

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **4972**

INTRODUCED BY

REPRESENTATIVE EMIL L. ONG

EXPLANATORY NOTE

This bill will effectively implement the social justice provisions of the Constitution.

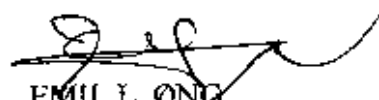
This profit sharing scheme will also improve the purchasing power of the workingman and thus boost the economy. Savings will also be promoted.

Likewise this will complement the conditional cash transfer program of the present administration.

Another positive effect is that employers will now be more transparent and on time in submitting their income tax returns as their employees will be more vigilant so that they are not shortchanged. This will result in better tax collections for government.

Productivity will also be enhanced as the additional income will boost the morale of the workingman.

In view thereof urgent approval of this Bill is earnestly sought.


EMIL L. ONG
Chairman

Committee on Labor and Employment

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AN ACT
IMPLEMENTING THE SOCIAL JUSTICE PROVISIONS OF THE
PHILIPPINE CONSTITUTION BY INSTITUTING PROFIT SHARING
IN ALL BUSINESS ESTABLISHMENTS IN THE COUNTRY AND
REPEALING OR AMENDING ALL LAWS OR ISSUANCES
INCONSISTENT WITH THE PROVISIONS OF THIS ACT

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

SECTION 1. To effectively implement the social justice provisions of the Philippine Constitution profit sharing is hereby instituted in all establishments doing business in the country whether it is a corporation, partnership or single proprietorship.

SEC. 2. All employers which made a net profit for the fiscal year shall annually equally distribute FIVE PERCENT (5%) of its NET PROFIT BEFORE TAX to all its regular employees, whether they are managerial, supervisory or rank and file.

SEC. 3. Whatever is given by the employer under this Act by way of profit sharing shall be deductible from the income tax liability of the said employer.

SEC. 4. The resolution of all disputes in the interpretation and enforcement of this profit sharing scheme shall be within the original and exclusive jurisdiction of the Voluntary Arbitrator or Panel of Voluntary Arbitrators, as the case may be.

SEC. 5. The Voluntary Arbitrator or Panel of Voluntary Arbitrators may ask the assistance of any agency of government to assist him in the performance of his duties.

SEC. 6. The Voluntary Arbitrator or Panel of Voluntary Arbitrators is hereby given the power to issue subpoena duces tecum and ad testificandum as well as to declare in contempt, direct or indirect, in accordance with law.

SEC. 7. The award or decision of the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall contain the facts and the law on which it is based. It shall be final and executory after ten (10) calendar days from receipt of the copy of the award or decision by the parties. The final award or decision of the Voluntary Arbitrator or Panel of Voluntary Arbitrators shall be immediately executory unless restrained by the Supreme Court which alone shall review the award or decision in a petition for certiorari under Rule 65 of the Rules of Court.

SEC. 8. All laws, orders, issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 9. The Secretary of Labor and Employment shall promulgate the necessary rules and regulations to implement the provisions of this Act in consultation with the Philippine Association on Voluntary Arbitration (PAVA).

SEC. 10. If any provision of this Act or the application thereof to any person or circumstances is held invalid or unconstitutional, the same shall not affect the remaining provisions of this Act.

SEC. 11. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of national circulation.

APPROVED.