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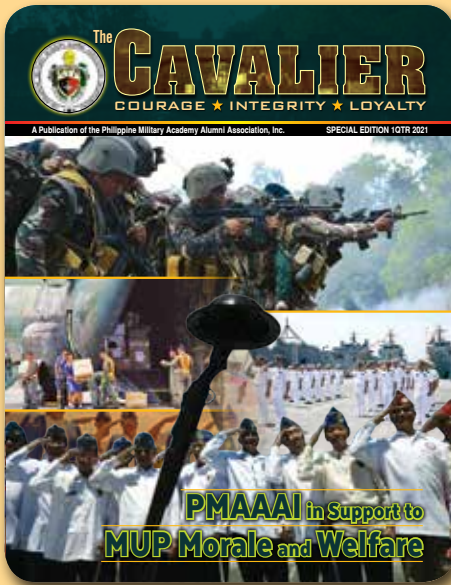
A Publication of the Philippine Military Academy Alumni Association, Inc.

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PMAAAI in Support to
MUP Morale and Welfare

ABOUT THE COVER



The Board of Directors for Association Year 2020-2021 takes pride of what they have achieved, especially in pursuing the advocacy of advancing the welfare of the Military and Uniformed Personnel.

This special edition of the Cavalier Magazine details the efforts exerted by the Board to accomplish the goals set for the Association year and to take recognition of those in the national government who helped the Board to be inspired in pushing for such goals despite obstacles.

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The **CAVALIER** magazine is a professional journal published quarterly by the Philippine Military Academy Alumni Association, Inc. (PMAAAI), to provide a general forum for the alumni of the Philippine Military Academy. The opinions expressed in this magazine do not necessarily reflect the views or policies of the PMAAAI or any other agencies of the Philippine government unless otherwise specified by the author.

Letters to the editor are encouraged. Your opinion about The Cavalier and the articles in the issue would be appreciated.



The CAVALIER

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NOTE: Cavalier or Cav is the formal address used for PMA alumni.

Readers may now view The Cavalier online at pmaaaai.com.ph

Send your letters to:

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Some articles have been edited to meet space requirements.



REMARKS of the Outgoing PMAAAI CHAIRMAN

CAV EDGAR B. AGLIPAY '71

Championing the Welfare of the MUPs

The Military and Uniformed Services is a calling like no other. Serving our country as uniformed personnel require not only acquired skills and knowledge, but, more importantly, a willingness to sacrifice one's own life if needed. Unfortunately, while the demands of this calling are high and wide, the uniformed services often get passed by, unnoticed. The service's mandate, while larger-than-life, is often thankless.

Partly owing to the nature of our profession where recognitions are never sought and where complaining is virtually non-existent, the welfare of our uniformed personnel, both active and retired, were unintentionally placed on the sidelines. There was a need to raise the welfare concerns of our service people high and loud enough for any long-term and sustainable solutions to be formulated and implemented.

No one can understand soldiers more than fellow soldiers. True to its heritage of being the premiere leadership institution of our country, the Philippine Military Academy Alumni Association Incorporated (PMAAAI), an organization of active and retired officers of the Military and Uniformed Services, sets out to advance the interests and welfare of not only of its members, but also of the whole organization, from the lowest privates fresh from boot camp up to the most senior retirees who are already in the twilight of their lives. Spanning several years, the efforts of PMAAAI were borne out of genuine concern of our fellow MUPs' welfare and carried out thru the combined efforts of the Board, its members, and everyone who lent their support in one way or another.

One of the most critical parts of this endeavor was establishing a stable communication with the national

leadership who have the power to actually realize the aspirations of our thrusts. This starts from the President Rodrigo Roa Duterte himself, who has been supportive in all thrusts to uplift the morale of the country's MUPs. His support is critical all throughout the entire duration of PMAAAI's subsequent efforts to provide the planned welfare programs for our comrades.

Another major success that PMAAAI achieved was the successful resumption of the Philippine Constabulary Veteran's Pension. This was realized, again, when PMAAAI successfully aired the issue to the President, through the mediation of fellow cavaliers in national-level positions. Cavaliers who, despite attaining some of the country's highest positions, never forgot where they came from, the organizations they belonged to, and the people they worked with.

Securing the payment of Pension Indexing Arrears to retirees who were affected was also a milestone in this particular endeavor. While the process has been long and wrought with numerous initial rejections, this effort eventually resulted to the approval of the budget needed to grant our comrades the compensation that they are rightly entitled to. Again, this would not be possible if not for the efforts of fellow cavaliers who share the same passion of serving our service people, both active and retired.

All in all, championing for the welfare of our MUPs is a long and arduous journey. It does not end here and may actually not end sometime in the near future. But rest assured, the PMAAAI, with all its capacities and capabilities as an organization, will continue advancing this cause until our comrades are provided the amount of care and attention that they inherently deserve.





REMARKS of the Incoming PMAAAI CHAIRMAN

CAV AMADO T ESPINO JR '72

Sustaining the Momentum Gained in the MUPs Programs

Change, while being inherently inevitable, is also concerning for numerous reasons. For one, change brings upon the potential to uproot what has been started. Another source of concern is that change brings uncertainty to the table. Most of the time, what will happen after a change occurs is everybody's guess. I believe that this concern is universal. Whether we are transferring to a new home, transitioning to a new job, or simply meeting new people, our main concern is continuity. This is especially true when organizations change leadership.

As the new chairman of the PMAAAI, I admit that I plan to introduce new thrusts regarding the overall direction of our organization. But, in all honesty and sincerity, if there is one thing that I will not change, it will be the direction of the improvement of the welfare of our Military and Uniformed Personnel, which was already set and established by my predecessors.

Much were already gained in the past few years regarding this particular area. Several issues in the past, such as pension indexing and fulfillment of obligations to our retirees, were already resolved. But I do believe that promoting the welfare of our fellow service people, both active and retired, is a continuing process. Continuing, because I do not expect this thrust to end anytime soon, and a lot of the initial ground works were already started. I believe that this is where I come in: to provide

continuity to these programs. To keep the ball rolling, so to speak.

The previous board started the thrust to amend Executive Order No. 201 s 2016 which, along with the Confederation of Uniformed Services Association (CONUSA), the PMAAAI believe to be unfair and unjust, denying our fellow service people the grants that they rightly deserve. Likewise, PMAAAI also started the path to enact a bill to rationalize the MUPs' retirement and disability benefit, potentially benefitting our military and coastguard personnel. Several proposed improvements in the basic and special compensation of our active MUPs were also championed by the previous board such as the increase in base pay and several allowances. Lastly, several short-term and immediate practices such as extending support to our frontline military and police brothers and sisters were initiated in the past, setting a precedence of proactive participation by the PMAAAI in current affairs and issues of the larger Philippine society.

In terms of advancing the welfare of our brothers and sisters, I can say, without a hint of doubt, that the PMAAAI is already in the right track. I would like to assure all of our stakeholders, the PMA Alumni Association and the larger Military and Uniformed Personnel Community that as the newly installed Chairman, all of the board's efforts in this area will be devoted in sustaining the already gained momentum of these programs.





REMARKS of the Outgoing PMAAAI PRESIDENT

CAV EMMANUEL B PERALTA '91

Glad to be of Service to MUPs

This special edition of Cavalier Magazine highlights the efforts we extended during our term as members and officers of the PMAAAI Board. We are glad to have contributed something for the welfare of our military and uniformed services personnel and extend the Association's social responsibility not only to fellow Cavaliers, but to all MUPs, active and retired.

The leadership of Cav Edgar Aglipay '71 steered everyone concerned to push through with the indexing of MUP pension, based on current rate of their salaries, and other projects that the Board had embarked. From Day 1 to recent developments, the Association's board, past and present, did not lose their spirit to push for the projects, despite all the obstacles encountered.

The efforts of the outgoing Board Officers were not limited to the MUP Pension Indexing but also included humanitarian endeavors in this pandemic time. Cavalier Aglipay had his hands full in coordinating, tapping assets, attending necessary meetings and appointments to keep tab on the status of the projects, doing the proverbial paper trails to see to it that the necessary documents were in the right hands, in the right office, and in the right period of time so there would be no unnecessary back-logs. We are just as grateful because he was the chairman during our term.

We at the Board believe in the adage, **"team work makes the dream work."** Kudos go to all those who volunteered their

time, efforts, sweat, and tears to make the laid down thrusts and projects of the Board for the Association Year 2020-2021 become tangible, concrete and a reality. Because everyone became a team player and put to fore their love for the Association and in the Association's policies they have adhered to, we were able to achieve our goals, although we could have done more.

I encourage everyone to read every page of this issue to have a better grasp of the works that we humbly had done. We are hoping that in our humble capacity, we have done our respective tasks with flying colors, in all humility, with full courage, intergrity, and loyalty.

I encourage everyone to read every page of this issue to have a better grasp of the works that we humbly had done. We are hoping that in our humble capacity, we have completed our respective tasks with flying colors, in all humility, with full courage, intergrity, and loyalty.

We are keeping our fingers crossed that fellow cavaliers and other comrades in the profession of arms, appreciate our initiatives in coming up with the endeavors we have accomplished for a worthier motive, because all of these

projects and programs will ultimately serve the needs of many of our fellow cavaliers and countrymen.

Every page connotes what we have worked for in the entire Association Year. If ever we have been remiss in some, kindly understand our human limitations and the circumstances prevailing during our term. Rest assured we shall carry full support and cooperation to the incoming Board Officers and members.

If God is with us, who could be against us.





About Philippine Military Academy Alumni Association, Inc. (PMAAAI)

The Philippine Military Academy Alumni Association, Inc. is a non-stock, non-profit corporation organized under the laws of the Philippines and registered with the Securities and Exchange Commission (SEC) in 1980. Before its incorporation, the Association had been existing since 1948. Among the purposes are:

1. To safeguard the prestige and reputation of the PMA, and live up at all times to the Academy's ideals of Courage, Integrity and Loyalty;
2. To strengthen the spirit of camaraderie among its members and enhance their professional growth and career advancement; and
3. To promote the general welfare and protect the interest of its members.

Vision

PMAAAI: Perpetuating the ideals of our Alma Mater, promoting the general welfare of its members and providing support in the pursuit of national security.

Mission

To promote the general welfare and the interest of its members, safeguard the prestige and reputation of the PMA, strengthen the spirit of camaraderie among its members, enhance the professional growth and career advancement, and advocate the moral standards of PMA, and support the high ideals of the uniformed services and good governance

Values

The values that shall guide the PMAAAI are:

1. **Courage** - the fearlessness and the gallantry to stand up and fight for what is right in the face of great odds and the ability to acknowledge a wrong in the face of adverse circumstances; fortitude, valor, bravery and prowess tempered by judicious judgment.
2. **Loyalty** - the strong and enthusiastic allegiance towards loved ones, superiors, the constitution and constituted authority permeated with a strong and enthusiastic feeling or sentiment; an allegiance that is solid and indivisible to the country, an allegiance that is discrete and not debasing or enslaving;
3. **Integrity** – the character trait that exemplifies honesty, uprightness, moral soundness and strong principles.
4. **Culture of Excellence** – a way of life in search of Excellence in the performance of duty in all its aspects.

Goals

In general, the goals that PMAAAI shall pursue are the following:

1. Attain and maintain financial viability.
2. Pursuit of the best interests of its members.
3. Promotion of the general welfare.
4. Uphold the highest ethical standards.

Programs

In pursuit of the above goals, specific programs must be formulated in line with each specific goal. Programs for a specific

association year is the responsibility of the association's leadership each year. Among such programs may be the following: could be the increase in membership base and in the membership dues, increase in the benefits of the members such as the "abuloy" and the medical assistance to members, conduct of symposia on ethics and professionalism on a regular basis, opening opportunities for employment and development of enterprises for members through effective and extensive networking among others.

Activities

The activities of the Association, aside from the annual membership meeting on the fourth Saturday of January, include the alumni homecoming in Baguio on the third Sunday of February during which the Cavalier Awards are presented, publication of the quarterly "Cavalier" magazine, holding of annual sportsfest and, occasionally, Cavaliers Cup (Golf and Shootfest), symposia and seminars.

Alumni Chapters

The PMAAAI has six major chapters, namely: Army Chapter, Air Force Chapter, Navy Chapter, PNP Chapter, PCG Chapter and PMA Retirees Association, Inc. and various fraternal chapters. A member has to belong to one major chapter, and may join any fraternal chapter as he wishes. The Association is also organized into classes.

Size and Scope

The PMA has produced more than 11,200 graduates for automatic membership to the PMAAAI since its founding in 1948 in consonance with its Bylaws. These over 11,200 members have served in the military, police, coast guard, other law enforcement agencies, government, corporate, non-profit, educational, and other leadership and management positions at various levels of responsibility. Members currently reside in the Philippines and other countries worldwide.

Organization and Governance

The management of the affairs and business of the Association is vested in a Board of Directors composed of 20 regular members elected by the General Assembly during the annual meeting.

All graduates of PMA are automatically regular members of the Association. Graduates of foreign armed service academies commissioned in the regular force of the AFP are eligible for regular membership, while ex-cadets of the PMA who were separated therefrom under honorable conditions and other officers who served in the PMA for at least two years are eligible for association membership. This also includes graduates from foreign armed service academies who were not commissioned in the AFP and PNP, provided that their membership will be officially endorsed by a PMA Class.

All regular and associate members have the right to vote and to be voted upon. Benefits and privileges of members in good standing include, among others, the following: "Abuloy" in the amount of P60,000.00 to the next of kin upon death of members; medical assistance in the maximum amount of P50,000.00 for members who are suffering from a serious or dreadful disease or a serious injury; free Cavalier Magazine and use of the Transient Officers Quarters in Camp Aguinaldo at a very minimal cost.

On the other hand, members have the obligation to pay a one-time membership fee and monthly dues or lifetime dues at specified amount, except those who have already celebrated their Class 50th anniversary after graduation.



PMAAAI in Support to the Military and Uniformed Services Personnel (MUP) Morale and Welfare

• CAV ARISTON V DELOS REYES '71

A. Introduction

The issuance of Presidential Executive Order No. 201 s 2016 (EO 201) resulted in the grant of provisional allowance and officer's allowance only for military and uniformed services personnel (MUP) in the active service in lieu of adjustment of base pay effective 1 January 2016. Consequently, those in the active service could not be entitled to adjustment of their allowances pegged to the base pay such as but not limited to longevity pay, instructor's duty pay, sea duty pay and flying pay. Likewise, the retirees could not be entitled to indexing of their pension to the new rate.

In June 2016, the Confederation of Uniformed Services Associations (CONUSA) was organized consisting of various MUP organizations with the Association of General and Flag Officers (AGFO) as lead convenor. Its primary purpose was to work for the amendment of EO 201 effective 1 January 2016 so that the MUP may be entitled to increase in base pay in lieu of the provisional allowance and officer's allowance. The Philippine Military Academy Alumni Association, Inc. (PMAAAI) and one of its Chapters, the PMA Retirees Association, Inc. (PMARAI) then led by Chairman and Chief Executive Officer (CEO) Cav Anselmo S Avenido, PMA Class of 1967 and Chairman, Cav Melchor P Rosales, PMA Class of 1968, respectively, joined the CONUSA and fully supported the effort. Also, Cav Rosalino A Alquiiza PMA Class of 1955, actively participated in CONUSA meetings.

On 1 January 2018, the President approved the Joint Resolution No. 1 (JR 1) which authorized the adjustment of MUP base pay and consequent pension indexing to the new rate.

From then on, the PMAAAI would continue supporting and working for the upliftment of the MUP morale and welfare by supporting the Chain of Command in its efforts to provide more benefits for them. It is noteworthy that this recently adopted program of PMAAAI does not involve any cost to the organization at all, save for the few pesos needed for the printing of Board Resolutions and the necessary correspondence to the President and other stakeholders.

Then in 2020, the outbreak of the COVID-19 Pandemic would lead the PMAAAI to donate much-needed personal protective equipment to military and police hospitals.

These efforts are in consonance with the PMAAAI's CY 2020-2025 Strategic Plan which includes among others, the focus in the area of deepening social responsibility by getting involved in nation building programs and participation in making Philippines a better world. Same is unprecedented and additional to the traditional and continuing efforts and activities pertaining to alumni affairs and support to PMA.

B. PMAAAI Efforts in Support to MUP Morale and Welfare Benefits

1. **Pasasalamat sa Pangulo** - Then Chairman and CEO, (2018-19), Cav Jaime S Delos Santos, PMA Class of 1969 spearheaded the joint MUP courtesy call on President



To express their appreciation and gratitude to Pres Rodrigo Roa Duterte, the PMAAAI leadership gave him a framed letter of thanks (see page 8) in a simple ceremony dubbed as *Pasasalamat sa Pangulo*, held at Malacanang Palace on 4 October 2018. With the President were (from left) Cav Carlito S Galvez '85; then Chief of Staff; AFP; Cav Hermogenes C Esperon Jr '74, National Security Adviser; Cav Delfin N Lorenzana '73, Secretary, DND; Cav Jaime S De los Santos '69, then, Chairman, PMAAAI; Cav Ernesto G Carolina '70, Administrator, PVAO; Cav Eduardo M Ano '83, Secretary, DILG; Cav Oscar D Albayalde '86 then, CPNP; and Sen Bong Go.



Heads of Veterans groups, Military and other Uniformed Personnel, also attended the *Pasasalamat sa Pangulo*.



DBM undersecretary Janet Abuel handing over to Cav Edgar B Aglipay, Chairman and CEO, PMAAAI the SARO/NCA for the PC veterans' pension.

Rodrigo R. Duterte at Malacanang Palace on 4 October 2018 to thank him for approving JR 1. It was participated in by key MUP officials in the Chain of Command and heads of various CONUSA member associations. During the ceremony, the Chairman presented a framed letter to the President, on behalf of all the MUP, active and retired including the veterans and their loved ones, expressing their utmost gratitude for the numerous measures adopted by the President and Commander-in-Chief to promote their morale and welfare, foremost of which was his approval of JR 1.

2. **Supported the Prompt Implementation of MUP Pension Indexing in 2019** - On 2 May 2019, Chairman and CEO for 2019-20, Cav Rufo A De Veyra, PMA Class of 1970, and President Cav Arthur V Bisnar, PMA Class of 1990, jointly wrote President Rodrigo R Duterte, through Secretary Delfin N Lorenzana, PMA Class of 1973, recommending that the President order the Department of Budget and Management (DBM) to generate funds to implement pension indexing in 2019, even in the absence of approved budget for the purpose (**Annex A**). Contrary to the customary position of DBM, Senator Panfilo M Lacson, PMA Class of 1971, advised that the President is authorized, under the Constitution, to order the payment of pension indexing by utilizing unused funds which the President subsequently approved. Hence, by 15 June, the pension indexing was implemented retroactive on 1 January 2019. This initiative by PMAAAI was definitely a big boost to the morale of MUP retirees who had long been anticipating the pension adjustment
3. **Supported the Resumption of Philippine Constabulary (PC) Veterans' Pension** - On 17 November 2019, Cav Edgar B Aglipay, PMA Class of 1971, Chairman of the Board, BIRCI (2019-20) wrote DBM requesting for the issuance of the Special Allotment Release Order (SARO) and corresponding Notice of Cash Allocation (NCA) amounting to P245.5 million for the pension requirements in the Fourth Quarter 2019 for the 18,651 PC veterans which was unjustifiably withheld by the DBM. Same was favorably endorsed by Chairman De Veyra. The DBM did not reply to the letter; hence, the PMAAAI Board of Directors approved the Board Resolution No. 19-44, approving the letter to the President requesting for the resumption of old age pension of the PC veterans. On 21 January 2020, Cav De Veyra and Cav Aglipay, Outgoing

and Incoming Chairman, respectively, forwarded the letter to President Duterte through Secretary Eduardo M Ano, PMA Class of 1983, Department of the Interior and Local Government who in turn, submitted same to the Office of the President (**Annex B**). Thus, during a meeting in Malacanang in February 2020, it was decided that withholding the payment of the PC veterans' pension by DBM had no legal basis and should be resumed. The meeting ended with the ceremonial handing of the SARO/NCA by the DBM representative to Cav Aglipay and Undersecretary Ernesto G Carolina, PMA Class of 1970, Administrator PVAO. The monthly pension for said veterans resumed by February 2020 with all arrears duly paid.

4. **Supported the Entitlement of MUP Retirees to 2018 Pension Indexing Arrears** - On 16 June 2020, Chairman Aglipay wrote President Duterte requesting that he order the DBM to include the amount of P38.4 billion for 2018 pension indexing arrears in the proposed budget for 2021 (**Annex C**). In 2019, the Department of National Defense and other concerned MUP agencies included the amount needed in their proposed budget for 2020. However, the DBM declined to fund same, alleging that the retirees are not entitled to pension indexing for the duration of the suspension even if it was already lifted effective 1 January 2019. Finally, on 25 August 2020, in a letter to Defense Secretary Lorenzana, the DBM Secretary informed that the issue which DND has also raised was referred to the Department of Justice for opinion which in turn favored the payment of said arrears. DBM further informed that it had included an amount for the purpose in the proposed budget for 2021.

C. Recent Initiatives

1. **Pursued the Amendment of Executive Order No. 201 s 2016**- Pursuant to Board Resolution 19-42, Chairman Aglipay wrote a letter to President Duterte dated 13 October 2020 (**Annex D**) recommending the amendment of EO 201 so that the MUP in the active service will be entitled to adjustment of base pay and the retirees to pension indexing to the adjusted base pay effective 1 January 2016. By so doing, the injustice brought forth to the MUP by subject EO will finally be rectified.
2. **Pursued the Enactment of a Bill to Rationalize the MUP Retirement and Disability Benefits** - Pursuant to

Board Resolution No. 19-43, Chairman Aglipay, through his letter dated 13 October 2020 (**Annex E**), endorsed to Congressman Michael Edgar Aglipay a draft bill that will rationalize/equalize the separation and retirement benefits among the MUP. It seeks to increase the maximum pension in the military from 85 to 90 percent in order to be at par with that allowed for uniformed services personnel. It will allow the military and coast guard retirees to receive in advance and in lump sum their retirement pay for the first five years to be at par with that for retired DILG uniformed personnel. The retirement grade of the CSAFP and Chief PNP shall be one rank higher at Salary Grade 31. Further, the proposed bill will adopt Section 35 of RA 8551 to allow for increased disability benefits for the military and concerned uniformed services personnel, equal to that for DILG uniformed personnel. The proposal was also endorsed to Senate President Tito Sotto.

3. **Endorsed to the Senate President the draft Joint Resolution authorizing the increase in MUP base pay** equivalent to that already granted to civilian government personnel effective 1 January 2020, pursuant to Republic Act No. 11466, otherwise known as Salary Standardization of 2019. The proposal calls for salary adjustments in four annual tranches effective 1 January 2022 and based on Ra 9166 s 2002 which provides that the rate of base pay of officers and enlisted personnel in the AFP shall be adjusted in accordance with the equivalent salary grade for each military rank as provided therein. Incremental increases from P50 to P350 from the rank of candidate soldier to technical sergeant have been included in order to minimize the excess of their pay over their civilian employees of equal grade. It may be recalled that JR No. 01 s 2018 allowed high percentage of increases at the lower ranks and which significantly exceeded their civilian counterparts. The proposed JR also provides for pension indexing to the new base pay rate (**Annex F**). Through another letter, Chairman Aglipay recommended to President Duterte that he certify the JR as urgent bill.

4. **Submitted the Proposed Increase of MUP Laundry Allowance to P125** - On 13 October 2020, Chairman Aglipay wrote the President recommending the adjustment of the monthly MUP laundry allowance from P60 for officers and P30 for enlisted personnel and equivalent ranks to a uniform rate of P125, equal to the present entitlement of public health workers (**Annex G**). Refer to Tab (Kung Gusto May Paraan) to Annex G for the background on how the current MUP laundry allowance was granted in 1998.
5. **Submitted position/comments to the Senate President and Chairman, Senate Committee on National Defense and Security, Peace, Unification and Reconciliation regarding the Senate Bill 1419** or the MUP Separation, Retirement, and Pension Act of 2020 which is sponsored by Senator Bong Go (**Annex H**). **The bill, if enacted, will stop MUP pension indexing; MUP pension shall be made contributory; and for new entrants, compulsory retirement shall be at age 65 and optional retirement after 30 years of service.**
6. **Forwarded a letter to President Duterte requesting that he order the DBM to fund the 2018 MUP pension arrears utilizing available funds in 2021 (Annex I). The DBM published that due to reduction of 2021 Pension Gratuity Fund by Congress, DBM has yet to look for funds for payment of the arrears. However, Senator Lacson advised that needed fund to implement same may be charged from 2021 Miscellaneous Personnel Benefits Fund.**

D. Donation of Much Needed PPEs to Military and Police Hospitals During the COVID-19 Pandemic

The PMAAAI donated P1.3M worth of personal protective equipment (PPE) to AFP Medical Center, Army General Hospital, Air Force Hospital, Manila Naval Hospital, and PNP General Hospital for their frontliners in the battle against the novel corona virus (COVID-19) who were in desperate need for the PPEs due to their initial shortage nationwide. Chairman Aglipay spearheaded the fundraising for the activity which included donations from cavaliers and other donors. It was indeed a very worthwhile project of the PMAAAI in the middle of the pandemic.



Cav Edgar B Aglipay '71, Chairman and CEO, PMAAAI (2nd from left), Cav Emmanuel B Peralta '91, President and COO, PMAAAI with Cav Delfin N Lorenzana '73, Secretary, DND (extreme left) turn over PPEs to Cav Benjamin D Santos, Jr '91, PMAAAI PNP Chapter President for PNP General Hospital.



Cav Ceazar E Pascua '03 (3rd left), Secretary, PMAAAI PAF Chapter, receives the PPEs for the frontliners of the Air Force General Hospital from (left to right) Cav Lorenza, Cav Aglipay, Cav Peralta and Cav Pequiras.



The PPEs for the PN Hospital frontliners were turned over to Cav Carlos V Sabarre '91, President, PMAAAI PN Chapter.

E. Assessment

The recent thrust of the PMAAAI to support the enhancement of the MUP morale and welfare is a significant milestone as its activities over the years have been focused on alumni affairs only, to include providing various financial assistance to its members as well as support to PMA. However, developments in the last few years prompted the PMAAAI to address the need to get involved in supporting the chain of command in defending the MUP pension system which is non contributory and indexed to the prevailing base pay rate.

For instance, EO 201 deprived the MUP of their salary increases in 2016 and 2017 because the previous administration wanted to unduly deny the retirees of their pension adjustment. Whereas, the EO granted outright salary increase to all civilian government personnel effective 2016 and also the pension indexing to the new pay rate for retired justices and members of the constitutional commissions.

Again, RA 11466 granted salary increases only for civilian government employees effective 2020. Prior to EO 201, salary standardization used to be simultaneous among all government personnel, civilian and MUP.

Even the pension arrears in the past had been paid only after many years of delay.

Further, there have been various moves and proposed enactments to drastically change the MUP pension system from the perspective of it being more of a financial issue with minimal consideration for its adverse implications to MUP morale in general and to the future military recruitment in particular.

F. Commitment

The PMAAAI will therefore continue monitoring the progress of its pending proposals in order to strengthen its support to the enhancement of MUP morale and welfare.



4 October 2018

PRESIDENT RODRIGO ROA DUTERTE
Malacañang Palace, Manila

Dear Mr. President:

On behalf of all the military and uniformed personnel (MUP), active and retired including the veterans, and their loved ones, Commanders, Heads and Chiefs of Bureaus and Offices, and Board Chairmen and Presidents of the different uniformed services associations express their utmost gratitude for the numerous measures adopted by the President and Commander-in-Chief to promote their morale and welfare.

Foremost is the President's approval of the increase in the base pay of the MUP in the active service in lieu of provisional allowance and officers' allowance; thereby, entitling them to corresponding increase in their pay and allowances that are pegged to the base pay, as well as the 36-month lump sum and commutation of leave balance of those who retired from the service effective 01 January 2018.

Moreover, the President also approved the resumption of the indexation of pension of retired MUP with respect to the base pay increase, ultimately benefiting more than 220,000 pensioners and their loved ones.

Further, the MUP deeply appreciates the President's Comprehensive Social Benefits Program (CSBP) which he approved on 03 November 2016. The Program aims to effectively deliver social services/assistance to the MUP who become casualties in the line of duty and their families, covering the period 01 July 2016 onward. The benefits provided under the Program include: special financial assistance, shelter assistance, health care assistance, educational assistance, and employment assistance.

Indeed, the MUP, active and retired including the veterans, and their loved ones are greatly indebted to and will long remember President Rodrigo Roa Duterte for his genuine concern in promoting their morale and welfare.

We have never experienced the demonstration of a deep and sincere caring of a Commander-in-Chief to his troops. Such display of affection has motivated, inspired and moved us to render the best services needed by our people and our country. *Salamat sa walang sawa ninyong pagkilala sa papel na ginagampanan ng ating mga pulis, sundalo at iba pang unipormadong tauhan sa pagpapanatili ng pambansang kaayusan at kapayapaan upang matiyak ang kaligtasan ng ating mahal na mamamayan at bayan.*

Salamat sa muli't muling pagpapaalala ninyo na pantay lang naman ang kahalagahan ng buhay ninyo at buhay ng sundalo at pulis at pare-pareho tayong handang mamatay para sa bayan.

Very respectfully yours,

LTGEN JAIME S DE LOS SANTOS AFP (RET)
Chairman and CEO, PMAAAI
Lead Convenor

ANNEX A



PHILIPPINE MILITARY ACADEMY ALUMNI ASSOCIATION, INC.

PMA Alumni Center, A.Luna Ave., Camp General Emilio Aguinaldo, Quezon City
Tel. Nos. 912-5074/913-3937 Fax. 912-9318 Catex: 774-4724 E-mail: pmaaal@yahoo.com

2 May 2019

PRESIDENT RODRIGO ROA DUTERTE

Office of the President
Malacañang Palace, Manila

Thru:

HONORABLE DELFIN N LORENZANA
Secretary of National Defense

OFFICE OF THE SECRETARY, DND
Tel: 982-5840 Fax: 911-8213
By: TE Abella
Date: 2 May 2019
Time: 10:17
Tracking Nr: 1519 - 0026

Dear Mr. President:

On behalf of all the veterans (retired military personnel) and retired uniformed personnel, who are collectively designated as Military and Uniformed Personnel (MUP), numbering more than 220,000, we have the honor to respectfully request the President to order the Officer-in-Charge, Department of Budget and Management to issue Notice of Cash Allocation (NCA) for the release of funds to cover the MUP pension indexing effective 1 January 2019.

As of this writing, the DBM has yet to issue guidelines on the implementation of MUP pension indexing for 2019. Such delay, together with the news alleging that the Senate deleted the budget for pension indexing only, fanned rumors that there will be no pension adjustment for this year to the detriment of the morale of the retirees particularly among those at the lower ranks.

On 29 April 2019, the retirees had a sigh of relief when Senator Panfilo Lacson clarified the matter through email that the 2019 Pension and Gratuity Fund (PGF) was cut by the Senate Finance Committee by P39 billion, the reason being, in 2018, PGF allocation was underutilized. The cut left the MUP-PGF with P77 billion which will not suffice to provide for indexing in 2019. However, Senator Lacson further informed that the President is authorized, under the Constitution, to augment the same from other sources like the Miscellaneous Personnel Benefit Fund (MPBF) which as of Dec 2018 had P43 billion in unused appropriations.

Meanwhile, the MUP, active and retired, as well as the Filipino people in general, fully appreciate and laud the political will and drive of the President for good governance foremost of which was his veto of various line items in the 2019 GAA amounting to P95.3 billion, because they were either unconstitutional or not included in his priority programs.

*Recd by:
Lynlaquina 02 May 2019*

Mr. President, again, in behalf of all the MUP, active and retired, we have the honor to respectfully recommend that the President initiate a proposed supplemental budget to make good use of P95.3 billion to rectify once and for all the injustices wrought by Executive Order No 201 s 2016 to the MUP as follows:

1. On the premise that the President will amend EO 201 so that the MUP base pay adjustment shall take effect retroactively on 1 January 2016, the retirees will be entitled to pension arrears of about P35 billion for 2016 and 2017. For the same period, those in the active service will also be entitled to arrears for their pay and allowances that are pegged to the base pay. It may be recalled that the Confederation Of Uniformed Services Associations (CONUSA) has advocated the Amendment of EO 201 through a letter to the President dated 1 July 2016, reiterated through a letter on 1 January 2017, and lastly, through its letter on 8 November 2017; and,

2. Funding for pension arrears in 2018 amounting to P40 billion pursuant to Joint Resolution No.1 s 2018.

The deprivation and delays in granting the MUP benefits due them have resulted in a rapidly increasing disparity between the MUP pension and that for the retired justices and members of the Constitutional Commissions. This is exemplified by the monthly pension of the Chief of Staff, AFP, with Salary Grade (SG) 30 which has remained at P86,000 since 2012. Comparatively, that of a retired Deputy Ombudsman, also with SG 30, is about to increase, surely, to P237,000 soon. His pension was already about P180,000 in 2017.

Such relative deprivation of the MUP of benefits due them because of the discriminatory provisions of EO 201 should already be put to an end by compensating them accordingly as above-mentioned and for which the kind and favorable consideration of the President is humbly requested.

Very Respectfully Yours,

[Signature]
MGEN RUF0 DE VEYRA AFP (RET)
Chairman, PMAAAI

[Signature]
PCOL ARTHUR V BISNAR PNP
President, PMAAAI

Cc: Confederation Of Uniformed Services Associations (CONUSA)

ANNEX B



PHILIPPINE MILITARY ACADEMY ALUMNI ASSOCIATION, INC.

PMA Alumni Center, A. Luna Ave., Camp General Emilio Aguinaldo, Quezon City
Tel. Nos. 912-5074/913-3937 Fax: 912-9318 Catex: 774-4724 E-mail: pmaaa@yahoo.com

21 January 2020

PRESIDENT RODRIGO ROA DUTERTE

President of the Philippines
Malacanang Palace, Manila

Dear Mr. President,

On behalf of more than 220,000 retired military and uniformed personnel (MUP) and veterans, please allow us to express their utmost gratitude for your approval of Joint Resolution Number 1s 2018 (JR1) which authorized the resumption of their pension indexing to the prevailing rate and which you order implemented in 2019 using available government funds. Moreover, it also authorized the adjustment of base pay of those in the active service; thereby, subsequently entitling them to the increase in all their allowances that are pegged to the base pay. Indeed, the JR1 is a boost to the morale of all the MUP, active and retired and for which they will long remember and remain indebted to you as their Commander-in-Chief who is genuinely concerned for their morale and welfare.

Mr. President, once again, we would like to take this opportunity to request another favor, this time, on behalf of 18,651 veterans who served in the former Philippine Constabulary (PC) and have been receiving their old age pension from the Philippine Veterans Affairs Office (PVAO). Regretfully, the Department of Budget and Management (DBM), without prior coordination with concerned agencies such as the Commission on Audit, Department of National Defense (DND) and PVAO, have suddenly stopped releasing funds for their pension since October 2019; thereby, resulting in their mixed feelings of disbelief, demoralization and frustration. The DBM alleged that the PC retirees though

having served in the military could not be entitled to said pension because they were not dropped from rolls of the AFP when they transferred to the PNP.

The DND through a series of written communications with the DBM justified that the PC retirees are indeed qualified veterans for having served in the military for at least six years pursuant to RA 6948; hence, their pension should not be stopped. The DND further reiterated the release of P245.444 million for their pension from October to December 2019. The DBM has yet to reply to these letters which include:

1. 1st Endorsement dated October 16, 2019 of PVAO Administrator's Letter dated October 11, 2019 (Annex A);
2. 2nd Endorsement dated November 5, 2019 of PVAO Administrator's Letter dated October 29, 2019 (Annex B); and,
3. SND's Letter dated December 27, 2019 (Annex C).

Hence, we therefore respectfully request your kind favor of ordering Active Secretary Wendel E. Avisado to release the necessary funds without any further delay so that the PVAO pension of the PC veterans may be resumed effective October 2019 and monthly thereafter.

Very respectfully yours,


P/GEN EDGARDO B. AGLIPAY, PNP (Ret)
Incoming Chairman (FY 2020-2021)


MGEN RUEL O A DE VEYRA, AFP (Ret)
Outgoing Chairman (FY 2019-2020)

CC: Secretary of National Defense

ANNEX C



PHILIPPINE MILITARY ACADEMY ALUMNI ASSOCIATION, INC.

PMA Alumni Center, A.Luna Ave., Camp General Emilio Aguinaldo, Quezon City
 Tel. Nos. 912-5074/913-3937 Fax. 912-9318 Catex: 774-4724 E-mail: pmaaa@yahoo.com

16 June 2020

PRESIDENT RODRIGO ROA DUTERTE
 Office of the President
 Malacañang Palace, Manila

Thru: **SECRETARY DELFIN N LORENZANA**
 Department of National Defense
 Camp Aguinaldo, Quezon City

Dear Mr. President

On behalf of more than 220,000 retired military and uniformed personnel (MUP) and veterans, I have the honor to express once again their sincerest gratitude for your approval of Joint Resolution Number 1 series 2018 (JR1) which authorized the resumption of pension indexing to the prevailing rate and which you ordered implemented in 2019 using available government funds. Undoubtedly, said adjustment has been a great boost to their morale and uplift of their welfare.

Mr. President, once again, I would like to take the opportunity to request another favor and this concerns the funding for the MUP pension indexing in 2018 amounting to P38.4 billion. It may be recalled that JR1 suspended the pension indexing to the new base pay rate of those in the active service which would automatically be lifted on 1 January 2019 or upon activity of a pension reform law, whichever comes earlier.

The lifting of the suspension of pension indexing also automatically entitled the retirees arrears for pension indexing for 2018. Thus, in 2019, concerned MUP agencies included the amount needed in their proposed budget for 2020. However, the Department of Budget and Management (DBM) declined to fund same, alleging that the retirees are not entitled to pension indexing for the duration of the suspension even if it was already lifted effective 1 January 2019.

The said refusal by DBM contravened the earlier pronouncement by former DBM Secretary Benjamin E Diokno as our Guest Speaker during the Philippine Military Academy Alumni Association Incorporated (PMAAAI) Annual General Membership Assembly and Convention on 27 January 2018. In his speech (attached), he expounded on the provisions of the JR1. In the later part of his speech and to the delight of the audience, he declared that the government owes the retirees P38.4 billion for pension indexing in 2018 and would already include it in the proposed budget for 2019. Hence, the Association finds no cogent and justifiable reason for the sudden reversal of the DBM's position on the matter after the incumbency of Secretary Diokno.

Hence, respectfully request your kind favor of ordering Secretary Wendel E Avisado to include the amount of P38.4 billion for 2018 pension indexing in the proposed Presidential Budget for 2021.

Very respectfully yours,

PGEN EDGAR B. AGLIPAY, PNP (RET)
 Chairman and CEO, PMAAAI

cc: Secretary of the Interior and Local Government

OFFICE OF THE SECRETARY
 Tel: 987-6646 Fax: 911-6213
 By: TS Abello
 Date: 26 Jun 2020
 Time: 2:42
 Telephone No. _____



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 GENERAL SOLANO STREET, SAN MIGUEL, MANILA

Ref. No.: 2020-BD-0045358

AUG 25 2020
SECRETARY DELFIN N. LORENZANA
 Department of National Defense
 Camp Gen. Emilio Aguinaldo, Quezon City

Dear **Secretary Lorenzana**:

This pertains to your request for the release of funds in the amount of P23,015,954,810.12 for the payment of FY 2018 pension differentials of retired military personnel due to the implementation of the Joint Resolution (JR) No. 1, s. 2018. Said entitlement was referred to the Department of Justice (DOJ) for opinion.

The DOJ took note of the Congress deliberations in the passage of JR No. 1. Secretary Guevarra concluded that said deliberations merely pertain to suspension of payment of indexation in FY 2018, but not the entitlement thereto. Moreover, DOJ rests its opinion upon the doctrine that retirement laws are liberally construed in favor of the retirees. Parenthetically, the DOJ Opinion favors the MUP Retirees.¹

However, the said requirement was not included amongst the items appropriated for pension under Republic Act No. 11465, the General Appropriations Act of FY 2020 (GAA). In the absence of any available funding source in the current budget against which the request is to be charged, as well as the significant reduction by Congress in the appropriation of the Pension and Gratuity Fund from P125.538-Billion as proposed by the DBM to only P90.863-Billion, we cannot favorably act on your request at this time. We wish to assure you, however, that we have included an amount for the purpose in the proposed budget for FY 2021.

Meantime, we are placing your request on active file for future action. Thank you and God bless.

Very truly yours,

WENDEL E. AVISADO
 Secretary

cc: **Secretary Menardo I. Guevarra**
 Department of Justice

Office of the Executive Secretary
 Office of the President

¹ dated July 17, 2020, Opinion No. 31, s. 2020 signed by the DOJ Secretary Menardo I. Guevarra

ANNEX D



PHILIPPINE MILITARY ACADEMY ALUMNI ASSOCIATION, INC.

PMA Alumni Center, A.Luna Ave., Camp General Emilio Aguinaldo, Quezon City
Tel. Nos. 912-5074/913-3937 Fax. 912-9318 Catex: 774-4724 E-mail: pmaai@yahoo.com

13 October 2020

PRESIDENT RODRIGO ROA DUTERTE

Office of the President
Malacanang Palace, Manila

Thru:

HONORABLE DELFIN N. LORENZANA
Secretary of National Defense

OFFICE OF THE SECRETARY, DND
Tel: 982-5640 Fax: 911-6213
By: Cpl Lala8
Date: 21 Oct, 2020
Time: 0950 #
Tracking Nr: _____

Dear Mr. President:

This has reference to my previous letter as the Chairman and Chief Executive Officer of the Philippine Military Academy Alumni Association Inc. PMAAAI dated 2 May 2019 (Attachment 1) which among others, recommends the amendment of Executive Order (EO) No. 201 s. 2016 so that the MUP base pay adjustment shall take effect on 1 January 2016. The recommendation is in support to the advocacy of the Confederation of Uniformed Services Associations (CONUSA) for subject amendment through a letter to the President dated 1 July 2016, reiterated through a letter on 1 January 2017, and lastly, through its letter on 8 November 2017.

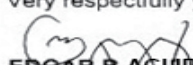
It may be recalled that during the 16th Congress, the Bicameral Committee was not able to reconcile both Houses' versions of the Salary Standardization Law of 2015. The Senate version allowed the indexation of retired MUP pension to the rate of base pay of those in the active service; that of the House did not. Thus, in lieu of an enactment, then President Benigno C. Aquino issued EO 201 which granted provisional allowance and officer's allowance in lieu of base pay adjustment, purposely to deny MUP pension adjustment but at the same time allowing the pension adjustment of retirees in the judiciary and the constitutional commissions. EO 201 was indeed a big let down for the MUP; more so, that it was initiated by their Commander-in-Chief. The deprivation was met with mixed emotion among the ranks : disappointment , sadness, frustration and to a certain extent, anger. The CONUSA in its Position Paper dated 7 November 2017, considers EO 201 "illegal, unconstitutional, unlawful, unduly oppressive and discriminatory against the active and retired military and uniformed personnel."

Thus, Mr. President, we implore you to end such injustice to the MUP. Please help them heal the wound, ease the pain that have lingered in their hearts and minds wrought by EO 201.

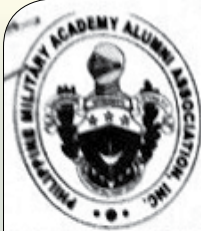
Hence, respectfully forwarded for approval by the President is the proposed EO (Attachment 2) amending EO 201 to recompense the MUP active or retired for lost benefits due them in 2016 and 2017. For those in the active service, the benefits include adjustment of longevity pay and other allowances such as flying pay, sea duty pay, and instructor's duty pay that are pegged to the base pay. Meanwhile, beneficiaries of pension indexing to the adjusted base pay include retirees and surviving spouses and qualified dependents among whom are the loved ones of the SAF 44 and those of others killed in action during the siege of Marawi City and Zamboanga City to name a few.

We hope for your kind consideration of the above request.

Very respectfully yours,


EDGAR B. AGLIPAY
PGEN PNP (Ret)
Chairman and CEO, PMAAAI

ANNEX E

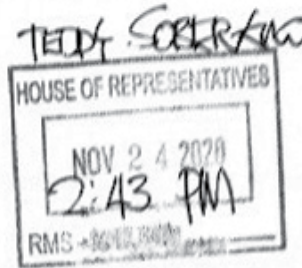


PHILIPPINE MILITARY ACADEMY ALUMNI ASSOCIATION, INC.

PMA Alumni Center, A.Luna Ave., Camp General Emilio Aguinaldo, Quezon City
 Tel. Nos. 912-5074/913-3937 Fax. 912-9318 Catex: 774-4724 E-mail: pmaaa@yahoo.com

13 October 2020

CONG MICHAEL EDGAR AGLIPAY
 Diwa Party List
 House of Representatives
 Quezon City




Dear Congressman Aglipay:

On behalf of more than 220,000 retired military and uniformed services personnel (MUP), I have the honor to endorse for enactment of the attached draft bill entitled **"AN ACT RATIONALIZING THE RETIREMENT AND DISABILITY BENEFITS OF MILITARY AND UNIFORMED SERVICES PERSONNEL"** in order to rectify the disparity of retirement benefits being granted to them as follows:

1. Increase maximum pension in the AFP from 85 to 90 percent in order to be at par with that allowed for the uniformed services personnel.
2. Allow the military and coast guard retirees to receive in advance and in lump sum their retirement pay for the first five years to be at par with the entitlement of DILG uniformed personnel pursuant to Section 34 of RA 8551.
3. Allow the retirement grade for CSAFP and Chief, PNP at SG 31 (one rank higher).

Further, the proposed bill adopts the provision of Section 35 of RA 8551 in order to provide for physical disability benefits that will apply to all MUP.

Very respectfully yours,


PGEN EDGAR B. AGLIPAY PNP (RET)
 Chairman and CEO, PMAAAI



DRAFT BILL

EIGHTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES Second Regular Session

House of Representatives

HB. No. _____

Introduced by _____

AN ACT RATIONALIZING THE RETIREMENT AND DISABILITY BENEFITS OF MILITARY AND UNIFORMED SERVICES PERSONNEL

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

Section 1. Short Title. - This Act shall be known as *“The Military and Uniformed Services Personnel (MUP) Retirement and Disability Benefits Rationalization Act of 2020.”*

Section 2. Declaration of Policy. - As provided in the 1987 Constitution, professionalism in the armed forces and adequate remuneration and benefits of its members shall be a prime concern of the State. Toward this end, the State shall develop implementing plans and programs to enhance professionalism in its armed forces by improving the lot of their members. As far as practicable benefits granted to them shall be equitable.

Section 3. Coverage.- The benefits provided herein shall apply to all military personnel under the Department of National Defense (DND), and uniformed personnel under the Department of the Interior and Local Government (DILG), Philippine Coast Guard (PCG), and National Mapping and Resource Information Authority (NAMRIA).

Section 4. Retirement Benefits. - The monthly retirement pay of the MUP shall be fifty percent (50%) of the base pay and longevity pay of the retired grade in case of twenty (20) years of active service, increasing by two and one-half percent (2.5%) for every year of active service rendered beyond twenty (20) years to a maximum of ninety percent (90%) for thirty-six (36) years of active service and over; Provided, That the retiree shall have the option to receive in advance and in lump-sum his retirement pay for the first five (5) years; Provided further, That the MUP retirement pay shall be subject to adjustments based on the prevailing rate of base pay in the active service: Provided finally, That for the Chief of Staff, AFP, and Chief PNP, with rank equivalent to Salary Grade 30 shall have the retirement grade equivalent to that for Salary Grade 31.

Section 5. Permanent Physical Disability Benefits. - Any MUP who is permanently and totally disabled as a result of injuries suffered or sickness contracted in the performance of his duty shall be entitled to one year’s salary and to lifetime pension equivalent to eighty percent (80%) of his last salary, in addition to other benefits to which MUP are already entitled under existing laws.

Section 6. Separability Clause. - If for any reason, any section or provision of this Act is held unconstitutional or invalid, no other section or provision shall be affected.

Section 7. Repealing Clause. - All laws, decrees, executive orders, rules and regulations, issuance or any parts thereof inconsistent with the provisions of this Act are deemed repealed or amended accordingly.

Section 8. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved:

HON VICENTE C SOTTO
President of the Senate

HON LORD ALLAN JAY Q VELASCO
Speaker of the House of Representatives

ANNEX F



PHILIPPINE MILITARY ACADEMY ALUMNI ASSOCIATION, INC.
PMA Alumni Center, A. Luna Ave., Camp General Emilio Aguinaldo, Quezon City
Tel. Nos. 912-5074/913-3937 Fax. 912-9318 Catex: 774-4724 E-mail: pmaaa@yahoo.com

12 February 2021

HONORABLE VICENTE C SOTTO III

President
Senate of the Republic of the Philippines
Pasay City

Dear Senate President Sotto:

On behalf of all the military and uniformed personnel, active and retired, and their loved ones, I have the honor to endorse for approval the attached draft **JOINT RESOLUTION AUTHORIZING THE INCREASE IN BASE PAY OF MILITARY AND UNIFORMED PERSONNEL IN THE GOVERNMENT AND FOR OTHER PURPOSES**. The proposal is intended to provide for an equivalent benefit package granted to civilian government personnel effective 1 January 2020 pursuant to Republic Act No. 11466 otherwise known as Salary Standardization Law of 2019.

The salary adjustments shall be in four annual tranches effective 1 January 2022 and based on the provision of RA 9166 s 2002 which provides that the rate of base pay of officers and enlisted personnel in the AFP shall be adjusted in accordance with the equivalent salary grade for each military rank as provided therein. Incremental increases from P50 to P350 from the rank of candidate soldier to technical sergeant have been included in order to minimize the difference in pay with their civilian counterparts. It may be recalled that Joint Resolution No.01 s 2018 allowed high percentage of increases at the lower ranks and which significantly exceeded those for civilian employees of equal grade.

The proposed joint resolution also provides for pension indexing to the new base pay rate which will only entail an average increase in monthly pension at about seven (7) percent.

The approval of the proposal will truly be a big boost to the morale of the military uniformed personnel and their loved ones.

Very respectfully yours,

EDGAR B. AGLIPAY
PGEN PNP (ret)
Chairman and CEO, PMAAAI

cc: Secretary of National Defense
Secretary of the Interior and Local Government
Secretary of Transportation

Republic of the Philippines
CONGRESS OF THE PHILIPPINES
Metro Manila

EIGHTEENTH CONGRESS
SECOND REGULAR SESSION
Begun and held in Metro Manila on ____

JOINT RESOLUTION NO. ____

**JOINT RESOLUTION AUTHORIZING
THE INCREASE IN BASE PAY
OF MILITARY AND UNIFORMED
PERSONNEL IN THE GOVERNMENT
AND FOR OTHER PURPOSES**

Whereas, Item 1 of Congress Joint Resolution (JR) No.4 S. 2009 stipulates that the Base Pay Schedule of Military and Uniformed Personnel (MUP) shall take into account prevailing economic realities and create professionalism, exemplary performance and commitment to service;

Whereas, Republic Act No. 11466 otherwise known as Salary Standardization Law of 2019, already authorized the grant of salary adjustment for civilian government personnel in four annual tranches effective 1 January 2020;

Whereas, Republic Act No. 9166 S 2002, otherwise known as An Act Promoting the Welfare of the Armed Forces of the Philippines by increasing the Rate of Base Pay and Other Benefits of Its Officers and Enlisted Personnel and for Other Purposes, provides that the rate of base pay of officers and enlisted personnel shall be adjusted in accordance with the equivalent salary grade for each military rank as provided therein;

Whereas, there is also a need to adjust the compensation package of MUP in order to make it more commensurate with their critical role in maintaining national security and peace and order, taking into consideration their exposure to high-

risk environments in the performance of their duties: Now, therefore, be it

Resolved by the Senate and the House of Representatives in Congress assembled, to modify the existing Base Pay Schedule of MUP, as follows:

I. Coverage. The modified Base Pay Schedule authorized herein shall apply to all military personnel

under the Department of National Defense (DND) and uniformed personnel under the Department of the Interior and Local Government (DILG), Philippine Coast Guard (PCG), and National Mapping and Resource Information Authority (NAMRIA).

II. Modified Base Pay Schedule. The modified Base Pay Schedule for MUP, to be Implemented in four (4) years, shall be as follows:

Beginning January 1, 2022

DND	SG (RA 9166)	DILG		PCG	NAMRIA	Monthly Base Pay
		BJMP and BFP	PNP and PSSC			
Candidate Soldier	7			Candidate Coastguardsman		P18,637
Private	10	Fire/Jail Officer I	Patrolman/ Patrolwoman	Apprentice Seaman/ Seaman Third Class	Apprentice Seaman/ Seaman Third Class	29,768
Private First Class	11			Seaman Second Class	Seaman Second Class	30,411
Corporal	12	Fire/Jail Officer II	Police Corporal	Seaman First Class	Seaman First Class	31,067
Sergeant	13			Petty Officer III	Petty Officer III	31,734
Staff Sergeant	14	Fire/Jail Officer III	Police Staff Sergeant	Petty Officer II	Petty Officer II	32,414
Technical Sergeant	15			Petty Officer I	Petty Officer I	33,106
Master Sergeant	16	Senior Fire/Jail Officer I	Police Master Sergeant	Chief Petty Officer	Chief Petty Officer	35,106
Senior Master Sergeant	17	Senior Fire/Jail Officer II	Police Senior Master Sergeant	Senior Chief Petty Officer	Senior Chief Petty Officer	38,464
Chief Master Sergeant	18		Police Chief Master Sergeant	Master Chief Petty Officer	Master Chief Petty Officer	42,159
First Chief Master Sergeant	19		Police Executive Master Sergeant	First Master Chief Petty Officer	First Master Chief Petty Officer	46,791
Cadet	19		Cadet	Cadet	Cadet	46,791
Probationary Second Lieutenant	19			Probationary Ensign	Probationary Ensign	46,791
Second Lieutenant	21			Ensign	Ensign	59,353
First Lieutenant	22	Inspector	Police Lieutenant	Lieutenant Junior Grade	Lieutenant Junior Grade	66,867
Captain	23	Senior Inspector	Police Captain	Lieutenant Senior Grade	Lieutenant Senior Grade	76,359
Major	24	Chief Inspector	Police Major	Lieutenant Commander	Lieutenant Commander	85,074
Lieutenant Colonel	25	Superintendent	Police Lieutenant Colonel	Commander	Commander	96,985
Colonel	26	Senior Superintendent	Police Colonel	Captain	Captain	109,593
Brigadier General	27	Chief Superintendent	Police Brigadier General	Commodore	Commodore	123,839

Major General	28	Director	Police Major General	Rear Admiral	Rear Admiral	139,939
				Vice Admiral	Vice Admiral	149,035
Lieutenant General	29		Police Lieutenant General	Admiral	Admiral	158,131
General	30		Police General			178,688

Beginning January 1, 2023

DND	SG (RA9166)	DILG		PCG	NAMRIA	Monthly Base Pay
		BJMP and BFP	PNP and PSSC			
Candidate Soldier	7			Candidate Coastguardsman		P18,687
Private	10	Fire/Jail Officer I	Patrolman/ Patrolwoman	Apprentice Seaman/ Seaman Third Class	Apprentice Seaman/ Seaman Third Class	29,868
Private First Class	11			Seaman Second Class	Seaman Second Class	30,561
Corporal	12	Fire/Jail Officer II	Police Corporal	Seaman First Class	Seaman First Class	31,267
Sergeant	13			Petty Officer III	Petty Officer III	31,984
Staff Sergeant	14	Fire/Jail Officer III	Police Staff Sergeant	Petty Officer II	Petty Officer II	32,714
Technical Sergeant	15			Petty Officer I	Petty Officer I	33,456
Master Sergeant	16	Senior Fire/Jail Officer I	Police Master Sergeant	Chief Petty Officer	Chief Petty Officer	36,628
Senior Master Sergeant	17	Senior Fire/Jail Officer II	Police Senior Master Sergeant	Senior Chief Petty Officer	Senior Chief Petty Officer	39,986
Chief Master Sergeant	18		Police Chief Master Sergeant	Master Chief Petty Officer	Master Chief Petty Officer	43,681
First Chief Master Sergeant	19		Police Executive Master Sergeant	First Master Chief Petty Officer	First Master Chief Petty Officer	48,313
Cadet	19		Cadet	Cadet	Cadet	48,313
Probationary Second Lieutenant	19			Probationary Ensign	Probationary Ensign	48,313
Second Lieutenant	21			Ensign	Ensign	60,901
First Lieutenant	22	Inspector	Police Lieutenant	Lieutenant Junior Grade	Lieutenant Junior Grade	68,415
Captain	23	Senior Inspector	Police Captain	Lieutenant Senior Grade	Lieutenant Senior Grade	76,907
Major	24	Chief Inspector	Police Major	Lieutenant Commander	Lieutenant Commander	86,742
Lieutenant Colonel	25	Superintendent	Police Lieutenant Colonel	Commander	Commander	98,886
Colonel	26	Senior Superintendent	Police Colonel	Captain	Captain	111,742
Brigadier General	27	Chief Superintendent	Police Brigadier General	Commodore	Commodore	126,267
Major General	28	Director	Police Major General	Rear Admiral	Rear Admiral	142,683
				Vice Admiral	Vice Admiral	151,957
Lieutenant General	29		Police Lieutenant General	Admiral	Admiral	161,231
General	30		Police General			182,191

Beginning January 1, 2024

DND	SG (RA9166)	DILG		PCG	NAMRIA	Monthly Base Pay
		BJMP and BFP	PNP and PSSC			
Candidate Soldier	7			Candidate Coastguardsman		P18,737
Private	10	Fire/Jail Officer I	Patrolman/ Patrolwoman	Apprentice Seaman/ Seaman Third Class	Apprentice Seaman/ Seaman Third Class	29,968
Private First Class	11			Seaman Second Class	Seaman Second Class	30,661
Corporal	12	Fire/Jail Officer II	Police Corporal	Seaman First Class	Seaman First Class	31,467
Sergeant	13			Petty Officer III	Petty Officer III	32,234
Staff Sergeant	14	Fire/Jail Officer III	Police Staff Sergeant	Petty Officer II	Petty Officer II	33,014
Technical Sergeant	15			Petty Officer I	Petty Officer I	33,806
Master Sergeant	16	Senior Fire/Jail Officer I	Police Master Sergeant	Chief Petty Officer	Chief Petty Officer	38,150
Senior Master Sergeant	17	Senior Fire/Jail Officer II	Police Senior Master Sergeant	Senior Chief Petty Officer	Senior Chief Petty Officer	41,508
Chief Master Sergeant	18		Police Chief Master Sergeant	Master Chief Petty Officer	Master Chief Petty Officer	45,203
First Chief Master Sergeant	19		Police Executive Master Sergeant	First Master Chief Petty Officer	First Master Chief Petty Officer	49,835
Cadet	19		Cadet	Cadet	Cadet	49,835
Probationary Second Lieutenant	19			Probationary Ensign	Probationary Ensign	49,835
Second Lieutenant	21			Ensign	Ensign	62,449
First Lieutenant	22	Inspector	Police Lieutenant	Lieutenant Junior Grade	Lieutenant Junior Grade	69,963
Captain	23	Senior Inspector	Police Captain	Lieutenant Senior Grade	Lieutenant Senior Grade	78,455
Major	24	Chief Inspector	Police Major	Lieutenant Commander	Lieutenant Commander	88,410
Lieutenant Colonel	25	Superintendent	Police Lieutenant Colonel	Commander	Commander	100,788
Colonel	26	Senior Superintendent	Police Colonel	Captain	Captain	113,891
Brigadier General	27	Chief Superintendent	Police Brigadier General	Commodore	Commodore	128,696
Major General	28	Director	Police Major General	Rear Admiral	Rear Admiral	145,427
				Vice Admiral	Vice Admiral	154,880
Lieutenant General	29		Police Lieutenant General	Admiral	Admiral	164,332
General	30		Police General			185,695

Beginning January 1, 2025

DND	SG (RA9166)	DILG		PCG	NAMRIA	Monthly Base Pay
		BJMP and BFP	PNP and PSSC			
Candidate Soldier	7			Candidate Coastguardsman		18,787
Private	10	Fire/Jail Officer I	Patrolman/ Patrolwoman	Apprentice Seaman/ Seaman Third Class	Apprentice Seaman/ Seaman Third Class	30,068
Private First Class	11			Seaman Second Class	Seaman Second Class	30,811

Corporal	12	Fire/Jail Officer II	Police Corporal	Seaman First Class	Seaman First Class	31,667
Sergeant	13			Petty Officer III	Petty Officer III	32,484
Staff Sergeant	14	Fire/Jail Officer III	Police Staff Sergeant	Petty Officer II	Petty Officer II	33,843
Technical Sergeant	15			Petty Officer I	Petty Officer I	36,619
Master Sergeant	16	Senior Fire/Jail Officer I	Police Master Sergeant	Chief Petty Officer	Chief Petty Officer	39,672
Senior Master Sergeant	17	Senior Fire/Jail Officer II	Police Senior Master Sergeant	Senior Chief Petty Officer	Senior Chief Petty Officer	43,030
Chief Master Sergeant	18		Police Chief Master Sergeant	Master Chief Petty Officer	Master Chief Petty Officer	46,725
First Chief Master Sergeant	19		Police Executive Master Sergeant	First Master Chief Petty Officer	First Master Chief Petty Officer	51,357
Cadet	19		Cadet	Cadet	Cadet	51,357
Probationary Second Lieutenant	19			Probationary Ensign	Probationary Ensign	51,357
Second Lieutenant	21			Ensign	Ensign	63,997
First Lieutenant	22	Inspector	Police Lieutenant	Lieutenant Junior Grade	Lieutenant Junior Grade	71,511
Captain	23	Senior Inspector	Police Captain	Lieutenant Senior Grade	Lieutenant Senior Grade	80,003
Major	24	Chief Inspector	Police Major	Lieutenant Commander	Lieutenant Commander	90,078
Lieutenant Colonel	25	Superintendent	Police Lieutenant Colonel	Commander	Commander	102,690
Colonel	26	Senior Superintendent	Police Colonel	Captain	Captain	116,040
Brigadier General	27	Chief Superintendent	Police Brigadier General	Commodore	Commodore	131,124
Major General	28	Director	Police Major General	Rear Admiral	Rear Admiral	148,171
				Vice Admiral	Vice Admiral	157,802
Lieutenant General	29		Police Lieutenant General	Admiral	Admiral	167,432
General	30		Police General			189,199

III. Indexation of Pension to Base Pay. The MUP pension shall continue to be indexed to the prevailing base pay as provided for in this Joint Resolution.

IV. Implementation Schedule. The modified Base Pay Schedule shall be implemented beginning January 1, 2022.

V. Funding Source. The amounts necessary to implement the increase in base pay in FY 2022 shall be sourced from the Miscellaneous Personnel Benefits Fund and

other available funds. The funding requirements for the succeeding years shall be included in the annual General Appropriations Act.

VI. Implementing Rules and Regulations. The Department of Budget and Management (DBM) shall issue such rules and regulations as may be necessary to implement this Joint Resolution.

Resolved, That this Joint Resolution shall take effect on January 1, 2022.

Approved:

HON VICENTE C SOTTO
President of the Senate

HON LORD ALLAN JAY Q VELASCO
Speaker of the House of Representatives

ANNEX G



PHILIPPINE MILITARY ACADEMY ALUMNI ASSOCIATION, INC.

PMA Alumni Center, A.Luna Ave., Camp General Emilio Aguinaldo, Quezon City
Tel. Nos. 912-5074/913-3937 Fax. 912-9318 Catex: 774-4724 E-mail: pmaaaai@yahoo.com

13 October 2020

PRESIDENT RODRIGO ROA DUTERTE

Office of the President
Malacañang Palace, Manila

Dear Mr. President:

On behalf of all the officers and men of the military and equivalent ranks in the uniformed services (MUP) in the active service, I have the honor to recommend for approval by the President of the adjustment of the monthly laundry allowance of P60 for officers and P30 for enlisted personnel and equivalent ranks, to a uniform rate of P125, effective 1 January 2021. The new rate is equal to the present entitlement of all public health workers. The present rates of MUP laundry allowance have been in effect since 1 January 1998; hence, the need to have them adjusted in order to compensate for the cumulative inflation over more than 22 years.

Should the recommendation merit your kind approval, further recommend that the fund requirement for the increase be chargeable from savings and then included in the annual appropriation effective 2022.

Finally, Mr. President, thank you very much for your continuing support to the enhancement of the morale and welfare of all the men and women in uniform.

Very respectfully yours,


EDGAR B. AGLIPAY
PGEN PNP (Ret)
Chairman and CEO, PMAAAI

Cc: Secretary of National Defense
Secretary of the Interior and Local Government
Secretary of Transportation
Secretary of Budget and Management

Tab to ANNEX G



Kung Gusto May Paraan

CAV ARISTON V DELOS REYES '71

*Laundry Allowance for the Military and Uniformed Personnel (MUP);
How We Got It and Lessons Learned*

Background

While still in the active service, I made it a must that in positions I held, the routine and usual tasks were duly accomplished. I also complied with the orders of the boss. I observed then that doing so would more often than not, be good enough for one to get promoted. One need not innovate. Change may even be risky because resistance by comrades and office mates alone could be strong enough to cause trouble, frustration or even create “enemies”. Worse and more difficult it will be if it is the boss who does not want change.

However, I took risks. I would not be content with doing the routine. I looked beyond them and sought for challenges to address, hoping to make the organization/office/unit better or promote the common good. I thought of and endeavored to make good things happen. The case below was one of them.

For details, I referred to my letter as former Commander, Naval Task Force 61 to the Flag Officer-in-Command Philippine Navy (FOIC, PN) dated 18 March 1998, Subject: Laundry Allowance: How We Got It and Lesson Learned/Other Prospect

Years ago, in the 1990’s and earlier, laundry allowance had been granted exclusively to military personnel performing certain specific duties only such as band members, aides de camp, and ceremonial guards. However, effective 1 January 1998, laundry allowance has been granted to all military and uniformed personnel (MUP).

Milestones on How We Got It

1. In 1992, while assigned as a division chief at the Office of the Chief for Plans and Programs (OPP), Department of National Defense (DND), I initiated a proposal that all military personnel be granted laundry allowance

inasmuch as they are required to be in uniform while on duty. Its grant would not necessitate enactment but only the approval by the President through the Department of Budget and Management (DBM) upon recommendation by the Secretary of National Defense (SND). Once approved, DBM would just include the amount needed in the proposed budget for the subsequent year with appropriate explanatory provision for approval by Congress. Concerned offices at DND agreed with the proposal. However, when referred to the General Headquarters, the AFP did not concur “due to non-availability of fund resources.” Had the GHQ concurred, the SND in that year could have initiated the request for fund to the DBM and the military personnel would have laundry allowance by 1993 or 1994.

2. In 1994, as the Assistant Chief of Naval Staff for Personnel, N1, Headquarters Philippine Navy (HPN), I recommended that the FOIC, PN to propose the grant of said allowance. He approved the concept and endorsed same to the General Headquarters Armed Forces of the Philippines (GHQ AFP). When followed up, the action office could not locate the FOIC PN letter. As advised, I resubmitted a copy of the letter. However, no action was taken on the matter at the GHQ AFP.
3. In 1996, as the Assistant Chief of Naval for Plans, N5, I initiated again a two- page personal letter to SND forwarding the same proposal. It was my third attempt and my letter was finally acted on.
4. On 03 March 1997, the Chief of Staff AFP (CSAFP) in a Memorandum to SND recommended approval of the proposal.
5. On 21 April 1997, the SND, in his letter to the DBM, recommended the grant of the allowance effective 1 January

1998 at a uniform rate of P125 per person which was equal to that authorized for a public health worker.

6. On 20 August 1997, the President approved the grant of laundry allowance not only for the military but also for the uniformed personnel of the Department of the Interior and Local Government (DILG).
7. On 14 February 1998, the President signed the 1998 General Appropriations Act which provided for the laundry allowance of the military and uniformed personnel of the DILG at P60 for officers and P30 for enlisted personnel.
8. On 23 February 1998, as Commander of Naval Task Force 61 (CNTF 61) headquartered in Zamboanga City, I initiated a personal letter to SND recommending the issuance of implementing directive for the AFP to grant the allowance.
9. On 6 March 1998, the AFP Comptroller Letter No. 98- 02 authorized monthly allowance at P60 for officers and P30 for EP effective 01 January 1998. However, I noted that the directive did not include the probationary officers and cadets.
10. On 17 March 1998, as CNTF 61, I informed the action staff officer at the AFP Comptroller Office the need to also grant the cadets and probationary officers said allowance as they are also military personnel. Subsequently, they were authorized P60.
11. On 17 August 1998, I was given the Award of the Gawad sa Kaunlaran by the FOIC PN for conspicuously exceptional service which contributed immensely in improving the life of military personnel.

The estimated additional annual benefits for the MUP has been about P100 million and will likely continue to remain in their paylips for generations to come. My two-page letter submitted in 1996 may well be considered the most expensive personal initiative chargeable from public funds which, on the other hand, is beneficial to all the MUP in the active service, then, now and in the future.

The idea was conceived in 1992 and finally implemented in 1998 or six years later. Same was achieved through a combination of initiatives through the Chain of Command and individual efforts. A new idea no matter how good it may be would not necessarily be easy to sell. In this particular instance, I had to put it in writing based on the doctrine of completed staff work and addressed to the right decision maker. Personal follow up through visits of concerned intermediary offices and innumerable phone calls to action staff officers, EP, and civilian employees were made. Handwritten “please”, “kindly”, “request”, and verbal “paki”, and “puwede ba?” had been very helpful. Most importantly, the DND had been very open and receptive to the idea right at the start of the initiative in 1992.

Lessons Learned

1. KUNG GUSTO MAY PARAAN. In this case, I made repeated attempts to recommend the change because it would benefit all military personnel. The stake was high. It was worth the effort. I

had nothing to lose in repeatedly writing letters to the decision maker. Finally, it ended well.

2. KUNG AYAW MARAMING DAHILAN. Resistance to change has to be reckoned with. Patience and perseverance will help in overcoming it. At times, it may help just to wait until the one who resists retires or gets reassigned.

3. WIN SOME; LOSE SOME. In reality, I did not get what I always wanted. I had failures too and that was perhaps because I had not been convincing enough for the chain of command to be supportive of needed changes in the 1990's and the 2000's. Unfortunately, where I failed, the military personnel, active or retired ended up being the losers, due to their lost opportunities to be granted additional and well-deserved benefits from the government. These were the following:


3.1. That a proposed bill be filed increasing the maximum pension of retired military personnel from 85 to 90 percent of base pay/ longevity pay in order to be at par with the entitlement of the uniformed personnel of the DILG.

3.2 That the government-subsidized compulsory life insurance (CLI) for the military personnel be resumed at GSIS. On 15 July 1997, I wrote the Chairman, Committee to Study the Compulsory Life Insurance of Military Personnel at GSIS. (It was headed by the Undersecretary for Veterans and Reservists Affairs and was created pursuant to Department Order No. 135 s-1996 specifically, to evaluate various studies that I submitted). I recommended that the DND/AFP work for the amendment of The Government Service Insurance Act of 1997 or RA 8291 so as to resume the coverage of the MUP under the CLI with GSIS, equal to the entitlement of the members of the judiciary and constitutional commissions. The monthly premium payment of members would be three (3) percent of base pay while the government pays an equal counterpart contribution. At present, the MUP are insured in respective private insurance firms, such as the AFPMBAI for the military, in which case, members are not entitled to counterpart contribution from the government. If all civilian government employees who work in offices are entitled to government-subsidized insurance, the MUP deserve the same. They used to enjoy that right until RA 8291 rescinded it.

Future Challenge

It may be recalled that pursuant to the letter of SND to the DBM dated 21 April 1997, the recommended laundry allowance was a uniform rate of P125 for officers and EP, equal to that for public health workers which has remained P125 to date. However, the DBM at that time, opted to reduce the proposed allowance equal to the prevailing rates then for military personnel performing specified duties entitled to the allowance.

Hence, it is reasonable and justifiable for the DND to recommend again to the President through DBM that laundry allowance for military personnel be made at par with the entitlement of public health workers at P125.

The other uniformed personnel agencies may consider recommending the same. 

ANNEX H


PHILIPPINE MILITARY ACADEMY ALUMNI ASSOCIATION, INC.

PMA Alumni Center, A.Luna Ave., Camp General Emilio Aguinaldo, Quezon City
Tel. Nos. 912-5074/913-3937 Fax. 912-9318 Catex: 774-4724 E-mail: pmaaaai@yahoo.com

10 February 2021

Senator PANFILO 'PING' MORENA LACSON SR

Chairman
Senate Committee on National Defense and Security
GSIS Bldg., Financial Center, Diokno Blvd.,
Pasay City

Dear Mr. Chairman:

May I respectfully inform our distinguished Senator of the position and comments of the Philippine Military Academy Alumni Association Incorporated (PMAAAI) to the Senate Bill 1419 or The Military and Uniformed Personnel (MUP) Separation, Retirement and Pension Act of 2020 as sponsored by Senator Bong Go.

Indeed, it is timely that the MUP Pension System shall undergo a review to assess the necessary changes to adopt to cope up with the times. But there are salient provisions in the S.B. 1419 that need to be reexamined and taken into consideration and these are as follows:

1. *Upon enactment, MUP pension indexing shall stop;*
2. *MUP in the active service and new entrants will contribute to their pension through monthly deduction from their base pay/longevity pay;*
3. *For new entrants, compulsory retirement shall be at age 65, and optional retirement shall be after 30 years of service but monthly pension will commence at age 60.*

Likewise, the comprehensive discussions on the issues are presented (*As Attached*). For coordinative details or inquiry, the PMAAAI is more than willing to contribute for the aptness of the S.B. 1419 for our soldiers and uniformed personnel thru telephone numbers 911-6001 loc 6782/6922/6045.

I hope this request merits the appreciation of our distinguished Senator.

Very truly yours,


PGEN EDGAR B. BAGLIPAY (Ret)
Chairman

Comments on Senate Bill 1419

(Military and Uniformed Services Separation, Retirement, and Pension Act of 2020)

• CAV ARISTON V DELOS REYES '71

A. Introduction

1. Senate Bill (SB) No. 1419 primarily aims to transform the military and uniformed services pension system from non-contributory to contributory. At present, the military and uniformed services personnel (MUP) do not contribute to their pension while in the active service. Hence, their pension is funded through annual appropriation. The Bill seeks to require the MUP while in the active service to contribute to their retirement through monthly payroll deduction, as in the case of civilian government employees who are members of the Government Service Insurance System (GSIS). The government as their employer pays its counterpart contribution to GSIS. The Bill, however, does not provide for government- subsidized compulsory life insurance and other benefits granted to GSIS members.
2. Upon effectivity of the Act, pension indexing to prevailing base pay rate will be stopped. Thus, only the retired members of the judiciary and constitutional commissions will continue to enjoy such entitlement and for those still in the service, continue availing of a non-contributory pension system.
3. The Bill also provides for other changes that the new entrants will have to bear considering that they tantamount to significant diminution of various benefits than the present retirees and those in the active service now are entitled. It will extend their mandatory retirement age from the present 56 to 65 years old; increase in the required number of years for optional retirement from 20 to 30 years and will only be entitled to monthly pension upon reaching the age of 60. (The minimum years of service for optional retirement of civilian employees is only 15 years.) Their retirement grade will be the rank on date of retirement and not one rank higher under the present system.
4. The Bill is the embodiment of the continuing advocacy by the Department of Budget and Management and some government officials for the drastic changes in the MUP pension system due to its "huge budgetary implications."

B. Comments on Main Issues

1. All pension systems that are non-contributory and indexed to the prevailing pay rate should be the subject of reform and not be limited to that for the MUP only. All other non-contributory pension systems such as those of the judiciary and constitutional commissions should likewise be reviewed. Otherwise, the planned Pension System will be discriminatory to the MUP.

2. The military's pension should be excluded from the coverage of SB 1419 and should remain non-contributory because it has constitutional and legal bases.
 - 2.1. Section 7, Article XVI (General Provisions) of the 1987 Constitution provides that *"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 therefor. . . ."* One of such benefits for the veterans which the government has already been funding since 1936 is the non-contributory military pension. Thus, an enactment that will make the system contributory and ultimately stop funding for it will be unconstitutional.
 - 2.2. Commonwealth Act No. 1 (S 1935) effectively established the military pension system as non-contributory and for which it initially allocated P300 million for 1936 and such amount or amounts annually appropriated thereafter.
 - 2.2.1. Section 97 provides budgetary items for pay and allowances of personnel, including the specific provision for *"amount or amounts annually appropriated for the pension and retirement fund for the army"*.
 - 2.2.2. Section 98. Appropriation of funds for 1936 provided P300 million for the pension and retirement fund (including P200 million for the retirement fund of the Constabulary). It is apparent that such fund would serve as the seed money that should have been built up and augmented from then on through annual appropriation.
 - 2.3. After 1987, and in consonance with the Constitution, the government further granted additional non-contributory veterans' monthly pensions such as old age pension upon reaching age 65 (RA 6948 S 1990) and total administrative disability pension upon reaching age 70 (RA 7696 S 1994); thus, affirming further that veterans pensions are intended to be non-contributory in accordance with the said provision of the Constitution.
 - 2.4. Pursuant to RA 6948 S 1990 as amended by RA 9396 S 2007, all retired military personnel are considered veterans.
3. The non-contributory AFP pension system is similar to and patterned after that of the United States Armed Forces except that the latter is indexed to cost of living adjustments (COLA). In the case of the AFP, Presidential

Decree No.1638 S 1979 granted pension indexing to the prevailing base pay rate. Years later, the military pension system was adopted for the other uniformed services which all turned out to be even more generous as maximum pension for PNP, BFP, BJMP (RA 6975 S 1990), and PCG (RA 9993 S 2010) is 90 percent as compared with 85 percent for the military. Then such pension indexing was likewise adopted for the judiciary and constitutional commissions at 100 percent of pay and allowances (RA 9946 S 2010).

4. The framers of the 1987 Constitution introduced the provision on benefits of veterans to be funded by the government and was subsequently ratified by the citizenry; hence, it is a gift of the Filipino people to soldiers who serve the country with honor and devotion to duty, and when called for, even at the risk of life and limb. It is therefore unconscionable that such gift will be unjustifiably recalled through enactment of SB 1419. Let it be known that the soldiers perform multifarious tasks and historically they have performed them well as enumerated below.

- 4.1. They are in the forefront of national defense and internal security operations.

- 4.1.1. During World War II, though ill equipped and lacking in preparedness, they fought gallantly against the Japanese invaders in Bataan and Corregidor; suffered the Death March then continued fighting the war through guerrilla warfare. At present, though still with limited capabilities, they occupy islands in the Kalayaan Island Group to show the Philippine flag and our determination to defend our territories.

- 4.1.2. They have been engaged in anti-dissident campaigns against the Hukbalahap, Kamlon uprising, CPP-NPA, MNLF, MILF, ASG, BIFF, and other terrorist groups.

- 4.2. They undertake United Nations Peacekeeping Missions. They fought in Korea in the 50's when a total of 7,420 military personnel were deployed with 114 of them killed in action and 229 wounded. They had also been deployed in Vietnam, East Timor, Liberia, Haiti, and Golan Heights.

- 4.3. They perform non-military tasks such as humanitarian assistance and disaster response to include supporting the ongoing war against COVID-19; building of roads, bridges, and school buildings in far flung areas; election duties; and even law enforcement when called for.

In order to perform these multifarious tasks, they are on duty on 24/7 basis without overtime pay, and usually, in places of assignment away from their families. They do not have security of tenure. They are not only covered by the Revised Penal Code but also by the more stringent Articles of War under the military justice system in order to instill military discipline.

5. Recommendations

- 5.1. The Military Pension System should remain non-contributory and continue being funded by the government pursuant to the 1987 Constitution and Commonwealth Act No.1. It should be excluded from the coverage of SB 1419. However, the indexation of their pension to prevailing base rate may only be terminated if such will also apply to the pension for the judiciary and constitutional commissions.

- 5.2. An alternative bill to SB 1419 may be considered which will stop pension indexing to prevailing pay rate for all non-contributory pension systems, effective after the implementation of RA 11466 (Salary Standardization Law) SSL 5 which is already the basis for pension adjustments of the retired members of the judiciary and constitutional commissions. Thus, all non-contributory pension systems will be indexed to inflation either annually or only in years when future salary standardization laws will be in effect for those in the active government service.


C. Comments on Certain Sections of SB 1419. The following concerns are indicative that the proposed pension system is not suitable for the military and possibly, also for the other uniformed services.

1. **Section 5** - Adjusting compulsory retirement from age 56 to 65 years or equal to that for civilian employees will likely result in more military personnel being assigned in the field at old age and may find it difficult to perform combat duty.
2. **Section 6 and Section 10. b.** - The years of service required for voluntary retirement shall be increased from 20 to 30 years. A soldier who enters the service at age 20 will have to serve until age 50 for which he will be entitled to 18 months lump sum only then wait for eight and a half years before he will receive monthly pension. Military personnel who prefer to retire early for various reasons will find it difficult to do so because of these mandatory provisions. These provisions to include that under Section 5 will result in probable difficulty in future military recruitment since the additional benefits for serving the military as compared with civil service employees will be stopped by the Act. Whereas, civilian government employees are entitled to pension benefits upon reaching the age of 60; provided, that they have served in government for at least 15 years only.
3. **Section 16** will terminate pension indexing to prevailing base pay rate upon effectivity of the Act. The provision is discriminatory because same indexing will continue to apply to the pension of retired members of the judiciary and constitutional commissions. The bill may well be considered a class legislation.
4. **Section 19. a.** provides for mandatory contribution not only by new entrants but also by active members upon

effectivity of the Act at 5 percent of their monthly base pay and longevity pay as personal share for the first three years; 7 percent for the next three years; and 9 percent thereafter which is equal to the personal share of civilian employees under RA 8291 (The GSIS Act of 1997). This provision will adversely affect the morale of those already in the active service as the new contribution will be felt as significant reduction of their present take-home pay, particularly at the lower ranks and among those who have just entered the service before the effectivity of the Act. Meanwhile, the government will have to appropriate annual additional budget for its share which will be a considerable amount that will compete with the other budgetary requirements. Moreover, it will be a very long-term investment the return of which is indeterminate because the Bill is silent on when the accumulated retirement fund may already be utilized for its intended purpose. It is further noted that the members shall not be entitled to life insurance coverage and burial benefit which are granted to GSIS members and yet, the government share (18 to 22 percent) is well above that for the pension system under GSIS which is only at 12 percent. The active members, upon effectivity of the Act, should be exempted from the mandatory contribution since it will impinge on their vested right to the prevailing non-contributory pension system.

5. Title VII creates the MUP Fund Authority, the equivalent of GSIS; however, the Bill is insufficient in its provisions to make it a comprehensive charter for the Authority such as but not limited to the lack of provisions for administration of the Authority; specific powers of the Board; investment of funds; adjudication of claims and disputes; records and reports; exemption from tax, legal process and lien; differentiated penal provisions for offenses arising from violations of the provisions of the charter; and, oversight function of the Insurance

Commission. It is apparent that such details will just be left at the discretion of the framers of its IRR. In this regard, the GSIS Charter under RA 8291 could serve as reference in crafting that for the Authority and which should form part of the Bill.

6. Section 23 providing for recall to active service by the AFP is deemed not necessary. Section 68 of the AFP Reservist Act of 1991 (RA 7077) already provides penal provision for failure of reservists to respond to the call to compulsory training and service. The contemplated termination of retirement benefits is discriminatory to veterans and should not be made an additional penalty for an offense committed after retirement.
7. In summary, the new entrants from the uniformed services may just be covered under GSIS in lieu of the proposed Authority, which activation will entail more administrative costs and probably suffer initial "birth pains" particularly, in investment of funds. Over many decades, GSIS has gained expertise in investing and managing insurance and retirement funds of government employees. Hence, under GSIS, the new entrants should be entitled to compulsory life insurance, burial and other benefits to which the members of GSIS are entitled. The contribution should also be 9 percent of their base pay and longevity pay while the government will contribute 12 percent. The fund to be generated from such contributions may be separately managed by GSIS. It should further be noted that GSIS is not new to this system of coverage of uniformed services personnel. Prior to effectivity of the DILG Act of 1990, the members of the Integrated National Police (INP), firemen and jail personnel had been covered by GSIS not only for their retirement benefits but also for their government-subsidized compulsory life insurance. Whereas, the military personnel to include those from the Philippine Constabulary had been covered under GSIS for compulsory life insurance only. 



ANNEX I



PHILIPPINE MILITARY ACADEMY ALUMNI ASSOCIATION, INC.
PMA Alumni Center, A. Luna Ave., Camp General Emilio Aguinaldo, Quezon City
Tel. Nos. 912-5074/913-3937 Fax. 912-9318 Catex: 774-4724 E-mail: pmaaa@yahoo.com

12 February 2021

PRESIDENT RODRIGO ROA DUTERTE
Office of the President
Malacanang Palace, Manila

Dear Mr. President:

On behalf of more than 220,000 retired military and uniformed personnel (MUP) and their loved ones, I have the honor to request that the President order the Department of Budget and Management (DBM) to implement the payment of the 2018 MUP pension arrears pursuant to Joint Resolution No. 1 s 2018.

The DBM informed that it included its funding under the Personnel Gratuity Fund (PGF) of the Presidential Budget in 2021. The total fund requirement for said arrears is about P40 billion. However, DBM later advised that the Congress reduced the PGF by P20 billion;

hence, its payment could not be implemented yet.

Meanwhile, upon consultation, Senator Panfilo Lacson informed that the shortage of funding for the arrears may be lawfully augmented by the Miscellaneous Personnel Benefits Fund (MPBF), subject to approval by the President.

Knowing the President's big heart for the MUP and his fatherly concern for their morale and welfare, The PMAAAI once again respectfully recommends favorable consideration of the above request.

Very respectfully yours,

EDGAR B. AGLIPAY
PGEN PNP (Ret)
Chairman and CEO

cc: SND
SILG
DOTr



PMAAAI Recognized Cavaliers who Persistently Worked for the Resumption of MUP Pension Indexing to Prevailing Rate

CAV GREGORIO B HONASAN '71 – *“Whenever we are now, whatever public services we are engaged in, our defining moments were in the noble profession of arms, servicing God, country, and the Filipino people.”* This is the curt reply of Cav Honasan when asked how he defines public service. Cav Honasan was first elected in the Senate in 1995, the first truly independent candidate in Philippine political history to win in national elections. He was elected senator four times as an independent. During his 21 years in the Senate, he chaired the Committees on Energy, Labor, Environment, Agrarian Reform, Sports, Public Information and Mass Media, Public Order and Dangerous Drugs. In the Senate’s Centennial Year, he was elected as Assistant Majority Leader, Member of the Commission on Appointments, and Chairman of Committees on National Defense and Security, and Peace, Unification and Reconciliation, and Chairman of the Select Oversight Committee on Intelligence. His landmark contributions to legislation include the Clean Air Act, the Clean Water Act, National Security Policy, and Philippine Disaster Risk Reduction and Management Act, and Solid Waste Management Act, among others. He is the main proponent of the Freedom of Information or People’s Ownership of Government Information (POGI) Bill. He also proposed a mini marshal plan for peace and development in Mindanao. True to form, Cav Honasan paved the way for the lifting of the suspension of pension indexing of the Military and Uniform Personnel (MUP) by defending the revised Joint Resolution of both Houses of Congress on 13 December 2017. On 1 January 2018, President Duterte signed the JR No. 1. The strong determination and efforts of Cav Honasan resulted in the grant of significant increase in retirement benefits for the MUP and for which they will remain grateful to him.



CAV PANFILO M LACSON '71 – Consistent with his personal credo which goes: *“What is right must be kept right, what is wrong must be set right,”* Cav Panfilo Lacson continues to safeguard public interest through his anti-corruption effort, in particular, through the national budget which he considers the most potent tool to drive the economy’s growth. Cav Lacson stressed this in the 17th Congress. Among the many questionable appropriations exposed by Cav Lacson were the billions of pork insertions by Congressmen realigned to fund programs and projects under the proposed budget of 2019. Said “pork” was among the P95 billion pesos vetoed by President Duterte in RA 11260 of the General Appropriations Act of 2019. Parallel to his agenda of ensuring good local governance, Cav Lacson filed bills promoting transparency and public accountability. To curb graft and corruption, Cav Lacson encouraged whistle blowers by granting them protection, security, and benefits. He was the principal sponsor of the National ID Law (RA 11055) which provides for easier transactions with the government and private entities and which helps to deter criminality. His whole-hearted support to the needs of the active and retired military and uniformed personnel (MUP) paved the way for the increase in their base pays and retirement benefits, respectively as one of the principal authors of Senate Joint Resolution 1. Refusing to yield to political pressure from interest groups, Cav Lacson continues to advance his agenda to initiate programs on budget reforms, transparency and



public accountability, anti-graft and corruption, and public order and security.

CAV ARISTON V DELOS REYES '71 strongly advocated against the arbitrary and indefinite suspension of pension indexing to the prevailing rate for the retired military and uniformed personnel (MUP) as provided under the proposed Salary Standardization Law of 2015 which ultimately did not pass during the Bicameral Committee Conference of both Houses of Congress. The Senate made a stand not to suspend pension indexing. Thus, in lieu of enactment, Executive Order No. 201 was issued to prevent pension indexing from 2016 onward which Cav Delos Reyes vehemently opposed. He conducted continuing research on the MUP pension system and made series of communications advocating for its amendment in order to resume pension indexing and so that the MUP in the active service will be entitled to the adjustment of their pay and allowances that are pegged to the base pay. He was the resource person to the Confederation of Uniformed Services Associations (CONUSA) that included AGFO, PMAAAI, NARAAI, PRAI, and other retirees’ and veterans’ associations which clamored for resumption of pension indexing. He provided the CONUSA with vital information and data to support its written communications to higher authorities. His tenacious efforts culminated in the Senate where the PMA Class of 1971 rallied all out support for him, spearheaded by the highest order of statesmanship of Senator Honasan and Senator Lacson which ultimately resulted in the signing of Joint Resolution No. 1 series 2018 by the President that authorized the adjustment of MUP base pay and the resumption of pension indexing to the new pay rate. The additional pension due to indexing amounts to about P50 billion in 2019 and annually thereafter benefiting more than 220,000 pensioners including retired cavaliers. Cavalier Delos Reyes, in his untiring advocacy, also supported the setting up of innovative systems and programs that can make the PMAAAI truly a progressive organization genuinely represented by the majority of its members and so that it may really make a difference in our society.



Four of the Cavalier Award recipients, AY 2019-2020 with their wives, line up in front of the PMA Grandstand, Cava Acop '70, Lacson '71, Honasan '71, and Delos Reyes '71.



Four of the Cavalier Award recipients, AY 2019-2020 with their wives, line up in front of the PMA Grandstand, Cava Acop '70, Lacson '71, Honasan '71, and Delos Reyes '71.

A Soldier's Expression of Gratitude and Tribute to the Senate

• CAV ARISTON V DELOS REYES '71

(Below is the author's e-mailed letter to the Senate President with copy furnished to all other senators, timed just before the end of the 17th Congress when some of the senators who supported the MUP pension indexing were outgoing, including Cavalier Gregorio Honasan '71. The MUP pension indexing to the current base pay rate has been implemented for military retirees in June 2019.)

1 June 2019

HONORABLE VICENTE C. SOTTO III

Senate President

GSIS Bldg., Financial Center

Diokno Blvd., Pasay City

Dear Senator Sotto:

As a retired soldier, I have the honor to express my sincerest gratitude to the Senate for its support to the pension indexing to prevailing rate for the retired military and uniformed personnel (MUP), in a way that I believe is unprecedented in the history of Philippine legislation.

Firstly, on 15 December 2015, you put into motion the recall of the Salary Standardization Bill 2015 from its approval during third reading back to second reading to support, instead of suspending, the MUP pension indexing. All senators present unanimously approved your motion. Had the Senate not made that last-minute change of position, the retired MUP would have been indefinitely deprived of what is due them and that would definitely be detrimental to their morale.

Secondly, during the plenary session on 13 December 2017, all the 20 senators present voted for a joint resolution that supported pension indexing. Prior to that session, you, with Senators Honasan and Lacson teamed up and coordinated with the Lower House to ensure that a joint resolution allowing pension adjustment would pass for approval by President Duterte.

The MUP pension indexing will benefit more than 220,000 pensioners, about 89 percent of whom are enlisted personnel and equivalent ranks. While as of this writing, the much-awaited pension adjustment has yet to be funded, it is all right with me. The mere thought of how the Senate, all the way, supported MUP pension adjustment convinced me that somehow, someday, I should thank the Senate.

Finally, attached is my paper "Successes and Defeats in Defense of the Military and Uniformed Personnel (MUP) Pension System." It was published in the March-April 2019 Issue of The Cavalier, the magazine of the Philippine Military Academy Alumni Association, Inc. (PMAAAI). Its two annexes provide details on how the Senate supported the pension indexing in 2015 and 2017 as mentioned above. Please consider it as a soldier's humble tribute to the Senate. The military and uniformed personnel, active and retired, now and in the future ought to know; the people ought to know - we have a good and independent Senate.

MABUHAY ANG SENADO!

Very respectfully yours,


ARISTON V DELOS REYES

Vice Admiral AFP (Ret)





Successes and Defeats in Defense of the Military and Uniformed Personnel (MUP) Pension System

• CAV ARISTON V DELOS REYES '71

1. Background

- 1.1. In the late 2015, I learned that the proposed Salary Standardization Law of 2015 was being deliberated by Congress which among others provided for the suspension of pension indexing to prevailing rate for the retired military and uniformed personnel (MUP) until such time that a new MUP pension system shall be adopted.
- 1.2. The MUP includes the uniformed members of the AFP, PNP, Coast Guard, BJMP, BFP, BUCOR, and NAMRIA. The MUP pension system is non contributory, meaning that members do not contribute to their pension through deductions from their monthly pay while in the active service, unlike the members of GSIS. It is funded through annual general appropriation. Their pension is indexed or automatically adjusted to the prevailing rate for those in the active service. Their pension system is provided for by pertinent laws.
- 1.3. Considering that said suspension was unjust and uncalled for, I wrote Senator Antonio "Sonny" Trillanes, then Chairman of the Senate Committee on National Defense and Security (CNDS), and a number of other senators expressing concern about said suspension. I also posted the same concern to the PMA Class '71 yahoo group account.
- 1.4. Also, in December 2015, I attended the hearing of the CNDS on Senate Bill 3031 which proposed to make the MUP pension system contributory. I submitted and presented my written position paper recommending that the military pension system be exempted because its non contributory nature was provided by the Commonwealth Act No. 1 of 1935, it being patterned after the pension system of the United States Armed Forces.
- 1.5. From then on, I have researched on the MUP Pension System and occasionally wrote papers advocating for resumption of pension indexing in my capacity as a resource person for the Confederation of Uniformed Services Associations (CONUSA) which include AGFO, PMAAAI, NARAAI, PRAI, and other retirees' and veterans' associations. Also, as personal initiative, I kept on forwarding such comments to some legislators, PMA classmates, senior DND/AFP/PNP officials, active or retired, through e-mail.

1.6. This paper enumerates MUP successes and defeats which could serve as sources of lessons learned and inspiration for the MUP to unite and persevere in promoting the common good regarding their pension system. It has annexes that provide details, the truth, on how the Senate supported pension indexing in 2015 and 2017 in an unprecedented manner.

2. Successes of the MUP

- 2.1. The Hotel Intercontinental brainstorm of 15 December 2015 between Secretary Ping Lacson, then resigned Presidential Assistant for Rehabilitation and Recovery (in Central Visayas after typhoon Haiyan), and Senator Enrile (Annex A). Their telephone coordination with Senators Greg Honasan and Tito Sotto resulted in the recall of the Salary Standardization Bill 2015 from its approval during third reading, back to second reading to support instead of suspending the MUP Pension Indexing. The Senate ultimately supported Pension Indexing; the Lower House did not. Thus, no law was passed in 2015 that could have suspended Pension Indexing, most likely, indefinitely.
- 2.2. Approval of Joint Resolution (JR) No. 1 by President Duterte - the suspension of pension indexing to prevailing base pay rate would be lifted effective 1 January 2019. The pertinent provision on the matter was a last-minute maneuver at the Senate and through the persistent efforts of Senator Honasan, Chairman of the Senate Committee of National Defense and Security and with outright full support of Senator Lacson and Senator JV Ejercito during the committee hearing on the JR adjusting the BP of the MUP. In the end, the other senators followed and supported the Pension Indexing. The Senate through combined efforts of Senators Sotto, Honasan and Lacson had to make a compromise with the Lower House which supported DBM Secretary Diokno's proposal to suspend Pension Indexing until a new MUP Pension System shall have been enacted. For further details please refer to Annex B (Summary of events leading to approval of JR No. 1 S 2018).

Assessment: The MUP owe the Senate a lot for its full support to the above successes and which may well be considered unprecedented in the history of Philippine legislation. Twice, the Senate opposed an unjust proposal that would ultimately be detrimental to the morale of the MUP. It was a balancing act to the desire of financial technocrats in government to treat MUP Pension Indexing from a purely financial perspective that is, minimize its cost, by all means. The MUP ought to know; the people ought to know: we have a good Senate.

The total MUP pension indexing will amount to at least P50 billion in 2019 and annually thereafter, benefiting more than 220,000 pensioners. About 69 percent of the amount will go to enlisted personnel (EP) and equivalent ranks; 27 percent to officers; and only four (4) percent to general and flag officers. Furthermore, about 89 percent of pensioners are EP. Hence, the great majority of the MUP beneficiaries are those from the lower ranks.

3. Defeats suffered by the MUP

3.1. EO 201 Deprived the MUP of Benefits Due them in 2016 and 2017

3.1.1. After President Aquino failed in his bid for enactment of SSL of 2015 that would suspend MUP Pension Indexing, he issued EO 201 to achieve what he wanted. Thus, the opportunity for MUP Pension Indexing to new rate for 2016 and 2017 was lost. Moreover, those in the active service failed to avail of adjustments of the allowances pegged to the base pay for 2016 and 2017. EO 201 coined the terms “provisional allowance” and “officers’ allowance” in lieu of base pay adjustment if only to prevent Pension Indexing from 2016 and onward. The estimated total lost pension benefits of retired MUP for non indexing in 2016 and 2017 is about P37.5 billion. The CONUSA, through a series of letters to President Duterte recommended the amendment of EO 201 in order to provide for base pay adjustment in lieu of provisional allowance and officers’ allowance and allow Pension Indexing to new rate effective 1 January 2016.

3.1.2. Recommendation: The amendment of EO 201 should be pursued in order to do justice to the MUP, active or retired, who had been unlawfully deprived of benefits due them in 2016 and 2017.

3.2. Improper implementation of RA 9166 resulted in reduced increase in the base pay of military personnel

3.2.1. DBM had not adjusted the base pay of the military in accordance with the RA 9166 which provides for equivalent salary grade in each military rank. Under JR No.4 S 2009 (Salary Standardization in four tranches that was completed by 2012), the BP rates of military personnel at all ranks were lower than those provided for equivalent salary grades. Likewise, under JR No.1 S 2018, the BP rates for the Chief of Staff AFP (CSAFP) down to master sergeant are lower than their equivalent salary grades but pay rates for technical sergeant and below are higher than those for their equivalent salary grades because President Duterte wanted to give higher salary increase to lower ranked MUP. Thus, in aid of legislation, I submitted the observation through a letter to the staff of the Senate Committee on National Defense dated 15 October 2018 for its review. For example, under RA 9166, the base pay of CSAFP should be that for SG 30 which for civilian officials of equivalent grade is P175,184 (fourth tranche pursuant to EO 201). However, JR No.1, only allows P149,785 for the BP of CSAFP or P25,399 lower than that for his civilian counterparts. Consequently, even the pension of the retired MUP is shortchanged. If indeed the disparity is unjustified, recovery of the annual shortchange is very unlikely, unless JR No.1 will be amended accordingly.

3.2.2. Recommendation: the matter should be taken up with the DBM to clarify the issue so that future salary adjustments of the military should be based on RA 9166.

3.3. Prolonged and Unjustified Delays in the Payment of Pension Arrears

3.3.1. For more than 15 years since 2001, DBM had not allocated funds for the annual AFP and PNP pension arrears until President Duterte ordered their payment in 2016. For the AFP, the arrears from 2001 to 2013 amounted to P18.960 billion. For its partial allocation in 2017, some amount had been withheld by DBM for various justifications. Such arrears are in accordance with laws and should have been in the proposed budget annually yet DBM, in the past (2016 and earlier), had continued to defy them and able to get away with it; thereby, resulting in demoralization among affected pensioners some of whom already passed away before receiving their differentials.

3.3.2. Delay for future funding of pension arrears for 2018 pursuant to JR No 1 is likely to occur. Total funding needed is P40 billion.

3.3.3. Recommendation: the matter should be brought to the attention of the President so that DBM will be ordered to fund the P40 billion pension arrears for 2018 in the President’s budget for 2020.

Annex A to Successes and Defeats in Defense of the MUP Pension System

Hotel Intercontinental Brainstorm on 15 December 2015 Regarding Pension Indexing

- a. On 14 December, the Senate approved the Salary Standardization Law (SSL) 2015 during its third reading (vote:14-0). Since the equivalent bill at the House of Representatives was already approved in its third reading, it would have been an enrolled bill for signature of the President into law.
- b. Secretary Ping Lacson, then resigned Presidential Assistant for Rehabilitation and Recovery (in Central Visayas after typhoon Haiyan) requested a meeting with Senator Enrile at Hotel Intercontinental in the morning of 15 Dec., attended by Lt General Edilberto Adan (AGFO), CSupt Van Luspo (PRAI), and me. They strategized; we listened. After Ping called up Sen Honasan and Sen Sotto, it was agreed that during the session in the afternoon, Sen Sotto (being one of those who voted for the bill) would file a motion for reconsideration to deliberate again on the bill with respect to the suspension of indexing of uniformed services retirees’ pension under SSL 2015. Upon motion, Sen Enrile would then have the floor for the approval of the motion. Sen Enrile could not file the motion since he was absent during the meeting. Neither could Sen Honasan since he abstained during the voting; he expressed concern about the adverse implications to the retirees of said suspension. (I received information that OP-DBM would not like the suspension deleted.)
- c. On advice of Ping, available retirees attended the session in the afternoon. The plan was implemented. After the motion, session was suspended; the Senators discussed. After a few more minutes, the session resumed; cordial discussion followed. One thing led to another, the

Senate President then declared that the bill on second (second??!!) reading was approved (unanimously), with the sentence suspending the pension indexing deleted as Ping worked for. After the approval, Sen Honasan, Sen Marcos and Sen Trillanes approached us, retirees, to exchange pleasantries. Sen Marcos remarked that it was the first time he experienced that a bill already approved on third reading could still be reconsidered as approved on second reading to allow for amendments.

- d. However, both houses failed to reconcile on the issue of MUP Pension Indexing during the bicameral committee meeting. The House of Representatives did not agree with the Senate which insisted that Pension Indexing should be maintained and not suspended. Hence, the SSL of 2015 was not enacted. In what may be considered a surprise move, President Aquino issued EO 201 to provide for base pay adjustment for all civilian government personnel with provisions that would consequently deprive the MUP, active and retired, of benefits due them in 2016 and 2017, until the approval by President Duterte of JR No.1 in 2018.
- e. Indeed, the military and uniformed services owe it to Ping and his friends in the Senate for their full support in promoting their welfare. Had the SSL 2015 been enacted as initially conceived, it would have been very difficult to amend it so that MUP Pension Indexing could be resumed.

Annex B to Successes and Defeats in Defense of the MUP Pension System

Summary of Events Leading to Approval of Joint Resolution No 1 S-2018

- a. 5 Feb 2017 - BGen Lamberto Sillona, then Class President of PMA '71, wrote Senator Gregorio Honasan, Chairman, Committee on National Defense and Security (CNDS), requesting him to initiate legislation which would allow Pension Indexing for retired MUP. Later, it had been made a basis for his staff to continuously coordinate with DBM/Office of the President on the matter.

On 22 Sep 2017, DBM Secretary Diokno endorsed a draft joint resolution increasing the base pay of active MUP in lieu of provisional allowance and officers' allowance as provided in EO 201 but "strongly" recommending suspension of Pension Indexing to the new rate. He did not submit detailed justifications for such suspension except for its "huge budgetary implications."
- b. 26 Oct 2017 - Sen Panfilo Lacson met with some retired officers to listen to their views on the DBM - proposed JR. Among other things, I explained that if there is no indexing to new base pay, the pension of a CSAFP or Chief PNP will be pegged to a rate that is even less than 50 percent of those for retired members of the judiciary of equivalent salary grade. I also suggested that data from DBM be obtained on the budgetary cost of the MUP Pension Indexing, compared with the total national budget.

(Subsequently, he filed SJR No 10 which would allow pension indexing.)

- c. 29 Nov - Sen Honasan conducted CNDS hearing, with Sen Lacson and Sen JV Estrada present. LtGen Edgardo Batenga, Convenor of the Confederation of Uniformed Services Associations (CONUSA), presented its position favoring pension indexing. The DBM representative did not present any justification for suspension of pension

indexing. However, upon query of Sen Lacson, the DBM rep informed that if pension indexing would not be suspended, its total cost for 2018 would be P38.4B to which Sen Ping commented that it was only one percent of the total budget for 2018 (P3.8 trillion).

Likewise, upon query of Sen Lacson, it turned out that the previous claim/allegation that pension of the retired MUP will soon exceed the pay and allowances of MUP in the active service is unlikely to happen and Sen Lacson termed it as just a "myth." For instance, if the JR is adopted with pension indexing, the PS of the AFP would amount to P108 billion while pension would be P53 billion.

Sen Estrada expressed support to MUP Pension Indexing to new rate.

(Later, Sen Honasan filed SJR No. 11 which also supported Pension Indexing as in the case of SJR No. 10 by Sen Lacson.)

- d. 11 Dec. 2017 - from bad to good news all in one day:
 1. Bad news: Lower House approved HJR No. 18, with provision suspending pension indexing. No member present spoke in favor of said indexing.
 2. Another bad news: The Office of the President endorsed to Senate, SJR No. 9 also suspending Pension Indexing. According to Sen Lacson, Sen Honasan did not agree.
 3. Then, a very good news: a complete turnaround/reversal as President Duterte reconsidered and certified to the necessity of the immediate enactment of Sen Honasan's SJR No. 11 in lieu of SJR No. 9. It is not known how Sen Honasan was able to convince him to set aside SJR No 9.

Thereafter, Senators Sotto, Honasan and Lacson coordinated with Cong Nograles of the Lower House in order for both houses to come up with a unified version. To prevent a deadlock which could delay its approval since 13 Dec would be the last day of session for 2017, both parties compromised that suspension of pension indexing to new base pay will be lifted automatically on 1 Jan 2019 or upon the effectivity of a pension reform law, whichever comes earlier. Thus, the revised HJR No.18 would be adopted by the Senate as the unified version.

- e. 13 Dec 2017 - During the plenary session, and after prolonged debates on its provisions (Sen Honasan answering numerous questions from the floor), the revised HJR No.18 was approved by all the 20 senators present. (It must be clarified that contrary to earlier publications in the social media, Liberal Party senators voted for Pension Indexing not only in 2017 but also in 2015. No senator on both occasions voted against it.)

During the period of interpellation, it was clarified that suspension of indexing would not mean loss of entitlement but merely a delay in the implementation of indexing for 2018. Thus, concerned MUP agencies shall include in their proposed budget for 2019, the cost of indexing for 2018 and 2019.

- f. 01 Jan 2018 - Pres Duterte signed JR No.1.

The total MUP Pension Indexing will amount to at least P50 billion in 2019 and annually thereafter, benefiting more than 220,000 pensioners. It is estimated that 69% of the amount will go to enlisted personnel and equivalent ranks; 27% to officers (01 - 06); and only 4% to generals (07- 010). About 89% of pensioners are EP and equivalent ranks.



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