

AN ACT TO PROVIDE FOR THE RETIREMENT OF CITIZENS OF THE UNITED STATES IN THE PHILIPPINE CIVIL SERVICE, TO APPROPRIATE FUNDS THEREFOR, AND FOR OTHER PURPOSES.

Acts No. 4151, November 28, 1934

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Except as otherwise provided herein and subject to the conditions hereinafter stated, all citizens of the United States who are officers or employees of the Philippine Government in the classified or the unclassified service of the insular, the provincial or the city governments of the Philippine Islands or the Metropolitan Water District or the University of the Philippines serving on a full-time basis on the date when this Act becomes a law, shall be entitled to retire as provided herein and shall, upon their retirement from such service, receive for each year of service and the proportionate amount of any fraction thereof a gratuity at the following rates: seven per centum of the highest annual salary, excluding bonuses, allowances, and the like if the period of service is one year or more, but less than five years; eight per centum if the service is five years or more but less than ten years; nine per centum if the service is ten years or more but less than fifteen years; ten per centum if the service is fifteen years or more but less than twenty years; eleven per centum if the service is twenty years or more, the said gratuity to be paid in quarterly installments at the rate of thirty-three and one-third per centum of the quarterly salary of the officer or employee, by Government warrant or other means which will guaranty safe delivery with no reduction for exchange or transmitting same: Provided, however, That in no case will the gratuity exceed forty-five thousand pesos: Provided, further, That with the approval of the Head of the Department in which such officer or employee was serving upon separation or retirement, the said officer or employee may, subject to such rules and regulations as may be approved by the Secretary of Finance, sell, transfer or cede his right to the gratuity payments, to any investment fund under the control of the Insular Government, or to any bank duly authorized to transact business in the Philippine Islands: Provided, also, That in case of officers or employees who, at the time of their retirement, are in the service of a provincial or city government, or the Metropolitan Water District, or the University of the Philippines, the Insular Government shall be reimbursed by the province, city, the Metropolitan Water District or the University of the Philippines, for the sum disbursed by it for the gratuities paid corresponding to said persons and such incidental expenses as may be incurred, within thirty days after payment of said expenses by the Insular Government out of any receipts of the province or city concerned, or of the Metropolitan Water District, or of the University of the Philippines; that in case the provincial board or city council, or Board of Directors of the Metropolitan Water District or Board of Regents of the University of the Philippines shall fail to make such reimbursements, the Collector of Internal Revenue or the treasurer of the province or city concerned, or treasurer of the Metropolitan Water District, or treasurer of the University of the Philippines are hereby authorized and directed, any provisions of existing law to the contrary notwithstanding, to withhold from the revenues of the said province, city, Metropolitan Water District or University of the Philippines, that may come in their possession an amount sufficient to make the reimbursement or any other reimbursements above provided, and shall deposit said sum with the Treasurer of the Philippine Islands to the

credit of the general fund of the Insular Government, that in the case of persons who, at the time of their retirement, are receiving additional salaries from a province or city government, or the Metropolitan Water District, or the University of the Philippines, payment of the gratuities shall be apportioned among the Insular Government and any of payment of the entities above mentioned based on the basic salary the officer or employee concerned is receiving from the Insular Government and the additional salary he receives from a province or city government, or the Metropolitan Water District, or the University of the Philippines: And provided, finally, That the gratuity provided for in this Act shall not be attached or levied upon execution.

SEC. 2. If an officer or employee separated or retired under the provisions of this Act is entitled to the benefits of Act Numbered Twenty-five hundred and eighty-nine, as amended, or to the benefits of any law or special pension fund created by authority of the Philippine Legislature, such as the Teachers' Retirement and Disability Fund by virtue of Act Numbered Three thousand fifty, as amended, the Pension and Retirement Fund of the Philippine Health Service under Act Numbered Thirty-one hundred and seventy-three, and the Pension and Retirement Fund of the Philippine Constabulary under Act Numbered Sixteen hundred and thirty-eight, or by the Board of Regents of the University of the Philippines, he shall have the privilege to choose between the benefits prescribed in said Acts or resolution of the Board of Regents of the University of the Philippines, and those herein provided for; but in no case shall the payment of gratuity under more than one Act or resolution be authorized. If he chooses the benefits granted by the special pension or Retirement Act or resolution, he shall be retired under the provisions of said Act or resolution if he is entitled to its benefits; in case he prefers the gratuity provided for in this Act, he shall be granted such gratuity, and the amounts deducted from his salary as contribution to the Teachers' Retirement and Disability Fund, the Pension and Retirement Fund of the Philippine Health Service or the Pension and Retirement Fund of the Philippine Constabulary, or the Retirement Fund of the University of the Philippines, as the case may be, shall be refunded to him, and in the case of the Teachers' Retirement and Disability Fund, said fund shall also return to the general funds of the insular, provincial or city government concerned the corresponding direct contributions made to said special fund by the insular, provincial or city government, as the case may be.

SEC. 3. In case of the death of an officer or employee after separation or retirement from the service under the provisions of this Act, any gratuity or part thereof due to him shall be paid to his legitimate heir or heirs, or, if discounted under the provisions of section one hereof, then to the investment fund of the Insular Government or to the bank to which the right to such gratuity has been ceded.

SEC. 4. The following persons shall not be entitled to the benefits of this Act:

- Officers and enlisted personnel of the United States Army and the United States Navy and Commissioned Officers of the United States Coast and Geodetic Survey and the United States Public Health and Quarantine Service on detail with the Philippine Government;
- Officers and employees of the Philippine National Bank, the Manila Railroad Company, the Cebu Portland Cement Company, and the Manila Hotel Company.

SEC. 5. This Act shall take effect upon its approval by the Governor-General, but it shall apply only to those citizens of the United States in the service of the Philippine Government at the time this Act becomes a law who apply to the Governor-General for retirement on or before May thirty-one, nineteen hundred and thirty-five: Provided, however, That if an applicant is retained in the service he shall subsequently be entitled to the benefits of this Act upon his final separation from the service.

SEC. 6. The necessary funds to carry out the provisions of this Act are hereby appropriated out of any unappropriated funds in the Insular Treasury.

Approved, November 28, 1934.

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