

13TH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'04 JUL -6 AM 11:09

SENATE

RECEIVED BY: 

S. BILL NO. 1357

Introduced by Senator Ralph G. Recto

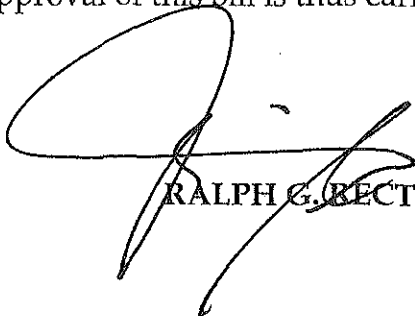
Explanatory Note

Nowadays, current wages cannot cope with the rising daily costs of living. Over the past seven years, the value of the peso has shrunk by almost 40% that the One Peso in 1997 can only buy P0.63 worth of goods today. As such, the minimum wage of P280.00 (NCR) is only P161.48 in real terms. Ideally, the difference between the nominal wage and the real wage should be compensated by a cost of living allowance.

Admittedly, a P1,000 additional allowance per month does not amount to as much as the P125 legislated wage hike sought by our workers, but it certainly narrows the gap between nominal and real wage even as it increases their take-home pay since their taxable income remains the same.

The global economic effects of the terrorist attacks against the United States can never be overemphasized. As it is, the country is already reeling from the inflationary effects of the depreciating peso and rising interest rates. It is unimaginable what would be in store for our workers when the US economy stumbles as it prepares for a war.

In this light, the immediate approval of this bill is thus earnestly sought.



RALPH G. RECTO

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AN ACT
REQUIRING ALL EMPLOYERS TO PAY THEIR EMPLOYEES A
PERSONNEL ECONOMIC RELIEF ALLOWANCE (PERA) OF ONE
THOUSAND PESOS (P1,000.00) PER MONTH

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

1 SECTION 1. - All employers are hereby required to pay all their
2 employees receiving a basic salary of not more than Fifteen Thousand Pesos
3 (P15,000.00) a month, regardless of the nature and status of their employment, a
4 personnel economic relief allowance (PERA) of One Thousand Pesos (P1,000.00)
5 per month.

6 SEC. 2. - Employers already paying their employees a personnel economic
7 relief allowance, an emergency cost of living allowance, or any similar or
8 analogous remuneration paid in addition to an employee's basic monthly salary,
9 are not covered by this Act: *Provided, That,* said allowance already granted is not
10 less than One Thousand Pesos (P1,000.00) a month.

11 SEC. 3. *Implementing Rules and Regulations.* - The Department of Labor and
12 Employment shall issue the implementing rules and regulations within one week
13 from the approval of this Act.

14 SEC. 4. *Effectivity.* - This Act shall take effect upon its publication in two
15 (2) newspapers of national circulation.

16 Approved, =