



MC No. 07, s. 2013

MEMORANDUM CIRCULAR

TO : ALL HEADS OF CONSTITUTIONAL BODIES, DEPARTMENTS, BUREAUS, AND AGENCIES OF THE NATIONAL GOVERNMENT; LOCAL GOVERNMENT UNITS; GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS WITH ORIGINAL CHARTERS; AND STATE UNIVERSITIES AND COLLEGES

SUBJECT : Implementing Rules and Regulations of Republic Act No. 10154, Otherwise Known As An Act Requiring All Concerned Government Agencies to Ensure the Early Release of the Retirement Pay, Pensions, Gratuities and Other Benefits of Retiring Government Employees

The landmark legislation aimed at ensuring the early release of retirement benefits of public officials and employees who have spent the best years of their lives serving the government was enacted as Republic Act No. 10154 on July 14, 2011.

The law mandates the release of the retirement pay, pensions, gratuities and other benefits of all retiring employees of the government in all branches, agencies, and/or instrumentalities, including government owned and/or controlled corporations, except the Armed Forces of the Philippines, within thirty (30) days from their date of retirement, provided all the necessary requirements have been timely submitted.

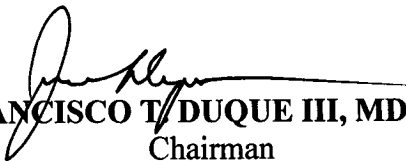
Section 6 of the aforesaid law mandates the Civil Service Commission to promulgate and issue the appropriate rules and regulations necessary to carry out the provisions of the law, after consultation and coordination with the government agencies and/or instrumentalities affected by its implementation.

Hence, after consultation and coordination with concerned government agencies and/or instrumentalities, the Commission has promulgated CSC Resolution No. 1300237 dated January 30, 2013 entitled "Implementing Rules and Regulations of Republic Act No. 10154, Otherwise Known As An Act Requiring All Concerned Government Agencies to Ensure the Early Release of the Retirement Pay, Pensions, Gratuities and Other Benefits of Retiring Government Employees."

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Attached is the Implementing Rules and Regulations which was published on March 2, 2013 in the Manila Times and shall take effect on March 17, 2013 or fifteen (15) days after its publication.

Heads of Departments and Agencies are mandated to comply strictly with the provisions of the said Implementing Rules and Regulations.


FRANCISCO T. DUQUE III, MD Msc.
Chairman

MAR 25 2013

AGR/AFF/X45/X50(volt 106-D1)
CSC MC on IRR of RA 10154



Implementing Rules and Regulations of Republic Act No. 10154, Otherwise Known As An Act Requiring All Concerned Government Agencies to Ensure the Early Release of the Retirement Pay, Pensions, Gratuities and Other Benefits of Retiring Government Employees

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Number: **1300237**

Promulgated: **30 JAN 2013**

RESOLUTION

WHEREAS, under Section 3 of the 1987 Constitution provides that the Civil Service Commission, as the central personnel agency of the Government, shall adopt measures to promote morale, efficiency, integrity, responsiveness, progressiveness and courtesy in the service;

WHEREAS, the enactment into law of Republic Act No. 10154 is a landmark legislation aimed at ensuring early release of retirement benefits of public officials and employees who have spent the best years of their lives serving the government;

WHEREAS, Section 1 of Republic Act No. 10154 expressly declares that the State shall ensure the timely and expeditious release of the retirement pay, pensions, gratuities and other benefits of all retiring employees of the government;

WHEREAS, Section 6 of the same law mandates the Civil Service Commission to promulgate and issue the appropriate rules and regulations necessary to carry out the provisions of the law, after consultation and coordination with the government agencies and/or instrumentalities affected by Republic Act No. 10154;

WHEREFORE, the Commission hereby **ADOPTS** and **PROMULGATES** the following implementing rules and regulations of Republic Act No. 10154:

**RULE I
PRELIMINARY PROVISIONS**

Section 1. **Title.** These Rules shall be known and cited as the "Implementing Rules and Regulations of Republic Act No. 10154."

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Section 2. Declaration of Policy. It is the policy of the State to ensure the timely and expeditious release of the retirement pay, pensions, gratuities and other benefits of all retiring employees of the government. Public officers and employees who have spent the best years of their lives serving the government and the public should not be made to wait to receive benefits which are due them under the law. The highest priority shall be given to the payment and/or settlement of their pensions, gratuities and/or other retirement benefits.

RULE II COVERAGE AND INTERPRETATION

Section 3. Coverage. These Rules shall cover the release of retirement pay, pensions, gratuities and other benefits of retiring government employees in all branches, agencies and/or instrumentalities of the government, including government-owned and/or controlled corporations (GOCCs), except personnel of the Armed Forces of the Philippines, and shall apply to applications for compulsory retirement and optional or early retirement as authorized by law.

Section 4. Definition of Terms. For purposes of these Rules, the following terms shall mean:

- a. Agency – refers to any bureau, office, commission, administration, board, committee, institute, government owned and/or controlled corporation with or without original charter, whether performing governmental or proprietary function, government schools, state colleges or universities, or any other unit of the national government as well as local government units.
- b. *Force majeure* – events or circumstances which could not be foreseen, or which though foreseen, are inevitable.
- c. Pending case – a pending administrative case shall be construed as such when the disciplining authority has issued a formal charge or a notice of charge/s to the respondent.
- d. Retirement benefits – remuneration, which include pensions, gratuities, terminal leave benefits, and other benefits, given to an official or employee by reason of his/her retirement from government service.



RULE III PERIODS FOR RELEASE

Section 5. Periods for Release of Retirement Benefits. Retirement benefits of retiring government employees shall be released to them within a period of thirty (30) days from the actual retirement date of the concerned employee. The employer-agency must, however, submit all requirements for purposes of retirement to the concerned agency at least ninety (90) days prior to the effectivity date of the retiree's retirement. To complete all said requirements in due time, the employee concerned shall file his/her expression of intent to retire at least one hundred twenty (120) days prior to his/her actual retirement date, as outlined further under Section 10 hereof.

The occurrence of *force majeure* or other insuperable causes shall toll the running of the prescribed period. Upon cessation of the occurrence of *force majeure* or other insuperable causes, the running of the prescribed period shall continue.

Retirement benefits granted under the Government Service Insurance Act of 1997 shall be released to the retiree on his/her last day of service in the government: Provided, That all requirements are submitted to the Government Service Insurance System (GSIS) at least ninety (90) days prior to the effective date of retirement; Provided, further, That should the employer-agency fail to submit all requirements to the GSIS at least ninety (90) days prior to the effective date of retirement, the release of the retirement benefits shall be moved corresponding to the number of days of delay of submission of the complete requirements; Provided, finally, That employees who avail themselves of the optional retirement in making his/her intention to retire known upon the filing of the application to retire, will be released his/her benefit one hundred (100) days after his/her submission of the complete documents to his/her employer-agency.

Section 6. Retiring Employees with Pending Cases. Retirement benefits of retiring employees may only be withheld if the employee has a pending administrative case, the outcome of the case involves a possible pecuniary liability on the part of the employee, and the law specifically authorizes the withholding of the retirement benefits. In no case, however, shall the terminal/accrued leave benefits of a retiring employee be withheld because of a pending administrative case.

The head of agency where the administrative case against a retiring employee is pending shall ensure that said case is terminated/resolved within a period of three (3) months from the effectivity date of retirement of the concerned employee. After the lapse of such period and the case has not yet been terminated/resolved, without justifiable reason/s and/or without fault or delay attributable to the retiring employee, the retirement benefits due shall be immediately released to him/her without prejudice to the outcome of the case. The concerned quasi-judicial agency where the case is pending shall determine and resolve issues pertaining to aforesaid fault and/or delay. For this purpose, appeal taken by the employee shall constitute a justifiable reason for the non-release of his/her retirement benefits.



Section 7. Notice of Pendency of Case. The retiring employee shall seek Clearance of Pendency/Non-Pendency of Administrative Case from his/her employer agency, Civil Service Commission (CSC), Office of the Ombudsman, or in case of presidential appointees, from the Office of the President.

RULE IV
**RESPONSIBILITIES OF THE EMPLOYER-AGENCY
AND RETIRING EMPLOYEES**

Section 8. Responsibilities of Employer-Agency. The government agency where the employee will retire shall:

- a. Send the retiring employee a letter not later than one (1) year prior to the effectivity date of his/her retirement, informing him/her to submit his/her expression of intent to retire as provided under Section 9 hereof, and notifying him/her to submit the necessary requirements at least one hundred (100) days prior to the effectivity date of his/her retirement.

If discrepancy in the retiree's personal records was noted, the notice shall also include an advice to the retiree to make the necessary request for correction of personal information in the records of the Civil Service Commission (CSC) in accordance with existing rules of the CSC.

Moreover, the employer-agency shall compute the retiree's total number of accumulated years of government service. Should the same be less than fifteen (15) years at the retiree's expected date of retirement, the retiree shall be informed that he/she may request directly before the CSC for the extension of his/her service. For this purpose, the extension of service shall in no case exceed one (1) year and shall be subject to existing civil service laws, rules and regulations.

- b. Upon submission of an employee's written intent to retire, provide the retiring employee with the retirement application form, with the accompanying checklist of all the requirements for retirement purposes;
- c. Upon submission of the requirements, the date of such submission shall be stamp marked on the corresponding item in the retirement application form in clear bold marks, countersigned by the proper receiving and validating employee;



- e. Process the application for retirement, compute the appropriate retirement benefits, and verify the authenticity, accuracy and consistency of the data contained in the documents submitted;
- f. Not later than ninety (90) days prior to the actual date of retirement, endorse to GSIS, Department of Budget and Management (DBM) and other concerned agencies the request of the retiring employee together with the complete set of documentary requirements.

In addition, the employer-agency shall submit to the DBM a list of its officials and employees who shall compulsorily retire in the next succeeding fiscal year for the latter's incorporation in the proposed budget;

- g. National government agencies or those requesting for subsidy from the national government shall accomplish and submit to DBM the list of mandatory retirees for the succeeding year; and
- h. Upon receipt of the required funds from the DBM, record and release such funds to the retiring employee within the period prescribed under Section 5.

Section 9. Responsibilities of Retiring Employees. The retiring employee shall:

- a. Submit a written expression of intent to retire indicating the desired date of retirement and the retirement package he/she intends to avail at least one hundred twenty (120) days prior to his/her actual retirement date; and
- b. Submit the complete documentary requirements prescribed by the employer-agency not later than one hundred (100) days prior to the actual/intended date of retirement.

RULE V RESPONSIBILITIES OF THE DEPARTMENT OF BUDGET AND MANAGEMENT

Section 10. Responsibilities of the Department of Budget and Management. For terminal leave benefits and retirement gratuity under Republic Act No. 910, Republic Act No. 1568, Republic Act No. 1616, as amended, and other relevant laws, DBM shall perform the following:

- a. Include in the proposed national budget the funding requirements for retiring employees based on the list of retirees submitted by employer-agencies;

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- b. Within a period of thirty (30) days from the effectivity of these implementing rules, issue a standard list of documents required to be submitted by the retiring employee and the employer-agency to the DBM for the appropriate retirement benefits;
- c. Within one (1) day from receipt of documents, ascertain whether all documents in the prescribed standard list have been submitted, and if incomplete, immediately call the attention of the employer-agency;
- d. Should inconsistency in the data or some lacking documents are found, notify within three (3) working days therefrom the employer-agency in writing of such inconsistency or lacking documents; and
- e. Within ten (10) days from submission of all documentary requirements, verify the computation, ascertain whether the grant and amount of retirement benefits are in accordance with law, and release the required funds to the employer-agency; Provided, that an additional ten (10) days shall be required if initial findings indicate that a more comprehensive legal due diligence is needed.

RULE VI PENAL PROVISIONS

Section 11. **Administrative Offenses and Penalties.** Officials and/or employees who, without justifiable reason, fail or refuse to:

- a. receive a complete application for retirement;
- b. act on and/or process a complete retirement application within the periods provided for by RA No. 10154 and these Rules; or
- c. release the pension, gratuities and other benefits due to a retiring employee within the said periods,

shall be liable, after hearing and due proceedings, for violation of Republic Act No. 10154 and these Rules and shall be penalized with suspension from the service without pay from six (6) months to one (1) year; and dismissal from the service for the second offense, subject to the provisions of existing Civil Service laws and rules and regulations.

Administrative liability shall not be attributed to officials and employees who fail to act on an application for retirement or release retirement benefits within the prescribed periods by reason of *force majeure* and other insuperable causes.



In the determination of liability under this Section, the official and/or employee who fail to comply with his/her responsibility within the appropriate periods prescribed under Rules III, IV and V hereof shall be held liable for violation of Republic Act No. 10154 and these Rules.

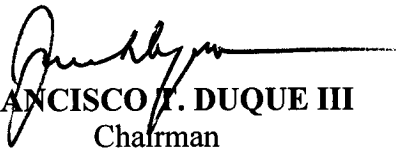
RULE VII FINAL PROVISIONS

Section 12. **Separability Clause.** If any provision in these Rules, or application of such provision to any circumstance, is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 13. **Repealing Clause.** Any other issuance, rule or regulation and/or parts thereof contrary to or inconsistent with these Rules is hereby repealed, amended, and/or modified accordingly.

Section 14. **Effectivity Clause.** This IRR shall take effect after fifteen (15) calendar days from its publication in the Official Gazette or in a newspaper of general circulation.

Quezon City.


FRANCISCO T. DUQUE III
Chairman


MARY ANN Z. FERNANDEZ-MENDOZA
Commissioner


ROBERT S. MARTINEZ
Commissioner

Attested by:


DOLORES B. BONIFACIO
Director IV

Commission Secretariat and Liaison Office