

No. 7147

**UNITED STATES OF AMERICA
and
PHILIPPINES**

Exchange of notes constituting an agreement relating to social security coverage for non-United States citizen employees (with annex). Manila, 23 April 1962 and 30 August 1963

Exchange of notes constituting an agreement concerning the above-mentioned Agreement. Manila, 30 August and 8 October 1963

Official text: English.

Registered by the United States of America on 28 February 1964.

**ÉTATS-UNIS D'AMÉRIQUE
et
PHILIPPINES**

Échange de notes constituant un accord relatif à l'application du régime philippin de sécurité sociale aux employés des forces américaines aux Philippines qui ne sont pas citoyens des États-Unis. Manille, 23 avril 1962 et 30 août 1963

Échange de notes constituant un accord concernant l'Accord susmentionné. Manille, 30 août et 8 octobre 1963

Texte officiel anglais.

Enregistrés par les États-Unis d'Amérique le 28 février 1964.

No. 7147. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE PHILIPPINES RELATING TO SOCIAL SECURITY COVERAGE FOR NON-UNITED STATES CITIZEN EMPLOYEES. MANILA, 23 APRIL 1962 AND 30 AUGUST 1963

I

The American Embassy to the Philippine Department of Foreign Affairs

No. 762

The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs of the Republic of the Philippines and has the honor to refer to the Embassy's Note No. 1085 of May 13, 1960² and the Department of Foreign Affairs Note No. 1792-60² in response thereto on the subject of providing retirement coverage to Filipino employees of those United States armed forces in the Philippines, pursuant to the Military Bases Agreement of 1947.³

The Embassy has the further honor to propose that the United States participate on a voluntary basis in the Social Security System of the Government of the Philippines (hereinafter called the "System") insofar as the System provides for old age retirement, permanent disability, sickness and death benefits, in order to secure social security benefits for non-US civilian employees of the United States armed forces presently without a retirement pension program.

Sections 11 through 21, inclusive, and Section 22 (a), 23 and 24 (a) of the System and of the rules, regulations and procedures of the System which describe the duties of the employer participating in the programs enumerated above shall be applicable to the United States armed forces.

The employees covered into the System shall have the same benefits and protections, and be subject to the same obligations and penalties, under the System as if they were in private employment.

¹ Came into force on 30 August 1963 by the exchange of the said notes.

² Not printed by the Department of State of the United States of America.

³ United Nations, *Treaty Series*, Vol. 43, p. 271; Vol. 68, p. 272; Vol. 185, p. 334; Vol. 213, p. 370; Vol. 229, p. 282, and Vol. 325, p. 332.

The Philippine Government agrees to seek the changes to Philippine law necessary to permit under Philippine law the voluntary participation in the System by the United States armed forces and subsequently to notify the United States when such changes have been made.

If the foregoing proposals and the Annex attached hereto are acceptable to the Government of the Republic of the Philippines, this note and the reply thereto indicating such acceptance and giving the notification referred to in the foregoing paragraph shall be considered to constitute the agreement of the Governments of the United States of America and the Republic of the Philippines concerning this matter to take effect on the date of such reply.

The Embassy avails itself of this opportunity to renew to the Department of Foreign Affairs the assurances of its highest consideration.

M. K.

Enclosure :
Annex.

Embassy of the United States of America

Manila, April 23, 1962

A N N E X

The United States Government proposes to the Philippine Government the following understandings between them to implement participation in the Philippine Social Security System by the United States armed forces for the benefit of their non-US civilian employees.

The United States armed forces shall make deductions from covered employees' wages of the employee contributions required by the System and shall remit them to the System together with the corresponding employer contributions.

In carrying out the provisions of the Philippine Social Security Act which authorize the System to reimburse the employer for overpayments or other amounts which become due to the employer from the System (for example, reimbursing the employer for payment of sickness benefits under the System) the United States armed forces will accept such reimbursement in the form of credit offsets to their current remittances to the System.

All fiscal transactions between the United States armed forces and the System and with covered employees shall be in terms of the Philippine peso.

The United States Government will provide appropriate self-audit and self-inspection in lieu of external audit or inspection except as may be otherwise agreed as an administrative arrangement.

Nothing in this agreement is to be construed as altering the privileges and immunities provided under generally accepted principles of international law or in the treaties and agreements between the two Governments, nor construed to subject the United States or its agencies, solely because of participation in the System, to any civil, administrative or penal action provided for by the System or by any other law.

All non-US citizen employees of the United States armed forces who would otherwise be eligible for coverage under the System, whether compensated from appropriated or non-appropriated funds of the United States, and who are not eligible for participation in the U.S. Civil Service Retirement program, will be considered to be included within the terms of this Annex.

Administrative arrangements for the further implementation of this agreement, including the date for commencing participation in the System, shall be concluded between the Philippine Social Security Commission and the Representative in the Philippines of the Commander-in-Chief Pacific.

II

The Philippine Department of Foreign Affairs to the American Embassy

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FOREIGN AFFAIRS

No. 1709-63

The Department of Foreign Affairs of the Republic of the Philippines presents its compliments to the Embassy of the United States of America and has the honor to acknowledge the receipt of the Embassy's Note No. 762, dated April 23, 1962, of which the text is as follows :

[*See note I*]

The Department has the honor to inform the Embassy that the proposals set out above and the Annex attached thereto are acceptable to the Government of the Republic of the Philippines, and that it is the understanding of the Department that the Embassy's Note and this reply thereto shall constitute the agreement of the Governments of the Republic of the Philippines and the United States of America concerning this matter to take effect on the date of this reply.

The Department avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

S. P. L.

Manila, August 30, 1963

No. 7147

III

*The Philippine Department of Foreign Affairs to the American Embassy*REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FOREIGN AFFAIRS

No. 1917-63

The Department of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honor to refer to the exchange of notes between the Embassy and the Department (Embassy's Note No. 782 dated April 23, 1962 and Department's Note No. 1709/63 dated August 30, 1963), concerning the Agreement between the Governments of the Republic of the Philippines and the United States of America on the subject of providing social security coverage to Filipino employees of the United States-operated bases in the Philippines.

Pursuant to the provision of the said Agreement whereby the Philippine Government agreed "to seek the changes to Philippine law necessary to permit under Philippine law the voluntary participation in the System by the United States armed forces and subsequently to notify the United States when such changes have been made," the Department wishes to inform the Embassy that such changes have been made by the enactment and approval of Republic Act 3839 which came into force on June 22, 1963, thus permitting as of that date "any foreign government, international organization, or their wholly-owned instrumentalities employing workers in the Philippines to enter into an agreement with the Philippine Government for the inclusion of such employees in the Social Security System except those already covered by the United States Civil Service Retirement System."

This notification is hereby given in compliance with the condition referred to above and to form part of the Agreement concluded between the two Governments on the matter of social security coverage for Filipino employees in the United States-operated bases.

The Department of Foreign Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

L. D. C.

Manila, August 30, 1963

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
THE PHILIPPINES CONCERNING THE AGREEMENT
OF 23 APRIL 1962 AND 30 AUGUST 1963² RELATING TO
SOCIAL SECURITY COVERAGE FOR NON-UNITED
STATES CITIZEN EMPLOYEES. MANILA, 30 AUGUST
AND 8 OCTOBER 1963

I

The Philippine Department of Foreign Affairs to the American Embassy

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FOREIGN AFFAIRS

No. 1708-63

The Department of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honor to refer to recent discussions concerning a voluntary agreement to extend coverage of the Social Security System of the Government of the Philippines to particular groups of Filipino employees.

The Department has the honor to propose that non-U.S. citizen employees of the United States Employees Association, the JUSMAG Officers Club, the JUSMAG NCO Club, and the AID Employees' Recreation Association be brought into coverage by the Social Security System of the Government of the Philippines on a basis similar to that proposed by the Embassy of the United States of America for Filipino employees of the United States-operated bases in the Philippines as contained in the Embassy's Note No. 762 of April 23, 1962.²

If the foregoing proposal is acceptable to the Embassy, an affirmative reply shall be considered to constitute an agreement that this coverage will be provided for the non-U.S. citizen employees of the above-mentioned employing organizations effective as soon as administrative arrangements may be concluded between the Social Security System and the employing organizations.

The Department avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

S. P. L.

Manila, August 30, 1963

¹ Came into force on 8 October 1963 by the exchange of the said notes.

² See p. 324 of this volume.

II

The American Embassy to the Philippine Department of Foreign Affairs

No. 340

The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs of the Republic of the Philippines, and has the honor to acknowledge receipt of the Department's Note No. 1708/63 dated August 30, 1963, of which the text is as follows :

[*See note I*]

The Embassy has the further honor to inform the Department that the proposal set out above is acceptable to the Government of the United States of America, and that it is the understanding of the Embassy that the Department's note and this reply thereto shall constitute the agreement of the Governments of the United States of America and the Republic of the Philippines concerning this matter to take effect on the date of this reply.

In accordance with the Department's proposal for a voluntary agreement to extend coverage of the Social Security System of the Government of the Philippines to non-U.S. citizen employees of the United States Employees Association, the JUSMAG Officers Club, the JUSMAG NCO Club, and the AID Employees' Recreation Association, on a basis similar to the recent agreement for Filipino employees of the United States-operated bases in the Philippines, the above listed groups of non-U.S. citizen employees shall be brought into effective coverage of the Social Security System of the Government of the Philippines as soon as administrative arrangements have been concluded between the Philippine Social Security Commission and representatives of the above listed organizations.

The Embassy avails itself of this opportunity to renew to the Department of Foreign Affairs the assurances of its highest consideration.

R. M. S.

Embassy of the United States of America
Manila, October 8, 1963
