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SENATE

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S. NO. 166

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

In 1994, Republic Act No. 7696 entitled, "*An Act Amending Certain Sections of Republic Act No. 6948, otherwise known as 'An Act Standardizing and Upgrading the Benefits for Military Veterans and their Dependents'*," was enacted to provide comprehensive benefits to war veterans, military retirees and their surviving spouses and dependents. Through the years, however, the national government was not able to fulfill its commitment to pay such benefits due to lack of government appropriation since the law did not identify the source of funding for the said pension.

In 2010, the government finally appropriated an amount of P170 million in the General Appropriations Act to settle the arrears to the veterans. However, said amount was not enough to cover the total government obligation which reached to P25 billion. The Department of National Defense and the Department of Budget and Management came out with a Joint Circular prioritizing the living/surviving World War II veterans in the payment of the said arrears. Therefore, a plan must be put in place in order to settle the remaining government obligations.

This bill, thus, seeks to utilize the proceeds from the development, lease, or other use of government properties for the payment of these arrears. In the process, the national government will accomplish its constitutional mandate of providing assistance to said beneficiaries without affecting the national budget.

In light of the foregoing, the urgent passage of this bill is earnestly requested.

ANTONIO "SONNY" F. TRILLANES IV
Senator

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AN ACT
PROVIDING FOR THE PAYMENT OF ARREARS IN THE VETERANS' PENSIONS
AND BENEFITS MANDATED PURSUANT TO REPUBLIC ACT NO. 7696, AS
AMENDED, OTHERWISE KNOWN AS AN ACT STANDARDIZING AND
UPGRADING THE BENEFITS FOR MILITARY VETERANS AND THEIR
DEPENDENTS AND APPROPRIATING FUNDS THEREFOR

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

1 **SECTION 1. Declaration of Policy.** - It is hereby declared the policy of the State to provide
2 immediate and adequate care and benefits to war veterans by allotting the necessary funds to pay
3 for the arrears in the payment of pensions and other benefits of the veterans and military retirees
4 or their dependents.

5
6 **SEC. 2. Coverage.**- This Act shall apply to the sale, lease, development or use of the
7 following properties of the government:

8 a. Former site of the Philippine Veterans Affairs Office (PVAO) at Arroceros Street, Ermita,
9 Manila;

10 b. Veterans Memorial Medical Center in Quezon City;

11 c. Taguig Industrial Estates;

12 d. Properties given by the Japanese government to the Philippines government under the
13 Reparations Agreement, including the Roponggi, Nampeidai and Fujimi properties in Tokyo, and
14 the Noniwacho and Obanoyama in Kobe; and

15 e. Other properties that may be identified by the Office of the President.

1 **SEC. 3. Privatization and Management Office.-** The Privatization and Management
2 Office (PMO) of the Department of Finance is hereby authorized to implement the actual
3 marketing for the sale, lease, development or use of the above properties and to perform the
4 following:

5 a. Execute and deliver, on behalf of the national government, the deeds, contracts and other
6 instruments as may be necessary or appropriate to effect the lease, development or use of said
7 properties;

8 b. Engage external expertise as may be necessary in the fulfillment of its tasks;

9 c. Submit periodic reports to the PV AO on the status of private sector participation in the lease,
10 development or use of said properties; and

11 d. Adopt such rules and regulations as may be necessary to effect the provisions of this Act.
12

13 **SEC. 4. Funding Source.-** All proceeds from the sale, lease, development or use of the
14 properties mentioned in Section 2 hereof shall be utilized to fund the pension and benefits of
15 veterans and military retirees, whether in arrears or due for payment by the national government:
16 *Provided*, That any shortfall in payment of pensions and benefits to veterans and military retirees
17 shall be settled by the national government from other sources.

18 All proceeds and receipts from the lease, development or use of said properties except
19 operational expenses shall be remitted directly to any government bank as the depository bank
20 and managed by the Philippine Veterans Affairs Office for purposes of Automatic distribution of
21 pensions and benefits directly to war veterans and military retirees.
22

23 **SEC. 5. Implementing Rules and Regulations.-** The Secretary of National Defense shall,
24 in coordination with the Secretary of Finance, issue the necessary rules and regulations for the
25 effective implementation of this Act within six (6) months after its effectivity.
26

27 **SEC. 6. Repealing Clause.-** All laws, decrees, executive orders, issuances, rules and
28 regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or
29 modified accordingly.

1 **SEC. 7. Effectivity Clause.-** This Act shall take effect fifteen (15) days after its complete
2 publication in at least two (2) newspapers of general circulation.

Approved,