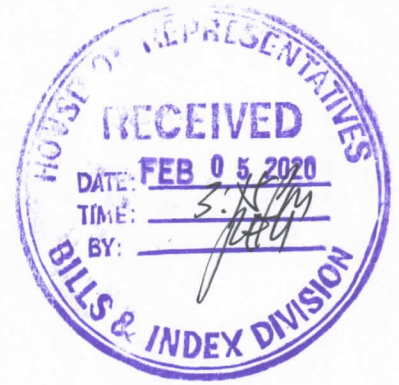


Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila

EIGHTEENTH CONGRESS  
1<sup>st</sup> Regular Session

House Bill No. 6198



---

Introduced by Representative ERIC GO YAP

---

EXPLANATORY NOTE

The workforce fuels every aspect of the society – from the production to the delivery of products and services. Truth be told, the government cannot function without each and every one of the civil servants who render their time and skills for public service. Likewise for the private companies, as their employees support the operations of the company to generate its income.

Through the Presidential Decree No. 851, the 13<sup>th</sup> Month Pay was institutionalized. It was enacted to further protect the level of real wages from the strain of inflation and to show its concern for the worker so they may properly celebrate Christmas and New Year.

With the constant rise in the cost of living in the country, the wage received by Filipino workers seem to be not enough to cover additional expenses. It is the responsibility of the State to address this difficulty experienced by its people. According to Article II Section 18 of the 1987 Constitution, the State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.

This bill seeks to recognize the contribution rendered by the Filipino workforce. It mandates all employers in the government and private sector to accord a 14<sup>th</sup> Month Pay to its employees, regardless of the employees' status of employment. Moreover, this bill sought to improve employee morale, motivation, and productivity. This adjustment considers the need of the employees for extra earnings in the middle of the year to help them cope in school and medical expenses of their family.

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

A stylized, bold signature of Eric Go Yap, consisting of several horizontal strokes.

ERIC GO YAP

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

EIGHTEENTH CONGRESS  
1<sup>st</sup> Regular Session

House Bill No. 6198

---

Introduced by Representative ERIC GO YAP

---

AN ACT  
MANDATING THE 14<sup>TH</sup> 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 “14<sup>th</sup> 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. *14<sup>th</sup> Month Pay.*** – All employees in the private sector entitled to 13<sup>th</sup> month pay shall also be entitled to 14<sup>th</sup> 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 13<sup>th</sup> month pay and 14<sup>th</sup> month pay.

**SEC. 5. *Exempted Employers.*** – The rules governing the exemption of employers in the private sector from paying 13<sup>th</sup> month pay shall also apply to 14<sup>th</sup> month pay.

**SEC. 6. *Schedule of Release of 13<sup>th</sup> and 14<sup>th</sup> Month Pay.*** – The existing 13<sup>th</sup> month pay shall be released by the employer on or before May 31 and the 14<sup>th</sup> month pay shall be released on or before November 30 of each calendar year.

**SEC. 7. *Prorated 14<sup>th</sup> Month Pay.*** – For employees employed for less than one (1) year, their 14<sup>th</sup> month pay shall be prorated according to the number of months served. In no case shall the 14<sup>th</sup> month pay be less than 1/12 of the employees’ total basic salary.

**SEC. 8. *Tax Implications.*** – The 14<sup>th</sup> month pay shall be excluded from the computation of the employee’s gross income. Provided, however, that the total 14<sup>th</sup> 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 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,