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of the Philippines  
Malacañang

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MEMORANDUM ORDER NO. 71

PAYMENT OF SEPARATION BENEFITS TO OFFICIALS AND EMPLOYEES OF THE MINISTRY OF HUMAN SETTLEMENTS AND OTHER AGENCIES ABOLISHED UNDER EXECUTIVE ORDER NO. 85.


WHEREAS, it is imperative to clarify the provisions of Executive Order No. 85 to ensure its faithful implementation in accordance with the spirit of Proclamation No. 3;

ACCORDINGLY, it is hereby clarified that in accordance with Section 3 of Article III of Proclamation No. 3 all those officials and employees of the Ministry of Human Settlements and the other agencies abolished under Executive Order No. 85 who are separated from the service, but are not entitled to retirement benefits due to service deficiency, shall be granted a separation pay at a rate equivalent to one month's salary for every year of service rendered or the equivalent nearest fraction thereof favorable to them on the basis of the highest salary received, but in no case exceeding twelve (12) months.

In this connection, Section 55(c) of P.D. No. 1177 authorizing the use of savings for payment of retirement gratuity or separation pay of employees separated from the service due to government reorganization shall be availed of as the funding source of the benefits herein granted. In the absence of savings, the amount necessary shall be taken from the Compensation and Organization Adjustment Fund (COAF) provided for in Executive Order No. 87.

This Order shall take effect immediately.

By authority of the President:

  
JOKER P. ARROYO  
Executive Secretary

Manila, February 18, 1987