

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

H. B. No. 4353

Introduced by Rep. Vilma Santos-Recto
6th District of Batangas

AN ACT
INCREASING TO THREE THOUSAND PESOS (P3,000) THE MONTHLY
PERSONNEL ECONOMIC RELIEF ALLOWANCE (PERA) GRANTED TO
GOVERNMENT EMPLOYEES, APPROPRIATING FUNDS THEREFOR AND FOR
OTHER PURPOSES

EXPLANATORY NOTE

Twenty eight years ago, the Personnel Economic Relief Allowance (PERA) was conceived to shield the salaries of public sector employees from the ravages of inflation brought about by two debilitating oil price hikes in the latter part of 1990 and to prepare them against the possible economic fallout from the Gulf War.

The PERA was intended to help the civil servants tide over increasing cost of living until the crisis had subsided. But the financial crisis never left; on the contrary, it grew worse. Thus, in order to improve the purchasing power of the peso, which has been eroded through time, President Fidel Ramos signed Administrative Order No. 53 in 1993, implementing the grant of additional compensation in the amount of Five Hundred Pesos (P500) per month to public school teachers, uniformed personnel of the Philippine National Police and the Armed Forces of the Philippines, and extending the benefit to the rest of the personnel of the government.

On June 17, 2009, Joint Resolution Number 4 mandated that the Additional Compensation in the amount of One Thousand Five Hundred Pesos (P1,500) and the Five Hundred Pesos (P500) PERA, be collectively referred to as PERA in the amount of Two Thousand Pesos (P2,000).

This bill seeks to increase the monthly PERA granted to public sector employees to P3,000 in order to supplement the public employees' salaries in the midst of rising cost of living and to make their total compensation approximate those received in the private sector.

The budgetary outlay for this proposal is admittedly substantial and would require additional funding sources. However, government's fiscal position has remarkably improved as evidenced by our stronger macroeconomic fundamentals and positive credit rating adjustments. Credit upgrades lessen the cost of government borrowings and frees up resources that can be tapped for other uses. This is not to mention the steady stream of revenues from administrative reforms and from measures rationalizing tax collections such as the TRAIN Law.

Increasing the salaries of our public servants is a means of recognizing the value of their contribution to public service, which should not go unreciprocated. No matter how minimal, such increase would definitely redound to an energized and motivated public service corps who would perform and deliver the government's performance targets.



VILMA SANTOS-RECTO

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

1 Section 1. *Increase in Monthly Allowance.* – The Personnel Economic Relief
2 Allowance (PERA) granted to government employees is hereby increased from the
3 present Two Thousand Pesos (P2,000) per month to Three Thousand Pesos (P3,000) per
4 month effective January 1, 2020.

5 Sec. 2. *Coverage.* – The PERA shall be granted to civilian government personnel
6 whether employed by the national or local governments, appointive or elective, and
7 whether occupying regular, contractual, or casual positions, whose positions are
8 covered by Republic Act No. 6758, otherwise known as the “Compensation and Position
9 Classification Act of 1989,” as amended, as well as to military and uniformed personnel.

10 Sec. 3. *Funding.* – The funds necessary to implement the benefit herein
11 authorized for national government employees shall be included in the annual General
12 Appropriations Act.

13 For Local Government Units (LGUs), the benefit shall be charged against
14 respective local funds. Any deficiency shall be charged against the unexpended balances
15 of CY 2019 Appropriations of LGUs which are hereby authorized to be realigned for
16 the purpose herein. Thereafter, the amount necessary shall be provided in their
17 respective annual local budgets.

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

3 Sec. 4. *Implementing Rules and Regulations.* – The Department of Budget and
4 Management shall issue the implementing rules and regulations not later than thirty
5 (30) days from the approval of this Act.

6 Sec. 5. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, or
7 portions thereof, inconsistent with this Act are hereby repealed or modified accordingly.

8 Sec. 6. *Effectivity.* – This Act shall take effect fifteen (15) days following its
9 publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,