

AN ACT TO PROVIDE FOR THE LIQUIDATION OF THE PENSION AND RETIREMENT FUND OF THE PHILIPPINE CONSTABULARY CREATED BY ACT NUMBERED ONE THOUSAND SIX HUNDRED AND THIRTY-EIGHT, AS AME...

Commonwealth Act No. 188, November 14, 1936

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Be it enacted by the National Assembly of the Philippines:

SECTION 1. The provisions of Act Numbered One thousand six hundred and thirty-eight, as amended, are hereby declared inoperative as of November first, nineteen hundred and thirty-six. The Government Service Insurance Board is hereby authorized and directed to liquidate the Pension and Retirement Fund of the Philippine Constabulary created by said Act Numbered One thousand six hundred and thirty-eight, as amended, immediately upon the approval of this Act, or as soon thereafter as may be practicable, but for the purposes of this Act, said liquidation shall be deemed to have been effected as of November first, nineteen hundred and thirty-six.

SEC. 2. The Government Service Insurance Board is hereby authorized to apply the proceeds from the liquidation of said Fund to the payment, in the manner herein prescribed, to officers and enlisted men of the Philippine Constabulary who are still in the service, or who have left the service by resignation or abolition of the position, and who have been contributing to the Pension and Retirement Fund of the Philippine Constabulary and not previously retired, of the full amount contributed by them plus interest up to November first, nineteen hundred and thirty-six, at the rate of four per centum per annum compounded annually: Provided, however. That the amount which such officers and enlisted men of the Philippine Constabulary are entitled to receive shall, if they remain in the service, be applied by the Board to the payment of one year premium on the compulsory membership insurance corresponding to them under the provisions of the Government Service Insurance Act: Provided, further. That any excess of said contributions over and above the premium above stated, shall be paid to the contributor in cash, either in full or in installments to be determined by the Board, and in the latter case, all deferred payments shall earn interest at the rate of four per centum per annum compounded annually, but the same may be commuted and cashed in any financial institution owned or controlled by the Government by discounting the principal thereof at a rate not to exceed one per centum per annum.

SEC. 3. There shall be paid to those officers and enlisted men of the Philippine Constabulary who have been retired from the service, or their dependents, in lieu of the pensions they are now receiving from the Pension and Retirement Fund of the Constabulary, the following reduced amounts:

During the first year after the date of the approval of this Act, a pension equivalent to one and five tenths per centum of the average basic salary, received during the last three years preceding retirement, but not exceeding six thousand pesos per annum, multiplied by the number of years of service rendered; during the second year, one and three tenths per centum; and thereafter, one per centum.; while to their dependent as defined in the laws creating the aforementioned pension and retirement fund, the pension shall be in accordance with said laws, for a period not exceeding ten years: Provided, however, That the Board, with the approval of the Secretary of Finance, may at any time suspend or cancel the payment of any pension whenever, after due investigation, it shall have

found that the amount of pensions already received by the retired officer or enlisted man, or his beneficiaries is more than twice the amount of his contributions to the fund plus 4% interest per year, compounded annually: Provided, further, That the said retired officer or enlisted man or his beneficiaries are not dependent upon their pensions for their maintenance: Provided, further, That the pensions to retired officers who are now at least sixty-five years of age, or suffering permanent physical disability, to retired enlisted men, and to those retired for disability incurred in the performance of duty, as well as to their dependents, and to the dependents entitled by law to receive pensions of those killed in the performance of duty, shall continue at the rates prescribed by the pension laws which have heretofore embraced them: Provided, further, That in no case shall the total amount of the reduced pension payable hereunder, exceed the benefit that is being received at present under the provisions of the Constabulary Pension and Retirement Fund Act: Provided, further, That any decision of the Secretary of Finance regarding suspension or cancellation of the payment of pension shall be appealable to the President of the Philippines: And provided, finally, That the pensions mentioned in this Act shall not be subject to any tax, levy or attachment and shall be paid from the sum appropriated for the aid to the Philippine Army Pension Fund for nineteen hundred thirty-seven, and, annually thereafter, from the annual appropriation for the Philippine Army.

SEC. 4. At the option of the pensioner to be exercised by him not later than January 1, 1937, he may be given in lieu of the reduced pension provided for in section 3 hereof a gratuity equivalent to two years average current pay he was receiving during the last three years previous to his retirement: Provided, however, That the Government Service Insurance Board, after considering the financial situation of the party concerned, shall determine whether such amount shall be paid in full or in installments to be fixed by the said Board, and in the latter event, all deferred payments shall earn interest at the rate of four per centum per annum compounded annually, but the same may be commuted and cashed in any financial institution owned or controlled by the Government by discounting the principal thereof at a rate not exceeding one per centum per annum.

SEC. 5. All the funds, properties, and assets, and all personnel, facilities, equipment, leases, contracts, and other obligations and instruments as well as all records, files, correspondence, and other papers belonging or appurtenant to the Pension and Retirement Fund of the Philippine Constabulary as created and established by Act Numbered One thousand six hundred thirty-eight, as amended are hereby transferred, for the purposes of liquidation as provided in this Act, to the Government Service Insurance Board, which shall hereafter exercise full control and authority over the same. The said Board, with the approval of the Secretary of Finance, is hereby authorized to promulgate the necessary rules and regulations for the accomplishment of the purposes of this Act. Nothing herein contained shall be construed as taking away the power of the National Loan and Investment Board to invest the funds belonging to the Pension and Retirement Fund of the Philippine Constabulary should the Government Service Insurance Board elect to place in its hands the investment of said funds under such terms and conditions as may be agreed upon by the two Boards.

SEC. 6. For the purposes of section two of this Act, and to cover the expenditures, including salaries of personnel, which the board may incur incidental to its functions under the provisions hereof, the Insular Treasurer is hereby authorized and directed to transfer from time to time such amounts as may be necessary not to exceed in the aggregate the sum of one-million five hundred thousand pesos to the Government Service Insurance System, and said sums are hereby appropriated out of any funds in the Philippine Treasury not otherwise appropriated.

SEC. 7. This Act shall take effect upon its approval, but as to the reduced pension, it shall take effect on December first, nineteen hundred and thirty-six.

Approved, November 14, 1936.

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