

[REPUBLIC ACT NO. 3641, June 22, 1963]

AN ACT TO FURTHER AMEND SECTION TEN OF REPUBLIC ACT NUMBERED THREE HUNDRED FORTY, AS AMENDED BY REPUBLIC ACT NUMBERED TWO THOUSAND SIX HUNDRED AND EIGHT.

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

SECTION 1. Section ten of Republic Act Numbered Three hundred and forty, as amended by Republic Act Numbered Two thousand six hundred and eight, is further amended to read as follows:

"SEC. 10. An enlisted man or officer below the rank of colonel who is entitled to the benefits of this Act shall be retired or separated from the service one rank higher than the permanent rank he holds at the time of retirement or separation. Colonels and brigadier generals shall be retired or separated from the service in the rank they hold at the time of their retirement without any promotion in rank. But the gratuity, retirement and separation pay due them or their beneficiaries under this Act shall be computed on the basis of the base and longevity pay of the rank next higher than the permanent rank they held or hold at the time of their retirement. The length of service as an enlisted man of a reserve or regular officer already retired, and those who shall be retired thereafter under this Act shall be included as a basis in the computation or his retirement gratuity which shall be determined from base and longevity pay in the next higher rank of such retiree at the time of retirement. An enlisted man, or an officer below the rank of major general who was retired or separated from the service due to physical or mental disability incurred in line of duty shall receive an annual retirement pay corresponding to the next higher rank from his adjusted or retired rank: *Provided* That such separation of officer or enlisted man was not a punishment duly meted him as a result of general or special court martial findings: *And provided, further,* That separation from the service was not due to his own misconduct, willful failure, the intemperate use of drugs or alcohol liquor or vicious or immoral habits. When recalled to active duty, retired officers and enlisted men who were automatically raised one rank by operation of this Act shall resume their rank prior to their retirement. The gratuity or retirement pay provided in Section two, and the separation pay provided in Section eight of Republic Act Numbered Three hundred forty shall be computed upon the basis of such higher rank in which the officer or enlisted man may be retired or separated: *Provided,* That when an officer who holds or has held the permanent rank