

**Republic of the Philippines
HOUSE OF Representatives
Quezon City, Metro Manila**

FIFTEENTH CONGRESS

House Bill No. 4816

INTRODUCED BY HON. YEVGENY VINCENTE B. EMANO
Second District, Province of Misamis Oriental

EXPLANATORY NOTE

This bill seeks to change the compulsory retirement age of Filipino employees covered by the Labor Code of the Philippines from sixty five to sixty years old.

This proposal stems from the dual purposes of providing benefits not only to the employers but to the retiring employees as well. By reducing the compulsory retirement age into sixty years old, it will produce an effect of creating a number of job openings to the younger Filipinos and will enable them to move into the workforce, while others will have their retirement secured. It will likewise make succession and financial planning easier and will reassure younger employees of future promotion prospects. In turn, it will help employers retain valued younger employees, reducing the risk of having to manage older employees on capability grounds. In sum, forcibly retiring people at sixty years old is relatively a simple way of reducing employment cost for employers and managing unemployment statistics for government.

Studies show that those employees that are already below sixty-five years of age are already suffering from pre-existing health condition problems which include heart disease, asthma, high blood pressure, arthritis or cancer, thereby making them unproductive to their employers. They would be considered at risk of losing health insurance when they need it most, or be denied coverage altogether. Older people between 55 and 64 years old are at particular risk of these diseases, not to include the emotional stress that they experience due to work pressure and health problems, making them more impatient and unproductive. Due to these health problems, older workers will cost the company too much money in terms of health care premiums. In turn, older employees do utilize more health care benefits than younger employees.

Another health care problem that employers are facing is that older workers have memory problems. The latest research shows that people do lose some of their memory ability as they age; Therefore, when people are at risk of memory impairment, they usually become burdens to their companies.

In light of the foregoing, passage of this bill is highly sought.


YEVGENY VINCENTE B. EMANO
Representative
Second District, Misamis Oriental

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AN ACT

AMENDING ARTICLE 287 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, BY CHANGING THE COMPULSORY RETIREMENT AGE OF SIXTY FIVE TO SIXTY YEARS OF AGE.

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

Section 1. Paragraph Three, Article 287 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, is hereby amended to read as follows:

"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 fifty-five (55) years or more, but not beyond 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.

Sec. 2. This act shall take effect upon its approval.

Approved.