

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

SIXTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6239



Introduced by Representative Rodrigo A. Abellanos

EXPLANATORY NOTE

Our workers have continuously fought for sufficient wages that will provide their families with comfortable lives. Their battle, having seen small victories, though, has yet to be won. Those of us in the government chose to be in our place because we all want to serve our people. We may not fully succeed in immediately uplifting the quality of their lives, but in smaller ways, we all aim to help alleviate their plight somehow.

This bill seeks to provide additional benefits for our working classes by providing for the mandatory payment of the 14th month pay. In 1976, Presidential Decree No. 851 institutionalized the 13th month pay in recognition of the masses' continuous struggle to provide the needs of their families. It also recognized the tradition culturally ingrained in our society celebrating the Christmas holidays.

This bill acknowledges the above facts but understands as well that most of our workers still strive to barely keep their heads above water with their meagre salaries, while education continues to be a drain in their resources. Every time, as the academic year opens, our workers find themselves in a fix trying to provide for their dependents' (be it their children, their siblings, nephews and nieces, or anyone who is part of their extended families) school fees and other educational requirements. In this connection, the bill proposes that an additional month's pay be included in workers' compensation schemes to cover for such expenses, making our labor force's lives a little bit better while ensuring that the youth have access to education.

This bill also recognizes that motivation is a key factor in promoting productivity in our workforce. Rewards are proven to be useful drivers of motivation and such additional structured incentive may be expected to translate to effective personnel and efficient operations.

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

A handwritten signature in black ink, enclosed within a circular outline.

RODRIGO A. ABELLANOSA

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**AN ACT
REQUIRING ALL EMPLOYERS
TO PAY THEIR EMPLOYEES A 14TH-MONTH SALARY OTHERWISE KNOWN AS
'THE 14TH-MONTH SALARY LAW'**

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

SECTION 1. This Act shall be known as the 14th-Month Salary Law.

SECTION 2. All employers are hereby required to pay all their employees, regardless of the nature of their employment, a 14th-month salary every year, in an amount equivalent to the 13th-month pay.

SECTION 3. The existing 13th-month pay shall be released on or before June of every year while the 14th-month salary shall be released on or before December of each year. Provided, that the frequency of payment may be the subject of agreement between employer and employee or any recognized/collective bargaining agent of employees.

SECTION 4. The 14th-month salary, together with the 13th-month pay and other benefits, shall be excluded from the computation of gross income. Provided however, that the total exclusion shall not exceed eighty-two thousand pesos (P82,000).

SECTION 5. Implementing Rules and Regulations. The Secretary of Labor and Employment shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SECTION 6. Separability Clause. If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 7. Repealing Clause. All laws, orders, issuances, circulars, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 8. Effectivity. This Act shall take effect following its publication in at least two (2) newspapers of general circulation.

Approved,