

[Commonwealth Act No. 189, November 14, 1936]

AN ACT TO PROVIDE FOR THE LIQUIDATION OF THE HEALTH PENSION AND RETIREMENT FUND CREATED BY ACT NUMBERED THREE THOUSAND ONE HUNDRED AND SEVENTY-THREE, AS AMENDED, AND THE PAYMENT OF REDUCED PENSIONS TO INDIGENT BENEFICIARIES THEREOF, AND TO APPROPRIATE THE NECESSARY FUNDS THEREFOR.

Be it enacted by the National Assembly of the Philippines:

SECTION 1. The provisions of Act Numbered Three thousand one hundred and seventy-three, as amended, are hereby declared inoperative as of November first, nineteen hundred and thirty-six. The Government Service Insurance Board is hereby authorized and directed to liquidate the Health Pension and Retirement Fund created by said Act

Numbered Three thousand one hundred and seventy-three, as amended, immediately upon the approval of this Act; or as soon thereafter as may be practicable, but for the purposes of this Act, said liquidation shall be deemed to have been effected as of November first, nineteen hundred and thirty-six.

SEC. 2. The Government Service Insurance Board is hereby authorized to apply the proceeds from the liquidation of said fund to the following purposes, and in the order named:

1. The payment of pension heretofore authorized up to December thirty-first, nineteen hundred thirty-six.
2. The payment, in the manner herein prescribed, to officers and employees of the Philippine Health Service who are still in the service or who have been separated from the service by resignation or abolition of the position, and who have been contributing to the Health Pension and Retirement Fund, of the full amount contributed by them plus interest up to November first, nineteen hundred and thirty-six, at the rate of four *per centum per annum* compounded annually: *Provided, however,* That the amount¹ which such officers or employees are entitled to receive- shall, if they remain in the service, be applied by the Board to the payment of one year premium on the compulsory membership insurance corresponding to them under the provisions of the Government Service Insurance Act: *Provided, further,* That any excess of said contributions over and above the premium above stated shall be paid to the contributor in cash, either in full or in installments to be determined by the Board, and in the latter case, all deferred payments shall earn interest at the rate of four *per centum per annum* compounded annually, but the same; may be commuted and cashed in any financial institution owned or controlled by the Government by discounting the principal thereof at a rate not to exceed one per centum per annum.
3. The payment to contributors to the said Fund who are already out of the service on account of retirement, or to their beneficiaries in case of death, of an amount equivalent to the difference between the total pensions received by them prior to January first, nineteen hundred and thirty-seven, and the