

[ Act No. 3939, November 29, 1932 ]

**AN ACT AUTHORIZING TEACHERS AND OTHER PERSONS CONTRIBUTING TO THE "TEACHERS' PENSION AND DISABILITY FUND" TO SECURE LOANS THEREFROM UNDER CERTAIN CONDITIONS, THUS AMENDING SECTION EIGHT OF ACT NUMBERED THREE THOUSAND AND FIFTY, AS AMENDED BY ACT NUMBERED THREE THOUSAND ONE HUNDRED, ENTITLED "AN ACT TO AMEND CERTAIN SECTIONS OF ACT NUMBERED THREE THOUSAND AND FIFTY, ENTITLED 'AN ACT TO PROVIDE ANNUAL PENSIONS FOR TEACHERS EMPLOYED IN THE PHILIPPINE PUBLIC SCHOOLS, TO APPROPRIATE MONEY AND REGULATE THE DISBURSEMENT THEREOF.' "**

*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. Section eight of Act Numbered Three thousand and fifty, as amended by Act Numbered Three thousand one hundred, is hereby further amended by inserting a new subsection after subsection (g) which shall read as follows:

"(h) The Board is authorized to grant loans to persons contributing to or receiving pension from the 'Teachers' Pension and Disability Fund' on the basis of not more than forty per cent of the total sum contributed by the applicant at the time his application is filed with the Pension and Investment Board': *Provided*, That the person actually receiving pension who has heirs shall be allowed to borrow from the 'Teachers' Pension and Disability Fund' at any time from the forty per centum of the total amount contributed to the fund by the applicant or from the thirty per centum of the total amount of pensions accruing to said applicant for a period of one year and that in no case shall exceed three hundred pesos: *Provided, further*, That after the death of the pensioner such obligation shall be paid from the pension to be received by his successors in interest. The total sum contributed by the applicant shall be accepted as sufficient security for the loan and in case of separation from the service, the loan plus interest thereon shall be deducted from the three per centum contribution which would otherwise be refunded to the teacher so separated from the service. All loans made under this paragraph shall be paid within a period of one year, and the officer in charge of paying the salary of the borrower, is hereby authorized to deduct from such salary or pension a proportionate amount in monthly instalments to cover the amount of the loan and interest within such period: *Provided, finally*, That the loans to be granted under the provisions hereof shall be taken from the portion of the 'Teachers Pension and Disability Fund' available for investment under the provisions of subsection (c) of this section."

SEC. 2. All acts or parts of acts in conflict with this Act are hereby repealed.

SEC. 3. This Act shall take effect immediately upon its approval.

Approved, November 29, 1932.