

**[ REPUBLIC ACT NO. 3096, June 17, 1961 ]**

**AN ACT TO FURTHER AMEND COMMONWEALTH ACT NUMBERED ONE HUNDRED EIGHTY-SIX, AS AMENDED BY REPUBLIC ACTS NUMBERED SIX HUNDRED SIXTY, SEVEN HUNDRED TWENTY-EIGHT, ELEVEN HUNDRED TWENTY-THREE, THIRTEEN HUNDRED SEVENTY SEVEN, FIFTEEN HUNDRED SEVENTY-THREE, SIXTEEN HUNDRED SIXTEEN AND EIGHTEEN HUNDRED TWENTY.**

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

SECTION 1. Subsections (c) and (e) of Section twelve of Commonwealth Act Numbered One hundred eighty-six, as inserted by Republic Acts Numbered Sixteen hundred sixteen and Six hundred sixty, and as amended by Republic Act Numbered Seven hundred twenty-eight, are hereby further amended to read as follows:

"(c) Retirement is likewise allowed to a member, regardless of age, who has rendered at least twenty years of service. The benefit shall, in addition to the return of his personal contributions plus interest and the payment of the corresponding employer's premiums described in subsection (a) of Section live hereof, without interest, be only a gratuity equivalent to one month's salary for every year of service, based on the highest rate received, but not to exceed twenty-four months. This gratuity is payable by the employer or office concerned which is hereby authorized to provide the necessary appropriation or pay the same from savings in its appropriations. Officials and employees paid gratuity under this subsection shall be entitled to the commutation of the unused vacation and sick leave, based on the highest rate received, which they may have to their credit at the time of retirement."

"(e) Retirement shall be automatic and compulsory at the age of sixty-five years, and optional retirement at the age of sixty-three shall be allowed with lump sum payment of present value of annuity for first five years, and future annuity to be paid monthly, and other benefits given to a compulsory retired member as provided for in Republic Act Numbered Six hundred sixty, as amended, if he has completed fifteen years of service and if he has not been separated from the service during the last three years of service prior to retirement; otherwise he shall be allowed to continue in the service until he shall have completed the required length of service unless he is otherwise eligible for disability retirement. This clause shall not apply to members of the judiciary and constitutional officers whose tenure of office is guaranteed. It shall be the duty of the

employer concerned to notify each such employee under its direction of the date of his automatic separation from the service at least sixty days in advance thereof."

SEC. 2. Section sixteen of Commonwealth Act Numbered One hundred eighty-six as renumbered and amended by Republic Act Numbered Six hundred sixty, is hereby further amended to read as follows:

"SEC. 16. *Administration of the System.*—The System shall be a non-stock corporation, with its principal place of business, in Manila or Quezon City, Philippines. It shall be managed by a Board of Trustees to consist of the General Manager of the System and four other members to be appointed by the President of the Philippines with the consent of the Commission on Appointments. The trustees shall elect from among themselves a chairman and a vice-chairman. Each trustee, except the General Manager who shall cease as trustee upon his separation as General Manager, shall hold office for three years or until his successor is duly qualified, except that, of the four other members of the Board first appointed under this amendatory Act, two shall hold office for two years, and two for three years. At the expiration of the respective terms of such members, a successor shall be appointed for the term of three years, from the date of such expiration. All vacancies, except through the expiration of the terms, shall be filled for the unexpired term only. The trustees shall be entitled to a *per diem* of twenty-five pesos for each day of actual attendance in session."

SEC. 3. Subsection (c) of Section twenty-two of Commonwealth Act Numbered One hundred eighty-six, otherwise known as the Government Service Insurance Act, as amended by Republic Act Numbered Fifteen hundred seventy-three, is further amended to read as follows:

"(c) In first liens upon improved and unencumbered real estate situated in any chartered city, municipality or municipal district, title to which is duly registered under Act Numbered Four hundred and ninety-six, as amended: *Provided*, That no loan shall be made upon the security of real estate in excess of sixty *per centum* of the fair appraised value thereof to be determined in such manner as the Board shall prescribe: *And provided, further*, That not more than seventy *per centum* of the total assets shall be invested in loans on the security of real estate. Loans granted under this subsection shall be paid within a period of not exceeding ten years unless renewed for another period of not exceeding ten years under such terms and conditions as the Board may prescribe."

SEC. 4. Subsections (a) and (b) of Section twenty-eight of Commonwealth Act Numbered One hundred eighty-six, as amended by Republic Acts Numbered Six