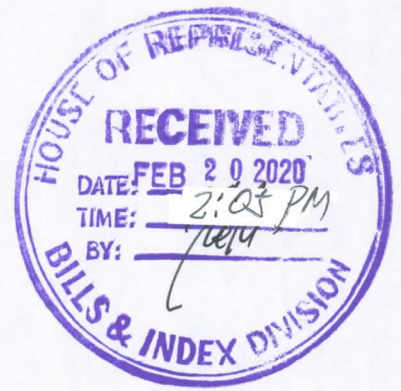


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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 6362



Introduced by
**BAYAN MUNA Representatives FERDINAND R. GAITE,
CARLOS ISAGANI T. ZARATE and EUFEMIA C. CULLAMAT,
ACT TEACHERS Party-List Representative FRANCE L. CASTRO,
GABRIELA Women's Party Representative ARLENE D. BROSAS
and KABATAAN Party-List Representative SARAH JANE I. ELAGO**

**AN ACT
ESTABLISHING THE NATIONAL MINIMUM MONTHLY SALARY IN
GOVERNMENT AND PROVIDING FUNDS THEREFOR**

EXPLANATORY NOTE

Article XIII Section 3 of the 1987 Constitution provides that workers "shall be entitled to security of tenure, humane conditions of work, and a living wage". Likewise, in the Article on Social Justice and Human Rights (Article XIII Section 1), the Constitution exhorts Congress to "give highest priority to the enactment of measures that protect and enhance the right of all people to human dignity, reduce social, economic, and political inequalities..."

Yet, no less than the front liners in government service provision – the government employees -- have been suffering for decades from inadequacy and disparity in salaries.

In response to the clamor of government employees, on July 1, 2019, Bayan Muna Representatives Ferdinand R. Gaite, Carlos Isagani T. Zarate and Eufemia C. Cullamat, ACT Teachers Party-List Representative France L. Castro, Gabriela Women's Party Representative Arlene D. Brosas and Kabataan Party-List Representative Sarah Jane I. Elago filed as one of their priority bills House Bill 247 establishing the national minimum wage of P16,000. HB 247 was consolidated with other bills into House Bill 5712 which was later approved as Salary Standardization Law of 2019.

On January 8, 2020, President Rodrigo Duterte signed into law Republic Act No. 11466 or Salary Standardization Law (SSL) of 2019. Section 2 Statement of Policy states that:

SEC. 2. *Statement of Policy.* – It is hereby declared the policy of the State to provide all government personnel a just and equitable compensation in accordance with the principle of equal pay for work of equal value. In pursuing this policy, the State shall ensure that:

(a) Differences in pay shall be based upon substantive differences in duties, responsibilities, accountabilities and qualification requirements of the positions.

(b) The compensation for all civilian government personnel shall be standardized and rationalized across all government agencies to create an enabling environment that will promote social justice, integrity, efficiency, productivity, accountability and excellence in the civil service.

(c) The compensation of all civilian personnel shall generally be competitive with those in the private sector doing comparable work in order to attract, retain and motivate a corps of competent and dedicated civil servants.

x x x

Contrary to its supposed adherence to equality and social justice, RA 11466 or SSL 2019 only perpetuates the government employees' decades- old predicament of inadequacy and disparity in salaries.

SSL 2019 does not only disregard the call for national minimum salary, worse it further maintains the unjust pay scale, inadequate salaries, wide disparity between higher and lower salary grades, and lower salaries for lower income local government units.

While unheeding the demands for a P16,000 national minimum wage, P30,000 salary for nurses and teachers, the Duterte administration doubled in 2018 the base pay of entry-level uniformed personnel from P14,834 per month to P29,668 per month through Joint Resolution No. 1 s. 2018. It is the height of injustice that other public employees who are fulfilling just as much duties for the public are not given the salaries rightfully due them.

The lowest-paid employee in the civil service based on SSL 2019 will be given a meager monthly increase of P1,932 increase (from P11,068 to P13,000 per month) to be delivered in four tranches of P483 per month. This translates to a measly P21.95¹ per day increase, much lower compared to the P25 increase in minimum wage in the National Capital Region in 2018. This is historically the lowest pay hike for government employees.

The P13,000² monthly gross salary for Salary Grade 1 by the year 2023 is way below the family living wage for a family of five pegged at P1,025 per day or P30,750 per month³.

Middle-level employees, such as teachers, and others who comprise the majority in the civilian bureaucracy, are in the same sinking boat, as their pay also amount to less than the family living

¹ P483 divided by 22 working days

² Republic Act No. 11466, Section 7 Salary Schedule Including Step Increments

³ IBON Databank: Year End 2019, January 24, 2020; P1,025 multiplied by 30 days

1 wage under SSL 2019. Teachers and other professionals under Salary Grade 11 will receive
2 P27,000 per month by year 2023 (Step Increment 1).

3
4 The teachers are frequently told that their only problem is poor financial management! But,
5 what is there to manage when those supposed finances are quickly drained away by taxes, by
6 their basic needs that grow more and more expensive every day. In the case of some employees
7 like teachers, nurses, and doctors—even work-related expenses that should have been provided
8 by the government in the first place have also been increasing.

9
10 The inadequacy of salaries is further compounded by the fact that government workers in low
11 income provinces and municipalities are paid less than their national counterparts.

12
13 This grievous problem stems from the “regionalization” of wages and salaries. Republic Act
14 6727 or the Wage Rationalization Act (1989) allowed “regional minimum wages” set by Regional
15 Tripartite Wages and Productivity Boards and are essentially copied for the public sector.

16
17 Republic Act 6758 or the Salary Standardization Law in 1989 institutionalized the inadequate
18 salaries and disparity in salaries by allowing different pay scale for certain agencies such as the
19 government-owned and/or -controlled corporations and government financial institutions and
20 percentage rates for local government units (LGU) based on the classification and capacity of
21 each LGU. The disparity is a clear violation of the principle contained in the law itself, to wit:
22 “...the policy of the State to provide equal pay for substantially equal work...” We have a
23 situation where employees with the same salary grade, same job classification and same work but
24 in different government agencies having different salaries.

25 For example, salary rates for first class municipalities is set at 90%, while for sixth class
26 provinces/cities and municipalities, at 75% and 65%, respectively. Such variations in the salaries
27 of public sector employees were maintained in succeeding salary standardization laws such as
28 Joint Resolution No. 1 (1994), Joint Resolution No 4 (2009), Executive Order 201 (2016) and
29 the most recent RA 11466 (2020).

30
31 In addition, LGUs are constrained from granting the same salary levels compared to other
32 government agencies due to the “personnel service limitation.”

33
34 Republic Act 7160 or the Local Government Code Book I Title III Section 81 provides that “the
35 compensation of local officials and personnel shall be determined by the Sanggunian
36 concerned.” Book 2 Title V Chapter III Article 1 Section 325 of the Local Government Code set
37 the limits of the appropriations for personal services of a local government unit for one (1) fiscal
38 year to forty-five percent (45%) in the case of first to third class provinces, cities and
39 municipalities, and fifty-five percent (55%) in the case of fourth class or lower, of the total
40 annual income from regular sources realized in the next preceding fiscal year.”

41
42 Worse, in other government agencies exempted from the SSL, equivalent salary grade 1
43 employees are paid even lower than the salary grade 1 pay indicated in the SSL. Employees in
44 exempt entities like those from several Government Owned and Controlled Corporations
45 (GOCCs) which have their own compensation and position classification system will not be
46 given any salary increase under SSL 2019.

47
48 The government employees’ struggle for national minimum salary and salary increases for all—
49 that is, for both civilian and military and uniformed personnel (MUP)—is waged together with
50 the struggle of workers and employees in the private sector for a national minimum wage of at

1 least P750 per day. The highest minimum wage of P537⁴ for non-agricultural workers in the
2 National Capital Region (out of the more than 1,000 wage levels across the country) is only 53%
3 of the family living wage. A national minimum wage of at least P750 per day for all regions and
4 industries nationwide, though still insufficient to meet the family living wage, will bring
5 significant relief especially to low-earning families.

6
7 The tandem struggles for a national minimum wage and just remuneration for work, along with
8 the fight for lower taxes, were pushed by employees and workers in the public and private
9 sectors for several years. Unfortunately, these were never been sufficiently addressed by the
10 government.

11 The refusal to provide substantial salary increases to ensure that the people can afford the
12 standards of a decent life is part of the general neoliberal framework of the government of
13 scrimping on funds needed to ensure the proper and humane operation of government offices
14 and institutions, especially those in the providing vital social services and public institutions like
15 schools and hospitals.

16
17 The regionalization of salaries and wages contradicts the principle of equal pay for equal work. It
18 discriminates against local government employees. It has caused demoralization and low self-
19 esteem among workers and employees in the local government units.

20
21 Establishing the national minimum salary for the public sector employees throughout the
22 country is a matter of social justice. It is the role of the government to ease the hardships of
23 public sector employees amidst the increasing prices of basic commodities and services as a
24 result of the implementation of new taxes under the Tax Reform for Acceleration and Inclusion
25 (TRAIN) Law. The national government should provide assistance to lower income provinces
26 and municipalities so that the LGUs can provide the salaries due to their employees.

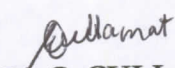
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28 In the name of justice, fairness and equality, the urgent approval of this bill is earnestly sought.

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31 *Approved,*

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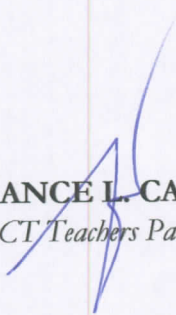
REP. FERDINAND R. GAITE
Bayan Muna Partylist


REP. CARLOS ISAGANI T. ZARATE
Bayan Muna Partylist



REP. EUFEMIA C. CULLAMAT
Bayan Muna Partylist

⁴ <http://www.nwpc.dole.gov.ph/stats/summary-of-current-regional-daily-minimum-wage-rates-by-region-non-agriculture-and-agriculture/>

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REP. FRANCE L. CASTRO
ACT Teachers Partylist



REP. ARLENE D. BROSAS
GABRIELA Women's Party



REP. SARAH JANE I. ELAGO
Kabataan Partylist

1 Republic of the Philippines
2 HOUSE OF REPRESENTATIVES
3 Quezon City

4 EIGHTEENTH CONGRESS

5 First Regular Session

6 HOUSE BILL No. 6362
7

8 Introduced by

9 BAYAN MUNA Representatives FERDINAND R. GAITE,
10 CARLOS ISAGANI T. ZARATE and EUFEMIA C. CULLAMAT,
11 ACT TEACHERS Party-List Representative FRANCE L. CASTRO,
12 GABRIELA Women's Party Representative ARLENE D. BROSAS
13 and KABATAAN Party-List Representative SARAH JANE I. ELAGO
14

15 AN ACT

16 ESTABLISHING THE NATIONAL MINIMUM MONTHLY SALARY IN
17 GOVERNMENT AND PROVIDING FUNDS THEREFOR
18

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

20
21 **SECTION 1. Title.** This Act shall be known as the "National Minimum Salary for
22 Government Employees Act."

23
24 **SECTION 1. Declaration of Policy.** It is hereby declared the policy of the State to alleviate
25 the living conditions of government employees, to guarantee employees' right to a living wage,
26 and to ensure optimal public service by according sufficient budgetary priority to the human
27 resource aspect in the running of government agencies and institutions.

28
29 The State shall uphold the principle of "equal pay for equal work." Persons who work with
30 substantially equal qualifications, skill, effort and responsibility, under similar conditions, shall be
31 paid similar salaries. In determining the rates of pay, due regard shall be given to the cost of
32 living needed to provide a decent life for the family of the workers.

33
34 **SECTION 2. National minimum salary in government.** There shall be only one (1) national
35 minimum salary for all employees in the government sector.

36
37 **SECTION 3. Amount of minimum salary of employees in government.** The salary of
38 entry-level position in government service shall not be less than Sixteen Thousand Pesos
39 (P16,000) a month. The salaries of those occupying higher positions shall be adjusted
40 accordingly.

41
42 **SECTION 4. Uniform Implementation of the National Minimum Salary for All
43 Government Employees.** The national minimum salary shall apply to all government
44 instrumentalities regardless of classification.

45 (a) All government agencies shall implement the national minimum salary.

46 (b) The national minimum salary shall be implemented in the government and
47 government-owned and/or -controlled corporations and financial institutions,
48
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1 regardless whether covered or not under RA 6758 (SSL) as amended, and local
2 government units throughout the country, regardless of the classification of the local
3 government units.
4

- 5 (c) The national minimum salary shall apply to all positions, regardless of appointment
6 status, whether regular, contractual or casual, appointive or elective, and on full or
7 part-time basis; now existing or hereafter created in the government.
8
9

10 **SECTION 5. *Compensation for Local Government Unit (LGU) personnel.*** The national
11 minimum salary shall be implemented among LGU personnel. For this purpose, the following
12 laws are hereby amended:
13

- 14 (a) Section 10 (a), (c) of Republic Act 11466, is hereby repealed.
15

- 16 (b) Section 81 of Republic Act 7160 shall be amended, to read as follows:
17

18 “Section 81. Compensation of Local Officials and Employees. - The compensation of
19 local officials and personnel shall be [determined by the sanggunian concerned:
20 Provided, That the increase in compensation of elective local officials shall take effect
21 only after the terms of office of those approving such increase shall have expired:
22 Provided, further, That the increase in compensation of the appointive officials and
23 employees shall take effect as provided in the ordinance authorizing such increase:
24 Provided, however, That said increases shall not exceed the limitations on budgetary
25 allocations for personal services provided under Title Five, Book II of this Code:
26 Provided, finally, That such compensation [may be based upon the pertinent provisions
27 of Republic Act Numbered Sixty-seven fifty-eight (R.A. No 6758), otherwise known as
28 the "Compensation and Position Classification Act of 1989".] **SHALL BE IN**
29 **CONFORMITY WITH THE “NATIONAL MINIMUM SALARY FOR ALL**
30 **GOVERNMENT EMPLOYEES ACT”.**
31

32 The punong barangay, the sangguniang barangay member, the sangguniang kabataan
33 chairman, the barangay treasurer, and the barangay secretary shall be entitled to such
34 compensation, allowances, emoluments, and such other privileges as provided under
35 Title One Book III of this Code.
36

37 x x x
38

- 39 (c) Section 325 of RA 7160 or the Local Government Code is hereby repealed.
40

- 41 (d) Sections 447 (a) (viii), 458 (a) (viii) and 468 (a) (viii) of Republic Act 7160 shall be read as
42 follows:
43

44 “(viii) Determine the positions and [salaries, wages,] allowances and other emoluments
45 and benefits of officials and employees paid wholly or mainly from municipal funds and
46 provide for expenditures necessary for the proper conduct of programs. projects,
47 services, and activities of the municipal government;”
48

49 x x x
50

1 **SECTION 6. *Automatic Annual Review and Adjustment of Salary.*** The Department of
2 Budget and Management is hereby mandated to automatically conduct an annual review of the
3 salaries of all government employees, and recommend appropriate salary adjustments, taking into
4 account inflation and the prevailing prices of basic commodities and services.

5
6 **SECTION 7. *Funding Source and Appropriations.*** The funding sources for the amounts
7 necessary to implement this Act shall be as follows:

- 8
9 (a) For national government agencies funded in the General Appropriations Act (GAA), the
10 amount needed for the compensation shall be charged against the appropriations
11 provided in the GAA.
12
13 (b) For GOCCs, the amounts shall come from their respective corporate funds in the
14 corporate operating budgets approved by Department of Budget and Management/
15 Governance Commission for GOCCs (GCG).
16
17 (c) For LGUs, the amounts shall be charged against their respective funds in accordance
18 with the pertinent provisions of RA No. 7160, as hereby amended.
19
20 (d) Immediately after the approval of this law and after consultations with the DBM, DILG
21 and concerned LGUs, a special fund called the Subsidy to LGU Personnel is hereby
22 created under the General Appropriations Act Miscellaneous Personnel Benefits Fund,
23 to assist LGUs which cannot fully implement the National Minimum Salary Act due to
24 limitations in financial capacity.
25

26 **SECTION 8. *Rules and Regulations.*** Within ninety (90) days the Department of Budget and
27 Management shall promulgate the necessary rules and regulations for the implementation of the
28 provisions of this Act.
29

30 **SECTION 9. *Separability Clause.*** If for any reason any section or provision of this Act is
31 declared unconstitutional, other provisions hereof which are not affected thereby shall continue
32 to be in full force and effect.
33

34 **SECTION 10. *Repealing Clause.*** Any laws, decrees, or laws, decrees, or rules and regulations
35 which are inconsistent with or contrary to the provisions of this Act are hereby amended or
36 repealed.
37

38 **SECTION 11. *Effectivity.*** This Act shall take effect fifteen (15) days from the publication in
39 the Official Gazette or in any newspaper of general circulation.
40

41 *Approved,*