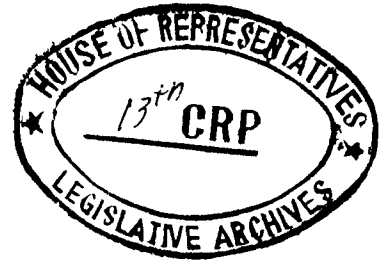




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



Thirteenth Congress
Second Regular Session

HOUSE BILL NO. 4922

Introduced by Honorable Jose Carlos V. Lacson

EXPLANATORY NOTE

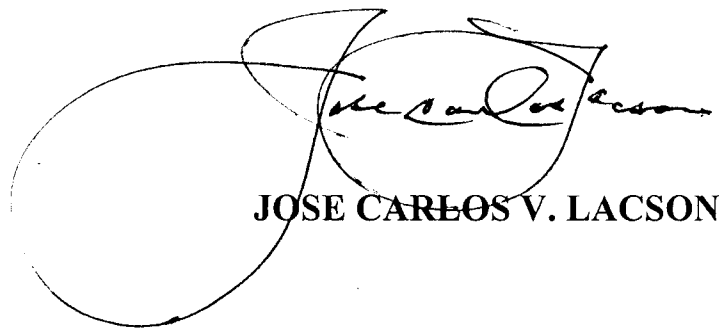
This bill seeks to lower the optional and compulsory retirement age of workers of the private sector from sixty (60) and sixty-five (65) years to fifty-five (55) and sixty (60) years, respectively, amending for the purpose Article 287 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines.

Retirement is the withdrawal from active engagement in one's occupation or profession especially because of age or when physical conditions do not allow the person to work anymore. Article 287 of the Labor Code of the Philippines provides in part that "*Any employee may be retired upon reaching the retirement age established in the collective bargaining agreement or other applicable employment contract. . . .*" Further, the said provision also states that in the absence of a retirement plan or agreement providing for retirement benefits of employees in an establishment, an employee may retire upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is the compulsory retirement age, and that the employee has served at least five (5) years in the establishment concerned.

However, studies indicate that most retirees no longer preoccupy themselves with enjoyable but productive activities after reaching the age of retirement. In effect, their life expectancy is shortened by their immobility and idleness. These retirees are, in a sense, too old to take a new leap in life. Thus, they spend the later years of their lives either in hospitals or nursing homes due to failing health.

This bill, therefore, seeks to allow employees from the private sector the opportunity to further savor the fruits of their labor even after reaching the age of retirement. Lowering their optional and compulsory retirement age from 60 and 65 years to 55 and 60 years, respectively, would encourage retirees to engage in pleasurable endeavors and fully utilize their retirement benefits at an earlier age. They may even tap their potential for entrepreneurship, thereby, contributing to the upliftment of the country's ailing economy.

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



JOSE CARLOS V. LACSON



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HOUSE BILL NO. **4922**

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AN ACT
LOWERING THE RETIREMENT AGE OF PRIVATE EMPLOYEES,
AMENDING FOR THE PURPOSE THE LABOR CODE OF THE
PHILIPPINES, AS AMENDED.

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

SECTION 1. Article 287 of Presidential Decree No. 442, as amended, is hereby amended to read as follows:

“ART. 287. Retirement. – Any employee may be retired upon reaching the retirement age established in the collective bargaining agreement or other applicable employment contract.

“In case of retirement, the employee shall be entitled to receive such retirement benefits as he may have earned under existing laws and any collective bargaining agreement and other agreements: *Provided, however,* That an employee’s retirement benefits under any collective bargaining and other agreements shall not be less than those provided herein.

“In the absence of a retirement plan or agreement providing for retirement benefits of employees in the establishment, an employee upon reaching the age of [sixty (60)] FIFTY-FIVE (55) years or more, but not beyond [sixty-five (65)] SIXTY (60) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in the said establishment may retire and shall be entitled to retirement pay equivalent to at least one half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.”

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SEC. 2. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,