FIFTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES Second Regular Session



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SENATE S.B. No. <u>2928</u>)

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RECEIVED BY:

Introduced by Senator Ramon Bong Revilla, Jr.

EXPLANATORY NOTE

Article II, Section 18 of the 1987 Philippine Constitution declares that, "the State affirms labor as primary social economic force. It shall protect the rights of workers and promote their welfare." The highest law of the land guarantees workers' rights. Among these rights is their right for a living wage.

Due to inflation and other present economic realities, such as continuously rising prices of basic needs, the real value of government workers' salaries have significantly decreased. Salaries received by public sector employees are way behind the government's conservative estimate of the cost of living a family needs in order to survive.

The passage of the Salary Standardization Law 3 has not been enough to substantially address the situation. An employee with the compensation of Salary Grade I Step 1 currently receives P6,861.00 per month, far from the government's estimated cost of living of 28,710 per month. Even if employees receive the full implementation of SSL 3 (the last tranche will be on 2012), the minimum pay shall still only be P9,000.00. The situation of employees in local government units is far worse as they receive lower amount because SSL 3 continue to implement the policy of wage regionalization.

The current minimum pay reflects the dismal state of public sector workers. While executives and top officials of the government are enjoying various perks and privileges, oftentimes even unconscionable, the employees who are at the frontline of delivering services to the public, are living in abject poverty.

This bill seeks to address this inequality through providing a substantial salary increase, and in the process, bring employees closer to the State's assurance of a decent wage

In this regard, passage of this bill is earnestly sought.

RAMON FONG REVILLA, JR.

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SENATE 28

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AN ACT PROVIDING FOR P6, 000 INCREASE IN THE MINIMUM PAY OF EMPLOYEES AND WORKERS IN THE PUBLIC SECTOR NATIONWIDE AND FOR OTHER PURPOSE

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

SECTION 1. *Title* - This Act shall be known as "The P6,000 Increase in the Minimum Pay Act of 2011".

Section 2. Declaration of Policy – It is hereby declared to be the policy of the State to alleviate the living conditions of the ordinary Filipino through policies that provide for a decent and humane standard of living and improved quality of life, particularly of the workers, both private and public; to ensure the right of labor to just share in the fruits of production; to guarantee the workers' right to a living wage; and to promote social justice through the adoption of measures calculated to ensure the well-being and economic security of all the members of the community.

Section 3. *Scope* – The government as the employer of public sector workers shall grant all employees in all National Government Agencies, Government Owned and Controlled Corporations, Government Financial Institutions, State Universities and Colleges, Local Government Units and other instrumentalities of the government, a P6,000 increases in the Minimum Pay (Salary Grade I).

Section 4. Compliance to Collective Negotiations Agreement – No salary increase shall be credited as compliance with the increase prescribed herein unless expressly provided under a valid collective negotiations agreement.

Section 5. Non-diminution of existing allowances and benefits – Nothing in this Act shall be construed to reduce any existing allowances and benefits of any form

under existing laws, decrees, issuances, executive orders and any contract or agreement between employees and the government.

Section 6. *Implementing Rules and Regulations* – The Department of Budget and Management, after a thorough process of consultation with the government employees shall promulgate the necessary rules and regulations to implement this Act including the corresponding increases per Salary Grades necessary to address the distortion created by the P6, 000 increases in the minimum pay.

Section 7. Separability Clause – If any provision or part of this Act or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of this Act or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 8. Repealing Clause – All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Approved,