



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila  
Thirteenth Congress  
Second Regular Session



**HOUSE BILL NO. 4875**

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**Introduced by Honorable Alfonso V. Umali, Jr. and  
Rodolfo G. Valencia**

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#### **EXPLANATORY NOTE**

This bill seeks to grant cost of living allowance (COLA) to all government employees who were employed from July 1, 1989 to March 15, 1999.

Before the passage of Republic Act No. 6758, otherwise known as the Compensation and Position Classification Act of 1989, government employees were enjoying cost of living allowance (COLA). However, the same was integrated with the salary under the Salary Standardization Law or R.A. 6758. But instead of increasing the take home pay of some government employees, the same was reduced because COLA is in effect subjected to deductions for purposes of GSIS premiums and withholding tax. Thus, while the approved law was most favorable to those in the upper strata of government service, it has caused utter disappointment to the rank and file.

Hence, this bill seeks to grant the payment of unpaid cost of living allowance (COLA) to all government employees who were employed from July 1, 1989 to March 15, 1999. Likewise, it upholds the intention of the government to augment the meager salary of government employees who are currently affected by the tremendous increase in prices, especially of prime commodities, and give flesh and vigor to the pro-poor and pro-labor provisions of our Constitution.

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

A handwritten signature in black ink, consisting of a stylized 'R' followed by a horizontal line and a diagonal stroke.

**RODOLFO G. VALENCIA**

A handwritten signature in black ink, featuring a large, circular loop with a vertical line through it, and a horizontal line across the middle.

**ALFONSO V. CAMALI, JR.**



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**AN ACT**  
**GRANTING THE PAYMENT OF UNPAID COST OF LIVING**  
**ALLOWANCE (COLA) TO GOVERNMENT EMPLOYEES FOR**  
**THE PERIOD JULY 1, 1989 TO MARCH 15, 1999**

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

SECTION 1. All government employees who were employed from July 1, 1989 to March 15, 1999 shall be granted the payment of their unpaid cost of living allowance (COLA).

SEC. 2. The amount necessary for the effective implementation of this Act shall be taken from the 2005 General Appropriations Act. Thereafter, such amounts as are needed for the continuous implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 3. The Department of Budget and Management shall issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 4. This Act shall take effect fifteen (15) days following its publication in at least two (2) national newspapers of general circulation.

Approved,