



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

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SENATE
S.B. No. 1645

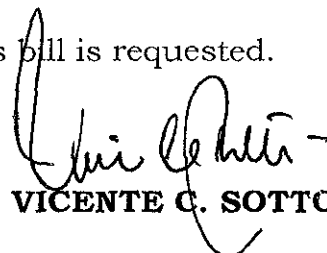
Introduced by **SENATOR VICENTE C. SOTTO III**

The Constitution, Article II, Section 18 provides:

“The State affirms labor as primary social economic force.
It shall protect the rights of workers and promote their welfare.”

We recognize the indispensable need to provide our Filipino laborers, both from the public and private sectors additional 14th month pay. The recent Php 10.00 increase in the minimum wage is too small. Wages have invisibly decreased due to the rise in prices of basic commodities. Improved business earnings have not cascaded on its own. The 13th month pay is gobbled up by Christmas expenses. We need extra earnings in the middle of the year to help in school and medical expenses. Health and education needs of the ordinary Filipino must be assisted by our government. This will make the maxim attributed to President Ramon Magsaysay become a reality- “Those who have less in life should have more in law”.

In view thereof, immediate approval of this bill is requested.


VICENTE C. SOTTO III
Senator

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Introduced by **SENATOR VICENTE C. SOTTO III**

AN ACT REQUIRING EMPLOYERS TO PAY 14th MONTH PAY

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 *14th Month Pay Law*”.

SECTION 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.

SECTION 3. *Coverage-* This act shall cover all government and non-government rank and file employees regardless of their employment status, designation and irrespective of the method by which their wages are paid provided that they have worked at least one month during the calendar year.

SECTION 4. *Definition of Terms-* As used in this Act:

- a. Rank and File Employees- are those not considered as managerial employees. They are not vested with powers or prerogatives to lay down and execute management policies and/or to hire, transfer, suspend, lay-off, recall discharge, assign or discipline employees or to effectively recommend such managerial actions.
- b. Basic Salary- for the purpose of computing the 14th month pay shall include all remunerations or earning paid by this employer for services rendered but does not include allowances and monetary benefits which are not considered or integrated as part of the regular or basic salary.

SECTION 5. *Mandatory Payment of 14th month pay-* All government and non-government rank and file employees shall be entitled to 14th month pay every year.

SECTION 6. *Time of Payment*- The 13th month pay shall be paid not later than June 14th and the 14th month pay shall be paid not later than December 24th of every year provided however that the frequency of payment of this monetary benefits may be the subject of agreement between employer and employee or any recognized/collective bargaining agent of employees.

SECTION 7. *Minimum Amount*- The minimum amount of the 14th month pay shall not be less than 1/12 of the total basic salary earned by the employee within the calendar year.

SECTION 8. *Implementing Rules*- Within sixty days from the enactment of this law, the Secretary of the Department of Labor and Employment (DOLE) shall promulgate the implementing rules of this law.

SECTION 9. *Separability Clause*. - If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 10. *Repealing Clause*. - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with any provision of this Act as hereby amended or modified accordingly.

SECTION 11. *Effectivity Clause*. - This Act shall take fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspaper of general circulation.

Approved,