S. No. 2863
H. No. 10466

Republic of the Philippines

Congress of the Philippines

Metro Manila

Nineteenth Congress

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second day of July, two thousand twenty-four.

[REPUBLIC ACT NO. 12181]

AN ACT ADJUSTING THE MONTHLY BENEFITS OF THE RETIREES OF THE DEPARTMENT OF FOREIGN AFFAIRS

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

SECTION 1. *Short Title.* – This Act shall be known as the "Adjusted DFA Retirement Benefits Act".

SEC. 2. *Coverage.* – This Act shall apply to retired officers and employees of the Department of Foreign Affairs (DFA) who are receiving a monthly pension from the Government Service Insurance System (GSIS) and those who opted to retire under Republic Act No. 1616: *Provided,* That said retired officers and employees are Filipino citizens, who have reached sixty-five (65) years of age, and served the DFA for at least fifteen (15) years at the time of their retirement.

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All other DFA officers and employees who have retired but have not met all the abovementioned qualifications shall be covered by applicable benefits under existing laws and regulations.

SEC. 3. *Monthly Pension Differential and Gratuity Benefit.* –

(a) The DFA retirees receiving monthly pension from the GSIS shall receive a monthly pension differential (MPD). The MPD shall be the difference between the adjusted monthly pension computed by the DFA and the actual monthly pension provided by the GSIS to the DFA retiree, to be multiplied by the adjustment factor: *Provided,* That, upon the effectivity of this Act, the adjustment factor shall be equivalent to fifty percent (50%) which may be subject to review after five (5) years of implementation. The MPD shall be computed as follows:

MPD = [Adjusted Monthly Pension – Actual GSIS Monthly Pension] x Adjustment Factor

The adjusted monthly pension is equal to the product of the monthly salary of the active DFA personnel holding the same rank last held by the retiree, based on the updated salary schedule, multiplied by two and one-half percent (2.5%) and the retiree's recorded creditable service in the DFA: *Provided,* That for the first five (5) years of the implementation of this Act, the monthly salary corresponding to Salary Grade Step 1 of the fourth tranche of Republic Act No. 11466, also known as the "Salary Standardization Law of 2019", shall serve as the basis for computing the adjusted monthly pension.

(b) The DFA retirees who opted to retire under Republic Act No. 1616 shall receive a monthly gratuity benefit equivalent to not more than fifty percent (50%) of the MPD received by other DFA retirees who retired in the same year and held the same rank.

The guidelines on the computation of the MPD shall be periodically reviewed by the DFA to ensure feasibility and sustainability and to prevent any adverse or negative impact on the government deficit, consistent with the provisions of of Section 7 of this Act.

SEC. 4. *Adjustment of Pension Differential.* – Five (5) years after the effectivity of this Act, and every five (5) years thereafter, the MPD, as provided under Section 3(a), may be adjusted: *Provided,* That the funds collected by the DFA under Executive Order No. 906, series of 2010, are sufficient to finance the said adjustment: *Provided, further,* That the pension differential of the DFA retirees shall not be automatically increased whenever there is an annual increase in the salary of the active DFA personnel holding the same rank last held by the retirees.

SEC. 5. *Exemption from Income Tax, Attachment, Levy, and Garnishment.* – Any benefit granted under this Act shall not, in whole or in part, be subject to income tax, attachment, execution, forfeiture, or retention under any legal or equitable proceeding, nor shall any lien of any kind or under any consideration be imposed thereon.

SEC. 6. *Survivorship Benefits.* – In the event of the death of a DFA retiree receiving monthly pension from the GSIS and who met the qualifications provided under Section 2 of this Act, the surviving legal spouse, until he or she remarries, and the qualified dependent children or those eighteen (18) years old and above, but suffering from mental or physical incapacity or any disability that renders them totally dependent on the deceased, shall be entitled to receive survivorship benefits equivalent to a maximum of fifty percent (50%) of the MPD that the deceased retiree was receiving or entitled to receive subject to the survivorship pension guidelines under Republic Act No. 8291, also known as "The Government Service Insurance System Act of 1997", and other applicable laws and regulations.

The DFA shall formulate guidelines on the distribution and release of survivorship pension benefits provided under this Act to qualified dependents of DFA retirees.

SEC. 7. *Funding.* – The funding requirements for the effective implementation of this Act shall be charged against the applicable fees collected under Executive Order No. 906, series of 2010. The national government shall not be responsible for any deficit that may arise due to insufficiency of this funding source.

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SEC. 8. *Implementing Rules and Regulations*. – Within ninety (90) days after the effectivity of this Act, the DFA shall issue the necessary rules and regulations for its effective implementation.

SEC. 9. *Separability Clause*. – If any provision of this Act is declared unconstitutional, the remainder hereof not otherwise affected shall remain in full force and effect.

SEC. 10. *Repealing Clause*. – All laws, presidential decrees, executive orders, letters of instruction, proclamations, or administrative regulations that are inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SEC. 11. *Effectivity*. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

FERDINAND MARTIN G. ROMUALDEZ
Speaker of the House of Representatives

FRANCIS "CHIZ" G. ESCUDERO
President of the Senate

This Act, which is a consolidation of Senate Bill No. 2863 and House Bill No. 10466, was passed by the Senate of the Philippines and the House of Representatives on February 4, 2025 and February 5, 2025, respectively.

REGINALD S. VELASCO
Secretary General
House of Representatives

RENATO N. BANTUG JR.
Secretary of the Senate

Approved: MAY 0 2 2025

FERDINAND ROMUALDEZ MARCOS JR.
President of the Philippines

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