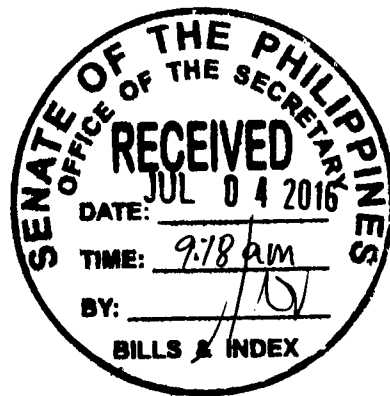


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S. No. 286

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

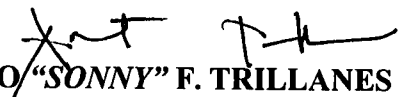
EXPLANATORY NOTE

In spite of the previous adjustments in the salaries of government employees through Executive Order No. 201, their current income still fails to cope with the ever increasing costs of basic necessities, as reflected in the yearly increase in the consumer price index.

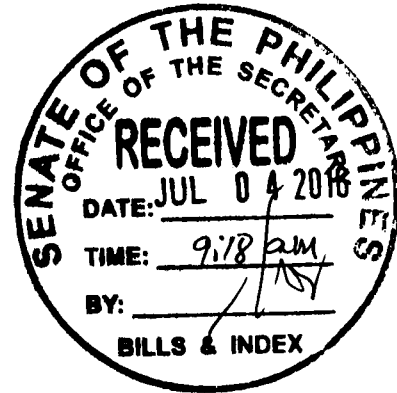
Therefore, it is high time that government employees be granted additional assistance to help alleviate the effects of rising cost of living due to inflation and in order for them to sustain a decent living. The State should always see to it that its workers are shielded at all times from the erratic 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 a 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.

In view of the foregoing, the immediate approval of this bill is earnestly sought.


ANTONIO "SONNY" F. TRILLANES IV
Senator

SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
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SENATE

S. No. 286

Introduced by Senator Antonio "Sonny" F. Trillanes IV

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

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

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

10 **SEC. 2. Coverage.** – All civilian government officials and employees whether
11 employed by the national or local government units, appointive or elective, career or
12 non-career, including those employed under Government Owned and Controlled
13 Corporations (GOCCs) and other Government Financial Institutions (GFIs), whose
14 positions are covered by Republic Act No. 6758, otherwise known as the
15 "Compensation and Position Classification Act of 1989" as amended, as well as all
16 military and uniformed personnel of the government, shall be covered by this Act.
17

18 **SEC. 3. Cost of Living Allowance (COLA) for Government Officials and**
19 **Employees.** – In order to alleviate the impact of the ever-increasing cost of basic
20 necessities on government workers, there is hereby granted a special economic
21 assistance for all covered government officials and employees to be known as the
22 Cost of Living Allowance (COLA) for government workers in the amount of Five
23 Thousand Pesos (P5,000.00), to be implemented across-the-board, on top of the
24 existing Personnel Economic Relief Allowance (PERA) previously granted for the
25 same purpose.
26

27 **SEC. 4. Funding.** – To effectively carry-out the grant of the COLA provided
28 herein for the officials and employees of the national government agencies, the
29 amount necessary for this purpose shall be charged against the annual General

1 Appropriations Act (GAA), particularly the Miscellaneous Personal Benefit Fund
2 (MPBF) or any savings realized by the Government from the current GAA.
3

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

8 . **SEC. 5. Tax Exemption on COLA.** – No tax of any kind shall be levied on the
9 Cost of Living Allowance (COLA) herein granted to government officials and
10 employees as well as military and uniformed personnel of the government.
11

12 **SEC. 6. Implementing Rules and Regulations.** – Within a period of thirty
13 (30) days from the enactment of this Act, the Department of Budget and Management
14 (DBM), in consultation with the Civil Service Commission (CSC), the Department of
15 National Defense (DND) and the Department of Interior and Local Government
16 (DILG) and the Governance Commission on Government Owned And Controlled
17 Corporations (GCG) and other affected agencies, shall issue the Implementing Rules
18 and Regulations for the immediate implementation of this Act.
19

20 **SEC. 7. Effectivity.** – This Act shall take effect fifteen (15) days after its
21 publication in the Official Gazette or in any two (2) newspapers of general circulation.

Approved,