

THIRTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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SENATE

S. No. 642

INTRODUCED BY HON. MANUEL B. VILLAR, JR.

EXPLANATORY NOTE

Republic Act 7696, which upgraded and standardized the pension and benefits of veterans, was enacted into law precisely to alleviate the economic difficulties of this sector under present challenging conditions. But despite the presence of this law, the sad plight of the veterans continues on account of the government's failure to meet the necessary fund requirement to fully implement the law.

Considering the fact that these veterans have few remaining years left to enjoy life to the fullest, it behooves upon Congress to resolve the perennial problem of lack of funds for payment of veterans pension and benefits with finality at the soonest time possible.

This bill, therefore, seeks to provide one best option of satisfying the fund requirement of R.A. 7696 through the issuance of certificate of indebtedness, thereby, demonstrating the government's sincerity in caring and protecting the welfare of its war heroes.

Approval of this bill is earnestly recommended.


MANUEL B. VILLAR, JR.

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S. No. 642

INTRODUCED BY HON. MANUEL B. VILLAR JR.

**AN ACT PROVIDING FOR THE PAYMENT THROUGH VETERANS BONDS OF
ARREARAGES IN THE VETERANS PENSIONS AS MANDATED BY REPUBLIC ACT
NO. 7696 AND FOR OTHER PURPOSES**

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

SECTION 1. *Purpose.* – The Secretary of Finance, with the approval of the President of the Philippines, after consultation with the Monetary Board, is authorized to issue Veterans Bonds, in accordance with Section 1 of Republic Act No. 245, as amended, and Section 123 of R.A. No. 7653, to meet the payment of the arrearages in the veterans pensions as mandated by R.A. No. 7696 amounting to Ten billion nine hundred twenty nine million nine hundred forty three thousand seven hundred ninety five pesos (P10,929,943,795.00).

SEC. 2. *Nature of Bonds.* – The Veterans Bonds shall have denominations of Ten thousand pesos (P10,000.00) and above; shall bear interest at ten percent (10%) per annum, tax free, payable at maturity date which shall be five years from the date of issuance.

SEC. 3. *Procedures.* – The Bureau of the Treasury shall, as often as necessary, inform the Philippine Veterans Affairs Office (PVAO) on the proceeds from the issuance of Veterans Bonds.

The proceeds of the Veterans Bonds shall be automatically appropriated and shall be held in trust by the Bureau of the Treasury to be released and paid directly by the Bureau of the Treasury, subject to existing budgetary rules and regulations, to the qualified beneficiaries upon submission by the PVAO of the list of qualified veteran beneficiaries entitled to the arrearages, including the amount due each qualified veteran.

SEC. 4. *Redemption.* – The Land Bank of the Philippines is hereby designated as the agent of the Treasurer of the Philippines for the redemption of Veterans Bonds at maturity. For this purpose, the Treasurer of the Philippines shall establish in the Land Bank of the Philippines a sinking fund to which he shall deposit annually an amount equivalent to twenty per centum plus annual interest of the issued and outstanding Veterans Bonds.

SEC. 5. *Creation of Sinking Fund.* – A sinking fund is hereby created for the settlement and/or redemption of the Veterans Bonds as issued, in such manner that the annual interest at the rate of ten percent (10%) per annum shall equal the total face value of the Veterans Bonds. Such sinking fund shall be under the custody of the National Treasurer who shall invest it to earn interest of not less than ten percent (10%) per annum with any of the government's depository banks, financial institutions, Government Service Insurance System or investment institutions under the control of the Government.

SEC. 6. *Automatic Appropriations.* – A standing annual appropriation is hereby made out of the general funds in the National Treasury not otherwise appropriated, for such sum as may be necessary to provide for the sinking fund created in the preceding section. The obligation to be entered in the books of accounts of the government by reason hereof shall be the face value of the issued and outstanding Veterans Bonds.

SEC. 7. *Separability Clause.* – If for any reason, any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions hereof which are not affected thereby, shall continue in full force and effect.

SEC. 8. *Repealing Clause.* – All acts, decrees, orders, executive orders, instructions, rules and regulations or parts thereof inconsistent with the provisions of this Act are repealed or modified accordingly.

SEC. 9. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,