

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 9010



Introduced by **BAYAN MUNA** Representative **CARLOS ISAGANI T. ZARATE**

AN ACT
MANDATING THE UNIFORM IMPLEMENTATION OF NATIONAL SALARY
SCHEDULE FOR THE PUBLIC SECTOR, AMENDING FOR THE PURPOSE
CERTAIN PROVISIONS OF SALARY STANDARDIZATION LAW AND LOCAL
GOVERNMENT CODE, AND PROVIDING FUNDS THEREFOR

EXPLANATORY NOTE

The 1987 Constitution provides that workers "shall be entitled to security of tenure, humane conditions of work, and a living wage". Likewise, the Constitution in the Article on Social Justice and Human Rights exhorts Congress to "give highest priority to the enactment of measures that protect and enhance the right of all people to human dignity, reduce social, economic, and political inequalities."

The principle of equality is upheld in Article 19 of the Civil Code which requires every person, "in the exercise of his rights and in the performance of his duties, [to] act with justice, give everyone his due, and observe honesty and good faith."

International laws and covenants proscribes discrimination. The International Covenant on Economic, Social, and Cultural Rights, in Article provides that "the States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work, which ensure, in particular:

a. Remuneration which provides all workers, as a minimum, with:

(i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work;"

xxx

As such, the fundamental principle of equal pay for equal work is recognized in Philippine jurisdiction. Yet, for decades, workers in poorer provinces and municipalities are paid less than their national counterparts.

The problem seems to stem from legislations that provided for regionalization of wages in salaries. Republic Act 6727 or the Wage Rationalization Act (1989) allowed “regional minimum wages” set by Regional Tripartite Wages and Productivity Boards. Republic Act 6758 or the Compensation and Position Classification Act of 1989 provided that “the rates of pay in LGUs shall be determined on the basis of the class and financial capability of each LGU” and prescribed percentages for the different class of provinces/cities and municipalities.

Salary rates for first class municipalities is set at 90%, while for sixth class provinces/cities and municipalities, at 75% and 65%, respectively. Such variations in the salaries of public sector employees was maintained in succeeding salary standardization laws such as Joint Resolution No. 1 (1994), Joint Resolution No 4 (2009), and Executive Order 201 (2016).

Republic Act 7160 or the Local Government Code Book I Title III Section 81 provides that “the compensation of local officials and personnel shall be determined by the Sanggunian concerned.” Book 2 Title V Chapter III Article 1 Section 325 of the Local Government Code set the limits of the appropriations for personal services of a local government unit for one (1) fiscal year to forty-five percent (45%) in the case of first to third class provinces, cities and municipalities, and fifty-five percent (55%) in the case of fourth class or lower, of the total annual income from regular sources realized in the next preceding fiscal year.”

The contention that prices of basic commodities are cheaper in the regions is simply not true. In fact, there were reports that prices of petroleum products are higher in Mindanao than in Metro Manila. Prices of rice, canned goods and others are also similarly priced or sometimes even higher in the provinces and regions.

Inflation rates are even higher in areas outside Metro Manila. According to the Philippine Statistics Authority, the inflation rate in the National Capital Region is 5.6 percent in November 2018, while the inflation in areas outside NCR is 6.2 percent in November 2018.¹

The regionalization of salaries and wages contradicts the principle of equal pay for equal work. It discriminates against local government employees. It has caused demoralization and low self-esteem among workers and employees in the local government units.

There is an urgent need for the government to rectify this decades-long injustice to the government workers in the local government units who are also the frontline service providers just like their national counterparts.

Restoring the national salary schedule for the public sector employees throughout the country is a matter of social justice.

It is the role of the government ease the hardships of public sector employees amidst the increasing prices of basic commodities and services as a result of the implementation of new taxes under the Tax Reform for Acceleration and Inclusion (TRAIN) Law.

The national government should provide assistance to lower class provinces and municipalities so that the LGUs can provide the salaries due to their employees.

¹ <https://psa.gov.ph/statistics/survey/price/summary-inflation-report-consumer-price-index-2012100-november-2018>

In the name of justice, fairness and equity, the urgent approval of this bill is earnestly sought.

Approved,


Rep. CARLOS ISAGANI T. ZARATE
Bayan Muna Party-List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 9010

Introduced by **BAYAN MUNA** Representative **CARLOS ISAGANI T. ZARATE**

AN ACT
MANDATING THE UNIFORM IMPLEMENTATION OF NATIONAL SALARY
SCHEDULE FOR THE PUBLIC SECTOR, AMENDING FOR THE PURPOSE
CERTAIN PROVISIONS OF SALARY STANDARDIZATION LAW AND LOCAL
GOVERNMENT CODE, AND PROVIDING FUNDS THEREFOR

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 "National Salary for Government Employees Act."

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the state to provide "equal pay for equal work." Persons who work with substantially equal qualifications, skill, effort and responsibility, under similar conditions, shall be paid similar salaries. In determining the rates of pay, due regard shall be given to the cost of living needed to provide a decent life for the family of the workers.

SECTION 3. *Uniform Implementation of the National Salary Schedule for All Government Employees.*

(a) All government personnel shall be paid according to the national salary schedule as provided for in the Salary Standardization Law;

(b) Basic compensation for all personnel in the government and government-owned or controlled corporations and financial institutions, and local government units, shall be uniformly implemented throughout the country, regardless of the classification of the local government units,

(c) The national salary schedule shall apply to all positions, regardless of appointment status, whether regular, contractual or casual, appointive or elective, and on full or part-time basis; now existing or hereafter created in the government;

SECTION 4. Compensation for Local Government Unit (LGU) personnel. The national salary schedule shall be implemented to LGU personnel. For this purpose, the following laws are hereby amended:

(a) Section 10 of Executive Order No. 201 s. 2016, is hereby repealed.

(b) Section 81 of Republic Act 7160 shall be amended, to read as follows:

“Section 81. Compensation of Local Officials and Employees. - The compensation of local officials and personnel shall be [determined by the sanggunian concerned: Provided, That the increase in compensation of elective local officials shall take effect only after the terms of office of those approving such increase shall have expired: Provided, further, That the increase in compensation of the appointive officials and employees shall take effect as provided in the ordinance authorizing such increase: Provided, however, That said increases shall not exceed the limitations on budgetary allocations for personal services provided under Title Five, Book II of this Code: Provided, finally, That such compensation may be based upon the pertinent provisions of Republic Act Numbered Sixty-seven fifty-eight (R.A. No 6758), otherwise known as the "Compensation and Position Classification Act of 1989".] **BASED ON THE NATIONAL SALARY SCHEDULE PROVIDED FOR UNDER THE SALARY STANDARDIZATION LAW.**

The punong barangay, the sangguniang barangay member, the sangguniang kabataan chairman, the barangay treasurer, and the barangay secretary shall be entitled to such compensation, allowances, emoluments, and such other privileges as provided under Title One Book III of this Code.

Elective local officials shall be entitled to the same leave privileges as those enjoyed by appointive local officials, including the cumulation and commutation thereof.”

(c) Sections 447 (a) (viii), 458 (a) (viii) and 468 (a) (viii) of Republic Act 7160 shall be read as follows:

“(viii) Determine the positions and [salaries, wages,] allowances and other emoluments and benefits of officials and employees paid wholly or mainly from municipal funds and provide for expenditures necessary for the proper conduct of programs, projects, services, and activities of the municipal government;”

SECTION 5. Funding Source. The funding sources for the amounts necessary to implement this Act shall be as follows:

(a) For national government agencies funded in the General Appropriations Act (GAA), the amount needed for the compensation shall be charged against the appropriations provided in the GAA.

- (b) For GOCCs, the amounts shall come from their respective corporate funds in the corporate operating budgets approved by Department of Budget and Management.
- (c) For LGUs, the amounts shall be charged against their respective funds in accordance with the pertinent provisions of RA No. 7160.
- (d) Immediately after the approval of this law, a Special Fund under the General Appropriations Act Miscellaneous Personnel Benefit Fund, called Subsidy to LGU personnel, shall be created and funded by Congress, after consultations with the DBM and the DILG, to assist LGUs which cannot fully implement the national salary schedule due to limitations in financial capacity.

SECTION 6. *Penalties.* Any person or entity who violates any of the provisions of this Act shall be punished with a fine of Five Hundred Thousand Pesos (PhP 500,000.00 by imprisonment of one (1) years. The erring government entity shall be required to pay the unpaid salaries due to employees.

SECTION 5. *Repealing Clause.* - All previous or existing laws, decrees, executive orders, memorandum circulars, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 6. *Separability Clause.* - If, for any reason, any section or provision of this Act is declared null and void, no other section, provision, or part thereof shall be affected and the same shall remain in full force and effect.

SECTION 7. *Effectivity Clause.* - This Act shall take effect immediately after publication in a national newspaper of general circulation.

Approved,