

[ Acts No. 4051, February 21, 1933 ]

**AN ACT TO PROVIDE FOR THE PAYMENT OF RETIREMENT GRATUITIES TO OFFICERS AND EMPLOYEES OF THE INSULAR GOVERNMENT RETIRED FROM THE SERVICE AS A RESULT OF THE REORGANIZATION OR REDUCTION OF PERSONNEL THEREOF, INCLUDING THE JUSTICES OF THE PEACE WHO MUST RELINQUISH OFFICE IN ACCORDANCE WITH THE PROVISIONS OF ACT NUMBERED THIRTY-EIGHT HUNDRED AND NINETY-NINE, AND FOR OTHER PURPOSES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:*

SECTION 1. Whenever it is necessary, in carrying out the provisions of Act Numbered Four thousand and seven or any other provision of law, department order, or regulation adopted for the purpose of consolidating activities or reducing the personnel and expenses of the Government, to abolish a position or retire an officer or employee in any bureau or office of the Insular Government on or before December thirty-first, nineteen hundred and thirty-three, the officer or employee to be separated or retired from the service shall be entitled to a gratuity as follows:

- a. Regularly appointed officers and employees shall be entitled to gratuity at the rate of one month's salary or its equivalent in the case of those paid by the day or by the week for each year of service and the proportionate amount of any fraction thereof, but not to exceed twenty-four months in the case of those whose compensation exceeds twelve hundred pesos a year: *Provided*, That in the case of those who receive twelve hundred pesos a year or less the total retirement gratuity to which they may be entitled shall not exceed twenty-four hundred pesos.
- b. Temporary officers and employees who have served the Government for at least five years before the approval of this Act, shall be entitled to gratuity at the rate of one month's salary or its equivalent in the case of those paid by the hour, by the day or by the week for each year of service and the proportionate amount of any fraction thereof, but not to exceed twenty-four months in the case of those whose compensation exceeds twelve hundred pesos a year: *Provided*, That in the case of those who receive twelve hundred pesos a year or less the total retirement gratuity to which they may be entitled shall not exceed twenty-four hundred pesos.
- c. Temporary officers and employees who have served the Government less than five years before the approval of this Act, shall be entitled to a gratuity at the rate of half a month's salary or its equivalent in the case of those paid by the hour, by the day or by the week for each year of service and the proportionate amount of any fraction thereof.

Persons serving on a part time basis shall not be entitled to the gratuities authorized in this Act.

SEC. 2. In separating or retiring employees under the provisions of this Act,

Department Heads shall give preference to officers or employees who, on account of their advanced age or of any physical or mental defect, are not fit to render further efficient service in the positions they occupy: *Provided, however,* That the appointees of the Governor-General may be retired by the Department Head concerned with the approval of the Governor-General.

SEC. 3. The gratuity provided in section one hereof shall be based on the highest basic rate of salary received and shall be paid monthly at the rate of thirty-three and one-third per centum of the monthly salary of the officer or employee, with the exception of those who will be entitled to a gratuity of one month's salary or less who shall totally be paid immediately upon separation: *Provided, however,* That with the approval of the Head of the Department in which such officer or employee was serving upon separation or retirement, the said officer or employee may, subject to such rules and regulations as may be approved by the Secretary of Finance, sell, transfer or cede his right to the gratuity payments, to any investment fund under the control of the Insular Government, or to any bank duly authorized to transact business in the Philippine Islands: *Provided, further,* That the gratuity provided for in this attachment or levy. Act shall not be attached or levied upon execution.

SEC. 4. If an officer or employee separated or retired under the provisions of this Act is entitled to the benefits of Act Numbered Twenty-five hundred and eighty-nine, as amended, or to the benefits of any law or special pension fund created by authority of the Philippine Legislature, such as the Teachers' Retirement and Disability Fund by virtue of Act Numbered Three thousand and fifty, as amended, the Pension and Retirement Fund of the Philippine Health Service under Act Numbered Thirty-one hundred and seventy-three, and the Pension and Retirement Fund of the Philippine Constabulary under Act Numbered Sixteen hundred and thirty-eight, he shall have the privilege to choose between the benefits prescribed in said Acts and those herein provided for; but in no case shall the payment of gratuity under more than one Act be authorized. If he chooses the benefits granted by the special pension or retirement Act, he shall be retired under the provisions of said Act if he is entitled to its benefits; in case he prefers the gratuity provided for in this Act, he shall be granted such gratuity, and the amounts deducted from his salary as contributions to the Teachers' Retirement and Disability Fund, the Pension and Retirement Fund of the Philippine Health Service, or the Pension and Retirement Fund of the Philippine Constabulary, as the case may be, shall be refunded to him, and in the case of the Teachers' Retirement and Disability Fund, said fund shall also return to the general funds of the Insular Government the corresponding direct contributions made to said special fund by the Insular Government: *Provided, however,* That Judges and Auxiliary Judges of First Instance and Public Service service commissioners. Commissioners who may be retired under the provisions of this Act, shall be entitled to the benefits provided for in Act Numbered Twenty-five hundred and eighty-nine, as amended, the provisions of this Act or any other Act to the contrary notwithstanding.

SEC. 5. In case of the death of an officer or employee after separation or retirement from the service under the provisions of this Act, any gratuity or part thereof due to him shall be paid to his legitimate heir or heirs, or, if discounted under the provisions of section three hereof, then to the investment fund of the Insular Government or to the bank to which the right to such gratuity may have been coded.