

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **5317**



Introduced by MAGDALO Party-List Representative
HON. GARY C. ALEJANO

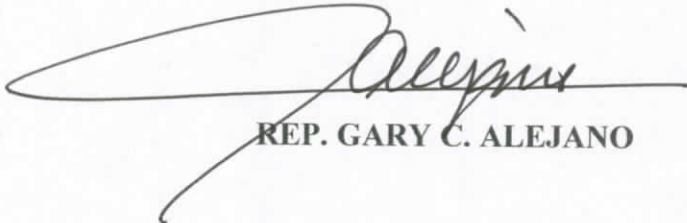
EXPLANATORY NOTE

In spite of the previous adjustments in the salaries of government employees through Executive Order No. 201, their current income still fails to cope with the ever increasing costs of basic necessities, as reflected in the yearly increase in the consumer price index.

Therefore, it is high time that government employees be granted additional assistance to help alleviate the effects of rising cost of living due to inflation and in order for them to sustain a decent living. The State should always see to it that its workers are shielded at all times from the erratic economic conditions brought about by ever spiraling prices of basic goods and commodities in the country and in world market, and other related factors.

In order to enable even lowest paid government workers to cope with these contingencies, it is high time the State considers putting into place a special economic assistance in the form of a Cost of Living Allowance (COLA) for government employees on top of the other mandatory allowances they are currently receiving.

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


REP. GARY C. ALEJANO

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AN ACT
PROVIDING FOR A COST OF LIVING ALLOWANCE (COLA) FOR ALL
OFFICIALS AND EMPLOYEES IN THE GOVERNMENT SECTOR AND FOR
OTHER RELATED PURPOSES

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

1 **SECTION 1. Declaration of Policy.** – It is hereby declared to be the policy of the
2 State to promote, nurture and protect the interest of the workers in the public sector for
3 them to endure the economic challenges brought about by the undeniable upsurge in the
4 cost of living by providing just and reasonable compensation to every worker in the
5 government workforce that corresponds to their share of effort to achieve and sustain
6 productivity in the agencies they serve, thus, allowing them to have decent personal
7 and/or family life and to be able to meet the basic needs of their families for shelter, daily
8 sustenance, education and medical attendance.

9
10 **SEC. 2. Coverage.** – All civilian government officials and employees whether
11 employed by the national or local government units, appointive or elective, career or non-
12 career, including those employed under Government Owned and Controlled Corporations
13 (GOCCs) and other Government Financial Institutions (GFIs), whose positions are
14 covered by Republic Act No. 6758, otherwise known as the “Compensation and Position
15 Classification Act of 1989” as amended, as well as all members of the Armed Forces of
16 the Philippines (AFP), the Philippine National Police (PNP), and other uniformed
17 personnel of the government, shall be covered by this Act.

18
19 **SEC. 3. Cost of Living Allowance (COLA) for Government Officials and**
20 **Employees.** – In order to alleviate the impact of the ever-increasing cost of basic
21 necessities on government workers, there is hereby granted a special economic assistance
22 for all covered government officials and employees to be known as the Cost of Living
23 Allowance (COLA) for government workers in the amount of Five Thousand Pesos

1 (P5,000.00), to be implemented across-the-board, on top of the existing Personnel
2 Economic Relief Allowance (PERA) previously granted for the same purpose.

3
4 **SEC. 4. *Funding.*** – To effectively carry-out the grant of the COLA provided
5 herein for the officials and employees of the national government agencies, the amount
6 necessary for this purpose shall be charged against the annual General Appropriations
7 Act (GAA), particularly the Miscellaneous Personal Benefit Fund (MPBF) or any savings
8 realized by the Government from the current GAA.

9
10 In the case of government-owned and controlled corporations and financial
11 institutions, the necessary amount shall be sourced fully from their respective corporate
12 funds, and in the case of local government units (LGUs), from their respective local funds
13 or the LGU's share in their Internal Revenue Allotments (IRA).

14 **SEC. 5. *Tax Exemption on COLA.*** – No tax of any kind shall be levied on the
15 Cost of Living Allowance (COLA) herein granted to government officials and employees
16 as well as military and uniformed personnel of the government.

17
18 **SEC. 6. *Implementing Rules and Regulations.*** – Within a period of thirty (30)
19 days from the enactment of this Act, the Department of Budget and Management (DBM),
20 in consultation with the Civil Service Commission (CSC), the Department of National
21 Defense (DND) and the Department of Interior and Local Government (DILG) and the
22 Governance Commission on Government Owned And Controlled Corporations (GCG)
23 and other affected agencies, shall issue the Implementing Rules and Regulations for the
24 immediate implementation of this Act.

25
26 **SEC. 7. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
27 publication in the Official Gazette or in any two (2) newspapers of general circulation.

Approved,