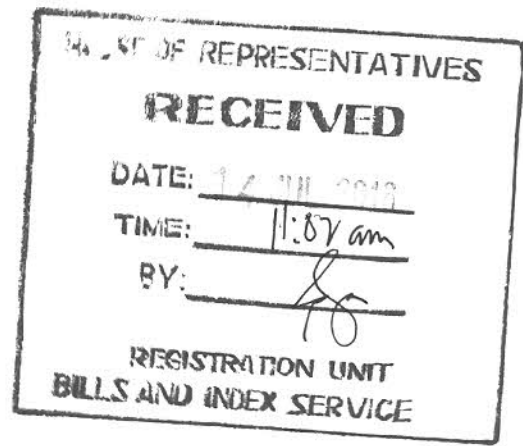


REPUBLIC OF THE PHILIPPINES  
*House of Representatives*  
Quezon City

SEVENTEENTH CONGRESS  
1<sup>st</sup> Regular Session

HOUSE BILL NO. 1569



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**Introduced by Congressman Alfredo D. Vargas III**

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#### EXPLANATORY NOTE

The high and increasing costs of basic necessities has always been a problem for our people. Present incomes fail to cope with the accelerating prices, as reflected in the annual increase in the consumer price index.

Government employees are specifically vulnerable to this sad situation. This is in spite of the regular adjustments in salaries of government employees in the last decade.

Our government employees, those who toil in the name of public service, needs to be granted additional assistance, for them to cope with rising cost of living. Inflation simply eats into whatever "take home" pay they get.

The State has an obligation to ensure that government workers can afford decent lives. Government workers must be given by the State hand to deal with the spiraling prices of basic commodities and goods.

For our public sector employees, we need to put in place some special economic assistance in the form of a Cost of Living Allowance (COLA) in addition to the other mandatory allowances they are receiving at present. Hence, this bill.

The representation is confident that this Bill is one good alternative in case the national government would not be able to immediately implement another round of adjustments in the prevailing salary rates of government workers.

This piece of legislation would enable even the lowest paid government workers to cope with worsening economic conditions and an unpredictable world market. It will help our public sector employees make both ends meet, especially since most of them have families to feed. I am thus appealing for the immediate passage of this bill.

  
ALFREDO D. VARGAS III

**REPUBLIC OF THE PHILIPPINES**  
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**AN ACT**  
**PROVIDING FOR A COST OF LIVING ALLOWANCE (COLA) FOR ALL EMPLOYEES IN THE GOVERNMENT SECTOR AND FOR OTHER RELATED PURPOSES**

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

SECTION 1. *Declaration of Policy.* – it is hereby declared to be the policy of the State to promote, nurture and protect the interest of the workers in the public sector for them to endure the economic challenges brought by the undeniable upsurge in the cost of living by providing just and reasonable compensation to every worker in the government workforce that corresponds to their share of effort to achieve and sustain productivity in the agencies they serve, thus, allowing them to have decent personal and/or family life and to be able to meet the basic needs of their families for shelter, daily sustenance, education and medical attendance.

SEC. 2. *Coverage.* – All civilian government employees whether employed by the national or local governments, appointive or elective, and whether occupying a regular, contractual or casual position, whose positions are covered by Republic Act 6758, otherwise known as the “Compensation and Position Classification Act of 1989” as amended, as well as military and uniformed personnel, shall be covered by this Act.

SEC. 3. *Cost of Living Allowance (COLA) for Government Employees.* – In order to alleviate the impact of the ever-increasing costs of basic necessities on government workers, there is hereby granted a special economic assistance for all covered government employees to be known as the Cost of Living Allowance for government workers in the amount of Five Thousand Pesos (Php5,000.00) to be implemented across-the-board, on top of the existing Personnel Economic Relief Allowance (PERA) previously granted for the same purpose.

SEC. 4. *Funding.* – To effectively carry-out the grant of the COLA provided herein for the employees of the national government agencies, the amount necessary for this purpose

shall be charged against the annual General Appropriations Act, particularly the Miscellaneous Personal Benefit Fund (MPBF) or any savings realized by the government for the current GAA.

In the case of government-owned and controlled corporation and financial institutions, the necessary amount shall be sourced fully from their respective corporate funds, and in the case of local government units (LGUs), from their respective local funds or the LGU's share in their Internal Revenue Allotments (IRA).

SEC. 5. *Implementing Rules and Regulations.* – Within a period of thirty (30) days from the enactment of this Act, the Department of Budget and Management (DBM) in consultation with the Civil Service Commission, the Department of National Defense and the Department of the Interior and Local Government and the Governance Commission on Government Owned and Controlled Corporations (GCC) and other affected agencies, shall issue the Implementing Rules and Regulations for the immediate implementation of this Act.

SEC. 6. *Effectivity.* – This Act shall take effect immediately upon its approval (15) days after its publication in the Official Gazette or at least two (2) newspapers of general circulation.

Approved,