

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 551



Introduced by **HONORABLE LANI MERCADO-REVILLA**

EXPLANATORY NOTE

The Constitution, Article II, Section 18 states:

“**Section 18.** The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.”

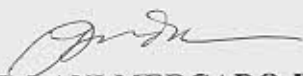
The passage of Joint Resolution No. 36 otherwise known as the Salary Standardization Law 3 (SSL 3) in 2009 has not been enough to substantially provide a living wage for civilian personnel and military and uniformed personnel in government since its implementation in 2009. The average increase of prices of all items between 2009 and 2010, which are 3.6 percent and 3.8 percent, respectively and the increasing cost of services, have undermined the additional salary that was granted to government personnel since 2009.

An employee with the compensation of Salary Grade 1 Step 1 currently receives P6,861.00 per month, far from the government's estimated cost of living of 28,710 per month. Even if government employees receive the full implementation of the SSL 3, the minimum pay shall still only be Php9,000.00. The situation of employees in local government units is far worse as they receive lower amount because SSL 3 continue to implement the policy of wage regionalization.

Due to inflation and other present economic realities, such as continuously rising prices of basic needs, the real value of government workers' salaries have significantly decreased. Salaries received by public sector employees are way behind the government's conservative estimate of the cost of living a family needs in order to survive.

This bill seeks to address this inequality through providing a substantial salary increase, and in the process, bring employees closer to the State's assurance of a decent wage. It is hoped that in doing this, the morale of government personnel will be boosted so that they will be able to live a decent life and ensure that there is honesty and integrity in public service.

In this regard, passage of this bill is earnestly sought.


REP. LANI MERCADO-REVILLA
2nd District, Cavite

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

551
HOUSE BILL NO. _____

Introduced by HONORABLE LANI MERCADO-REVILLA

**AN ACT PROVIDING FOR A SEVEN THOUSAND PESO (PHP7,000.00) INCREASE IN
THE MINIMUM PAY OF EMPLOYEES AND WORKERS IN THE PUBLIC SECTOR
NATIONWIDE AND FOR OTHER PURPOSE**

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

SECTION 1. *Title.* – This Act shall be known as “The Php7,000.00 Increase in the
Minimum Pay Act of 2013”.

Section 2. *Declaration of Policy.* – It is hereby declared to be the policy of the State to
alleviate the living conditions of the ordinary Filipino through policies that provide for a decent
and humane standard of living and improved quality of life, particularly of the workers, both
private and public; to ensure the right of labor to just share in the fruits of production; to
guarantee the workers’ right to a living wage; and to promote social justice through the adoption
of measures calculated to ensure the well-being and economic security of all the members of the
community.

Section 3. *Scope.* – The government as the employer of public sector workers shall grant
to all employees in all National Government Agencies, Government Owned and Controlled
Corporations, Government Financial Institutions, State Universities and Colleges, Local
Government Units and other instrumentalities of the government, a Php7,000.00 increase in the
Minimum Pay (Salary Grade I).

Section 4. *Compliance to Collective Negotiations Agreement.* – No salary increase shall
be credited as compliance with the increase prescribed herein unless expressly provided under a
valid collective negotiations agreement.

Section 5. *Non-Diminution of Existing Allowances and Benefits.* – Nothing in this Act shall be construed to reduce any existing allowances and benefits of any form under existing laws, decrees, issuances, executive orders and any contract or agreement between employees and the government.

Section 6. *Implementing Rules and Regulations.* – The Department of Budget and Management, after a thorough process of consultation with the government employees shall promulgate the necessary rules and regulations to implement this Act including the corresponding increases per Salary Grades necessary to address the distortion created by the Php7,000.00 increase in the minimum pay.

Section 7. *Separability Clause.* – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Section 8.. *Repealing Clause.* – All laws, executive orders or issuances, or any parts thereof which are inconsistent herewith are hereby repealed or amended accordingly.

Section 9. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,