

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

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10371



Introduced by **Representative AGATHA PAULA “AGAY” A. CRUZ**

EXPLANATORY NOTE

Inflation does not discriminate. It erodes purchasing power, regardless of one's rank, title, tenure, or dedication to public service. The Personnel Economic Relief Allowance (PERA) was designed to cushion that erosion, but while prices have relentlessly climbed, the allowance itself has remained practically stationary.

The current PERA rate of Two Thousand Pesos (₱2,000.00) has remained unchanged since 2009. This no longer reflects present economic realities. What once provided meaningful relief now barely covers basic transportation and daily necessities.

In 2024, in line with the review of government salaries and benefits, the Department of Budget and Management noted that the present PERA rate is being studied for possible adjustment to keep pace with rising inflation.¹

Recent inflation data confirms this urgency. The Philippine Statistics Authority (PSA) reported that headline inflation accelerated to a three-year high of 7.2% in April 2026 from 4.1% in March 2026.² Core inflation likewise increased to 3.9% in April 2026 from 3.2% in March 2026.³ Even prior to this recent surge, cumulative inflation over the past decade had already significantly eroded the real value of government allowances.

The proposed Dagdag PERA Para sa Lingkod-Bayan Act seeks to restore the original purpose of the PERA as a genuine instrument of relief by increasing it to Six Thousand Pesos (₱6,000.00) per month. To promote fiscal sustainability, the increase shall be implemented in tranches to allow the government to phase in the benefit while planning for its budgetary requirements.

This corrective measure further provides for a periodic cost-of-living review after

¹ Gerald Janda, *Updates on Compensation and Allowances in the Government*, DEPARTMENT OF BUDGET AND MANAGEMENT, 29 November 2024, available at <https://www.pagba.com/wp-content/uploads/2024/12/2-Updates-on-Compensation-and-Allowances-in-the-Government.pdf>

² *Summary Inflation Report Consumer Price Index (2018=100): April 2026*, PHILIPPINE STATISTICS AUTHORITY, 5 May 2026, available at <https://psa.gov.ph/content/summary-inflation-report-consumer-price-index-2018100-april-2026>

³ *Ibid.*

full implementation of the tranches and every three years thereafter, based on official inflation data and prevailing economic conditions. This ensures that PERA does not again become static while the cost of living moves relentlessly forward.

Public service is often described as a calling. But even the most dedicated public servant must pay for rice, electricity, and transportation. Patriotism does not purchase groceries. Dedication does not freeze fuel prices. To expect government personnel to perform optimally while their real income steadily contracts is to confuse calling with sacrifice.

For these reasons, the immediate passage of this measure is earnestly sought.


AGATHA PAULA "AGAY" AGUILAR CRUZ
Representative, Fifth Legislative District of Bulacan

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HOUSE BILL NO. **10371**

Introduced by **Representative AGATHA PAULA “AGAY” A. CRUZ**

AN ACT
INSTITUTIONALIZING THE PERSONNEL ECONOMIC RELIEF ALLOWANCE
(PERA) GRANTED TO GOVERNMENT EMPLOYEES, PROVIDING FOR AN
ANNUAL COST-OF-LIVING ADJUSTMENT, AND APPROPRIATING FUNDS
THEREFOR

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

1 **Section 1. Short Title.** – This Act shall be known as the “Dagdag PERA Para sa
2 Lingkod-Bayan Act.”

3
4 **Section 2. Declaration of Policy.** – It is hereby declared the policy of the State to
5 promote the welfare, economic security, and productivity of government personnel by
6 ensuring that their compensation and allowances remain responsive to prevailing
7 economic conditions and the rising cost of living.

8
9 **Section 3. Institutionalization of the Personnel Economic Relief Allowance**
10 **(PERA).** –The Personnel Economic Relief Allowance (PERA), as granted to qualified
11 government employees pursuant to existing laws, rules, and issuances, is hereby
12 institutionalized.

13
14 **Section 4. Increase in the PERA.** –The PERA granted to qualified government
15 personnel is hereby increased from Two Thousand Pesos (₱2,000.00) to Six Thousand
16 Pesos (₱6,000.00) per month, to be implemented in tranches as follows:

17
18 (a) First Tranche: Three Thousand Five Hundred Pesos (₱3,500.00) per month
19 beginning in the first year of implementation of this Act;

20
21 (b) Second Tranche: Five Thousand Pesos (₱5,000.00) per month beginning in the
22 second year of implementation of this Act; and
23

1 (c) Third Tranche: Six Thousand Pesos (P6,000.00) per month beginning in the
2 third year of implementation of this Act.
3

4 The PERA granted under this Act shall be distinct from and in addition to basic
5 salary and other allowances and shall not be integrated into the standardized salary rates.
6

7 **Section 5. Periodic Cost-of-Living Adjustment.** – Three (3) years after the full
8 implementation of the Third Tranche under Section 4 of this Act, and every three (3) years
9 thereafter, the PERA shall be reviewed and may be adjusted based on the percentage
10 increase in the annual average Consumer Price Index (CPI), as published by the Philippine
11 Statistics Authority (PSA), and other relevant economic indicators, subject to the
12 guidelines issued by the Department of Budget and Management (DBM).
13

14 For this purpose, the DBM shall compute and recommend the corresponding
15 adjustment for inclusion in the annual budget proposal to Congress.
16

17 **Section 6. Coverage.** – This Act shall apply to all civilian government personnel,
18 whether in the national government, constitutional commissions, state universities and
19 colleges, government-owned or -controlled corporations, and local government units, and
20 whether occupying regular, contractual, or casual positions, whose positions are covered
21 by Republic Act No. 6758, otherwise known as the “Compensation and Position
22 Classification Act of 1989,” as amended, and other applicable compensation laws.
23

24 Military and uniformed personnel shall likewise be covered by this Act, subject to
25 existing laws, rules, and regulations governing their pay and allowances.
26

27 Government personnel stationed abroad who are already receiving overseas
28 allowances or similar benefits intended to defray cost-of-living differentials shall not be
29 entitled to the PERA increase provided under this Act.
30

31 **Section 6. Non-Diminution of Benefits.** – Nothing in this Act shall be construed to
32 authorize the diminution of existing allowances, incentives, or benefits currently enjoyed
33 by government personnel under existing laws, rules, and regulations.
34

35 **Section 7. Tax Treatment.** – The PERA granted under this Act shall retain its tax-
36 exempt status, subject to existing tax laws and revenue regulations.
37

38 **Section 9. Funding.** – The amount necessary to carry out the initial implementation
39 of this Act shall be charged against the available appropriations of the respective agencies,
40 subject to existing budgeting, accounting, and auditing laws, rules, and regulations.
41 Thereafter, the amount necessary for its continued implementation shall be included in
42 the annual General Appropriations Act.
43

44 For local government units, the funding requirements shall be sourced from their

1 respective local funds, subject to the limitations provided under Republic Act No. 7160,
2 otherwise known as the “Local Government Code of 1991,” as amended.

3
4 For government-owned or -controlled corporations, the funding requirements
5 shall be charged against their respective corporate funds, subject to applicable laws, rules,
6 and regulations governing compensation in the GOCC sector.

7
8 **Section 8. *Implementing Rules and Regulations.*** – Within sixty (60) days from the
9 effectivity of this Act, the DBM, in consultation with the Civil Service Commission (CSC),
10 Department of the Interior and Local Government (DILG), and other concerned agencies,
11 shall promulgate the necessary rules and regulations for the effective implementation of
12 this Act.

13
14 **Section 11. *Separability Clause.*** – If any part or provision of this Act is held
15 unconstitutional or invalid, the remainder thereof not otherwise affected shall remain in
16 full force and effect.

17
18 **Section 12. *Repealing Clause.*** – All laws, decrees, executive orders, rules, and
19 regulations, or parts thereof inconsistent with the provisions of this Act are hereby
20 repealed or modified accordingly.

21
22 **Section 13. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
23 complete publication in the *Official Gazette* or in a newspaper of general circulation.

24
25 *Approved,*