

March 10, 1965

**EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT BETWEEN
THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES
OF AMERICA ON THE SOCIAL SECURITY COVERAGE OF NON-
UNITED STATES CITIZENS EMPLOYED IN THE UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT (AID)**

Note: The Agreement entered into force, March 10, 1965.

No. 355

The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs of the Republic of the Philippines and has the honor to propose that the United States participate on a voluntary basis in the Social Security System of the Government of the Philippines (hereinafter called the "System") insofar as the System provides for old age retirement, permanent disability, sickness and death benefits, in order to secure social security benefits for Philippine citizen civilian employees of the Agency for International Development Mission to the Philippines (USAID) presently without a retirement pension program.

Sections 11 through 21, inclusive, and Sections 22(a), 23 and 24 (a) of the System and of the rules, regulations and procedures of the System which describe the duties of the employer participating in the programs enumerated above shall be applicable to USAID.

The employees covered into the System shall have the same benefits and protections and be subject to the same obligations and penalties under the System as if they were in private employment.

If the foregoing proposal and the Annex attached hereto are acceptable to the Government of the Philippines, this note and the Government of the Philippines reply thereto indicating such acceptance shall be considered to constitute the agreement of the Governments of the United States of America and the Republic of the Philippines concerning this matter.

The Embassy avails itself of this opportunity to renew to the Department of Foreign Affairs and assurances of its highest consideration.

Embassy of the United States of America,
Manila, November 12, 1964.

Enclosure:
Annex.

ANNEX

The United States Government proposes to the Philippine Government the following understandings between them to implement participation in the Philippine Social Security System by the Agency for International Development Mission to the Philippines (USAID) for the benefit of their Philippine citizen civilian employees.

USAID shall make deductions from covered employees' wages of the employee contributions required by the System and shall remit them to the System together with the corresponding employer contributions.

In carrying out the provisions of the Philippine Social Security Act which authorize the System to reimburse the employer for over-payments of other amounts which become due to the employer from the System (for example, reimbursing the employer for payment of sickness benefits under the System) the Agency for International Development will accept such reimbursement in the form of credit effects to their current remittances to the System.

All fiscal transactions between USAID and the System and with covered employees shall be in terms of the Philippine peso.

The United States Government will provide appropriate self-audit and self-inspection in lieu of external audit or inspection except as may be otherwise agreed as an administrative arrangement.

Nothing in this agreement is to be construed as altering the privileges and immunities provided under generally accepted principles of international law or in the treaties and agreements between the two Governments, nor construed to subject the United States or its agencies, solely because of participation in the System, to any civil, administrative or penal action provided for by the System or by any other law.

All Philippine citizen employees of USAID who would otherwise be eligible for coverage under the System and who are not eligible for participation in the U.S. Civil Service Retirement program, will be considered to be included within the terms of this Annex.

Administrative arrangements for the further implementation of this agreement, including the date for commencing participation in the System, shall be concluded between the Philippine Social Security Commission and the Executive Officer of USAID.

No. 26017

The Department of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honor to refer further to the Embassy's note No. 355 dated November 12, 1964, and the Annex at thereto, the texts of which are quoted as follows:

"The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs of the Republic of the Philippines and has the honor to propose that the United States participate on a voluntary basis in the Social Security System of the Government of the Philippines (hereinafter called the "system") insofar as the System provides for old age retirement, permanent disability, sickness and death benefits, in order to secure social security benefits for Philippine citizen civilian employees of the Agency for International Development Mission of the Philippines (USAID) presently without a retirement pension program.

"Sections 11 through 21, inclusive, and Sections 21 (a), 23 and 24(a) of the System and of the rules, regulations and procedures of the System