



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

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4292

**Introduced by Akbayan Representatives Mario "Mayong" Joyo Aguja,
Loretta Ann P. Rosales and Ana Theresia Hontiveros-Baraquel**

EXPLANATORY NOTE

As the economic crisis progressed, some investments were halted, some reduced their current assets, while others were forced to sought termination of employment under the redundancy or the retrenchment scheme, in order to protect their investments from the current economic downturn brought about by the impending financial crisis. These are some of the investment protection schemes being adopted by the employers in dealing with the challenges brought about by the prevailing business climate in the country. As a result, the employees' sector continuously suffers the impact of the resulting economic setback.

The President, in her labor-day pronouncement ordered the Department of Labor and Employment (DOLE) to initiate increase in the minimum daily wage rate of the private sector. Although the business community professed their negative response with the threat of eventual business closure in the event of an unsustainable wage increase implementation, at least the private sector employees have something tangible to expect out of this government intervention.

In the public sector on the other hand, no executive or legislative intervention has been made to advance the long awaited salary increase in favor of our civil servants. As always, the government workers have no choice but to contend with the difficulties brought about by the current economic regression without protection from the government. This financial predicament forced many of them

to seek for an extra income outside of their employment as their meager salary is no equal to the escalating prices of the prime commodities. Unwittingly, this practice hampers the government service in the process.

It has been four (4) years since the last across-the-board salary increase was granted in favor of our government workers. While inflation rate and other economic indicators remained unstable along this period, the government has barely done nothing to protect its employees. This is amidst the increases in oil price (8 times already in first quarter of 2005 alone), LPG, transportation fare, tuition fees, electricity, water, exchange rate and other prime commodities. Not included in the list is the perceived adversarial effect of the implementation of the value added tax (VAT). These are among the component factors that literally eat up the budget not of only of the government workers but the entire labor force particularly the small earners.

In a joint document of the Government of the Philippines, the World Bank (WB) and the International Monetary Fund (IMF) entitled, "Improving Government Performance: Discipline, Efficiency and Equity in Managing Public Resources", there are three problematic submissions in the area of compensation which the Department of Budget and Management (DBM) and the Civil service Commission (CSC) is working to remove. One, civil service salaries are unsustainably low by comparison with equivalent jobs in the private sector. Two, civil service salaries are compressed – they hardly allow room for reward and significant milestones. Three, compensation levels are not adequate to attract, retain and motivate staff in certain jobs. These issues are being partly addressed by the government by granting across-the-board salary increases. However, the last grant of increases were made in 2000 (10 percent) and in 2001 (5 percent) which obviously can no longer cope with the ensuing economic demands. In the same document which was published in 2003, there is an acknowledgment that indeed civil service compensation reform is overdue.

However, the cry of the current time is not even an augmentation for comfort but rather a reinforcement for survival. The proposed 3500 across-the-board salary increase will not even bring our government workers into a comfortable light. It is just a subsistence to outlive the difficulty of being in the state of survival.

It is along these premises that this bill is crafted. The State's continuing denial of protection due its civil servants especially in this times of economic difficulty is tantamount to negating its responsibility to address the economic needs of the working people by providing them a secure employment, a remunerative compensation, a rising standard of living, and an improved quality of life for all, which are among the provisions enshrined in the declaration of principles and state policies of the fundamental law of the land - the Constitution.

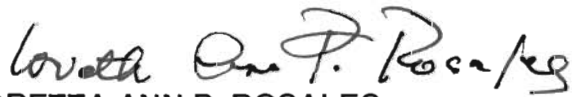
In view of the foregoing, immediate approval of this bill is earnestly sought.



MARIO "MAYONG" JOYO AGUJA



ANA THERESIA HONTIVEROS-BARAQUEL



LORETTA ANN P. ROSALES

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AN ACT
PROVIDING FOR A THREE THOUSAND FIVE HUNDRED (P3,500.00) ACROSS-
THE-BOARD MONTHLY SALARY INCREASE IN THE WAGE AND SALARY
RATES OF EMPLOYEES AND WORKERS IN THE PUBLIC SECTOR AND FOR
OTHER PURPOSES

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

Section 1. Title. This act shall be known as “An Act Providing for a Three Thousand Five Hundred Pesos (P3,500.00) Across-the-Board Monthly Salary Increase in the Wage and Salary Rates of Employees and Workers in the Public Sector”.

Section 2. Declaration of Policy. It is hereby declared to be the policy of the state to free the people from poverty; to adopt measures that will provide a rising standard of living; to help augment the income of the civil servants especially in times of economic difficulties; to promote a just and dynamic social order and development that will ensure prosperity through policies that provide for the improvement of quality of life for all.

Section 3. Coverage. In line with the declared policy under this Act, an across-the-board monthly salary increase of Three Thousand Five Hundred Pesos (P3,500.00) shall be granted to all employees, whether permanent, temporary, contractual or casual of the National Government, its agencies and instrumentalities, including government-owned and controlled corporations as well as the local government units.

Section 4. Funding. The fund needed for the implementation of this Act with respect to the national government entities shall be charged to the appropriations set aside for the purpose in the 2006 General Appropriations Act which may be generated from the savings of the different departments, agencies, bureaus and offices. For the local government units and government corporations, it shall be charged against their respective fund. The succeeding amounts as needed shall be included in the annual General Appropriations Act.

Section 5. Guidelines. The Department of Budget and Management shall prepare and issue the necessary guidelines to carry out the provisions of this Act.

Section 6. Separability Clause. All laws, decrees, orders and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

Section 7. Effectivity Clause. This act shall take effect immediately upon approval and/or upon lapse of fifteen (15) days sans veto.

Approved: