

[REPUBLIC ACT NO. 1616, May 31, 1957]

**AN ACT FURTHER AMENDING SECTION TWELVE OF
COMMONWEALTH ACT NUMBERED ONE HUNDRED EIGHTY-SIX,
AS AMENDED, BY PRESCRIBING TWO OTHER MODES OF
RETIREMENT AND FOR OTHER PURPOSES.**

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

SECTION 1. Section twelve of Commonwealth Act Numbered One hundred eighty-six, as amended, is hereby further amended by adding two new paragraphs after paragraph (a) which reads as follows:

"(b) Notwithstanding the provisions of the preceding paragraph, a member may be allowed to retire after rendering a total service of thirty years, regardless of age, the retiring employee to receive a monthly annuity for life, but the benefit for service rendered after June sixteen, nineteen hundred and fifty-one, shall be whatever amount of annuity can be purchased by the accumulated government and personal contributions to the credit of a member plus interest allowed by the system on the date of retirement. Said annuity shall be computed in accordance with the mortality table and the rate of interest adopted by the system. This benefit shall be in addition to the benefit for service rendered prior to June sixteen, nineteen hundred and fifty-one as provided in section eleven (A) of this Act.

"(c) Retirement is likewise allowed to a member, regardless of age, who has rendered at least twenty years of service. The benefit shall, in addition to the return of his personal contributions plus interest, be only a gratuity equivalent to one month salary for every year of service, based on the highest rate received, but not to exceed twenty-four months. This gratuity is payable by the employer or office concerned which is hereby authorized to provide the necessary appropriation or pay the same from savings in its appropriations."

SEC. 2. Officials and employees paid gratuity under this act shall be entitled to the commutation of the unused vacation and sick leave which they may have to their credit at the time of retirement.

SEC. 3. Paragraphs *b*, *c*, *d* and *e* of section twelve of Commonwealth Act Numbered One hundred eighty-six, as amended, are hereby changed to paragraphs *d*, *e*, *f* and *g*, respectively.

SEC. 4. This Act shall take effect upon its approval.