

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1762

Introduced by: **REP. PROSPERO A. PICHAY, JR.**

EXPLANATORY NOTE

This bill seeks to increase the P1,000 monthly Personnel Economic Relief Allowance (PERA) granted to public sector employees to P1,500. Computed daily, the P500 is a paltry P16 adjustment in daily wages, not even enough, in this age of the shrinking peso, to buy a kilo of rice. Clearly the increase is not meant for workers to get rich, but to get by. As inflation hovers around the double digit level, the P16 increase barely recovers the value of peso lost.

The PERA was reluctantly conceived by the country's biggest employer eight years ago to shield the salaries of its 1.5 million employees from the ravages of inflation and high cost of living. It was some sort of an emergency allowance for government employees who, in late 1990, were reeling under two debilitating oil price hikes and were hedging against the possible fallout from the war clouds in Iraq.

The PERA was to tide the civil servants over until the crisis had subsided. But the crisis never left; on the contrary, it grew worse. Prices have more than doubled over the last seven years, while the purchasing power of the peso has eroded by more than 60 percent. The one peso in 1988 could only buy around 40 centavos worth of goods today.

The budget outlay for this proposal is admittedly huge. The national plantilla positions alone for salary grade 25 employees and below amount to almost a million. These do not include the half-a-million bureaucrats who swarm local government units, GOCCs, the police, and the army. But still the amount is a miniscule percentage to what government pays our foreign creditor banks yearly. The act of increasing the salaries of our public servants would not go unreciprocated. No matter how token or minimal, such increase would definitely redound to an energized and motivated public servant corps that would perform and deliver for the national good.

I invite Presidential endorsement of the bill even as I urge immediate House action on it.

PROSPERO A. PICHAY, JR.



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AN ACT
INCREASING TO ONE THOUSAND FIVE HUNDRED PESOS (P1,500) THE MONTHLY PERSONNEL ECONOMIC RELIEF ALLOWANCE (PERA) GRANTED TO GOVERNMENT EMPLOYEES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. *Increase in Monthly Allowance.* – The Personnel Economic Relief Allowance (PERA) granted to government employees is hereby increased from the present One Thousand Pesos (P1,000) per month to One Thousand Five Hundred Pesos (P1,500) per month effective January 1, 2005.

SEC. 2. *Beneficiaries.* – Those who are qualified to receive the benefit under this Act are the following government employee groups:

a) Appointive national government employees occupying itemized plantilla positions with Salary Grade 25 or below;
b) Appointive local government employees, except members of local legislative bodies, occupying itemized plantilla positions with Salary Grade 25 or below;
c) Non-commissioned and enlisted personnel of the Philippine National Police and the Armed Forces of the Philippines who are receiving regular basic salary;
d) Employees in government-owned and/or controlled corporations occupying itemized plantilla positions with Salary grade 25 or below, except those who are receiving similar allowances under corporate policy or practice.

Casual employees who have rendered at least 12 months continuous or uninterrupted service upon the effectivity of this Act or thereafter shall be likewise granted this benefit.

SEC. 3. *Restrictions.* – Notwithstanding the foregoing provisions, no employee receiving commutable representation and/or transportation allowance shall be granted the benefit under this Act.

SEC. 4. *Funding.* – For Calendar Year (CY) 2005, the benefit herein authorized for national government employees shall be charged against savings, which for the purpose includes unexpended or unreleased appropriations under Republic Act 8522 and other programmed appropriations. Thereafter, the amount necessary shall be included in the annual General Appropriations Act.

For local government units (LGUs), the benefit shall be charged against respective local funds. Any deficiency shall be charged against the unexpended balances of CY 2003 Internal Revenue Allotments (IRAs) to LGUs which are hereby authorized to be realigned for the purpose. Thereafter, the amount necessary shall be provided in their respective annual budgets.

For government-owned and/or controlled corporations, the benefit shall be charged against their respective corporate funds.

SEC. 4. *Implementing Rules and Regulations.* – The Department of Budget and Management shall issue the implementing rules and regulations within one week from the approval of this Act.

SEC. 5. *Effectivity.* – This Act shall take effect upon its publication in two (2) newspapers of national circulation.

Approved,