

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 1499



Introduced by **MAGDALO Party-List Representative**
HON. MANUEL DG. CABOCHAN III


EXPLANATORY NOTE

In spite of the previous adjustments in the salaries of government employees through Executive Order No. 201, their current income still fails to cope with the ever increasing costs of basic necessities, as reflected in the yearly increase in the consumer price index.

Therefore, it is high time that government employees be granted additional assistance to help alleviate the effects of rising cost of living due to inflation and in order for them to sustain a decent living. The State should always see to it that its workers are shielded at all times from the erratic economic conditions brought about by ever spiraling prices of basic goods and commodities in the country and in world market, and other related factors.

In order to enable even lowest paid government workers to cope with these contingencies, it is high time the State considers putting into place a special economic assistance in the form of a Cost of Living Allowance (COLA) for government employees on top of the other mandatory allowances they are currently receiving.

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


MANUEL DG. CABOCHAN III
Representative
Magdalo Para sa Pilipino Party-List

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AN ACT
PROVIDING FOR A COST OF LIVING ALLOWANCE (COLA) FOR ALL
OFFICIALS AND EMPLOYEES IN THE GOVERNMENT SECTOR AND FOR
OTHER RELATED PURPOSES

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

1 **SECTION 1. Declaration of Policy.** – It is hereby declared to be the policy of the
2 State to promote, nurture and protect the interest of the workers in the public sector for them
3 to endure the economic challenges brought about by the undeniable upsurge in the cost of
4 living by providing just and reasonable compensation to every worker in the government
5 workforce that corresponds to their share of effort to achieve and sustain productivity in the
6 agencies they serve, thus, allowing them to have decent personal and/or family life and to be
7 able to meet the basic needs of their families for shelter, daily sustenance, education and
8 medical attendance.
9

10 **SEC. 2. Coverage.** – All civilian government officials and employees whether
11 employed by the national or local government units, appointive or elective, career or non-
12 career, including those employed under Government Owned and Controlled Corporations
13 (GOCCs) and other Government Financial Institutions (GFIs), whose positions are covered
14 by Republic Act No. 6758, otherwise known as the “Compensation and Position
15 Classification Act of 1989” as amended, as well as all military and uniformed personnel of
16 the government, shall be covered by this Act.
17

18 **SEC. 3. Cost of Living Allowance (COLA) for Government Officials and**
19 **Employees.** – In order to alleviate the impact of the ever-increasing cost of basic necessities
20 on government workers, there is hereby granted a special economic assistance for all covered
21 government officials and employees to be known as the Cost of Living Allowance (COLA)
22 for government workers in the amount of Five Thousand Pesos (P5,000.00), to be
23 implemented across-the-board, on top of the existing Personnel Economic Relief Allowance
24 (PERA) previously granted for the same purpose.
25

26 **SEC. 4. Funding.** – To effectively carry-out the grant of the COLA provided herein
27 for the officials and employees of the national government agencies, the amount necessary
28 for this purpose shall be charged against the annual General Appropriations Act (GAA),
29 particularly the Miscellaneous Personal Benefit Fund (MPBF) or any savings realized by the
30 Government from the current GAA.

1
2 In the case of government-owned and controlled corporations and financial institutions, the
3 necessary amount shall be sourced fully from their respective corporate funds, and in the case
4 of local government units (LGUs), from their respective local funds or the LGU's share in
5 their Internal Revenue Allotments (IRA).
6

7 **SEC. 5. Tax Exemption on COLA.** – No tax of any kind shall be levied on the Cost
8 of Living Allowance (COLA) herein granted to government officials and employees as well
9 as military and uniformed personnel of the government.
10

11 **SEC. 6. Implementing Rules and Regulations.** – Within a period of thirty (30) days
12 from the enactment of this Act, the Department of Budget and Management (DBM), in
13 consultation with the Civil Service Commission (CSC), the Department of National Defense
14 (DND) and the Department of Interior and Local Government (DILG) and the Governance
15 Commission on Government Owned And Controlled Corporations (GCG) and other affected
16 agencies, shall issue the Implementing Rules and Regulations for the immediate
17 implementation of this Act.
18

19 **SEC. 7. Effectivity.** – This Act shall take effect fifteen (15) days after its publication
20 in the Official Gazette or in any two (2) newspapers of general circulation.

Approved,