



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4126



INTRODUCED BY REP. HARRIS CHRISTOPHER M. ONGCHUAN

EXPLANATORY NOTE

According to Section 18 of Article II of the Constitution, the State recognizes that labor is a primary social economic force and it shall protect the rights of workers and promote their welfare. Thus, the concept of the 13th month pay was introduced by Presidential Decree 851 due to the lack of wage adjustments at the time.

However, despite the extra pay afforded to workers by their employers through the 13th month pay, the meager salary and climbing inflation rate makes for a more expensive cost of living in the Philippines. The additional expenses and the lack of increase in the annual income of employees make it hard for our countrymen to make ends meet.

This bill proposes that employers, both from the public and private sector, shall be required to give their employees a 14th month pay equivalent to the worker's basic monthly salary. This additional bonus shall be released before November 30 of every year in time to prepare for the additional traditional Christmas expenses and ease the financial burden of working Filipinos.

This measure was filed in the 18th Congress by Representatives Salo, Belmonte, and Yap.

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


HARRIS CHRISTOPHER M. ONGCHUAN



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HOUSE BILL NO. **4126**

Introduced by Representative
HARRIS CHRISTOPHER M. ONGCHUAN

AN ACT
MANDATING THE 14TH MONTH PAY FOR ALL EMPLOYEES IN THE
GOVERNMENT AND PRIVATE SECTOR REGARDLESS OF STATUS OF
EMPLOYMENT

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

SECTION 1. Short Title. - This Act shall be known as the “14th Month Pay Law.”

SECTION 2. Declaration of Policy. — Declaration of Policy. — The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.

SECTION 3. 14th Month Pay. — All employees in the private sector entitled to 13th month pay shall also be entitled to 14th month pay, which shall be equivalent to one month of the employees’ total basic monthly salary.

SECTION 4. Government Employees. — All government employees regardless of their employment status shall also be entitled to both 13th month pay and 14th month pay.

SECTION 5. Exempted Employers. — The rules governing the exemption of employers in the private sector from paying 13th month pay shall also apply to 14th month pay.

SECTION 6. Schedule of Release of 13th and 14th Month Pay. — The existing 13th month pay shall be released by the employer on or before May 31 and the 14th month shall be released on or before November 30 of each calendar year.

SECTION 7. Prorated 14th Month Pay. — For employees employed for less than one (1) year, their 14th month pay shall be prorated according to the number of months served. In no case shall the 14th month pay be less than 1/12 of the employees' total basic monthly salary.

SECTION 8. Tax Implications. — The 14th month pay shall be excluded from the computation of the employee's gross income. Provided, however, that the total 14th month pay shall not exceed ninety thousand pesos (PhP 90,000.00) as mandated by law.

SECTION 9. SSS and GSIS. — All Social Security System (SSS) and Government Social Insurance Service (GSIS) pensioners shall also be entitled to 13th and 14th month benefits. The SSS and GSIS shall ensure that the premiums paid shall include the 13th and 14th month benefits.

SECTION 10. Implementing Rules and Regulations. — The necessary rules and regulations to carry out the provisions of this Act shall be issued within thirty (30) days from the approval of this Act by the: (a) Department of Labor and Employment (DOLE) for the private sector; (b) Department of Finance (DOF) and Department of Budget and Management (DBM), in consultation with the Civil Service Commission (CSC), for the government sector, (c) SSS for its members; and (d) GSIS for its members.

SECTION 11. Separability Clause. — If any provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain valid.

SECTION 12. Repealing Clause. — All acts, executive orders, administrative orders, proclamations, rules and regulations or parts thereof inconsistent with any of the provisions of this Act are hereby repealed or modified accordingly.

SECTION 13. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved.