

THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

04 JUN 30 P5:06

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S E N A T E

S. No. 391

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Introduced by Senator S. R. Osmeña III

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**EXPLANATORY NOTE**

"Ang taong hindi marunong lumigon sa kanyang pinanggalingan ay hindi makakarating sa kanyang pinaroroonan." This is the popular translation of George Santayana's dictum.

Truly we owe much of what we are as a nation today to the generations before us. The generation that immediately precedes ours is still with us today as retirees and veterans. We still have the opportunity to acknowledge our debt and show our gratitude by ensuring that after devoting their lives and careers towards building the present society whose benefits we now enjoy, these people are able to spend the twilight of their years in some modicum of comfort.

This bill proposes to grant the following respective proportions of the salary level being received by government employees and members of the Armed Forces still in active service and holding the same position, rank or office as the retiree or veteran at the time of their separation or honorable discharge:

- (a) to retirees and veterans, seventy percent (70%) ;
- (b) to disabled veterans, seventy-five percent (75%) ; and
- (c) to the surviving spouses in case of death, sixty percent (60%)

This bill also proposes to grant additional privileges such as fifty percent (50%) discount on fares on government-owned transportation facilities; recreational facilities, housing projects, etc.; educational benefits to descendants, free hospitalization and medical care for kin, and funeral benefits.

The justice and compassion with which we provide for our retirees and veterans today will, in the long run set the example for next generation who will in their turn deal with us in our own old age.

In view of the foregoing, the immediate approval of this bill is earnestly requested.

*S. Osmeña III*

**SERGIO OSMEÑA III**  
Senator

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AN ACT  
INCREASING THE PENSION AND SOCIO-ECONOMIC BENEFITS OF  
GOVERNMENT RETIREES AND VETERANS AND FOR OTHER PURPOSES

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

1 SECTION 1. *Title.* - This Act shall be known as the "**Pension and**  
2 **Benefits Act of 2004**".

3 SEC. 2. *Declaration of Policy.* - It is the policy of this Act to grant socio-  
4 economic benefits and increase the pension of government retirees and veterans  
5 to a substantial portion of the level of salary received by the government  
6 employees and members of the Armed Forces of the Philippines still in active  
7 service and currently holding the same position, rank or office as the government  
8 retirees at the time of his retirement or the veteran at the time of his retirement,  
9 separation or honorable discharge.

10 SEC. 3. *Definition of Terms.* - For the purpose of and when used in this  
11 Act, the following definitions shall apply

12 (a) *Government retirees* means employees of the government or any  
13 of its subdivision, agency or instrumentality including government-owned or  
14 controlled corporations or their subsidiaries, who have retired after reaching the  
15 compulsory retirement age, or who have been separated from service due to  
16 permanent total incapacity or disability.

1           (b) *Veterans* means Filipinos who rendered military service during the  
2 Philippine Revolution, Philippine-American War, World War I, World War II,  
3 Korean War, Vietnam War, the anti-insurgency campaign or any other war or  
4 military campaign wherein the Republic of the Philippines was involved; or who  
5 have rendered military service in the Armed Forces of the Philippines and had  
6 been honorably discharged, or separated from service due to disability arising  
7 from wounds, injuries, sickness or disease incurred while in active service and in  
8 the line of duty.

9           (c) *Pension* means the monthly compensation received by government  
10 retirees and veterans.

11           SEC. 4. *Increased Pensions.* – Monthly pensions of all government  
12 retirees and veterans shall be increased up to seventy per cent (70%) of the level  
13 of salary received by government employees and members of the Armed Forces  
14 of the Philippine still in active service and currently holding the same position,  
15 rank or office as the government retiree at the time of his retirement or the  
16 veteran at the time of his separation or honorable discharge: *Provided, however,*  
17 That the monthly pensions of all veterans who have been honorably discharged  
18 or separated from service due to disability arising from wounds, injuries, sickness  
19 or disease incurred while in active service and in the line of duty shall be  
20 increased to seventy-five percent (75%) of the level of salary received by  
21 members of the Armed Forces of the Philippines still in active service and  
22 currently holding the same position, rank or office as the said veteran at the time  
23 of his separation or honorable discharge.

24           SEC. 5. *Benefits.* – Government retirees and veterans shall be entitled to  
25 the following benefits:

26           (a) Fifty per cent (50%) discount from all government-owned or  
27 controlled transportation system, whether land, sea or air.

28           (b) Free hospitalization and health services including annual  
29 physical/medical check-up in all government-owned hospitals and health centers

1 and fifty percent (50%) discount from all privately-owned hospitals and health  
2 centers.

3 (c) Free entrance fees to all government-owned cultural and sports  
4 institutions such as the Cultural Center of the Philippines, Folk Arts Theater, Film  
5 Center of the Philippines, Metropolitan Theater, Metropolitan Museum, Rizal  
6 Stadium, among others.

7 (d) Fifty per cent (50%) for movies, stage plays, concerts, shows,  
8 sports events and similar forms of entertainment from privately-owned  
9 moviehouses, theaters, games and sports arenas and like institutions.

10 (e) Free legal and tax counselling services from government-owned  
11 institutions.

12 (f) Fifty percent (50%) discount in rent or purchase from government-  
13 owned housing projects, and in case of rentals, with a right to purchase for  
14 ownership within five (5) years.

15 (g) Free enrollment fees for seminars, workshops and livelihood  
16 courses in all government-owned schools and institutions.

17 SEC. 6. *Educational Benefits for Descendants.* - Two (2) children of  
18 each retiree and veteran shall be admitted to any government-owned school,  
19 college, university or institution with all school fees, including tuition, library,  
20 laboratory, medical, military training, physical education, diploma and graduation  
21 fees at the expense of the Government.

22 The children who shall avail of these benefits may be chosen by the  
23 veteran or retiree, in consultation with his spouse. If the veteran or retiree is  
24 deceased, the surviving spouse alone shall choose. If both the veteran or retiree  
25 and his spouse are deceased, the two eldest children who have not acquired a  
26 college degree shall be chosen.

27 Failure of the child-beneficiary to pass at least seventy-five percent (75%)  
28 of his units in college for more than two (2) successive semesters shall be a  
29 ground for the forfeiture of the benefits.

1           SEC. 7. *Free Hospitalization and Medical Care for Kin.* – The following  
2 relatives of retirees and veterans shall be entitled to free hospitalization and  
3 medical care in all government-owned hospitals, clinics and health centers:

- 4           a)     the legitimate spouse;
- 5           b)     the dependent parents;
- 6           c)     the legitimate children below twenty-one (21) years old and  
7 unmarried or physically and/or mentally incompetent or incapacitated.

8           SEC. 8. *Funeral Benefits.* – The Government shall bear fifty per cent  
9 (50%) of the financial expenses in the funeral of a retiree or veteran, including  
10 the cost of a casket, the fees charged by the memorial home and cemetery, plus  
11 an additional Five thousand pesos (P5,000.00) for the wake.

12          SEC. 9. *Pension for Surviving Spouse.* - The surviving spouse of a  
13 retiree or veteran shall receive a monthly pension of sixty per cent (60%) of the  
14 level of salary received by government employees and members of the Armed  
15 Forces of the Philippines still in active service and holding the same position,  
16 rank or office as the deceased retiree or veteran at the time of their retirement or  
17 honorable discharge.

18          In cases where the retiree or veteran leaves no surviving spouse, the  
19 benefits shall be received by the children or guardian of the retiree or veteran.

20          SEC. 10. *Rules and Regulations.* - The Department of Social Services  
21 and Welfare Development, in coordination with the Department of Transportation  
22 and Communications, the Department of Health, the Department of National  
23 Defense, the Department of Education (DepEd), the National Housing Authority  
24 and all other departments and government-owned or controlled corporations  
25 necessary for the implementation of this Act, shall promulgate the rules and  
26 regulations within ninety (90) days from its approval.

27          SEC. 11. *Penalties.* – Any person who shall violate any provision of this  
28 Act shall, upon conviction, be punished with a fine not less than One thousand  
29 pesos (P1,000.00) and not more than Ten thousand pesos (P10,000.00):

1 *Provided*, That if the violator is a juridical person, there shall be an additional  
2 cancellation of franchise.

3 SEC. 12. *Appropriations.* - There shall be appropriated out of the General  
4 Fund not otherwise appropriated, such sums as may be necessary for the  
5 payment of the increased pensions and the implementation of this Act.

6 SEC. 13. *Repealing Clause.* - All laws, decrees, executive orders, letters  
7 of instructions or proclamations inconsistent with this Act shall be deemed  
8 modified, amended or repealed accordingly.

9 SEC. 14. *Effectivity.* - This Act shall take effect after fifteen (15) days  
10 following its complete publication in a newspaper of general circulation.

Approved,