

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

13th Congress

First Regular Session

HOUSE BILL NO. 345

Introduced by Representative Roseller L. Barinaga

EXPLANATORY NOTE

Current minimum wages have remained grossly inadequate to support decent living standards after more than a decade of wage "rationalization". This highlights the failure of the government to provide economic relief to the workers towards securing a living wage as mandated by the constitution.

The real value or purchasing power of the current P250 minimum wage for the National Capital Region (NCR) has already fallen to less than 74.00 using 1989 as base year. This translates to a difference of around P125 between the current nominal wage and its corresponding real value in 1989 prices. The gap between the minimum wage and cost of living, which is estimated at over P460.00 (as of June 1999) for a family of six in Metro Manila, ranges from a low of P260 to a high of P297.00.

More disheartening is the fact that the situation is similar or even worse for other regions. We can infer from the foregoing data that the prevailing minimum wage represent only 37% to 41% of the average cost of living of all regions.

A P125.00 increase would partially restore the lost purchasing power in real value of the workers' wages over the last decade and would somehow close the gap between the income of minimum wage earners and the daily-cost-of-living. The proposed wage hike, as demanded by the workers, would bring minimum wages to within 64% to 68% cost of living estimates. Although the proposed P125.00 hike is still insufficient, it is substantial enough to raise the quality of life of 16 million workers and their dependents.

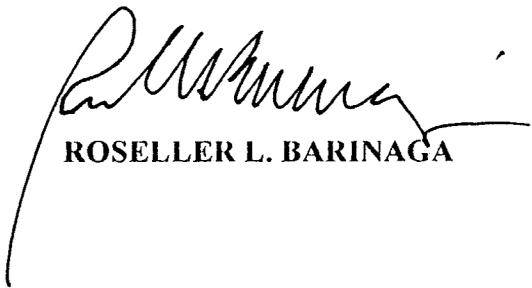
Specifically, this bill seeks that all employees in the private sector, whether agricultural or non-agricultural, shall receive an across-the-board wage increase of one hundred twenty-five pesos (P125.00) a day. Any person or entity violating this Act shall be punished by a fine of twenty-five thousand pesos (P25, 000.00)

to one hundred thousand pesos (P100, 000.00) or imprisonment of two to four years. In addition, the employer concerned shall pay an amount equivalent to double the unpaid benefits owing to employees.

Likewise, no wage increase shall be credited as compliance with this Act unless expressly provided under valid collective bargaining agreements; provided, that such wage increase was granted in anticipation of the legislated across-the-board wage increase under this Act. Furthermore, where such increase is less than the prescribed increase under this Act, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

Finally, the Department of Labor and Employment (DOLE) shall monitor compliance with the said wage increase by companies and businesses.

In the light of the urgency of enacting a legislation that would give life to the constitutional right of workers to a living wage, support of this bill is earnestly sought.



ROSELLER L. BARINAGA

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AN ACT
PROVIDING FOR A P125.00 DAILY ACROSS-THE-BOARD INCREASE IN
THE SALARY RATES OF EMPLOYEES AND WORKERS IN THE PRIVATE
SECTOR AND FOR OTHER PURPOSES.

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

1 SECTION 1. This Act shall be known as "The P125.00 Daily Across-the-Board
2 Wage Increase Act."

3 SEC. 2. It is hereby declared to be the policy of the State to alleviate the living
4 conditions of the ordinary Filipino through policies that provide for a decent and humane
5 standard of living and improved quality of life, particularly of the working class; to
6 ensure the right of labor to its just share in the fruits of production; to guarantee the
7 workers' right to a living wage; and to promote social justice through the adoption of
8 measures calculated to ensure the well-being and economic security of all the members of
9 the community.

10 SEC. 3. In line with the declared policy under this Act, all employers in the
11 private sector, whether agricultural or non-agricultural, regardless of capitalization and

1 number of employees shall pay their workers an across-the-board wage increase in the
2 sum of One Hundred Twenty Five Pesos (P125.00) a day upon the effectivity of this Act.

3 SEC. 4. No wage increase shall be credited as compliance with the increase
4 prescribed herein unless expressly provided under valid collective bargaining
5 agreements; *Provided*, That such wage increase was granted in anticipation of the
6 legislated across-the-board wage increase under the Act; and, *Provided further*, That
7 where such increase is less than the prescribed increase under this Act, the employer shall
8 pay the difference. Such increases shall not include anniversary wage increases, merit
9 wage increases and those resulting from the regularization or promotion of employees.

10 SEC. 5. Nothing in this Act shall be construed to reduce any existing allowance
11 and benefit of any form under existing laws, decrees, issuances, executive orders, and any
12 contract or agreement between workers and employers.

13 SEC. 6. The Department of Labor and Employment shall, after approval of this
14 Act, conduct inspection of the payroll and other financial records kept by the company or
15 business to determine whether the workers are paid the prescribed across-the-board wage
16 increase and other benefits granted by law. In unionized companies, the Department of
17 Labor and Employment inspectors shall always be accompanied by the president or any
18 responsible officer of the recognized bargaining unit or of any interested union in the
19 conduct of the inspection. In non-unionized companies, establishments or businesses, the
20 inspection should be carried out in the presence of a worker representing the workers in
21 the said company. The workers' representative shall have the right to submit his own
22 findings to the Department of Labor and Employment and to testify on the same if he
23 cannot concur with the findings of the labor inspector.

1 SEC. 7. Any person, corporation, trust, firm, partnership, association, or entity
2 violating any provision of this Act shall be punished by a fine of not less than Twenty
3 five thousand pesos (P25,000.00) nor more than One hundred thousand pesos
4 (P100,000.00) or imprisonment of not less than two (2) years nor more than four (4)
5 years, or both such fine and imprisonment at the discretion of the court: *Provided*, That if
6 the violation is committed by a corporation, trust or firm, association or any other entity,
7 the penalty of imprisonment shall be imposed upon the entity's responsible officers,
8 including, but not limited to, the president, vice-president, chief executive officer, general
9 manager, managing director or partner.

10 The employer concerned shall be ordered to pay an amount equivalent to double
11 the unpaid benefits owing to the employees: *Provided*, That payment of indemnity shall
12 not absolve the employer from the criminal liability-imposable under this Act: *Provided*
13 *further*, That any person convicted under this Act shall not be entitled to the benefits
14 provided for under the Probation Law.

15 SEC. 8. The Secretary of Labor and Employment shall promulgate the necessary
16 rules and regulations to implement this Act.

17 SEC. 9. If any provision or part of this Act, or the application thereof to any
18 person or circumstance is held invalid or unconstitutional, the remainder of this Act or
19 the application of such provision or part thereof to other persons or circumstances, shall
20 not be affected thereby.

21 SEC. 10. All laws, orders, issuances, rules and regulations or part thereof
22 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
23 accordingly.

1 SEC. 11. This Act shall take effect within fifteen (15) days after its publication in
2 the Official Gazette or in at least two (2) newspapers of general circulation, whichever
3 comes earlier.

4 Approved,

