

SEVENTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Maximo B. Rodriguez, Jr.

House Bill No. **6823**

EXPLANATORY NOTE

Section 7, Article XVI (*General Provisions*) of the 1987 Constitution states:

SEC. 7. The State shall provide immediate and adequate care, benefits, and other forms of assistance to war veterans and veterans of military campaigns, their surviving spouses and orphans. Funds shall be provided therefore and due consideration shall be given them in the disposition of agricultural lands of the public domain and, in appropriate cases, in the utilization of natural resources.

In 1994, Republic Act No. 7696, entitled "An Act Amending Certain Sections of Republic Act No. 6948 Otherwise Known As 'An Act Standardizing And Upgrading The Benefits For Military Veterans And Their Dependents'," was enacted to provide comprehensive benefits to war veterans, military retirees and their surviving spouses and dependents. Through the years, however, the national government was not able to fulfill its commitment to pay such benefits due to inadequate budgetary appropriations.

As of December 2006, the Philippine Veterans Affairs Office (PVAO) of the Department of National Defense (DND) has reported that the total estimated arrears has already accumulated to P 21 billion. This amount does not include the arrears in old-age pensions, death pensions and educational benefits amounting to P5.4 billion which the national government has been paying since 2006 until 2008. Thus, payables to veterans and their beneficiaries continue to escalate, making it very difficult for the government to honor its commitment.

The national government must therefore create a mechanism to settle its outstanding obligations to the veterans, military retirees and their dependents. Hence, the proposed measure seeks to utilize the proceeds from the development, lease, or other use of government properties. In the process, the national government will accomplish its constitutional mandate of providing assistance to said beneficiaries without affecting the national budget.

In view of the foregoing, passage of this bill is earnestly sought.

MAXIMO B. RODRIGUEZ, JR.

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AN ACT

PROVIDING FOR THE PAYMENT OF ARREARS IN THE VETERANS' PENSIONS AND BENEFITS MANDATED PURSUANT TO REPUBLIC ACT NO. 7696, AS AMENDED, OTHERWISE KNOWN AS AN ACT STANDARDIZING AND UPGRADING THE BENEFITS FOR MILITARY VETERANS AND THEIR DEPENDENTS AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. **Declaration of Policy.** – It is hereby declared the policy of the State to provide immediate and adequate care and benefits to war veterans by allotting the necessary funds to pay for the arrears in the payment of pensions and other benefits of the veterans and military retirees or their dependents.

SEC. 2. **Coverage.** – This Act shall apply to the lease, development or use of the following properties of the government:

- a. Former site of the Philippine Veterans Affairs Office (PVAO) at Arroceros Street, Ermita, Manila;
- b. Veterans Memorial Medical Center in Quezon City;
- c. Taguig Industrial Estates;
- d. Properties given by the Japanese government to the Philippine government under the Reparations Agreement, including the Roponggi, Nampeidai and Fujimi properties in Tokyo, and the Noniwacho and Obanoyama properties in Kobe; and
- e. Other properties that may be identified by the Office of the President.

SEC. 3. **Privatization and Management Office.** – The Privatization and Management Office (PMO) of the Department of Finance is hereby authorized to implement the actual marketing for the lease, development or use of the above properties and to perform the following:

- a. Execute and deliver, on behalf of the national government, the deeds, contracts and other instruments as may be necessary or appropriate to effect the lease, development or use of said properties;
- b. Engage external expertise as may be necessary in the fulfillment of its tasks;
- c. Submit periodic reports to the PVAO on the status of private sector participation in the lease, development or use of said properties; and
- d. Adopt such rules and regulations as may be necessary to effect the provisions of this Act.

SEC. 4. **Funding Source.** – All proceeds from the lease, development or use of the properties mentioned in Section 2 hereof shall be utilized to fund the pension and benefits of veterans and military retirees, whether in arrears or due for payment by the national government: *Provided*, That any shortfall in payment of pensions and benefits to veterans and military retirees shall be settled by the national government from other sources.

All proceeds and receipts from the lease, development or use of said properties except operational expenses shall be remitted directly to any government bank as the depository bank and managed by the Philippine Veterans Affairs Office for purposes of automatic distribution of pensions and benefits directly to war veterans and military retirees.

SEC. 5. **Implementing Rules and Regulations.** – The Secretary of National Defense shall, in coordination with the Secretary of Finance, issue the necessary rules and regulations for the effective implementation of this Act within six (6) months after its effectivity.

SEC. 6. **Repealing Clause.** – All laws, decrees, executive orders, issuances, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 7. **Effectivity.** – This Act shall take effect fifteen (15) days following the completion of its publication in at least two (2) national newspapers of general circulation.

Approved,