

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

18th Congress
First Regular Session

HOUSE BILL NO. 598



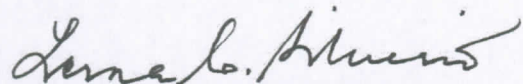
Introduced by: **HON. LORNA C. SILVERIO**

EXPLANATORY NOTE

Government employees are the frontliners of the State when it comes to public service. Their clients transcend social classes and are expected to deliver the results in a consistent manner. The recent inflation which brought about higher costs of basic commodities made it harder for government employees to manage their salaries and made them prone to lending facilities which ultimately resulted to almost only Php 3,000.00 monthly take home pay. This bill provides for a "Safety net" to State workers wherein their take home pay will still be manageable after deducting the loans and mandatory contributions required by the Government.

Managing finances better and lessening their dependence on loan facilities shall be the ultimate objective of this bill and teach them to live within their means.

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


LORNA C. SILVERIO

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HOUSE BILL NO. 598

Introduced by: HON. LORNA C. SILVERIO

**AN ACT PROVIDING FOR A MINIMUM MONTHLY NET TAKE HOME PAY FOR ALL
GOVERNMENT EMPLOYEES AFTER AUTHORIZED DEDUCTIONS**

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

SEC 1. Short Title. This Act shall be known as the "Minimum Take Home Pay Bill"

SEC 2. Definition of Terms. For the purposes of this bill, these terms are defined as follows:

- A. "Take Home Pay" refers to the net income of government employees after all authorized deductions are removed from the basic salary; and
- B. "Authorized Deductions" refer to deductions from salaries, emoluments or other benefits accruing to any government employee that may be allowed for the payment of an employee's contributions or obligations.

SEC 3. Minimum Take Home Pay. The minimum monthly take home pay of all government employees after all authorized deductions shall at all times be at least thirty percent (30%) of their monthly salary.

SEC 4. Authorized Deductions. In the event that total authorized deductions shall reduce the government employee's mandatory minimum monthly take-home pay, authorized deductions for the following shall be prioritized in this order:

- A. The Bureau of Internal Revenue, Government Service Insurance System, Home Development Mutual Fund and the Philippine Health Insurance Corporation;
- B. Mutual benefit associations, thrift banks, and non-stock savings and loan associations duly operating under existing laws which are managed by, and for the benefit of government employees;
- C. Associations or cooperatives organized and managed by government employees for their benefit and welfare;
- D. Duly licensed insurance companies accredited by national government agencies; and
- E. Other authorized deductions as may be authorized by law.

Any deficiency in loan payments of government employees as a result of the mandatory minimum take home pay may be addressed through direct payment arrangements to be voluntarily made by the employee to the lending institutions.

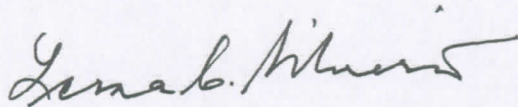
SEC 5. Implementing Rules and Regulations. The Secretary of Budget and Management shall, within thirty (30) days from the effectivity of this Act, issue the necessary rules and regulations for the proper implementation of the provisions hereof.

SEC 6. Separability Clause. If any provision of this Act shall be held unconstitutional or declared invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC 7. Repealing Clause. All laws, presidential decrees, executive orders, ordinances, rules and regulation, and other issuances or part thereof which are inconsistent with this Act, are hereby repealed or modified accordingly

SEC 8. Effectivity. This Act shall take after fifteen (15) days after its publication in the Official Gazette or in newspapers of general circulation.

Approved,

A handwritten signature in dark ink, appearing to read "Genab. M. M. M.", with a stylized flourish at the end.