

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



'16 JUL 21 P2:21

SENATE
S. No. 807

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

AN ACT
INCREASING TO THREE THOUSAND PESOS (P3,000) THE MONTHLY PERSONNEL ECONOMIC RELIEF ALLOWANCE (PERA) GRANTED TO GOVERNMENT EMPLOYEES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Explanatory Note

Twenty five years ago, the Personnel Economic Relief Allowance (PERA) was conceived to shield the salaries of public sector employees from the ravages of inflation brought about by two debilitating oil price hikes in the latter part of 1990 and to prepare them against the possible economic fallout from the Gulf War.

The PERA was intended to help the civil servants tide over increasing cost of living until the crisis had subsided. But the crisis never left; on the contrary, it grew worse. Thus, in order to improve the purchasing power of the peso, which has been eroded through time, President Fidel Ramos signed Administrative Order No. 53 in 1993, implementing the grant of additional compensation in the amount of Five Hundred Pesos (P500) per month to public school teachers, uniformed personnel of the Philippine National Police and the Armed Forces of the Philippines, and extending the benefit to the rest of the personnel of the government.

On June 17, 2009, Joint Resolution Number 4 mandated that the Additional Compensation in the amount of One Thousand Five Hundred Pesos (P1,500) and the Five Hundred Pesos (P500) PERA, be collectively referred to as PERA.

This bill seeks to increase the monthly PERA granted to public sector employees to P3,000 in order to supplement the public employees' salaries in the midst of rising cost of living.

The budgetary outlay for this proposal is admittedly substantial and would require additional funding sources. However, government's fiscal position has remarkably improved as evidenced by our stronger macroeconomic fundamentals and positive credit rating adjustments. Credit upgrades lessen the cost of government borrowings and frees up resources that can be tapped for other uses. This is not to mention the steady stream of revenues from administrative reforms and from measures rationalizing tax collections such as the Sin Tax reform law.

Increasing the salaries of our public servants is a means of recognizing the value of their contribution to public service, which should not go unreciprocated. No matter how minimal, such increase would definitely redound to an energized and motivated public service corps that would perform and deliver the government's performance targets.

I invite Presidential endorsement of the bill even as I urge immediate Senate action on it.



RALPH G. RECTO

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

1 **SECTION 1. Increase in Monthly Allowance.** – The Personnel Economic Relief
2 Allowance (PERA) granted to government employees is hereby increased from the present Two
3 Thousand Pesos (P2,000) per month to Three Thousand Pesos (P3,000) per month effective
4 January 1, 2017.

5 **SEC. 2. Coverage.** – The PERA shall be granted to civilian government personnel
6 whether employed by the national or local governments, appointive or elective, and whether
7 occupying regular, contractual, or casual positions, whose positions are covered by Republic Act
8 No. 6758, otherwise known as the “Compensation and Position Classification Act of 1989,” as
9 amended, as well as military and uniformed personnel.

10 **SEC. 3. Funding.** – The funds necessary to implement the benefit herein authorized for
11 national government employees shall be included in the annual General Appropriations Act.

12 For Local Government Units (LGUs), the benefit shall be charged against respective
13 local funds. Any deficiency shall be charged against the unexpected balances of CY 2016
14 Internal Revenue Allotments (IRAs) to LGUs which are hereby authorized to be realigned for the
15 purpose. Thereafter, the amount necessary shall be provided in their respective annual budgets.

16 For Government-Owned and/or Controlled Corporations, the benefit shall be charged
17 against their respective corporate funds.

18 **SEC. 4. Implementing Rules and Regulations.** – The Department of Budget and
19 Management shall issue the implementing rules and regulations not later than thirty (30) days
20 from the approval of this Act.

21 **SEC. 5. Repealing Clause.** – All laws, decrees, orders, rules and regulations, or portions
22 thereof, inconsistent with this Act are hereby repealed or modified accordingly.

23 **SEC. 6. Effectivity.** – This Act shall take effect fifteen (15) days following its publication
24 in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,