

[REPUBLIC ACT NO. 340, July 26, 1948]

AN ACT TO ESTABLISH A UNIFORM RETIREMENT SYSTEM FOR THE ARMED FORCES OF THE PHILIPPINES, TO PROVIDE FOR SEPARATION THEREFROM, AND FOR OTHER PURPOSES.

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

TITLE I.—Retirement

SECTION 1. Retirement from the Armed Forces under this Act is optional or compulsory, and the ages and periods of service for eligibility therefor are fixed as follows:

(a) Optional: Upon the completion of at least twenty years of continuous satisfactory active service an officer or enlisted man may, at his own request and with the approval of the President, be retired from active service.

(b) Compulsory: Upon the completion of at least thirty years of continuous satisfactory active service or upon attaining sixty years of age with a minimum of fifteen years continuous active service, retirement shall be compulsory, unless the continued service of the officer or enlisted man is, in the opinion of the President, required for the good of the service.

SEC. 2. When an officer or enlisted man is retired under the provisions of section one above, he shall, at his option, receive a gratuity equivalent to one month of his base and longevity pay on the date of retirement for every year of service, such gratuity to be payable in one lump sum, or an annual retirement pay equivalent to two and a half per cent of the annual base and longevity pay received by him on the date of retirement for each year's active service rendered but not exceeding seventy-five per cent of the total base and longevity pay received by him on the date of retirement, such retirement pay to be payable in equal monthly installments: *Provided*, That this rate of retirement pay shall not be applicable to officers or enlisted men separated from the service through the action of Classification or Efficiency Boards and Courts-Martial, or as a result of their own misconduct or resignation except as provided in section eight (d) of this Act.

SEC. 3. Upon the death of an officer or enlisted man who has been retired or would, at the time when he died, have been entitled to retire under section one of this Act, the surviving legitimate, adopted or acknowledged natural children of such officer or enlisted man and/or his widow shall be entitled to receive, in equal shares and with the right of accretion, fifty *per centum* of the annual retirement pay which the officer or enlisted man was receiving or would have been entitled to receive if he had not died, the said amount to be payable in equal monthly installments : *Provided*, That

in no case shall the total amount payable under this section exceed a sum equivalent to one month base and longevity pay of the officer or enlisted man at the time of his death or retirement, whichever comes first, multiplied by the years of active service rendered, less the total amount the decedent had already received as annual retirement pay at the time of his death: *Provided, further,* That no payment under this section shall be made to children after they have attained the age of twenty-one years or have married, nor to the widow if she remarries: *Provided, finally,* That no payment whatever shall be made to the widow if her marriage to the deceased officer or enlisted man was contracted after his retirement from the service.

SEC. 4. Officers and enlisted men heretofore and hereafter retired from the active service under this or any other Act, shall continue to be borne on the Army Register and shall be placed in the retired list.

SEC. 5. Officers and enlisted men placed in the retired list shall be subject to the rules and articles of war and to trial by court-martial for any breach thereof. At any time said officers and enlisted men may be called to active service by the President. Refusal on the part of any officer or enlisted man to perform such services shall terminate his right to further participation in the benefits of this Act provided he resides in the Philippines and is physically fit for service. Such fitness for service shall be determined by applicable regulations.

SEC. 6. When called for active service retired officers and enlisted men shall receive the full pay of their rank or grade. While on inactive status they shall be entitled to the same privileges as officers and enlisted men in the active service, subject to such rules and regulations as the President may promulgate.

SEC. 7. An officer placed on the retired list shall be withdrawn from command and from the active promotional list. When he is recalled to active duty, his name shall continue to be carried in the retired list and he shall thereafter be eligible for promotion in the retired list as long as he continues on such active duty and provided he is declared eligible for promotion in accordance with pertinent rules and regulations provided therefor: *Provided,* That such promotion shall be governed by seniority in the corresponding grade or rank, seniority to be determined by the length of active service rendered in each grade.

TITLE II.—*Separation*

SEC. 8. An officer of the Regular Force separated from the service by the President on recommendation of Classification or Efficiency Boards for causes not due to his own misconduct, willful failure, the intemperate use of drugs or alcoholic liquor, or vicious or immoral habits, shall—

- (a) If on the date of separation he has completed less than three years of active service, be honorably discharged in the grade then held;
- (b) If on the date of separation he has completed three or more but less than ten years of active service, be honorably discharged in the grade then held with separation pay equal to three months' base and longevity pay computed upon such grade;
- (c) If on the date of separation he has completed ten or more but less than twenty years of active service, be honorably discharged in the grade