




Senate
Office of the Secretary

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

'16 JUL 20 P 4:47

SENATE
S.B. No. 710

RECEIVED BY: 

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

**AN ACT PROVIDING FOR A MINIMUM MONTHLY NET TAKE-HOME PAY FOR ALL
GOVERNMENT EMPLOYEES AFTER AUTHORIZED DEDUCTIONS**

EXPLANATORY NOTE

Government employees and teachers have taken on the challenge of serving the country and being an active part in the tedious process of improving our beloved nation.


But with the increasing cost of living, many of these employees tighten their belts to get by on modest salaries. They turn to loan agents, government and private, to make ends meet. They go into debt in order to provide for their families' needs, even to the extent that the entirety of their salary end up going to loan payments.

How can these critical players in nation building put their full effort into their public service if they are bombarded with financial woes? It is thus imminent that the State curb unhealthy practices and provide clear policies in support of its government servant-leaders.

By setting a minimum net take-home pay for government employees, this bill seeks to ensure that public servants are able to meet their families' basic needs and reduce their need to take on debts. Setting a minimum take-home amount allows an appropriate control for government employees to be able to properly budget for their households' expenses.

Such measure contributes in the efforts to ensure that no one gets left behind, especially among our country's public servants, in the progress and development of the country.

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



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

1 **SECTION 1. Short Title.** – This Act shall be known as the “*Minimum Take Home Pay*
2 *Bill*”.

3 **SEC. 2. Definition of Terms.** – For the purposes of this bill, these terms are defined as
4 follows:

5 a. “*Take-Home Pay*” - the net income of government employees after all authorized
6 deductions are removed from the basic salary; and

7 b. “*Authorized Deductions*” - deductions from salaries, emoluments or other benefits
8 accruing to any government employee that may be allowed for the payment of an
9 employee’s contributions or obligations.

10 **SEC. 3. Minimum Take Home Pay.** – The minimum monthly take-home pay of all
11 government employees after all authorized deductions shall at all times be at least thirty
12 percent (30%) of their monthly salary.

13 **SEC. 4. Authorized Deductions.** – In the event that total authorized deductions shall
14 reduce the government employee’s mandatory minimum monthly take-home pay,
15 authorized deductions for the following shall be prioritized in this order:

- 16 a) The Bureau of Internal Revenue, Government Service Insurance System, Home
- 17 Development Mutual Fund and the Philippine Health Insurance Corporation;
- 18 b) Mutual benefits associations, thrift banks and non-stock savings and loan
- 19 associations duly operating under existing laws which are managed by, and for
- 20 the benefit of, government employees;
- 21 c) Associations or cooperatives organized and managed by government employees
- 22 for their benefit and welfare;
- 23 d) Duly licensed insurance companies accredited by national government agencies;
- 24 and

1 e) Other authorized deductions as may be authorized by law.

2 Any deficiency in loan payments of government employees as a result of the
3 mandatory minimum take-home pay may be addressed through direct payment
4 arrangements to be voluntarily made by the employee to the lending institutions.

5 **SEC. 5. *Implementing Rules and Regulations.*** – The Secretary of Budget and
6 Management shall, within thirty (30) days from the effectivity of this Act, issue the
7 necessary rules and regulations for the implementation of this Act.

8 **SEC. 6. *Separability Clause.*** – If any provision of this Act is subsequently declared
9 invalid or unconstitutional, other provisions hereof which are not affected thereby shall
10 remain in full force and effect.

11 **SEC. 7. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations, and
12 other issuances, or parts thereof, inconsistent with the provisions of this Act are hereby
13 repealed or modified accordingly.

14 **SEC. 8. *Effectivity Clause.*** – This Act shall take fifteen (15) days after its publication in
15 the *Official Gazette* or in two (2) newspapers of general circulation

16 *Approved,*