

AN ACT TO PROVIDE FOR THE LIQUIDATION OF THE HEALTH PENSION AND RETIREMENT FUND CREATED BY ACT NUMBERED THREE THOUSAND ONE HUNDRED AND SEVENTY-THREE, AS AMENDED, AND THE PAYMENT...

Commonwealth Act No. 189, November 14, 1936

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Be it enacted by the National Assembly of the Philippines:

SECTION 1. The provisions of Act Numbered Three thousand one hundred and seventy-three, 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 Health Pension and Retirement Fund created by said Act

Numbered Three thousand one hundred and seventy-three, 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 following purposes, and in the order named:

- The payment of pension heretofore authorized up to December thirty-first, nineteen hundred thirty-six.
- The payment, in the manner herein prescribed, to officers and employees of the Philippine Health Service who are still in the service or who have been separated from the service by resignation or abolition of the position, and who have been contributing to the Health Pension and Retirement Fund, 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 amount¹ which such officers or employees 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.
- The payment to contributors to the said Fund who are already out of the service on account of retirement, or to their beneficiaries in case of death, of an amount equivalent to the difference between the total pensions received by them prior to January first, nineteen hundred and thirty-seven, and the total of their contributions up to November first, nineteen hundred and thirty-six with interest at four per centum per annum, compounded annually: 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. 3. The Government Service Insurance Board shall conduct proper investigation of the financial situation of each retired officer or employee of the Philippine Health Service, and his lawful heirs or beneficiaries, and whenever it is found that such officer or employee or lawful heir or beneficiary is without means of livelihood and completely dependent upon the pension received from the Health Pension and Retirement Fund, the said Board shall fix the amount which is needed by such officer or employee or heir or beneficiary for his or her maintenance, which in no case shall be less than fifteen pesos per month, unless the pensioner was receiving a smaller sum. In the case of those officers and employees of the Philippine Health Service who have died or become incapacitated in line of duty as a result of exposure to contagious or dangerous diseases contracted by them while engaged in the duties of their office or employment, the Government Service Insurance Board shall continue to pay to their lawful heirs or beneficiaries heretofore entitled to receive pension under the Health Pension and Retirement Fund Act a pension in the same amount as authorized by the said Act for dependents and heirs of deceased or incapacitated retired officer or employees. The amount so fixed by the Board shall be considered as the pension which shall be payable to the officer or employee, or heir or beneficiary, in lieu of the pension now being received from the Health Pension and Retirement Fund: Provided, That any decision of the Government Insurance Board by virtue of this Act, shall be appealable to the President of the Philippines: Provided, further, That the pensions mentioned in this Act shall not be subject to any tax, levy or attachment.

SEC. 4. If any beneficiary of the Health Pension and Retirement Fund at present receiving a pension therefrom should desire to be reinstated in the service instead of receiving the reduced pension provided for in this Act, the chief of the office, if the exigencies of the service so permit, shall give preferred consideration to such reinstatement when filling vacancies corresponding to the position of said beneficiary upon retirement, likewise giving due consideration to the record and respective qualifications of the applicants. The pension of any retired member who is now receiving pensions as provided in this Act shall be suspended upon his reinstatement to active service or when he is employed by the National, provincial, city, or municipal governments, the compensation of which is equal to or more than the amount of his pension but if his compensation from such employment is less than his pension, then he shall be paid the difference from the pension reserve.

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 Health Pension and Retirement Fund as created and established by Act Numbered Three thousand one hundred seventy-three, 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 funds belonging to the Health Pension and Retirement Fund 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 sections two, three, and four 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 Treasurer of the Philippines is hereby authorized and directed to transfer from time to time to the Government Service Insurance System such sums as may be necessary not to exceed in the aggregate amount of nine hundred

and fifty thousand pesos and said sums are hereby appropriated out of any funds of the Philippine Treasury not otherwise appropriated. Annually, after the year nineteen hundred and thirty-seven, there shall be included in the General Appropriation Act the necessary sum or sums to cover the annual pension payments provided in section three hereof.

SEC. 7. This Act shall take effect upon its approval.

Approved, November 14, 1936.

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