

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 3808



Introduced by TUCP Partylist Representative
HON. RAYMOND DEMOCRITO C. MENDOZA

EXPLANATORY NOTE

Way back in 1976, President Ferdinand E. Marcos, Sr. issued Presidential Decree No. 851 requiring employers to pay 13th month pay to their employees, citing the impact of inflation on workers' real wages and the imperative to ensure that every Filipino working family would be able to meaningfully celebrate Christmas and New Year.

Today, Filipino workers and their families continue to suffer from starvation poverty wages with most, if not all, regional minimum wages which fall below the government-set poverty threshold and no way near the family living wage as well as from persistent underemployment reflected in the fact that millions who have a job are still seeking another job or additional hours of work because their current earnings, eroded by inflation, cannot feed their families with nutritious meals and provide them with a decent life. Worse, even with the current 13th month pay, the market research firm Kantar discovered that most Filipinos are forced into the "hustle culture" such that 7 out of 10 Filipinos are moonlighting or starting a business on the side, leaving only 8% of our working class comfortable with their economic standing.¹

Thus, for our kababayan who are mostly buried in debt and live paycheck to paycheck not only to support themselves but as breadwinners who still struggle to provide for their families despite the existing 13th month pay, the immediate passage of this bill institutionalizing the 14th month pay for all workers in the private sector regardless of employment status is earnestly sought.


HON. RAYMOND DEMOCRITO C. MENDOZA
TUCP Partylist Representative

¹ Piad, T. (2024). Study: More Filipinos adapting to 'hustle culture'. *Philippine Daily Inquirer*.
<https://newsinfo.inquirer.net/1988014/study-more-filipinos-adapting-to-hustle-culture>

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**AN ACT MANDATING 14TH MONTH PAY FOR ALL WORKERS IN THE PRIVATE
SECTOR**

*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 Act.”

SECTION 2. *Declaration of Policy.* – It is the policy of the State to affirm labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.

SECTION 3. *Coverage.* – This Act shall cover all workers in the private sector regardless of their employment status provided that they have worked at least one month during the calendar year.

SECTION 4. *Mandatory Payment of 14th Month Pay.* - All workers shall be entitled to 14th month pay every year.

SECTION 5. *Exempted Employers.* – The law shall apply to all employers except to:

(a) Distressed employers, such as (1) those which are currently incurring substantial losses or (2) in the case of non-profit institutions and organizations, where their income, whether from donations, contributions, grants and other earnings from any source, has consistently declined by more than forty (40%) percent of their normal income for the last two (2) years, subject to the authorization by the Department of Labor and Employment (DOLE);

(b) Employers already paying their employees 14-month pay or more in a calendar year of its equivalent at the time of this issuance;

(c) Employers of those who are paid on purely commission, boundary, or task basis, and those who are paid a fixed amount for performing a specific work, irrespective of the time consumed in the performance thereof, except where the workers are paid on piece-rate basis in which case the employer shall be covered by this issuance insofar as such workers are concerned.

SECTION 6. *Schedule of Release of 13th and 14th Month Pay.* – The 13th month pay shall be paid not later than June 24th and the 14th month pay shall be paid not later than December 24th of every year, provided that the frequency of payment of this monetary benefit may be the subject of agreement between employer and employee or any recognized/collective bargaining agent of employees.

SECTION 7. *Minimum Amount of 14th Month Pay.* - The minimum amount of the 14th month pay shall not be less than 1/12 of the total basic salary earned by the employee within the calendar year.

SECTION 8. *Implementing Rules.* – Within sixty days from the enactment of this law, the Secretary of the Department of Labor and Employment (DOLE) shall promulgate the implementing rules of this law.

SECTION 9. *Separability Clause* – If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 10. *Repealing Clause.* - All laws, presidential decrees, executive orders, presidential proclamations, resolutions, orders, rules and regulations, ordinances or parts thereof contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 11. *Effectivity.* -This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,