



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

FIFTEENTH CONGRESS
Third Regular Session

COMMITTEE REPORT NO. **2705**

Submitted by the Committee on Labor and Employment on **15 APR 2013**
Re: House Bill No. **6924**
Recommending its approval in substitution of House Bills No. 942, 1817, 1889 and 2884
Sponsors: Reps. Emil L. Ong, Ronald M. Cosalan, Reynaldo V. Umali, Emmeline Y. Aglipay, Ben P. Evardone and Joseph Victor G. Ejercito

Mr. Speaker:

The Committee on Labor and Employment, to which were referred House Bill No. 942, introduced by Rep. Reynaldo V. Umali, Tomas V. Apacible and Bernadette R. Herrera-Dy, entitled:

AN ACT
INCREASING THE PENALTIES FOR NON-COMPLIANCE OF THE
PRESCRIBED INCREASES AND ADJUSTMENTS IN THE WAGE
RATES OF WORKERS, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 6727, OTHERWISE KNOWN AS THE "WAGE
RATIONALIZATION ACT", AND FOR OTHER PURPOSES,

HB No. 1817, introduced by Rep. Emmeline Y. Aglipay, entitled:

AN ACT
INCREASING THE PENALTIES FOR NON-COMPLIANCE WITH THE
GOVERNMENT PRESCRIBED MINIMUM WAGES, AMENDING FOR
THE PURPOSE SECTION 12 OF REPUBLIC ACT NO. 6727,
OTHERWISE KNOWN AS THE WAGE RATIONALIZATION ACT, AS
AMENDED BY REPUBLIC ACT NO. 8188, AND FOR OTHER
PURPOSES,

HB No. 1889, introduced by Rep. Ben P. Evardone, entitled:

AN ACT
INCREASING THE PENALTIES FOR NON-COMPLIANCE OF THE
PRESCRIBED INCREASES AND ADJUSTMENTS IN THE WAGE
RATES OF WORKERS, AMENDING FOR THE PURPOSE REPUBLIC

ACT NO. 6727, OTHERWISE KNOWN AS THE "WAGE
RATIONALIZATION ACT", AND FOR OTHER PURPOSES,

and HB No. 2884, introduced by Rep. Joseph Victor G. Ejercito, entitled:

AN ACT

INCREASING THE PENALTIES FOR NON-COMPLIANCE OF THE
PRESCRIBED INCREASES AND ADJUSTMENTS IN THE WAGE
RATES OF WORKERS, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 6727, OTHERWISE KNOWN AS THE "WAGE
RATIONALIZATION ACT," AND FOR OTHER PURPOSES,

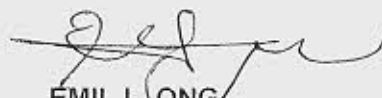
has considered the same and recommends that the attached House Bill No. 6924
entitled:

AN ACT

INCREASING THE PENALTIES FOR NON-COMPLIANCE WITH THE
PRESCRIBED INCREASES AND ADJUSTMENTS IN THE WAGE
RATES OF WORKERS, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 6727, AS AMENDED BY REPUBLIC ACT 8188, OTHERWISE
KNOWN AS THE "WAGE RATIONALIZATION ACT"

be approved in substitution of House Bills No. 942, 1817, 1889, and 2884, with Reps.
Reynaldo V. Umali, Tomas V. Apacible, Emmeline Y. Aglipay, Ben P. Evardone, Joseph
Vicor G. Ejercito, Bernadette R. Herrera-Dy, Emil L. Ong, Ronald M. Cosalan, Emmi A.
De Jesus, Herminia B. Roman, Philip A. Pichay, David L. Kho, Walden F. Bello, Reena
Concepcion G. Obillo, Sharon S. Garin, Maria Evita R. Arago, Angelo B. Palmones and
Linabelle Ruth R. Villarica as authors thereof.

Respectfully submitted,


EMIL L. ONG
Chairman
Committee on Labor and Employment

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

FIFTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6924

Introduced by Reps. Reynaldo V. Umali, Tomas V. Apacible, Emmeline Y. Aglipay, Ben P. Evardone, Joseph Victor G. Ejercito, Bernadette R. Herrera-Dy, Emil L. Ong, Ronald M. Cosalan, Emmi A. De Jesus, Herminia B. Roman, Philip A. Pichay, David L. Kho, Walden F. Bello, Reena Concepcion G. Obillo, Sharon S. Garin, Maria Evita R. Arago, Angelo B. Palmones and Linabelle Ruth R. Villarica

AN ACT
INCREASING THE PENALTIES FOR NON-COMPLIANCE WITH THE
PRESCRIBED INCREASES AND ADJUSTMENTS IN THE WAGE RATES
OF WORKERS, AMENDING FOR THE PURPOSE REPUBLIC ACT 6727,
AS AMENDED BY REPUBLIC ACT 8188, OTHERWISE KNOWN AS THE
"WAGE RATIONALIZATION ACT"

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

1 **SECTION 1.** Section 12 of Republic Act 6727, as amended by Republic Act 8188, is
2 hereby further amended to read as follows:

3 "SEC.12. Any person, corporation, trust, firm, partnership, association
4 or entity which refuses or fails to pay any of the prescribed increases or
5 adjustments in the wage rates made in accordance with this Act shall be
6 punished by a fine not less than [Twenty-five thousand pesos (P25,000) nor
7 more than] One hundred thousand pesos (P100,000) **NOR MORE THAN**
8 **THREE HUNDRED THOUSAND PESOS (P300,000.00) PLUS EXEMPLARY**
9 **DAMAGES OF AT LEAST FIFTY THOUSAND PESOS (P50,000.00) FOR**
10 **EACH AFFECTED WORKER AND THE COST OF LITIGATION,**
11 **INCLUDING ATTORNEY'S FEES,** or imprisonment of not less than two (2)
12 years nor more than four (4) years, or both such [time] **FINE** and
13 imprisonment at the discretion of the court; *Provided,* That any person
14 convicted under this Act shall not be entitled to the benefits provided for
15 under the Probation Law.

16 "The employer concerned shall be ordered to pay an amount
17 equivalent to double the unpaid benefits owing to the employees: *Provided,*
18 That payment of indemnity shall not absolve the employer from the criminal
19 liability imposable under this Act.

1 "If the violation is committed by a corporation, trust or firm,
2 partnership, association or any other entity, the penalty of imprisonment shall
3 be imposed upon the entity's responsible officers, including, but not limited to
4 the president, vice-president, chief executive officer, general manager,
5 managing director or partner.

6 "IN CASES WHERE A FINE IS DECREED BY THE DOLE OR THE
7 NLRC AGAINST PERSON/S WHO VIOLATED THE PROVISIONS OF THIS
8 ACT, AND THE FINE CANNOT BE IMMEDIATELY SATISFIED BECAUSE
9 OF THE UNAVAILABILITY OR INADEQUACY OF FUNDS, THE ASSETS
10 OF THE OWNER, PRESIDENT OR MANAGER OF THE CORPORATION,
11 OR A FRACTION THEREOF, EITHER MOVABLE OR IMMOVABLE
12 PROPERTY, ESTIMATED TO BE CAPABLE OF FULLY SATISFYING THE
13 IMPOSED FINES SHALL BE THE SUBJECT OF A SUMMARY
14 FORFEITURE AND GARNISHMENT PROCEEDING TO BE LITIGATED BY
15 THE SAME BODY WHICH IMPOSED THE PENALTY.

16 "THE PENALTIES PROVIDED UNDER THIS ACT SHALL ALSO BE
17 APPLICABLE IN CASES INVOLVING WORKERS HIRED BY
18 CONTRACTORS UNDERTAKING INFRASTRUCTURE PROJECTS UNDER
19 REPUBLIC ACT 6685, ON LOCAL HIREES AND IN RELATION TO DOLE
20 DEPARTMENT ORDER NO. 19-93 GOVERNING THE EMPLOYMENT OF
21 WORKERS IN THE CONSTRUCTION INDUSTRY WITH RESPECT TO ANY
22 VIOLATION IN THE PAYMENT OF WAGES OR APPROPRIATE WAGE
23 INCREASES."

24 SEC. 2. *Implementing Rules and Regulations.* - Within thirty (30) days from
25 the effectivity of this Act, the Secretary of Labor and Employment shall issue and
26 publish the necessary rules and regulations to implement the provisions of this Act.

27 SEC. 3. *Repealing Clause.* - All laws, executive orders, presidential decrees,
28 presidential proclamations, rules and regulations or parts thereof inconsistent with the
29 provisions of this Act are hereby repealed or modified accordingly.

30 SEC. 4. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after
31 its complete publication in the *Official Gazette* or in a newspaper of general
32 circulation.

APPROVED,

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

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 942



Introduced by Honorable REYNALDO V. UMALI

EXPLANATORY NOTE

Under the Declaration of Principles and State Policies (Article 11) of the 1987 Constitution, it is affirmed that labor is a primary social economic force and it is mandated that the State shall protect the rights of workers and promote their welfare.

This state policy is reiterated in a succeeding Chapter (Article XIII) of the Constitution dealing with Social Justice and Human Rights provision which mandates the State to afford full protection to labor and guarantees that workers shall be entitled not only to security of tenure and humane conditions of work but also a *living wage* and participation in policy and decision-making processes affecting their rights and benefits as may be provided by law.

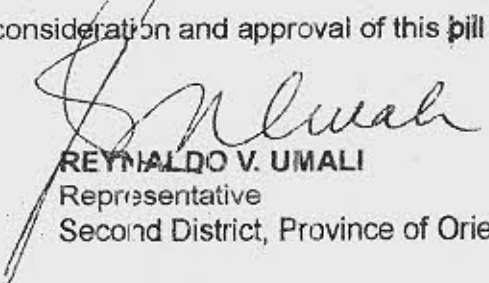
To stress, the Constitution requires the State to implement a living wage which is defined as one that ensures a "decent standard of human existence beyond mere subsistence level" in contrast to a minimum wage which is the basic pay or daily wage plus cost of living allowance received by a worker, not falling under the exemptions as provided under the Wage Rationalization Act. (*underscoring supplied*)

Verily, the minimum wage fixed by law is lower than the ideal living wage. Still, compliance by corporations and other work establishments has remained a persistent problem and it is very disturbing, to say the very least.

In 1995, non-compliance was estimated to be 53%. It dropped to 20% in 1999 but increased to almost 30% the following year. The succeeding years showed a continued resurgence of minimum wage violations which the Department of Labor and Employment (DOLE) estimated to be 45%, but this data only represents the firms it inspected and found to have violated wage regulations. Admittedly, as it remains undermanned to conduct consistent monitoring and enforcement strategies, the estimates of noncompliance can go as high as 60%, reverting to the trends of the mid-1990s, despite a dearth of enforcement and compliance studies on this matter.

With enhanced monitoring by the DOLE and the new teeth that this representation has proposed, it is expected that the mantle of protection we can stretch for our workers will be much more assured.

In view thereof, early consideration and approval of this bill is earnestly sought.


REYNALDO V. UMALI

Representative

Second District, Province of Oriental Mindoro

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

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 942

Introduced by Honorable REYNALDO V. UMALI

AN ACT
INCREASING THE PENALTIES FOR NON-COMPLIANCE OF THE
PRESCRIBED INCREASES AND ADJUSTMENTS IN THE WAGE RATES OF
WORKERS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6727,
OTHERWISE KNOWN AS THE "WAGE RATIONALIZATION ACT",
AND FOR OTHER PURPOSES.

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

SECTION 1. - Section 12 of Republic Act 6727, as further amended by Republic Act 8188, is hereby amended to read as follows:

"Section 12. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with this Act shall be punished by a fine not less than Twenty-Five Thousand Pesos (P25,000) nor more than One Hundred Thousand Pesos (P100,000.00) NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P100,000.00), PLUS MORAL DAMAGES NOT EXCEEDING THIRTY THOUSAND PESOS (P30,000.00) FOR EACH AFFECTED WORKER AND THE COSTS OF LITIGATION INCLUDING ATTORNEY'S FEES, or imprisonment of not less than two (2) years nor more than four (4) years, or both, such fine and imprisonment at the discretion of the court: *Provided, That, any person convicted under this Act shall not be entitled to the benefits provided for under the Probation Law.*

"The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: Provided, That payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act.

"If the violation is committed by a corporation, trust or firm, partnership, association or any other entity the penalty of imprisonment shall be imposed upon the entity's responsible officers, including, but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner."

IN CASES WHERE A FINE IS DECREED BY THE NATIONAL LABOR RELATIONS COMMISSION (NLRC) AGAINST PERSON/S WHO VIOLATED THE PROVISIONS OF THIS ACT AND CANNOT BE IMMEDIATELY SATISFIED BECAUSE OF THE REFUSAL TO PAY, OR IN CASE OF THE UNAVAILABILITY OR INADEQUACY OF FUNDS, THE BANK DEPOSITS, FINANCIAL INTERESTS AND OTHER PERSONAL PROPERTY NOT CAPABLE OF MANUAL DELIVERY IN THE POSSESSION OR CONTROL OF THIRD PARTIES OF THE OWNER; IN CASE OF SOLE PROPRIETORSHIP OR THE ASSETS OF THE CORPORATION, ASSOCIATIONS OR ANY OTHER ENTITY, SHALL BE AUTOMATICALLY GARNISHED. IF SUCH PROPERTIES ARE NOT ENOUGH, MOVABLE AND IMMOVABLE PROPERTIES MAYBE LEVIED TO SATISFY FULLY THE IMPOSED FINES.

SECTION 2. - The penalties provided under this Act shall also be applicable in cases involving workers hired by contractors undertaking infrastructure projects under R.A. 6685 and in relation to DOLE Order No. 19, with respect to any violation in the payment of wages or its appropriate wage

increases.

SECTION 3. Separability Clause.- If any provision of this Act shall be declared unconstitutional, any other provision not affected thereby shall remain in full force and effect.

SECTION 4. Repealing Clause. - All laws, decrees, orders, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SECTION 5. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1817

Introduced by **Representative Emmeline Y. Aglipay**

EXPLANATORY NOTE

This bill seeks to protect private sector minimum wage earners by increasing the penalty imposed on employers for non-compliance with the applicable minimum wage rates.

Preliminarily, the important role played by labor is underscored by its vinculum to the fundamental law. Section 18, Article II (Declaration of Principles and State Policies) of the Constitution affirms labor as a primary social economic force and mandates the State to protect the rights of workers and promote their welfare. Corollarily, Section 3, Article XIII (Social Justice and Human Rights) directs the State to afford full protection to labor and guarantees that workers shall be entitled to, among others, a "living wage," in recognition of the right of labor to its just share in the fruits of production. The term "living wage," in turn, has been defined by the National Wages and Productivity Commission as "the amount of family income needed to provide for the family's food and non-food expenditures with sufficient allowance for savings and investments for social security, so as to enable the family to live and maintain a decent standard of human existence beyond mere subsistence level, taking into account all of the family's psychological, social and other needs."

Certainly, the minimum wage rates fixed by the different Regional Tripartite Wages and Productivity Boards (RTWPBs) are lower than the ideal living wage. Be that as it may, compliance by employers or establishments of the regional mandated minimum wages has remained a persistent problem.

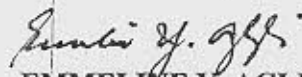
Data culled by the Department of Labor and Employment reveal that one in every five workers is not paid the applicable minimum wage. The compliance rates for the past three (3) years may be summarized as follows:

Year	Establishments Inspected	Compliance Rate
2007	24,581	80.8%
2008	26,169	82.3%
2009	4,670	78.7

It should be emphasized, however, that these compliance rates were based *solely* on the number of establishments *inspected* nationwide. For instance, only 26,169 establishments (out of a total of 761,409, or 3.44%) were inspected in 2008. Admittedly, as the Department of Labor and Employment is undermanned to conduct consistent monitoring and enforcement strategies, the actual non-compliance rate may in fact be higher.

Increasing the penalty for non-compliance with the prescribed daily minimum wage rates will thus serve as a deterrent to the commission of wage violations by unscrupulous employers.

The approval of this measure is earnestly requested.


EMMELINE Y. AGLIPAY
Representative, DJWA Party-list

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1817

Introduced by Emmeline Y. Aglipay

AN ACT
INCREASING THE PENALTIES FOR NON-COMPLIANCE WITH THE
GOVERNMENT PRESCRIBED MINIMUM WAGES, AMENDING FOR THE
PURPOSE SECTION 12 OF REPUBLIC ACT NO. 6727, OTHERWISE KNOWN AS
THE WAGE RATIONALIZATION ACT, AS AMENDED BY REPUBLIC ACT NO. 8188,
AND FOR OTHER PURPOSES

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

SECTION 1. Section 12 of Republic Act 6727, as amended, is hereby further amended to be read as follows:

Section 12. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with this Act shall be punished by a fine **OF AT LEAST** [twenty-five thousand pesos (25,000.00)] **FIFTY THOUSAND PESOS BUT NOT MORE THAN [ONE HUNDRED THOUSAND PESOS] THREE HUNDRED THOUSAND PESOS, PLUS MORAL DAMAGES OF AT LEAST FIFTY THOUSAND PESOS FOR EACH AFFECTED WORKER AND THE COSTS OF LITIGATION INCLUDING ATTORNEY'S FEES** and/or imprisonment of not less than two (2) years nor more than four (4) years or both such fine and imprisonment at the discretion of the court: Provided, that any person convicted under this Act shall not be entitled to the benefits provided for under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: Provided, that payment of indemnity shall not absolve the employer from the criminal liability imposed under this Act.

If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty of imprisonment shall be imposed on the entity's responsible officers, including, but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner.

IN CASES WHERE A FINE IS DECREED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE) OR THE NATIONAL LABOR RELATIONS COMMISSION (NLRC), WHERE APPLICABLE, AGAINST PERSON/S WHO VIOLATED THE PROVISIONS OF THIS ACT, AND SAID FINE CANNOT BE IMMEDIATELY SATISFIED BECAUSE OF THE UNAVAILABILITY OR INADEQUACY OF FUNDS, THE ASSETS OF THE OWNER, PRESIDENT, OR MANAGER OF THE CORPORATION OR ANY OTHER ENTITY, OR FRACTION THEREOF, EITHER MOVABLE OR IMMOVABLE PROPERTY, ESTIMATED TO BE CAPABLE OF FULLY SATISFYING THE IMPOSED FINES SHALL BE THE SUBJECT OF A SUMMARY FORFEITURE AND GARNISHMENT PROCEEDING TO BE LITIGATED BY THE SAME BODY WHICH IMPOSED THE SAID PENALTY.

SEC. 2. Separability Clause. - If any provision of this Act shall be declared unconstitutional, any other provision not affected thereby shall remain in full force and effect.

SEC. 3. Repealing Clause. - All laws, decrees, orders, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 4. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved.

FIFTEENTH CONGRESS)
OF THE REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. **1889**

Introduced by Representative Ben P. Evardone

EXPLANATORY NOTE

The rights of workers to just compensation that would secure their welfare is deeply embedded in the 1987 Constitution. It is mandated that labor, as a potent socio-economic force, and workers should be constantly protected from harm. (Article II) In a succeeding chapter (Article XIII), importance was given on provisions on Social Justice and Human Rights, specifically, that the State should provide full protection to labor and guarantees that workers be entitled to security of tenure, humane working and living conditions, as well as a **living wage**. The living wage, as articulated in the Constitution, requires the State to guarantee that a "decent standard of human existence beyond mere subsistence level", which is more centered to the quality of life, as compared to the minimum wage, which is the basic pay or the daily wage, plus the cost of living allowance received an employee, not falling under the exemptions provided under the Wage Rationalization Act.

The minimum wage fixed by law is lower than the ideal living wage. Regardless of this, strict compliance by corporations and other work establishments on the minimum wage law remains to be achieved. In 2005, out of the 19,539 firms inspected by the Department of Labor and Employment (DOLE), only 15,879 or 81 percent were found to be complying with the minimum wage law. This is a great improvement based on the estimated 53% non-compliance in 1995.

Given such conditions, the DOLE is baffled by the challenge of acquiring sufficient manpower to conduct consistent and effective monitoring and enforcement of strategies. With this proposed legislation, the enhanced monitoring function by the DOLE, and the improved conditions that this representation proposed, it is envisioned that the veneer of protection and the rights due to workers can be stretched further and awarded to them unconditionally,

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



BEN P. EVARDONE

Representative, Lone District of Eastern Samar

FIFTEENTH CONGRESS)
OF THE REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. **1889**

Introduced by Representative Ben P. Evardone

AN ACT

INCREASING THE PENALTIES FOR NON-COMPLIANCE OF THE
PRESCRIBED INCREASES AND ADJUSTMENTS IN THE WAGE RATES
OF WORKERS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO.
6727, OTHERWISE KNOWN AS THE "WAGE RATIONALIZATION ACT",
AND FOR OTHER PURPOSES.

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

1
2 **SECTION 1.** Section 12 of Republic Act 6727, as further amended by Republic Act
3 8188, is hereby amended to read as follows:
4

5 "Section 12. Any person, corporation, trust, firm, partnership,
6 association or entity which refuses or fails to pay any of the
7 prescribed increases or adjustments in the wage rates made in
8 accordance with this Act shall be punished by a fine [not less than
9 Twenty-five thousand pesos (P 25,000) nor more than One hundred
10 thousand pesos (P100,000)] **NOT LESS THAN ONE HUNDRED**
11 **THOUSAND PESOS (P 100,000) PLUS MORAL DAMAGES**
12 **NOT EXCEEDING THIRTY THOUSAND PESOS (P 30,000)**
13 **FOR EACH AFFECTED WORKER AND THE COSTS OF**
14 **LITIGATION INCLUDING ATTORNEY'S FEES,** or
15 imprisonment of not less than two (2) years nor more than four (4)
16 years, or both such fine and imprisonment at the discretion of the
17 court: Provided, That any person convicted under this Act shall not
18 be entitled to the benefits provided for under the Probation Law.
19

20 "The employer concerned shall be ordered to pay an amount
21 equivalent to double the unpaid benefits owing to the employees:
22 Provided, That payment of indemnity shall not absolve the employer
23 from the criminal liability imposable under this Act.
24

25 "If the violation is committed by a corporation, trust or firm, partnership,
26 association or any other entity the penalty of imprisonment shall be
1

1 imposed upon the entity's responsible officers, including, but not
2 limited to the president, vice-president, chief executive officer,
3 general manager, managing director or partner."

4
5 IN CASES WHERE A FINE IS DECREED BY THE
6 NATIONAL LABOR RELATIONS COMMISSION (NLRC)
7 AGAINST PERSON/S WHO VIOLATED THE PROVISIONS
8 OF THIS ACT AND CANNOT BE IMMEDIATELY
9 SATISFIED BECAUSE OF THE REFUSAL TO PAY, OR IN
10 CASE OF THE UNAVAILABILITY OR INADEQUACY OF
11 FUNDS, THE BANK DEPOSITS, FINANCIAL INTERESTS
12 AND OTHER PERSONAL PROPERTY NOT CAPABLE OF
13 MANUAL DELIVERY IN THE POSSESSION OR CONTROL
14 OF THIRD PARTIES OF THE OWNER IN CASE OF SOLE
15 PROPRIETORSHIP OR THE ASSETS OF THE
16 CORPORATION, ASSOCIATIONS OR ANY OTHER
17 ENTITY, SHALL BE AUTOMATICALLY GARNISHED. IF
18 SUCH PROPERTIES ARE NOT ENOUGH, MOVABLE AND
19 IMMOVABLE PROPERTIES MAYBE LEVIED TO SATISFY
20 FULLY THE IMPOSED FINES.

21
22 SEC. 2. The penalties provided under this Act shall also be applicable in cases
23 involving workers hired by contractors undertaking infrastructure projects under R.A.
24 6685 and in relation to DOLE Order No. 19, with respect to any violation in the
25 payment of wages or its appropriate wage increases.

26
27 SEC. 3. *Separability Clause.*- If any provision of this Act shall be declared
28 unconstitutional, any other provision not affected thereby shall remain in full force
29 and effect.

30
31 SEC. 4. *Repealing Clause.* - All laws, decrees, orders, rules and regulations, or parts
32 thereof inconsistent with this Act are hereby repealed or amended accordingly.

33
34 SEC. 5. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in
35 at least two (2) national newspapers of general circulation.

36
37 *Approved,*

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasang Pambansa, Quezon City

FIFTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 2884

INTRODUCED BY REP. JOSEPH VICTOR G. EJERCITO

EXPLANATORY NOTE

Labor is a primary social economic force and as mandated by the Constitution, the State shall protect the rights of workers and promote their welfare.

Article XIII of the Constitution dealing with Social Justice and Human Rights provisions mandates the State to afford full protection to labor and guarantees that workers shall be entitled not only to security of tenure and humane conditions of work but also a living wage and participation in policy and decision-making processes affecting their rights and benefits as may be provided by law.

The Constitution requires the State to implement a living wage which is defined as one that ensures a "decent standard of human existence beyond mere subsistence level" in contrast to a minimum wage which is the basic pay or daily wage plus cost of living allowance received by a worker, not falling under the exemptions as provided under the Wage Rationalization Act.

Verily, the minimum wage fixed by law is lower than the ideal living wage. Still, compliance by corporations and other work establishments has remained a persistent problem and it is very disturbing, to say the very least. With enhanced monitoring by the DOLE and the new teeth that is being proposed in this measure, it is expected that the mantle of protection we can stretch for our workers will be much more assured.

It is in this light that the approval of this bill is earnestly requested.



JOSEPH VICTOR G. EJERCITO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasang Pambansa, Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2884

INTRODUCED BY REP. JOSEPH VICTOR G. EJERCITO

AN ACT
INCREASING THE PENALTIES FOR NON-COMPLIANCE
OF THE PRESCRIBED INCREASES AND ADJUSTMENTS
IN THE WAGE RATES OF WORKERS, AMENDING FOR
THE PURPOSE REPUBLIC ACT NO. 6727, OTHERWISE
KNOWN AS THE "WAGE RATIONALIZATION ACT," AND
FOR OTHER PURPOSES

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

SECTION 1. Section 12 of Republic Act 6727, as further amended by 2 Republic Act 8188, is hereby amended to read as follows:

"Section 12. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with this Act shall be punished by a fine [not less than Twenty-five thousand pesos (P25,000) nor more than One hundred thousand pesos (P100,000.00) NOT LESS THAN ONE HUNDRED THOUSAND PESOS (P100,000.00) PLUS MORAL DAMAGES NOT EXCEEDING THIRTY THOUSAND PESOS (P30,000.00) FOR EACH AFFECTED WORKER AND THE COSTS OF LITIGATION INCLUDING ATTORNEY'S FEES or imprisonment of not less than two (2) years nor more than four (4) years, or both such fine and imprisonment at the discretion of the court: Provided, That any person

convicted under this Act shall not be entitled to the benefits provided for under the Probation Law.

"The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: Provided, That payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act.

"If the violation is committed by a corporation, trust or firm, partnership, association or any other entity the penalty of imprisonment shall be imposed upon the entity's responsible officers, including, but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner."

IN CASES WHERE A FINE IS DECREED BY THE NATIONAL RELATIONS COMMISSION (NLRC) AGAINST PERSON/S WHO VIOLATED THE PROVISIONS OF THIS ACT AND CANNOT BE IMMEDIATELY SATISFIED BECAUSE OF THE REFUSAL TO PAY, OR IN CASE OF THE UNAVAILABILITY OR INADEQUACY OF FUNDS, THE BANK DEPOSITS, FINANCIAL INTERESTS AND OTHER PERSONAL PROPERTY NOT CAPABLE OF MANUAL DELIVERY IN THE POSSESSION OR CONTROL OF THIRD PARTIES OF THE OWNER IN CASE OF SOLE PROPRIETORSHIP OR THE ASSETS OF THE CORPORATION, ASSOCIATIONS OR ANY OTHER ENTITY, SHALL BE AUTOMATICALLY GARNISHED. IF SUCH PROPERTIES ARE NOT ENOUGH, MOVABLE AND IMMOVABLE PROPERTIES MAYBE LEVIED TO SATISFY FULLY THE IMPOSED FINES.

SEC. 2. The penalties provided under this Act shall also be applicable in cases involving workers hired by contractors undertaking infrastructure projects under R.A. 6685 and in relation to DOLE Order No. 19, with respect to any violation in the payment of wages or its appropriate wage increases.

SEC. 3. Separability Clause. - If any provision of this Act shall be declared unconstitutional, any other provision not affected thereby shall remain in full force and effect.

SEC. 4. Repealing Clause. - All laws, decrees, orders, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 5. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,



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

MINUTES OF THE MEETING OF THE COMMITTEE ON LABOR AND EMPLOYMENT HELD ON
14 NOVEMBER 2012, 10:15 A.M TO 3:00 P.M AT CONFERENCE ROOMS 9 & 10, MITRA BUILDING,
HOUSE OF REPRESENTATIVES, QUEZON CITY

GUESTS / RESOURCE PERSONS

Asst. Secretary Ma. Joji Aragon
Mr. Jose Sandoval
~~Ms. Evelyn Dacomos~~
Ms. Teresita Audea
Ms. Shirley Pascual
Atty. Cyrus Montesa
Hon. Joel Maglunsod
Mr. Ronnie Nismal
Ms. Josephine Fernandez
Mr. Armando Montano Jr.
Mr. Rufino Margate Jr.
Ms. Luna Cun Uy

Department of Labor & Employment (DOLE)
Bureau of Local Employment, DOLE
~~Bureau of Local Employment, DOLE~~
National Conciliation & Mediation Board (NCMB)
NCMB
Securities and Exchange Commission (SEC)
Anakpawis
Federation of Free Workers (FFW)
Bankers Association of the Philippines (BAP)
Arms Corporation of the Philippines
Federation of Philippine Industries (FPI)
FPI

I. CALL TO ORDER

Chairperson Emil Ong called the meeting to order at 10:15 a.m. Upon the motion of Rep. Angelo Palmones, the calling of the roll was dispensed with.

II. OPENING REMARKS OF THE CHAIRPERSON

The Chairperson gave a brief statement on the measures for consideration.

III. CONSIDERATION OF THE DRAFT COMMITTEE REPORT ON MEASURES SEEKING TO INCREASE THE PENALTY FOR THE NON-IMPLEMENTATION OF WAGE RATES (HB Nos. 942, 1817, 1889 & 2884)

Upon motion of Rep. Palmones, duly seconded, the Committee approved the committee report on measures seeking to increase the penalty for the non-implementation of wage rates. Rep. Palmones also moved that members present be made as co-authors.

IV. CONSIDERATION OF THE DRAFT COMMITTEE REPORT ON MEASURES SEEKING TO STRENGTHEN TRIPARTISM (HB Nos. 5864 and 5935)

Upon motion of Rep. Palmones, duly seconded by Rep. Linabelle Ruth Villarica, the Committee approved the committee report on measures seeking to strengthen tripartism. Rep. Palmones also moved that members present be made as co-authors.

V. DELIBERATION ON HB NO. 5934, MEASURE SEEKING TO STRENGTHEN CONCILIATION – MEDIATION AS A VOLUNTARY MODE OF DISPUTE SETTLEMENT FOR ALL LABOR CASES, AMENDING FOR THE PURPOSE THE LABOR CODE OF THE PHILIPPINES, AUTHORED BY REP. EMIL ONG

Upon motion of Rep. Palmones, duly seconded by Rep. Villarica, the Committee approved the bill seeking conciliation-mediation as a voluntary mode of dispute settlement for all labor cases, amending for the purpose, Art. 228 of PD 442 (Labor Code of the Philippines). Rep. Palmones moved that members present be made as co-authors.

VI. DELIBERATION ON HB Nos. 4718 & 6402, MEASURES SEEKING TO STRENGTHEN REPUBLIC ACT 8759 OR THE PUBLIC EMPLOYMENT SERVICE OFFICE (PESO), AUTHORED BY REPS. BENITEZ AND VILLARICA, RESPECTIVELY

Upon motion of Rep. Palmones, duly seconded, the Committee approved the bills seeking to strengthen RA 8759 or PESO. Rep. Palmones also moved that members present be made as co-authors.

The Committee meeting was suspended at 11:00 a.m and resumed its deliberation at 1:30 p.m with Rep. Romeo Jalosjos Jr. presiding.

VII. DELIBERATION ON HB No. 6110, MEASURE SEEKING TO AMEND SECTION 132 OF THE LABOR CODE BY PROVIDING CHILDREN OF MALE EMPLOYEES ACCESS TO NURSERY BENEFITS, AUTHORED BY REP. BAGASINA

Upon motion of Rep. Jesus Crispin Remulla, duly seconded by Rep. Palmones, the Committee approved the bill seeking to amend Sec. 132 of the Labor Code by providing children of male employees access to nursery benefits.

VIII. DELIBERATION ON HB No. 4027, MEASURE SEEKING TO PROMOTE EMPLOYMENT OPPORTUNITIES IN REAL ESTATE SERVICE IN THE PHILIPPINES, AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF RA 9646, OTHERWISE KNOWN AS THE REAL ESTATE SERVICE ACT OF THE PHILIPPINES, AUTHORED BY REP. REMULLA

Upon motion of Rep. Remulla, duly seconded by Rep. Palmones, the Committee approved the bill seeking to promote employment opportunities in real estate service in the Philippines amending certain provisions of RA 9646 (The Real Estate Service Act of the Philippines). Rep. Palmones also moved that he be made as co-author of the bill.

ADJOURNMENT

There being no other matters to discuss, the meeting adjourned at 3:15 p.m

Prepared by:

(SGD.) LOLA FEBE S. PIMENTEL
SLSO II

(SGD.) CELESTE S. DE CASTRO
Committee Secretary

(SGD.) EMIL L. ONG
Chairman

FACT SHEET
House Bill No. 6924

AN ACT

INCREASING THE PENALTIES FOR NON-COMPLIANCE WITH THE
PRESCRIBED INCREASES AND ADJUSTMENTS IN THE WAGE RATES
OF WORKERS, AMENDING FOR THE PURPOSE REPUBLIC ACT 6727,
AS AMENDED BY REPUBLIC ACT 8188, OTHERWISE KNOWN AS THE
"WAGE RATIONALIZATION ACT"

*Introduced by: REPS. REYNALDO V. UMALI, TOMAS V. APACIBLE, EMMELINE
Y. AGLIPAY, BEN P. EVARDONE, JOSEPH VICTOR G. EJERCITO,
BERNADETTE R. HERRERA-DY, EMIL L. ONG, RONALD M. COSALAN, EMMI
A. DE JESUS, HERMINIA B. ROMAN, PHILIP A. PICHAY, DAVID L. KHO,
WALDEN F. BELLO, REENA CONCEPCION G. OBILLO, SHARON S. GARIN,
MARIA EVITA R. ARAGO, ANGELO B. PALMONES AND LINABELLE RUTH R.
VILLARICA*

*Committee Referral: COMMITTEE ON LABOR AND EMPLOYMENT
Committee Chairperson: REP. EMIL L. ONG*

OBJECTIVE:

To discourage non-compliance of employers with the prescribed wage rates for workers in the private sector.

KEY PROVISIONS:

- Increases the penalty for non-compliance with prescribed wage adjustments from P25,000.00-P100,000.00 to P100,000.00-P300,000.00 for each affected worker. In addition, the violator shall also pay exemplary damages of at least P50,000.00 per worker, and shall shoulder the cost of litigation, including attorney's fees.
- Mandates that the penalties shall also apply to cases involving workers hired under RA 6685 (construction of government infrastructure), and in relation to DOLE DO No. 19-93 (workers in the construction industry).

RELATED LAW: Section 12 of Republic Act 6727