

AMENDING PRESIDENTIAL DECREE NO. 361 RE THE ARMED FORCES RETIREMENT AND SEPARATION BENEFITS SYSTEM

PRESIDENTIAL DECREE NO. 1656, December 21, 1979

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WHEREAS, an Armed Forces Retirement and Separation Benefits System, for payment of retirement and separation benefits provided under law to military members of the Armed Forces of the Philippines, was established pursuant to PD 361;

WHEREAS, the circumstances impinging on the military establishment have drastically changed since the promulgation of PD 361 and its full implementation if effected will cause the early collapse of the System; and

WHEREAS, it is necessary to amend certain provisions of PD 361 in order to perpetuate the actuarial solvency of the System, and guarantee to every military member of the AFP all the retirement and separation benefits due him under existing laws and such other similar laws as may hereafter be enacted;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree the following:

SECTION 1. Section 4 of Presidential Decree No. 361 is hereby amended to read as follows:

"SECTION 4. Officers and enlisted personnel in the active service of the AFP shall contribute monthly to the System an amount equivalent to five percent (5%) of their monthly base pay, which contribution shall be deducted from their pay by the Armed Forces of the Philippines and paid to the System: Provided, That any officer or enlisted personnel who is separated or retired shall upon his separation or retirement be refunded in one lump sum all his contributions to the System: Provided, further, That such contributions shall be tax deductible for purposes of individual income tax return."

SECTION 2. Section 5 of Presidential Decree No. 361 is hereby amended to read as follows:

"SECTION 5. The funds of the System shall be allowed to grow to be able to provide perpetually the cash requirement covering the retirement and separation benefits payments to military members of the Armed Forces of the Philippines on a self-sustaining basis: Provided, That prior to the time when perpetual self-sufficiency of the funds of the System is attained as determined by actuarial evaluation, the yearly requirement for retirement and separation benefits of military personnel as provided under RA 340, as amended, PD 1638, as amended by PD 1650, and such other similar laws as may hereafter be enacted, shall be included in and funded out of the annual appropriations for the Armed Forces of the Philippines."

SECTION 3. This Decree shall take effect on January 1, 1980.

DONE in the City of Manila, this 21st day of December, in the year of Our Lord, nineteen hundred and seventy-nine.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE

Presidential Executive Assistant

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