

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
*Quezon City*

TWENTIETH CONGRESS  
First Regular Session

House Bill No. ~~6537~~



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Introduced by TUCP Party-list Representative  
**HON. RAYMOND DEMOCRITO C. MENDOZA**

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**EXPLANATORY NOTE**

The Personnel Economic Relief Allowance (PERA) was first granted in 1991 when the Department of Budget and Management released Budget Circular No. 4. It allowed for the release of 500 pesos to all government personnel in plantilla positions of Salary Grade 23 and below in response to the inflationary increase in basic goods caused by the Gulf War. Then-President Fidel V. Ramos expanded the 500 pesos PERA coverage to all government employees, regardless of tenurial status, through Administrative Order No. 53 series of 1993. In 2009, the 14th Congress signed Joint Resolution Number 4, which increased the PERA to its current amount of 2,000 pesos.

The PERA has essentially been a form of economic relief provided by the government to its employees. Current institutional arrangements, however, limit the responsiveness of PERA to address the cross-sectional problem of inflationary price hikes. The current 2,000 pesos PERA enacted in 2009 does not sufficiently satisfy the essential problem of inflationary price increases it seeks to address. The purchasing power of 2000 pesos has diminished in the past fourteen years amidst the COVID-19 pandemic, rising price of energy, and supply line disruptions caused by wars and accidents. There is an urgent need to establish a robust policy that has the agility to respond to inflation, whether caused by the natural rise in the price of basic goods and services, or the abrupt spikes of prices triggered by natural calamities or man-made disasters. Furthermore, existing policies governing the PERA lack the permanency and strategic responsiveness afforded by a Republic Act, rendering them inadequate to meet the evolving needs of the times.

This measure seeks to address the lack of permanency and responsiveness of policies governing PERA. It institutionalizes PERA as a permanent provision afforded by the government to its employees and creates a mechanism wherein it can be adjusted periodically and accordingly without an act of Congress. Furthermore, it provides that PERA shall be exempt from all deductions. In view of these urgent considerations, the immediate passage of this measure is earnestly sought.

  
**HON. RAYMOND DEMOCRITO C. MENDOZA**  
*TUCP Partylist Representative*

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**AN ACT INSTITUTIONALIZING THE PERSONNEL ECONOMIC RELIEF  
ALLOWANCE GRANTED TO GOVERNMENT EMPLOYEES TO SEVEN  
THOUSAND PESOS AND APPROPRIATING FUNDS THEREFOR**

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

**SECTION 1.** This Act shall be known as the “*Dagdag PERA Act*”.

**SECTION 2.** *Institutionalization of the PERA.* — The Personnel Economic Relief Allowance (PERA) granted to government employees, pursuant to Budget Circular No. 9 and subsequent issuances, is hereby institutionalized.

**SECTION 3.** *Coverage.* — The PERA shall be granted to civilian government employees whether employed by the national or local governments, state and local universities and colleges, appointive or elective, and whether occupying regular, contractual, or casual positions, whose positions are covered by Republic Act No. 6758, otherwise known as the “Compensation and Position Classification Act of 1989,” as amended, as well as to uniformed personnel.

**SECTION 4.** *Amount of PERA.* - The PERA is hereby set at Seven Thousand Pesos (₱7,000). This amount shall be annually reviewed and may be adjusted upward to account for inflation, but shall in no case be reduced by the Department of Budget and Management (DBM), subject to the guidelines it shall issue.

**SECTION 5.** *Exemption from Taxation.* - The PERA shall be exempt from all forms of taxation and shall not be subject to any government-mandated deductions.

**SECTION 6.** *Funding.* - The funds necessary to implement the benefit herein authorized for national government employees shall be included in the annual General Appropriations Act.

For Local Government Units (LGUs), the benefit shall be charged against respective local funds and uniformly applied regardless of LGU classification. Any deficiency shall be charged against the unexpended balances of CY 2024 appropriations of LGUs, which are hereby authorized to be aligned for the purpose herein. Thereafter, the amount shall be provided in their respective annual local budgets.

For Government-Owned and/or Controlled Corporations, the benefits shall be charged against their respective corporate funds.

**SECTION 7. *Implementing Rules and Regulations.*** - Within thirty (30) days from the approval of this Act, the Department of Budget and Management, in coordination with the Civil Service Commission, the Department of Interior and Local Government, and the Department of Finance, shall issue the implementing rules and regulations for the effective implementation of this Act.

**SECTION 8. *Separability Clause.*** - If any provision or part of this Act is declared invalid or unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

**SECTION 9. *Repealing Clause.*** - All laws, presidential decrees, executive orders, letters of instructions, proclamations, or administrative regulations that are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

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

*Approved,*