

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. **6493**



Introduced by Congressman Alfredo D. Vargas III

EXPLANATORY NOTE

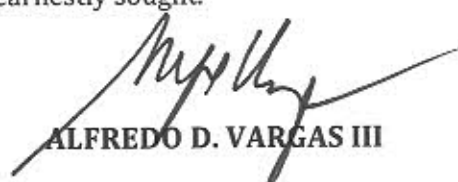
The high and ever increasing costs of basic necessities has always been a pressing concern to the Filipino people. Present incomes fail to cope with the accelerating prices, as reflected in the annual increase in the consumer price index.

Government employees are especially vulnerable to this scenario. This is in spite of the regular adjustments that have been made in their salaries over the last decades. To provide for their families' needs, they are often compelled to take loans, regardless of their capacity to pay. As a result, most of their monthly salary ends up going to loan payments.

Our government employees, those who toil in the name of public service, need to be granted additional assistance for them to cope with the rising cost of living. The State has an obligation to ensure that these workers can afford to live decently. Government workers must, therefore, be given a helping hand by the State to help them deal with the spiraling prices of basic commodities and goods.

This bill seeks to set a minimum monthly take-home pay for all government employees to enable them to manage their finances better, minimize their loans, boost their purchasing power, and meet their financial obligations more effectively.

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


ALFREDO D. VARGAS III

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HOUSE BILL NO. 6493

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AN ACT
PROVIDING FOR A MINIMUM MONTHLY NET TAKE-HOME PAY FOR ALL
GOVERNMENT EMPLOYEES AFTER AUTHORIZED DEDUCTIONS

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

Section 1. Short Title. – This Act shall be known as the “Minimum Take Home Pay Bill”.

Section 2. Definition of Terms. – For the purposes of this bill, these terms are defined as follows:

- A. “Take-Home Pay” refers to the net income of government employees after all authorized deductions are removed from the basic salary; and
- B. “Authorized Deductions” refers to deductions from the government employee’s salary, remuneration, or other benefits to fulfill his payment obligations.

Section 3. Minimum Take Home Pay. – The minimum monthly take-home pay of all government employees after all authorized deductions shall at all times be at least thirty percent (30%) of their monthly salary.

Section 4. Authorized Deductions. – In the event that total authorized deductions shall reduce the government employee’s mandatory minimum monthly take-home pay, authorized deductions for the following shall be prioritized in this order:

- A. The Bureau of Internal Revenue, Government Service Insurance System, Home Development Mutual Fund and the Philippine Health Insurance Corporation;
- B. Mutual benefits associations, thrift banks and non-stock savings and loan associations duly operating under existing laws which are managed by, and for the benefit of government employees;
- C. Associations or cooperatives organized and managed by government employees for their benefit and welfare;
- D. Duly licensed insurance companies accredited by national government agencies; and
- E. Other authorized deductions as may be authorized by law.

Any deficiency in loan payments of government employees as a result of the mandatory minimum take-home pay may be addressed through direct payment of arrangements to be voluntarily made by the employee to the lending institutions.

Section 5. *Implementing Rules and Regulations.* – The Secretary of Budget and Management shall, within thirty (30) days from the effectivity of this Act, issue the necessary rules and regulations for the implementation of this Act.

Section 6. *Separability Clause.* – If any provision of this Act is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

Section 7. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, and other issuances, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 8. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,