

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

TWENTIETH CONGRESS
1st Regular Session

House Bill No. **4073**



Introduced by Representatives ERIC G. YAP and EDVIC G. YAP

EXPLANATORY NOTE

The Filipino workforce remains the backbone of our society, sustaining both government and private institutions through their skills, labor, and dedication. However, despite their invaluable contributions, many employees continue to struggle in meeting the rising cost of living. Daily expenses such as food, utilities, education, and healthcare have become increasingly burdensome, leaving workers with little room to breathe financially.

While the 13th Month Pay, instituted under Presidential Decree No. 851, was a much-needed benefit during its inception, today's economic landscape has drastically shifted. Inflation may have moderated recently, with rates easing in July 2025, still, even modest inflation chips away at the purchasing power of already stretched earnings, especially for households living near the poverty threshold.

In the government sector, the issuance of Executive Order No. 201, series of 2016 institutionalized the Mid-Year Bonus, equivalent to one month's basic salary, for qualified government personnel. This already functions as a "14th month pay." However, the coverage of this EO is confined to those holding plantilla positions under the Compensation and Position Classification System (CPCS). This leaves thousands of government workers hired under Job Order, Contract of Service, and other non-plantilla arrangements without the said benefit, despite performing equally crucial functions in public service.

This bill seeks to address inequity by mandating the grant of 14th Month Pay for all employees in both the government and private sectors, regardless of employment status. By granting an additional month's salary, this measure also directly supports them in addressing crucial family expenses, as well as boost their morale, motivation, and productivity in the workplace.

It is also worth emphasizing that this Representation has consistently championed this proposal since the 18th Congress. Unfortunately, despite its urgency and relevance, the measure has repeatedly remained pending at the committee level. With every year of delay, countless workers are denied a rightful benefit that could have eased their financial burdens and uplifted their quality of life.

In keeping with the constitutional mandate that “the State affirms labor as a primary social economic force” and is duty-bound to protect the rights and welfare of workers.

The immediate passage of this bill is earnestly sought.



HON. ERIC G. YAP



HON EDVIC. G. YAP

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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.”

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

SEC 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.

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

SEC 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.

SEC. 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 pay shall be released on or before November 30 of each calendar year.

SEC. 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 salary.

SEC. 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 (P 90,000.00) as mandated by law.

SEC. 9. *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 and Civil Service Commission (CSC), for the government sector; (c) SSS for its members; and (d) GSIS for its members.

SEC 10. *Separability Clause.* — If any provision or part hereof is held unconstitutional, the other provisions not otherwise affected shall remain valid and subsisting.

SEC 11. *Repealing Clause.* — All laws, decrees, issuances, executive orders, letters of instruction, administrative orders, rules and regulations, or parts thereof, contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC 12. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved