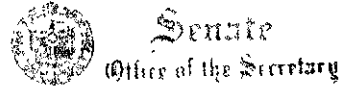



SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Third Regular Session )



'15 AUG 17 AIO :48

SENATE

RECEIVED BY: 

S. No. 2901

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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**AN ACT  
PROVIDING FOR A COST OF LIVING ALLOWANCE (COLA) FOR ALL  
EMPLOYEES IN THE GOVERNMENT SECTOR AND FOR OTHER RELATED  
PURPOSES**

**EXPLANATORY NOTE**

In spite of the previous adjustments in the salaries of government employees over the last few years, their current income still fails to cope with ever increasing the costs of basic necessities, as reflected in the yearly increase in the consumer price index. It is high time that they should be granted additional assistance to help alleviate the effects of rising cost of living due to inflation in order to sustain decent living. The State should always see to it that its workers be should shielded at all times from the erratic economic conditions brought about by ever spiraling prices of basic goods and commodities in the country and in world market and other related factors.

In order to enable even lowest paid government workers to cope with these contingencies, it is high time the State considers putting into place special economic assistance in the form of a Cost of Living Allowance (COLA) for government employees on top of the other mandatory allowances they are currently receiving.

This representation believes that this piece of legislation could be the best alternative in case that the national government is not yet ready at this time to implement another round of adjustments in the prevailing salary rates of state workers, as provided in the proposed amended "Compensation and Position Classification Act" or Salary Standardization Law No. 4 (SSL 4) also being proposed by the undersigned.

Most importantly, this legislation could be the best compromise to fast-track the implementation of a long overdue increase in the take home pay of government workers.

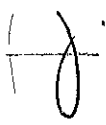
Thus, the immediate passage of this bill is earnestly sought.

  
ANTONIO "SONNY" F. TRILLANES IV  
Senator

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SENATE

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AN ACT  
**PROVIDING FOR A COST OF LIVING ALLOWANCE (COLA) FOR ALL  
EMPLOYEES IN THE GOVERNMENT SECTOR AND FOR OTHER RELATED  
PURPOSES**

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

1           **SECTION 1. Declaration of Policy.** – It is hereby declared to be the policy of the  
2 State to promote, nurture and protect the interest of the workers in the public sector for  
3 them to endure the economic challenges brought about by the undeniable upsurge in the  
4 cost of living by providing just and reasonable compensation to every worker in the  
5 government workforce that corresponds to their share of effort to achieve and sustain  
6 productivity in the agencies they serve, thus, allowing them to have decent personal  
7 and/or family life and to be able to meet the basic needs of their families for shelter, daily  
8 sustenance, education and medical attendance.  
9

10           **SEC. 2. Coverage.** – All civilian government employees whether employed by  
11 the national or local governments, appointive or elective, and whether occupying regular,  
12 contractual or casual positions, whose positions are covered by Republic Act 6758,  
13 otherwise known as the "Compensation and Position Classification Act of 1989," as  
14 amended, as well as military and uniformed personnel, shall be covered by this Act.  
15

16           **SEC. 3. Cost of Living Allowance (COLA) for Government Employees.** – In  
17 order to alleviate the impact the ever-increasing costs of basic necessities on government  
18 workers, there is hereby granted a special economic assistance for all covered  
19 government employees to be known as the Cost of Living Allowance (COLA) for  
20 government workers in the amount of Five Thousand Pesos (P5,000.00), to be  
21 implemented across-the-board, on top of the existing Personnel Economic Relief  
22 Allowance (PERA) previously granted for the same purpose.  
23

24           **SEC. 4. Funding.** – To effectively carry-out the grant of the COLA provided  
25 herein for the employees of the national government agencies, the amount necessary for  
26 this purpose shall be charged against the annual General Appropriations Act, particularly  
27 the Miscellaneous Personal Benefit Fund (MPBF) or any savings realized by the  
28 Government from the current GAA.  
29

30           In the case of government-owned and controlled corporations and financial  
31 institutions, the necessary amount shall be sourced fully from their respective corporate  
32 funds, and in the case of local government units (LGUs), from their respective local funds  
33 or the LGU's share in their Internal Revenue Allotments (IRA).

1           **SEC. 5. Implementing Rules and Regulations.** – Within a period of thirty (30)  
2 days from the enactment of this Act, the Department of Budget and Management (DBM),  
3 in consultation with the Civil Service Commission, the Department of Defense and the  
4 Department of Interior and Local Government and the Governance Commission on  
5 Government Owned And Controlled Corporations (GCG) and other affected agencies,  
6 shall issue the Implementing Rules and Regulations for the immediate implementation of  
7 this Act.

8  
9           **SEC. 6. Effectivity.** - This Act shall take effect immediately upon its approval  
10 and fifteen (15) days after its publication in the *Official Gazette* or least two (2) national  
11 newspapers of general circulation in the country.

*Approved,*