



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH (18<sup>th</sup>) CONGRESS**  
First Regular Session

**HOUSE BILL NO. 2501**

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Introduced by REP. JOSE CHRISTOPHER Y. BELMONTE

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#### **EXPLANATORY NOTE**

First filed in the 16<sup>th</sup> Congress, “*The 14<sup>th</sup> Month Salary Law*” or House Bill No. 6239 was authored by Rep. Rodrigo Abellanosa. The same measure was filed in the 17<sup>th</sup> Congress as House Bill No. 402 by the same representative. The bill has been pending with the Committee on Labor and Employment since.

This bill was filed cognizant to Section 18, Article II of the 1987 Constitution which provides that the State affirms labor as a primary social economic force, and that it shall protect the rights of workers and promote their welfare. Presidential Decree No. 851 instituted the 13<sup>th</sup> month pay for all employees receiving a basic salary of not more than PhP 1,000.00 a month, regardless of the nature of their employment. PD No. 851 was enacted to respond to worldwide inflation, to the stagnation of the legal minimum wage, and to cushion expenses during the Christmas season.

Since the enactment of the 13<sup>th</sup> Month Pay Law in December of 1975, there has been a need to provide additional compensation for ordinary employees in order to support their additional mid-year expenses for enrollment fees, miscellaneous expenses, books, bags, uniforms, and other costs. The additional compensation also shoulders any expenses that may be incurred from medical and health needs or other emergencies.

This bill aims to give employees additional compensation in light of meeting the daily needs of minimum wage earners and with respect to the surge in the increase of prices of food, petroleum, and other commodities brought by the enactment of the Tax Reform Acceleration and Inclusion (TRAIN) Law as well as by the trends in the global oil prices, the strength of the peso, and domestic demands.

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

*Jose Belmonte*



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**AN ACT**  
**MANDATING THE 14<sup>TH</sup> MONTH PAY FOR ALL EMPLOYEES IN THE**  
**GOVERNMENT AND PRIVATE SECTOR REGARDLESS OF STATUS OF**  
**EMPLOYMENT**

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

1           SECTION 1. *Short Title.* – This Act shall be known as the “14<sup>th</sup> Month Pay  
2 Law.”

3           SEC. 2. *Declaration of Policy.* – The State affirms labor as a primary social  
4 economic force. It shall protect the rights of workers and promote their welfare.

5           SEC. 3. *14<sup>th</sup> Month Pay.* – All employees in the private sector entitled to 13<sup>th</sup>  
6 month pay shall also be entitle to 14<sup>th</sup> month pay, which shall be equivalent to one  
7 month of the employees’ total basic monthly salary.

8           SEC. 4. *Government Employees.* – All government employees regardless of  
9 their employment status shall also be entitled to both 13<sup>th</sup> month pay and 14<sup>th</sup> month  
10 pay.

11           SEC. 5. *Exempted Employers.* – The rules governing the exemption of  
12 employers in the private sector from paying 13<sup>th</sup> month pay shall also apply to 14<sup>th</sup>  
13 month pay.

14           SEC. 6. *Schedule of Release of 13<sup>th</sup> and 14<sup>th</sup> Month Pay.* – The existing 13<sup>th</sup>  
15 month pay shall be released by the employer on or before May 31 and the 14<sup>th</sup> month

16 pay shall be released on or before November 30 of each calendar year.

17 SEC. 7. *Prorated 14<sup>th</sup> Month Pay.* – For employees employed for less than one  
18 (1) year, their 14<sup>th</sup> month pay shall be prorated according to the number of months  
19 served. In no case shall the 14<sup>th</sup> month pay be less than 1/12 of the employees' total  
20 basic monthly salary.

21 SEC. 8. *Tax Implications.* – The 14<sup>th</sup> month pay shall be excluded from the  
22 computation of the employee's gross income. *Provided*, however, that the total 14<sup>th</sup>  
23 month pay shall not exceed ninety thousand pesos (PhP 90,000.00) as mandated by  
24 law.

25 SEC. 9. *SSS and GSIS.* – All Social Security System (SSS) and Government  
26 Social Insurance Service (GSIS) pensioners shall also be entitled to 13<sup>th</sup> and 14<sup>th</sup>  
27 month benefits. The SSS and GSIS shall ensure that the premiums paid shall include  
28 the 13<sup>th</sup> and 14<sup>th</sup> month benefits.

29 SEC. 10. *Implementing Rules and Regulations.* – The necessary rules and  
30 regulations to carry out the provisions of this Act shall be issued within thirty (30)  
31 days from the approval of this Act by the: (a) Department of Labor and Employment  
32 (DOLE) for the private sector; (b) Department of Finance (DOF) and Department of  
33 Budget and Management (DBM), in consultation with the Civil Service Commission  
34 (CSC), for the government sector; (c) SSS for its members; and (d) GSIS for its  
35 members.

36 SEC. 11. *Separability Clause.* – If any provision of this Act is declared invalid  
37 or unconstitutional, the remaining parts or provisions not affected shall remain valid.

38 SEC 12. *Repealing Clause.* – All acts, executive orders, administrative orders,  
39 proclamations, rules and regulations or parts thereof inconsistent with any of the  
40 provisions of this Act are hereby repealed or modified accordingly.

41 SEC. 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
42 publication in the Official Gazette or in two (2) newspapers of general circulation.

43 *Approved,*