



Sixteenth Congress
First Regular Session

HOUSE BILL NO. 4441

Introduced by Hons. Rosenda Ann Ocampo, Kimi S. Cojuangco, Jorge Banal, Sergio A. F. Apostol, Maria Leonor Robredo, Rufus B. Rodriguez, Evelina G. Escudero, Dakila Carlo E. Cua, Josephine Y. Ramirez Sato, Mariano U. Piamonte, Jose L. Atienza, Jr., Walden F. Bello, and Regina Ongsiako Reyes

EXPLANATORY NOTE

This bill seeks to provide for a minimum of five thousand pesos as the monthly net take-home pay of all government employees after authorized deductions.

The annual General Appropriations Act (GAA) sets the monthly minimum net take-home pay of all government employees after authorized deductions. This is to ensure that all government employees bring home a decent portion of their earnings after paying all their obligations and contributions. In 2012, the minimum net take-home pay after deductions was increased to five thousand pesos from three thousand pesos during the previous years. This adjustment was deemed necessary considering the rising cost of living in the Philippines. However, under the GAA of 2013, the said minimum net take-home pay of government employees was again reduced to three thousand pesos. Reducing the minimum net take-home pay means the employees could take out more loans, a habit that the government is strongly discouraging. It is a known fact that most government employees take out loans left and right, notwithstanding their capacity to pay. On the other hand, increasing the minimum net take-home pay per month would boost the employees' purchasing power, allowing them to have a few thousand pesos more to spend on their family's needs. Also, this could put some form of control on the loan amount an employee could avail of.

In its *2012 Full Year Official Poverty Statistics Report*, the National Statistical Coordination Board (NSCB) stated that a family of five will need at

least a monthly income of P5,513.00 to buy its minimum basic food needs and around P7,890.00 a month for minimum basic food and non-food needs. Incidentally, inflation in the country increased at 4.1% per year from 2009 to 2012. This is a clear indication that Filipinos now require a bigger purchasing power in order to live sustainably, with only the basics. In fact, having a deficit of a few hundred pesos below the required amount set by the NSCB may already be considered as living below the poverty line. Certainly, a net take-home pay of P3,000.00 a month is not enough.

Our state employees selflessly render their invaluable service to the government and are the primary movers towards the country's growth and development. It is necessary to preserve their well-being and help them keep their dignity by providing measures that will protect their economic liberties. The provision under the GAA which sets the minimum monthly net take-home pay of government employees annually must be enacted as a special law to gain permanence and give our state workers a sense of security.

If enacted, this measure will finally set the minimum monthly net take-home pay of all government employees at a fixed and reasonable rate, subject to a review by the Secretary of Budget and Management every three years beginning from the effectivity of this Act, taking into consideration relevant economic and social indicators including cost of living and inflation.

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

Escudora
EVERINA ESCUDORA
1st District, Surabagn

Rosenda Ann Ocampo
ROSENDA ANN OCAMPO

Regina Ongsak
REGINA ONGSAKO RIEVES
Linc. District, Marinduque

Rufus Rodriguez
RUFUS RODRIGUEZ
2ND DISTRICT, CAGAYAN DE ORO CITY

Bolet Banal
BOLET BANAL
3rd DIST QC
Mariano U. Piamonte Jr.
A TEACHER PARTY - LIST

Kim J. C. Cuangco
KIM J. CUANGCO

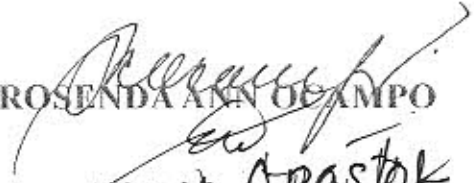
Josephine Y. Ramirez Sato
JOSEPHINE Y. RAMIREZ SATO
LD, OCCIDENTAL MINDORO

least a monthly income of P5,513.00 to buy its minimum basic food needs and around P7,890.00 a month for minimum basic food and non-food needs. Incidentally, inflation in the country increased at 4.1% per year from 2009 to 2012. This is a clear indication that Filipinos now require a bigger purchasing power in order to live sustainably, with only the basics. In fact, having a deficit of a few hundred pesos below the required amount set by the NSCB may already be considered as living below the poverty line. Certainly, a net take-home pay of P3,000.00 a month is not enough.

Our state employees selflessly render their invaluable service to the government and are the primary movers towards the country's growth and development. It is necessary to preserve their well-being and help them keep their dignity by providing measures that will protect their economic liberties. The provision under the GAA which sets the minimum monthly net take-home pay of government employees annually must be enacted as a special law to gain permanence and give our state workers a sense of security.

If enacted, this measure will finally set the minimum monthly net take-home pay of all government employees at a fixed and reasonable rate, subject to a review by the Secretary of Budget and Management every three years beginning from the effectivity of this Act, taking into consideration relevant economic and social indicators including cost of living and inflation.

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


ROSENDA ANN DE AMPO

SERPIO APOSTOL

Jax Cua


LITO ATIENZA


MARIA LEONOR GERONA-ROBREDO


WALDEN BELLO

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 4441

Introduced by Hons. Rosenda Ann Ocampo, Kimi S. Cojuangco, Jorge Banal, Sergio A. F. Apostol, Maria Leonor Robredo, Rufus B. Rodriguez, Evelina G. Escudero, Dakila Carlo E. Cua, Josephine Y. Ramirez Sato, Mariano U. Piamonte, Jose L. Atienza, Jr., Walden F. Bello, and Regina Ongsiako Reyes

1 **AN ACT**
2 **PROVIDING FOR A MINIMUM MONTHLY NET TAKE-HOME PAY FOR**
3 **ALL GOVERNMENT EMPLOYEES AFTER AUTHORIZED**
4 **DEDUCTIONS**

5
6 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
7 *Congress assembled:*
8

9 SECTION 1. The minimum monthly net take-home pay of all government
10 employees after all authorized deductions shall at all times be equivalent to 30%
11 of the monthly salary prescribed for Step 8 of Salary Grade 12 as provided under
12 Republic Act No. 6758, otherwise known as the "*Compensation and Position*
13 *Classification Act of 1989*," as amended.

14 As used in this Act, "*authorized deductions*" refers to deductions from
15 salaries, emoluments or other benefits accruing to any government employee that
16 may be allowed for the payment of an employee's contributions or obligations due
17 the following:

18 a) The Bureau of Internal Revenue, Government Service Insurance
19 System, Home Development Mutual Fund and the Philippine Health Insurance
20 Corporation;

21 b) Mutual benefits associations, thrift banks and non-stock savings and
22 loan associations duly operating under existing laws which are managed by, and
23 for the benefit of, government employees;

24 c) Associations or cooperatives organized and managed by government
25 employees for their benefit and welfare;

26 d) Duly licensed insurance companies accredited by national
27 government agencies; and

28 e) Other authorized deductions may be authorized by law.

29 SEC. 2. In the event that total authorized deductions shall reduce the
30 government employee's mandatory minimum monthly net take-home pay,
31 authorized deductions under item (a) Section 1 of this Act shall take first
32 preference, those under item (b) of the same section shall enjoy second preference,
33 and so forth. Any deficiency in loan payments of government employees as a
34 result of the mandatory minimum net take-home pay may be addressed through
35 direct payment arrangements to be voluntarily made by the employee to the
36 lending associations.

37 SEC. 3. The Secretary of Budget and Management shall, within thirty (30)
38 days from the effectivity of this Act, issue the necessary rules and regulations for

39 the implementation of this Act.

40 SEC. 4. All laws, decrees, orders, rules and regulations, and other
41 issuances, or parts thereof, inconsistent with the provisions of this Act are hereby
42 repealed or modified accordingly.

43 SEC. 5. This Act shall take effect fifteen (15) days after its publication in
44 the *Official Gazette* or in a newspaper of general circulation.

45 Approved,