

SIXTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Third Regular Session


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Senate
Office of the Secretary

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SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. 253

Submitted by the Committee on Civil Service, Government Reorganization and Professional Regulation and the Committee on Finance

on SEP 16 2015.

Re: Senate Bill No. 2901

Recommending its approval with amendment

Sponsor: Senator Antonio F. Trillanes IV

Mr. President:

The Committee on Civil Service, Government Reorganization and Professional Regulation and the Committee on Finance to which was referred Senate Bill No. 2901, introduced by Senator Trillanes IV, entitled:

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

have considered the same and have the honor to report it back to the Senate with the recommendation that it be approved with the following amendments:

1. On page 1, Section 2, lines 10 to 14, delete the entire section and replace it with:
SEC.2. COVERAGE.— ALL CIVILIAN GOVERNMENT OFFICIALS AND EMPLOYEES WHETHER EMPLOYED BY THE NATIONAL OR LOCAL

GOVERNMENT UNITS, APPOINTIVE OR ELECTIVE, CAREER OR NON-CAREER, INCLUDING THOSE EMPLOYED UNDER GOVERNMENT OWNED AND CONTROLLED CORPORATIONS (GOCC's) AND OTHER GOVERNMENT FINANCIAL INSTITUTIONS (GFIs), WHOSE POSITIONS ARE COVERED BY REPUBLIC ACT 6758, OTHERWISE KNOWN AS THE 'COMPENSATION AND POSITION CALSSIFICATION ACT OF 1989' AS AMENDED, AS WELL AS ALL MILITARY AND UNIFORMED PERSONNEL OF THE GOVERNMENT SHALL BE COVERED BY THIS ACT.

2. On page1, section 3, line 16, after the word "Government", insert the phrase "OFFICIALS AND".
3. On the same page and section, line 19, after the word "government", insert the phrase "OFFICIALS AND".
4. Still on the same page, section 4, line 25, between the article "the" and the word "employees", insert the phrase "OFFICIALS AND".
5. On page 2, line 1, insert a new Sec. 5 to read as follows:
SEC. 5. TAX EXEMPTION ON COLA.— NO TAX OF ANY KIND SHALL BE LEVIED ON THE COST OF LIVING ALLOWANCE (COLA) HEREIN GRANTED TO GOVERNMENT OFFICIALS AND EMPLOYEES AS WELL AS MILITARY AND UNIFORMED PERSONNEL OF THE GOVERNMENT.
6. The new title of the bill shall now read as:
"AN ACT PROVIDING FOR A COST OF LIVING ALLOWANCE (COLA) FOR ALL OFFICIALS AND EMPLOYEES IN THE GOVERNMENT SECTOR AND FOR OTHER RELATED PURPOSES"

Respectfully submitted:

Chairpersons:




ANTONIO F. TRILLANES IV
*Chair, Committee on Civil Service,
Government Reorganization and
Professional Regulation*

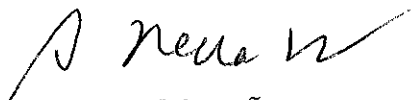


LOREN LEGARDA
Chair, Committee on Finance


Vice-Chairs:




FERDINAND R. MARCOS JR
*Committee on Civil Service,
Government Reorganization and
Professional Regulation*



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Committee on Finance




CYNTHIA A. VILLAR
Committee on Finance



TEOFISTO L. GUINGONA III
Committee on Finance



SONNY ANGARA
Committee on Finance



PAOLO BENIGNO AQUINO IV
Committee on Finance

Members:

RAMON BONG REVILLA JR.

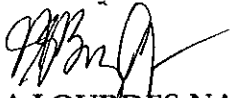
PIA S. CAYETANO

AQUILINO "KOKO" PIMENTEL III

GRACE POE

MIRIAM DEFENSOR SANTIAGO

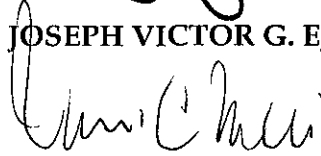
FRANCIS G. ESCUDERO



MARIA LOURDES NANCY S. BINAY



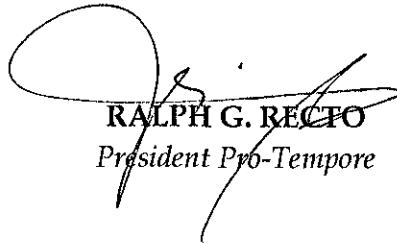
JOSEPH VICTOR G. EJERCITO



JINGGOY EJERCITO ESTRADA

VICENTE C. SOTTO III

Ex-Officio Members



RALPH G. RECTO
President Pro-Tempore


ALAN PETER "COMPAÑERO" S. CAYETANO
Majority Leader

JUAN PONCE ENRILE
Minority Leader

Hon. FRANKLIN M. DRILON
Senate President
Senate of the Philippines
Pasay City

15 AUG 17 10:48

SENATE

RECEIVED BY. 

S. No. 2901

Introduced by Senator Antonio "Sonny" F. Trillanes IV

**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.

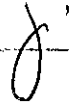
Thus, the immediate passage of this bill is earnestly sought.


ANTONIO "SONNY" F. TRILLANES IV
Senator

15 AUG 17 AIO :48

SENATE

S. No. 2901

RECEIVED BY: 

Introduced by Senator Antonio "Sonny" F. Trillanes IV

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,