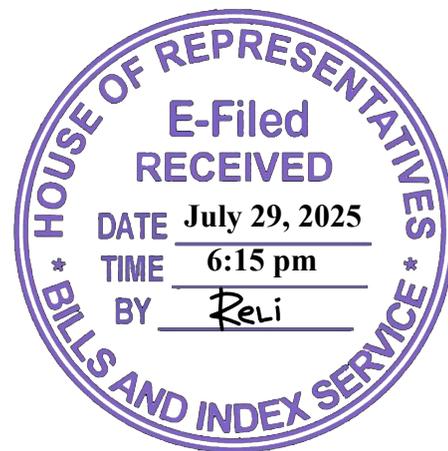


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **2536**



Introduced by Honorable Ma. Alana Samantha Taliño Santos

AN ACT PROVIDING 13th MONTH PAY TO GOVERNMENT CONTRACT OF SERVICE/JOB ORDER PERSONNEL

EXPLANATORY NOTE

The Philippine government, as the largest employer in the country, relies on the services of thousands of individuals engaged under contract of service (COS) and job order (JO) arrangements. These workers perform vital functions in various agencies, local government units, and government-owned or -controlled corporations, often working alongside regular employees and contributing significantly to the delivery of public services.

Despite their indispensable role, COS and JO personnel are not considered government employees under existing laws and regulations. As clarified by the Supreme Court, contract of service and job order workers “do not enjoy the benefits enjoyed by government employees, such as leave, PERA, RATA and thirteenth month pay¹.” This exclusion has resulted in a persistent disparity in the treatment of government workers, undermining the principles of social justice and equal protection.

The absence of 13th month pay for COS and JO personnel is particularly inequitable, given that their counterparts in the private sector are entitled to such benefit under Presidential Decree No. 851, and regular government employees receive similar benefits under existing issuances. The lack of this basic benefit not only affects the welfare of COS and JO workers but also impacts their morale and productivity.

This bill seeks to address this long-standing gap by mandating the grant of 13th month pay to all government personnel engaged under contract of service or job order, regardless of the period of engagement, provided that their services are not covered by existing plantilla positions. The measure is consistent with the State policy to protect the rights and promote the welfare of all workers, as enshrined in the Constitution, and recognizes the valuable contribution of COS and JO personnel to public service.

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

MA. ALANA SAMANTHA TALIÑO SANTOS
Representative, 3rd District of Cotabato

¹ Abadilla v. Philippine Amusement & Gaming Corporation, G.R. No. 258658, July 19, 2024

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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 “13th Month Pay Law for Contractual and Job Order Personnel.”

Section 2. **Declaration of Policy.** - It is the policy of the State to protect the rights and promote the welfare of all workers, including those engaged under contract of service and job order arrangements in government, by ensuring equitable benefits and recognizing their contribution to public service. and promote their welfare, regardless of their status of employment.

Section 3. **Coverage.** – This Act shall apply to all individuals engaged by government agencies, instrumentalities, government-owned or -controlled corporations, and local government units under a contract of service or job order, regardless of the period of engagement, provided that the services rendered are not covered by existing government plantilla positions.

Section 4. **Definitions.** – The following terms as used in this Act shall have the following meaning:

- a. Contract of Service/Job Order – refers to the engagement of the services of a person, private firm nongovernmental agency or international organization to undertake a specific work or job requiring special or technical skills not available in the agency to be accomplished within a specific period not exceeding one (1) year. The person engaged performs or accomplishes the specific work or job under his own responsibility and with minimum supervision by the hiring agency. For purposes of this issuance, contract of services shall include the hiring of consultants and personnel engaged to perform work for special projects whether funded by the agency itself or externally funded.²
- b. Job Order - refers to the hiring of a worker for piece work or intermittent job of short duration not exceeding six (6) months and pay is on a daily or hourly basis. It is to be understood that the piece work or job to be performed requires special

² Civil Service Commission Resolution No. 021480 Re: Clarifications on Policy Guidelines for Contracts of Services dated 12 November 2002

or technical skills not available in the agency and the same is to be accomplished under the worker's own responsibility and with minimum supervision by the hiring agency.³

- c. 13th Month Pay - shall mean one twelfth (1/12) of the basic salary earned by the contract of service or job order personnel within a calendar year, consistent with the standard computation for 13th month pay under existing laws and jurisprudence.

Section 5. **Mandatory Payment of 13th Month Pay.** - All government personnel engaged under a contract of service or job order, as defined in this Act, shall be entitled to receive a 13th month pay every year, computed in accordance with Section 4(c) hereof.

Section 6. **Funding.** - The amount necessary for the implementation of this Act shall be charged against the respective agency's appropriations. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

Section 7. **Implementing Rules.** - Within sixty (60) days from the effectivity of this Act, the Department of Budget and Management (DBM), in coordination with the Civil Service Commission (CSC), shall promulgate the necessary rules and regulations for the effective implementation of this Act.

Section 8. **Separability Clause.** - If any provision or part thereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

Section 9. **Repealing Clause.** - Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent or contrary to the provision of this Act is hereby repealed or modified accordingly.

Section 10. **Effectivity Clause.** - This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or a newspaper of general circulation.

Approved

³ Ibid