreed upon between them, such portions of the fund or money as shall not be required to meet the current payment in the form of life pensions, death claims or otherwise and expenses incidental to the carrying out of this Act in any or all of the following ways and no others:

"(1) In interest-bearing bonds or securities of the Government of the United States or of the Philippines, or bonds or securities of said countries for the payment of the interest and principal of which the faith and credit of said countries are pledged.

"(2) In interest-bearing deposits in any bank doing business in the United States or in the Philippines, having an unimpaired paid up capital and surplus equivalent to one million five hundred thousand pesos or over: Provided, That said bank shall have been designated as a depository for this purpose by the President, upon recommendation of the Secretary of the Interior.

"(3) In loans to members of the Police and Fire Departments who are entitled to the benefits of this Act and other permanent City employees with sufficient securities: Provided, That no loan shall be granted in excess of one month's salary payable within one year from the date the same is contracted.

"(4) And, generally, in such other loans or securities as may be approved by the Insurance Commissioner. The board shall also have the power to receive donations, gifts, legacies or bequests of individuals, corporations, associations, or any and all kinds of organization."

SEC. 2. Section eight of Republic Act Numbered Five hundred forty-one is hereby amended to read as follows:

"SEC. 8. Upon approval of this Act, any person entitled to its benefits and who is already insured with the Government Service Insurance System, is given the option continue such insurance or to surrender his policy: Provided, That in case he chooses to continue such insurance he will assume full payment of the premium of the same including: the contribution of the Government: Provided, further, That his contribution of three per centum of his monthly salary to the pension fund under this Act shall be made compulsory and any deduction made from his monthly pay or salary be noted in the monthly or semi-monthly payrolls of the Police Department or Fire Department as the case may be: And provided, lastly, That no person entitled to the benefits of this Act shall be entitled to any benefit provided for in other Acts."

SEC. 3. This Act shall take effect upon its approval.

Approved, September 15, 1950.

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