

August 30, 1963

**EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT BETWEEN
THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES
OF AMERICA REGARDING THE SOCIAL SECURITY COVERAGE FOR
NON-UNITED STATES CITIZENS EMPLOYED WITHIN THE UNITED
STATES MILITARY BASES**

Note: The Agreement entered into force, August 30, 1963.

The American Embassy to the Philippine Department of Foreign Affairs

No. 762

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 refer to the Embassy's Note No. 1085 of May 13, 1960 and the Department of Foreign Affairs Note No. 1792~60^[1] in response thereto on the subject of providing retirement coverage to Filipino employees of those United States armed forces in the Philippines, pursuant to the Military Bases Agreement of 1947.^[2]

The Embassy has the further 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 non-US civilian employees of the United States armed forces 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 the United States armed forces.

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.

The Philippine Government agrees to seek the changes to Philippine law necessary to permit under Philippine law the voluntary participation in the System by the United States armed forces and subsequently to notify the United States when such changes have been made.

If the foregoing proposals and the Annex attached hereto are acceptable to the Government of the Republic of the Philippines, this note and the reply thereto indicating such acceptance and giving the notification referred to in the foregoing paragraph 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 to take effect on the date of such reply.

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

Enclosure:
Annex.

EMBASSY OF THE UNITED STATES OF AMERICA,

Manila, April 23, 1962.

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 United States armed forces for the benefit of their non-US civilian employees.

The United States armed forces 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 overpayments or 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 United States armed forces will accept such reimbursement in the form of credit offsets to their current remittances to the System.

All fiscal transactions between the United States armed forces 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 non-US citizen employees of the United States armed forces who would otherwise be eligible for coverage under the System, whether compensated from appropriated or non-appropriated funds of the United States, 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 Representative in the Philippines of the Commander-in-Chief Pacific.

The Philippine Department of Foreign Affairs to the American Embassy

REPUBLIC OF THE PHILIPPINES DEPARTMENT OF FOREIGN AFFAIRS

The Department of Foreign Affairs of the Republic of the Philippines presents its compliments to the Embassy of the United States of America and has the honor to acknowledge the receipt of the Embassy's Note No. 762, dated April 23, 1962, of which the text is 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 refer to the Embassy's Note No. 1085 of May 13, 1960 and the Department of Foreign Affairs Note No. 1792-60 in response thereto on the subject of providing retirement coverage to Filipino employees of those United States armed forces in the Philippines, pursuant to the Military Bases Agreement of 1947.

"The Embassy has the further 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 non-US civilian employees of the United States armed forces 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 the United States armed forces.

"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.

"The Philippine Government agrees to seek the changes to Philippine law necessary to permit under Philippine law the voluntary participation in the System by the United States armed forces and subsequently to notify the United States when such changes have been made.

"If the foregoing proposals and the Annex attached hereto are acceptable to the Government of the Republic of the Philippines, this note and the reply thereto indicating such acceptance and giving the notification referred to in the foregoing paragraph 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 to take effect on the date of such reply.

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

"Enclosure:
Annex

"EMBASSY OF THE UNITED STATES OF AMERICA,
Manila, April 23, 1962.