



A PRIMER ON
PNP RETIREMENT AND
COMMUTATION OF ACCRUED
LEAVE BENEFITS

CY 2004 EDITION

DIRECTORATE FOR COMPTROLLERSHIP
PHILIPPINE NATIONAL POLICE
Camp Crame, Quezon City

FOREWORD

PNP personnel who are about to retire as well as those who have already retired from the service deserve as much concern and attention as those who are still in the active service.

In recent years, there have been numerous complaints about delays and difficulties being encountered by retirees in claiming the benefits due them. Apparently, such difficulties are partly brought about by the lack of information and understanding on the part of the retirees on the requirements and procedures in claiming their benefits.

With this Primer, the PNP Directorate for Comptrollership aims to provide all personnel concerned with the necessary information in order to ease their difficulties and avoid delays in the processing and collection of retirement benefits and claims due them. It contains the requirements and procedures in the processing and collection of retirement benefits including the formulas used in the computation of accrued leave benefits.

Being the first of its kind, this Primer is yet far from perfect. As such, the PNP-DC welcomes questions, comments and suggestions to further improve its contents and presentation. You may send these to the PNP Directorate for Comptrollership, 2nd Floor, NHQ – PNP Building, Camp Crame, Quezon City.

COMPULSORY RETIREMENT

Requirements for 36 months lump sum:

For purposes of Compulsory Retirement, the following documents should be submitted as required for the processing and release of **36 months lump sum**:

1. Retirement Order
2. Updated Service Record
3. Directorate for Logistics (DL) Clearance
4. Certification of Last Payment from Finance Service or its counterpart in the region
5. Directorate for Comptrollership (DC) Clearance
6. Ombudsman Clearance
7. NAPOLCOM Clearance
8. Internal Affairs Service (IAS) Clearance
9. Latest Statement of Assets and Liabilities
10. Latest Promotion Order/Rank Adjustment Order/Absorption Order, as the case may be.

Procedures

STEP 1: Retirement Order

Six (6) months before retirement date, BPAD, DPRM initiates the issuance of Retirement Order based on the retiree's Service Record provided by RMD, DPRM. In instances where the retiree's Police Personnel File (PPF) does not exist, BPAD DPRM notifies the retiree to submit the following documents thru RBCO (if retiree is assigned in a Police Regional Office or PRO):

- Updated PDS
 - Service Record from Unit
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- Appointment Order (if retiree is a former INP member) Enlistment Order (if retiree is a former PN member)
 - Promotion Order (if there is any)
 - Reenlistment Order (if former PC)
 - Family Documents such as marriage contract and birth certificate of dependents
 - Leave Record from Unit

Note:

It is important that retiree should have his records updated one (1) year before retirement date.

STEP 2: Updated Service Record

Upon issuance of a Retirement Order, an Updated Service Record is submitted by RMD, DPRM to the Documentation Section, BPAD, DPRM which consolidates all requirements for retirement.

STEP 3: Documentation Of Clearance

□ ***Requirement No. 3 – DL Clearance***

The BPAD, DPRM shall furnish ODL (PCInsp Robert Rodriguez or NUP Rosemarie G. de Veyra) the retirement order or list of retireables to check whether a particular retiree has property accountability in previous/former unit assignments. If one has accountability, he will be advised accordingly, for his appropriate action.

Simultaneously, retirees assigned in Police Regional Offices must secure the following property clearances from offices/units under the DL functional grouping to include the ARDL to insure that retirees have no property accountability down to the lowest unit level:

- Unit Clearance of Non-Property Accountability
 - Police Provincial Office (PPO) Clearance of Non-Property Accountability
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- Police Regional Office (PRO) Clearance of Non-Property Accountability duly signed by the Assistant Regional Director for Logistics (ARDL) & the Regional Supply Accountable Officer (RSAO).

Upon the completion of the above sub-requirements, the retiree must forward the same to BPAD, DPRM thru the PRO's Liaison Personnel to support the following clearances to be obtained from the NHQ by the Liaison Personnel in behalf of the retiree: (Retirees who have property accountability per DL records/data should, by now, have already secured the necessary clearances).

- Certification of Non-Property Accountability from SAO, HSS (Batallion), duly signed by ADL
- Certification on Non-Property Accountability from SAO, PNP WIDE (Look for Mr Romulo Tuscano)
- Certification from SAO-LSS (Look for Mr Eulito Fuentes)
- Certification of Non-Property Accountability from Firearms and Explosives Division (FED) duly signed by Chief, Storage & Chief, FED
- Certification of Non-Property Accountability from CES (Look for SPO4 Gerryton Neri)

The following should be attached to all the above documents:

- Latest/Updated Service Record from RMD, DPRM
- Retirement Orders (for retiree)
- Posthumous Orders (for death claim)

Retirees assigned at the National Headquarters (NHQ) and National Support Units (NSUs) must secure all the requirements for DL clearance, except PPO clearance and PRO clearance, in coordination with the Personnel Officer or Administrative Officer of their respective units.

□ ***Requirement No.4 – Certification of Last Payment***

Retirees assigned at the NHQ and NSUs must secure their *Certification of Last Payment* from the PNP Finance Service (FS), while those assigned at the PROs must secure this clearance from the FS counterpart in the regions – the Regional Finance Office (RFO). As a prerequisite to the issuance of this clearance, the retiree must submit an Updated Service Record and Retirement Order.

□ ***Requirement No. 5 – DC Clearance***

To secure a DC Clearance, the following documents are required:

- Retirement Order
- Certificate of Last Payment
- Authorization to Deduct (in case there is overpayment)
- PSMBFI Certification
- PNPSSS Certification
- PSSLAI Certification

The BPAD, DPRM will also furnish the Management Division (MD), ODC the list of retireables or retirement orders and the latter will check with PSMBFI, PNPSSS and PSSLAI whether a particular retiree has an account with them. The Management Division, ODC will issue clearance to those without account (upon completion of the other documents). Those with account will be advised accordingly thru BPAD or Liaison Personnel.

□ ***Requirement No. 6 – Ombudsman Clearance***

This clearance shall be secured by the BPAD or RBCO depending on the unit assignment of the retiree.

For retirees assigned in Metro Manila & Luzon, the BPAD – DPRM is responsible for securing the Ombudsman Clearance. For those assigned in the Visayas or Mindanao, the one responsible is the RBCO of the respective PROs.

□ ***Requirement No. 7 – Napolcom Clearance***

Retirees assigned at the PROs must secure this clearance from the respective NAPOLCOM Regional Offices. Retirees assigned at the NHQ or NSUs, must secure this clearance from the NAPOLCOM NCR Office located at Francisco Gold Building, Kamuning.

For Unit Clearance – Retirement Order is a prerequisite to this.

□ ***Requirement No. 8 – IAS / RIAS Clearance***

In securing the IAS/RIAS Clearance, the retirees must submit the following supporting clearances depending on his assignment. For example, a retiree assigned to a station of a PRO must secure first the following clearances to support the RIAS Clearance:

- Station Clearance
- Municipality Clearance
- PIAS Clearance

In addition to the above, Retirement Order, Certificate of Non-Pending Case, Certificate of Duty Status are also required. Retires assigned at the National Headquarters and NSUs must obtain an IAS Clearance.

□ ***Requirement No. 9 – Latest Statement of Assets and Liabilities***

□ ***Requirement No. 10 – Latest Promotion Order/Rank Adjustment Order/Absorption Order, as the case may be***

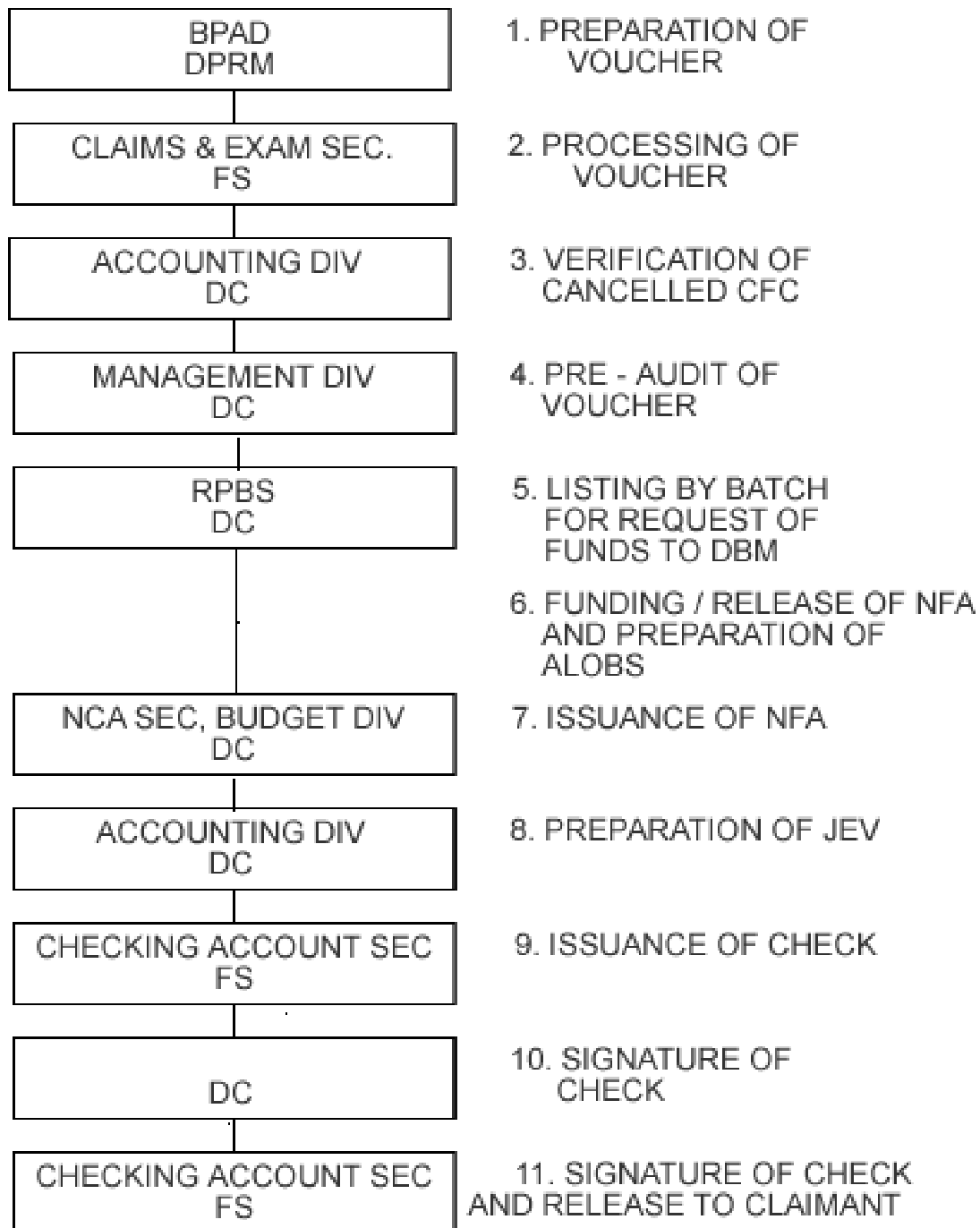
STEP 4. Consolidation

The BPAD, DPRM shall consolidate all the requirements stated above.

STEP 5. Processing of Claims

Upon completion of the above requirements and consolidation of documents by BPAD, DPRM, the processing of the retirement and pension claims will follow, as reflected in the following flowchart:

**FLOWCHART ON THE PROCESSING OF
RETIREMENT & PENSION CLAIMS**



COMPUTATION OF RETIREMENT GRATUITY/LUMP SUM

Computed as 3 years lump sum:

Base Pay		XX, XXX.XX
Long Pay	(+)	<u>X, XXX.XX</u>
		XX, XXX.XX
Percentage Allocated to the Service	(x)	<u>XX.XX</u>
Monthly Pension		XXX, XXX.XX
	(x)	<u>36 mos.</u>
		X, XXX, XXX.XX

Percentage Allocated to the Service:

Length of Service: Broken down to Years, months, days

(Years x 2.5%) + (months x 0.208%) + (Days x 0.006%)

Example: Compulsory Retired with the Rank of SPO1 computed based on one (1) rank higher (SPO2)

Length of Service 27 years, 6 months, 8 days

Long Pay: 5th

Computed as 3 years lump sum:

Base Pay		12, 938.00
Long Pay	(+)	<u>6, 469.00</u>
		19, 407.00
Percentage Allocated to the Service	(x)	<u>68.796%</u>
Monthly Pension		13, 351.24
	(x)	<u>36 mos.</u>
		480, 664.63

Percentage Allocated to Service

(27 yrs x 2.5) + (6 mos. * 0.208) + (8 days x 0.006%)

68.796%

COMMUTATION OF ACCRUED LEACE (CAL)

For purposes of Compulsory Retirement, the following are the requirements for the Commutation of Accrued Leave (CAL):

1. Retirement Order
2. Commutation Order from DPRM or PRO
3. Updated Service Record from RMD, DPRM
4. Breakdown of Leave Credits from RMD, DPRM
5. Money and Property Clearance from Unt
6. Certificate of Non-Enjoyment of Mandatory Leave during the period 1992 and below
7. Certificate of Last Payment
8. Latest Statement of Assets and Liabilities

□ ***Requirement No. 1: Retirement Order***

For details on how to obtain this requirement, refer to item No. 1 of the requirements for 36 months lump sum.

□ ***Requirement No. 2: Commutation Order from DPRM or PRO***

For retirees assigned at NHQ and NSUs, the BPAD shall facilitate the issuance of Commutation Order while RBCO shall be responsible for those assigned in PROs. The following are the prerequisites:

- Retirement Order
 - Updated Service Record
 - Certification of Leave Credits from RMD, DPRM
 - Latest Promotion Order
-

It is necessary that retirees assigned in PROs should attach their Leave Record and medals converted into leave credits, as these will be the basis of RMD, DPRM in the issuance of Certification of Leave Credits.

□ ***Requirement No. 3: Updated Service Record from RMD, DPRM***

For details on how to obtain this requirement, refer to item No. 2 of the requirements for 36 months lump sum.

□ ***Requirement No. 4: Breakdown of Leave Credits from RMD, DPRM***

Retirees assigned in PROs should attach their Leave Records obtained from their respective PROs and the medals converted into leave credits.

□ ***Requirement No. 5: Money and Property Clearance from Unit***

□ ***Requirement No. 6: Certification of Non-Enjoyment of Mandatory Leave during the Period 1992 and below***

This is issued by the respective unit of the retiree to attest that he did not enjoy the 5 days mandatory leave since his entry into the PNP service until 1992. To this effect, the number of days will be added to his leave credits.

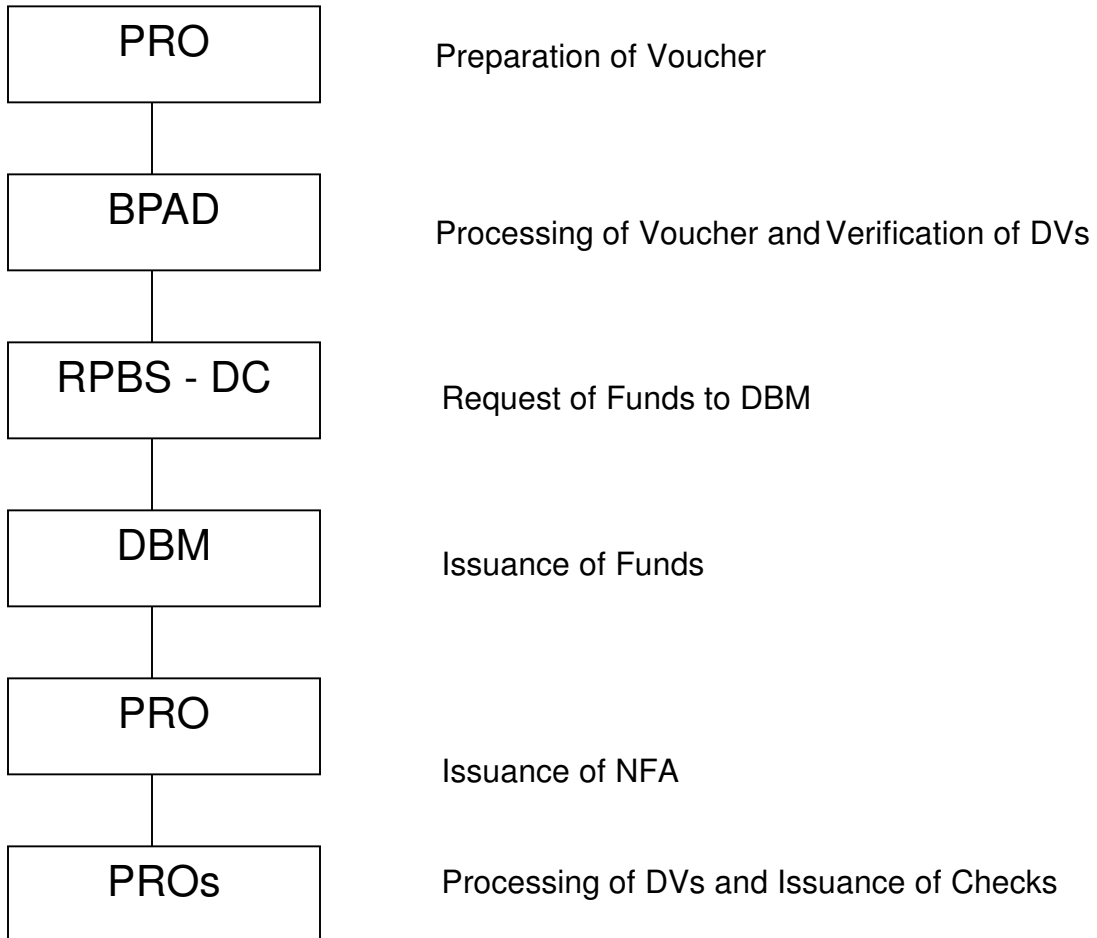
□ ***Requirement No. 7: Certificate of Last Payment***

For details on how to obtain this requirement, refer to item No. 4 of the requirements for 36 months lump sum.

□ ***Requirement No. 8: Latest Statement of Assets and Liabilities***

FLOWCHART ON THE PROCESSING OF CAL

- ***For retirees assigned in PROs:***



- ***For retirees assigned in NHQ/NSUs***

(Refer to Flowchart on the Processing of Retirement and Pension Claims, page 7)

COMPUTATION OF COMMUTATION OF ACCRUED LEAVE (CAL)

Base Pay		xx, xxx.xx
Long Pay	(+)	<u>x, xxx.xx</u>
		xx, xxx.xx
Constant Factor	(x)	0.0478087
Number of Leave Credits	(x)	<u>xxx.xx</u>
Comm of Leave Amount		x, xxx,xxx.xx

Computation of Long Pay

5 th Long Pay	x 50%
4 th	x 46.41%
3 rd	x 33.1%
2 nd	x 21%
1 st	x 10 %

Example:

Compulsory retired with the rank of SPO4 computed based on one rank higher (PINSP)

Base Pay (PINSP)		16, 667.00
Long Pay (5 th)	(+)	<u>8, 334.00</u>
		25, 001.00
Constant Factor	(x)	<u>0.0478087</u>
		1, 195.27
Number of Leave Credits	(x)	<u>993.00</u>
Comm of Leave Amount		1, 186, 898.45

POINTS TO PONDER

- Plan for your future
- Keep your Personal Records and Files intact
- Keep your Police Personnel Files (PPF) updated at RMD, DPRM
- Report at once errors noted in Official Personal Documents
- Seek appropriate acknowledgement receipts/documents in every property returned
- In any case, DO NOT deal with unauthorized personnel in securing the required documents and submission of claims. PROs/NSUs have their respective Liaison Personnel – deal with them.

On the basis of interviews conducted on prospective retirees who have already retired, some problems in relation to the retirement process have been identified. As a manifestation of concern for the welfare of these personnel, these problems have been addressed, as follows:

Problem 1:

Non-issuance of Service Record due to the non-existence of retiree's Police Personnel File (PPF).

Solution:

Submit to RMD, DPRM the following:

- a. Updated Personal Data Sheet
 - b. Service Record from Unit
 - c. Appointment Order (former INP)
Enlistment Order (former PC)
 - d. Promotion Orders
 - e. Reenlistment Orders (former PC)
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- f. Family Documents (Marriage Contract & Birth Certificate of Dependents)
 - g. Leave Record from Unit

Problem 2:

Errors in Name and/or Birth Dates in Official Documents of the PNP vis-à-vis Birth Certificate.

Solution:

Present NSO-validated birth certificate as basis for amendment of Service Record/Order.

Problem 3:

Firearms Accountability

Solution:

Proper documentation of firearms returned. Ensure that all issued firearms, including those issued by former units, were returned properly with proof of acknowledgement from the Supply Officer, normally the Property Turn-in Slip (PTIS).

Problem 4:

Submission of incomplete requirements.

Solution:

Review the list of requirements and ensure that no requirement is lacking to avoid delay.

To avoid problems, retirees are therefore encouraged to coordinate with the personnel of BPAD, DPRM or the PROs officiallt designated liaison personnel who are authorized to deal directly with concerned officers/units in securing

clearances and other documents needed to support retirement benefits and claims.

Authorized Liaison Personnel

PROs/NSUs

Address

Name of Liaison

Contact Number

PRO 1

Cp Brig Gen Oscar M Florendo, San Fernando, La Union

SPO4 Danilo P Oria

SPO3 Danilo A Gonzalgo

NUP Corazon F Silvestre

415-0926 (Liaison's Ofc)

PRO 2

Cp Addurru, Tuguegarao City

PO1 Ramon M Macarrubbo Jr

09208093591

PRO 3

Cp Olivas, San Fernando, Pampanga

PO1 Thom DR Agustin

PO1 Alejandro V Valentino Jr

09174574671 / 09198442877

PRO CALABARZON

Cp Vicente Lim, Calamba City, Laguna

PO3 Telvin V Bernas

09187893649

PRO MIMAROPA

SPO3 Leonardo V Diones

09164586823

PRO 5

Cp Simeon A Ola, Legazpi City

PO3 Romeo E Correa

09187188672

PRO 6

Cp Martin Delgado, Iloilo City

SPO3 Dionito A Beso

PO3 Renato A Paule

09183987070

PRO 7

Cp Sergio Osmeña Sr, Osmeña Blvd., Cebu City

SPO4 Vicente C Lasam – 09185221273

PO2 Renato Lazaro

PRO 8

Camp Kangleon, Palo, Leyte

PO3 Editha R Prima

09179534377

PRO 9

Cp Col Romeo A Abendan, Mercedes, Zamboanga City

SPO1 Isidro S Garzon

NUP Edna C Llorente

09193475762

PRO 10

Cp Alagar, Cagayan De Oro City

SPO2 Al Prospero D Camay – 09172865289

PO3 Dominic Lumbay

PRO 11

Cp Catitipan, Davao City

PO2 Vincent R Silva

PO1 Melody Grace B Lupiba

09198407858

PRO 12

Tambler, General Santos City

SPO3 Melchor A Escarilla

PO3 Lydia Villarosa

09198545754

09192820671

PRO 13

Cp Rodriguez, Butuan City

PO2 Andrew J Olaguer

09189408286

PRO ARMM

Cp Brig Gen Salipada K Pendatum, Parang, Maguindanao

PO3 Danilo C Gumerá

09187245671 / 4144165

PRO CAR

Cp Bado Dangwa, La Trinidad, Benguet

PO3 Ronaldo G Eslabra

NUP Noel R Ganaban

NUP Armando B Laurinaria

09193376520

SAF

Cp Bagong Diwa, Bicutan, Taguig, MM

PO1 Edsel D Dela Paz

NUP Dolores F Quijano – 8381106

NCRPO

Cp Bagong Diwa, Bicutan, Taguig, MM

PSINSP ARACELI U DE LEON

SPO1 Hermogenes C Tabora

09193585959

GLOSSARY

Retirement – The state of being officially separated or severed from active police or government service in any of the following circumstances:

- Optional on the part of the individual; and
 - Compulsory retirement due to age or service accumulation.
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Retirees – PNP personnel who retire from the service whether compulsory or optional.

Retirement Benefit – Monthly retirement benefit which shall be fifty percent (50%) of the base pay and longevity pay of the retired grade in case of twenty (20) years of active service, increasing by two and one-half (2.5) for every year of active service rendered beyond twenty (20) years to a maximum of ninety (90%) for thirty six years of active service and over.

Compulsory Retirement – For uniformed personnel, it shall be upon the attainment of age fifty six, while for non-uniformed personnel, it shall be upon the attainment of age sixty-five (65).

Optional Retirement – Upon accumulation of at least twenty (20) years of active service, an officer or non-officer, at his own request and with the approval of NAPOLCOM, shall be retired from the service and be entitled to receive benefits provided by law.

Lump Sum – Retired personnel shall be entitled, at his option, to receive in advance and in lump sum his annual retirement pay for the first five years and thereafter receive his annual retirement pay payable in equal monthly installments as they accrue.

Commutation of Leave Credits – PNP members who retire voluntarily or are separated from the service through no fault of their own and who are not otherwise covered by special laws are entitled to the commutation of all their leave credits exclusive of Saturdays/Sundays/Holidays without limitation and regardless of the period when the credits were earned.

LEGAL MANDATE ON RETIREMENT

Section 74 (RA 6975). Retirement in the next higher grade. Uniformed personnel covered under this act shall, for purpose of retirement pay, be retired in one (1) grade higher than the permanent grade last held provided that they have served for at least one (1) year of active service in the permanent grade.

Section 75 (RA 6975). Monthly retirement pay shall be fifty (50%) percent of the base pay and longevity of the retired grade in use of twenty (20) years of active service increasing by two and one-half (2.5%) percent for every year of active service rendered beyond twenty (20) years to maximum of ninety (90%) percent for thirty six (36) years of active service and over.

Other benefit claims of retirees:

- ❖ PSMBFI
- ❖ Pag – ibig
- ❖ AFPSLAI
- ❖ LTMPIC (Lakas Tulungan)

For more details, visit respective offices/branches found inside Camp Crame, Quezon City.

**DIRECTORY OF PNP PROCESSING
UNITS / OFFICES**

PROCESSING OFFICE FOR RETIREMENT BENEFITS	CONTACT PERSON	CONTACT NUMBER
RMD, DPRM	NUP Leah B Gomez	7230401 loc 5207 / 09189377753
BPAD, DPRM	PSI EDNA V SECLON	7210342 / 7230401 LOC 4538
DL	PO2 George B Timbol	7230401 loc 3504 / 7267221
SAO, HSS	PO1 Eric B Fernandez	7225244 / 09177480027
SAO PNPWIDE (LSS)	NUP Josephine D Cabije	7255124
SAO, LSS	PO1 Charisma Z Roa NUP Noemi E Contapay NUP Caridad D Bagarra	7230401 loc 4354 09102388058
FED	SPO3 Silverio B Buenafe	7230401 loc 4420
CES	SPO4 Gerryton Neri NUP Belinda DL Alvarez	7255269
MD, DC	NUP Delia Eugenio	7230401 loc 4574
IAS	NUP Jocelyn R Gregorio	7230401 loc 3263
Claims & Exams Sec, FS	NUP Enriqueta A Julian	7230401 loc 5348 / 09205153067
Accounting Div, DC	NUP Edna P Gener	7230401 loc4203
RPBS, DC	SPO4 Pio B Fabros NUP Violeta A Ramos	7230401 loc 3465

	NUP Rosalie A Gumba	
NCA Sec, Budget Div, DC	NUP Rico J Pablo	7230401 loc 3575
Checking Account Sec, FS	NUP Alfredo T Avanzado NUP Nestor E Cruz	7230401 loc 5538