

**MEMORANDUM CIRCULAR NO. 2021-04
SERIES OF 2021**

TO : ALL HEADS OF AGENCIES COVERED BY REPUBLIC ACT NO. 11032 OR THE EASE OF DOING BUSINESS AND EFFICIENT GOVERNMENT SERVICE DELIVERY ACT OF 2018

SUBJECT : THE STRICT IMPLEMENTATION OF THE PROVISIONS OF REPUBLIC ACT NO. 10154 OR AN ACT REQUIRING ALL CONCERNED GOVERNMENT AGENCIES TO ENSURE THE EARLY RELEASE OF THE RETIREMENT PAY, PENSIONS, GRATUITIES AND OTHER BENEFITS OF RETIRING GOVERNMENT EMPLOYEES

DATE : 23 MARCH 2021

I. BACKGROUND

Under Section 17 in relation to Section 2 of Republic Act No. 11032 or *The Ease of Doing Business and Efficient Government Service Delivery Act of 2018* (“RA 11032”), the Anti-Red Tape Authority (“Authority”) was designated as the primary agency tasked to “promote integrity, accountability, proper management of public affairs and public property” and to “establish effective practices aimed at efficient turnaround of the delivery of government services.”

Under Section 1 of Republic Act No. 10154 or the *Act Requiring All Concerned Government Agencies To Ensure The Early Release of The Retirement Pay, Pensions, Gratuities And Other Benefits Of Retiring Government Employees* (“RA 10154”), it is mandated that the “highest priority shall be given to the payment and/or settlement of the pensions, gratuities and/or retirement benefits of retiring government employees” who have “spent the best years of their lives serving the government and the public”. Particularly, the government agencies covered by RA 10154 are mandated to release the retirement benefits of a retiring government employee with no pending case within a period of thirty (30) days from the date of actual retirement of said employee without any pending case¹, and three (3) months in case of a retiring employee with a pending case and whose retirement benefits are being withheld for possible pecuniary liability.²

In accordance with the Authority’s mandate under RA 11032, and to give full force and effect to the provisions of RA 10154, this Circular is being issued to remind all heads of government agencies and offices concerned to comply with the processing times stated in RA 10154 with regard to the early release of the retirement benefits of all retiring government employees and their respective beneficiaries as provided by law.

¹ Section 2 of RA 10154.

² Section 3 of RA 10154.



II. PURPOSE

This Circular is being issued for the guidance of all heads of government offices covered by Section 3 of RA 11032 to strictly comply with the provisions of RA 10154 on the payment and/or settlement of the pensions, gratuities, and/or retirement benefits of retiring government employees and their respective beneficiaries as provided by law. Particularly, this Circular is being issued to strictly monitor compliance of government agencies with the provisions of RA 10154 and RA 11032 and to remind them of the criminal and administrative consequences for non-compliance with the processing times stated in RA 10154 and RA 11032 without due cause.

III. COVERAGE

This Circular shall apply to all government offices falling within the jurisdiction of the Anti-Red Tape Authority pursuant to Section 3 of RA 11032, to wit:

“This Act shall apply to all government offices and agencies including Local Government Units (LGUs), government-owned or -controlled corporations and other government instrumentalities, whether located in the Philippines or abroad, that provide services covering business and nonbusiness related transactions as defined in this Act.”

This includes instrumentalities of the government, including government-owned and/or controlled corporations (GOCCs) covered under Section 44 of RA 10154.

IV. STRICT OBSERVANCE OF THE PROCESSING TIMES FOR THE SETTLEMENT OF RETIREMENT BENEFITS OF RETIRING GOVERNMENT EMPLOYEES AND THEIR RESPECTIVE BENEFICIARIES

This Circular is being issued to remind the heads of agencies and government offices concerned to comply with the processing times for the processing of retirement benefits of retiring government employees and their respective beneficiaries provided under RA 10154 and RA 11032:

i. Period for the Release of Retirement Benefits of Retiring Employees With No Pending Case

Under Section 2 of RA 10154, the GSIS, responsible officers of the Pag-IBIG Fund, responsible officers of the DBM, and the head of agencies and government offices covered by RA 10154, shall ensure the release of the retirement benefits of a retiring government employee within a period of thirty (30) days from the date of actual retirement of concerned government employee, provided that all requirements are submitted to the concerned agency at least ninety (90) days prior to the effective date of retirement. With respect to retiring government employees of the GSIS, his/her retirement benefit shall be paid on his/her last day of service pursuant to the GSIS Charter.

ii. **Period for the Release of Retirement Benefits of Retiring Employees With Pending Case**

Under Section 3 of RA 10154, the retirement benefits of retiring government officials with pending cases and whose retirement benefits are being lawfully withheld due to possible pecuniary liability shall be released within three (3) months from the date of retirement of the government employee, without prejudice to the ultimate resolution of the case.

iii. **Period for the Release of Retirement Benefits of Retiring Personnel of The Armed Forces of The Philippines (AFP)**

The processing of applications for retirement benefits of retiring government employees in the AFP and their respective beneficiaries shall be in accordance with the procedure and periods provided in AFP's Citizen's Charter. In this regard, the AFP is reminded to set up their most current and updated Citizen's Charter in accordance with the form prescribed under Section 6 of RA 11032 and its Implementing Rules and Regulations.

V. SUBMISSION OF A REPORT OF ALL PENDING APPLICATIONS FOR RETIREMENT BENEFITS OF RETIRING GOVERNMENT EMPLOYEES AND THEIR RESPECTIVE BENEFICIARIES

All heads of agencies and government offices covered by RA 11032 and RA 10154 are hereby ORDERED to submit a report to the Authority on all pending applications for retirement benefits of retiring government employees, together with an explanation for the delay of the processing, settlement, and release of the their retirement benefits, within fifteen (15) days from the issuance of this Circular. The report shall contain the name of the applicant, date of filing, and reason for pendency of the application for retirement benefits. A Compliance Report Template is hereto attached for reference.

In relation thereto, the concerned agencies are likewise ordered under this Circular to include in their report the current procedure for processing and settlement of applications for retirement benefits, as stated in their respective Citizen's Charters.

VI. STREAMLINING AND AUTOMATION OF SERVICES

The government offices concerned are hereby ordered to streamline their procedures for the processing and settlement of applications for retirement benefits and put up automation systems pursuant to Section 26 of RA 11032 which provides for a three-year period from the law's effectivity for covered agencies to transition from manual to software-enabled business transactions processing: the deadline of which shall be on **17 June 2021**. This is to ensure an end-to-end processing of retirement benefit applications, with the aim of addressing the problem of delay in the processing of retirement benefits of retiring government employees and their respective beneficiaries.

VII. SUBMISSION OF REPORTS

The government offices ordered to submit a Report of pending applications and current procedures for processing and settlement of retirement benefits as provided under Section V of this Circular shall submit the same through electronic filing through this link:

https://docs.google.com/forms/d/e/1FAIpQLSdyrRce5k4LLEKG6nqwHkxR3mly5jB5tqWZ_P2ZyBUaVTbcqA/viewform

In line with the current restrictions due to the Covid-19 pandemic and the Authority's policy to shift to paperless transaction, we highly recommend the government agencies to file their report electronically.

VIII. AUDIT AND INVESTIGATION

After the lapse of the prescribed period set in this Circular, the Compliance, Monitoring and Evaluation Office (CMEO) shall conduct an audit on the compliance of the covered government offices and upon recommendation of the Deputy Director General for Operations, submit a list of non-complying government offices to the Investigation, Enforcement and Litigation Office (IELO) for the conduct of appropriate investigation in preparation for issuance of notice or filing of administrative case against responsible officials.³

Thereafter, the IELO, upon recommendation of the Deputy Director General for Legal, shall submit to the Director General the list of non-complying government offices for filing of administrative cases for the latter's approval.

ARTA stands ready to assist any government agency that wishes to adopt these reform guidelines. These measures are issued in order to assist government agencies in streamlining their processes and rendering more efficient delivery of government services. ARTA also reminds the LGUs to adopt a Zero Red Tape Policy.

Finally, this Circular is issued in line with the President's call to eliminate red tape and reduce time spent by the transacting public in their dealings with government.

IX. EFFECTIVITY

This Circular shall become effective immediately after its registration with the University of the Philippines – Office of National Administrative Register, pursuant to Book VII, Chapter 2, Sections 4 and 5 of E.O. No. 292 (Revised Administrative Code).

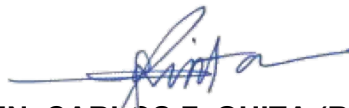
³**Section 8 of RA No. 11032.** *Accountability of Heads of Offices and Agencies.* – The head of the office or agency shall be primarily responsible for the implementation of this Act and shall be held accountable to the public in rendering fast, efficient, convenient and reliable service.

In addition, **Section 17 (c) of RA No. 11032** states that the Authority has the power to “monitor and evaluate the compliance of agencies covered under Section 3 of this Act, and issue notice of warning to erring and/or noncomplying government employees or officials.

RECOMMENDING APPROVAL:



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APPROVED BY:

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Copy furnished:

**ARMED FORCES OF THE PHILIPPINES PENSION AND GRATUITY MANAGEMENT CENTER (AFPPGMC)
DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)
GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)
HOME DEVELOPMENT MUTUAL FUND (Pag-IBIG Fund)
PHILIPPINE NATIONAL POLICE RETIREMENT AND BENEFITS ADMINISTRATION SERVICE (PRBS)**