

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 253

INTRODUCED BY REPRESENTATIVES
FERNANDO L. HICAP, NERI JAVIER COLMENARES,
LUZVIMINDA C. ILAGAN, EMMI DE JESUS, ANTONIO TINIO
AND JAMES MARK TERRY RIDON

EXPLANATORY NOTE

This bill, also known as the P125 Wage Hike Bill, has been pending in the House of Representatives for the past twelve (12) years. It was first filed in 2001 by the late Rep. Crispin 'Ka Bel' B. Beltran. Counterpart measures were also filed in the Senate of the Philippines.

Since then, Filipino workers have pressed Congress for the enactment of a legislated wage hike that will give a reprieve or economic relief to workers and their families who experience the effects of soaring prices of basic goods, fees for public services and rates of public utilities and of the ever-worsening domestic economic crisis in general.

In the 13th Congress, after extensive hearings and discussions involving stakeholders and parties-in-interest in which the said measure gathered substantial support from legislators, it was approved by the House Committee on Labor and Employment.

After which, the said bill was deliberated in the plenary. It was passed in the second and third readings but unfortunately was not transmitted to the Senate due to technicalities.

Anakpawis Party-list continued to file the P125 Wage Hike Bill in the 14th and 15th Congresses. Committee hearings ensued, exhausting the positions of the Department of Labor and Employment (DOLE), employers' groups, labor organizations and trade unions. In the hearings on the said bill that took place in the House of Representatives main office and in various regions, workers have showed overwhelming support and demand for the immediate enactment of a legislated wage hike.

In the 15th Congress, the House Committee on Labor and Employment approved Committee Report No. 2703 that considered and recommended for approval without amendments the P125 Wage Hike Bill for workers in the private sector.

For the past twelve (12) years, the P125 Wage Hike Bill has become the symbol of national unity and strong clamor of Filipino workers in the private

sector for a significant across-the-board, across-the-country wage increase, which they say is possible only through legislation.

The Filipino labor front is unanimously in agreement that the granting of a substantial, legislated wage increase for workers is just, necessary and urgent amidst the growing hunger and poverty among workers and the poor on the one hand and the growing profit and wealth of an elite few on the other.

The continuous erosion of the real value of wages and the weakening purchasing power of the peso have further pressed down wage levels across the country.

While workers' wages remain pegged to the floor, the government allowed the rising cost of goods and services and constant increases in the rates of public utilities such as fares, water and electricity and oil prices that brought about damaging effects to the peoples' livelihood.

The annual wage increases approved and implemented by the regional tripartite wages and productivity boards (RTWPBs) are very meager and far from enough to provide a much needed economic relief for workers. Wage boards have in fact, served their purpose of sealing the profit margins of employers by implementing very low wage adjustments.

In 2012, the Aquino administration, through DOLE, implemented the Two-Tiered Wage System which allowed for a productivity-based wage system on top of a mandatory floor wage. This system of wage determination further scaled down workers' wages and undermined the historical gains of workers and labor unions in their collective struggles for wage increases.

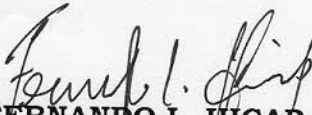
These conditions and realities all the more warrant the immediate and inevitable need for a legislated, across-the-board, across-the-country wage increase for workers in the private sector.

It is clearly stated in Section I, Article XIII of the Philippine Constitution that, "*Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power for the common good.*"

In particular, it is the duty of the State to "*promote social justice, including the commitment to create economic opportunities based on freedom of initiative and self-reliance.*" (Section 2, Article 13, 1987 Philippine Constitution)

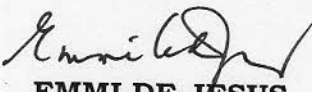
It is also clear that "*the Stateshall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all. It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.*" (paragraphs 1 and 2, Section 3, Article 13, 1987 Philippine Constitution).

In the interest of promotion of social justice for all Filipino working people and their families, the immediate passage of this bill is earnestly sought.


FERNANDO L. HICAP
ANAKPAWIS Party-list


NERI JAVIER COLMENARES
BAYAN MUNA Party-list


LUZVIMINDA C. ILAGAN
GABRIELA Women's Party


EMMI DE JESUS
GABRIELA Women's Party


ANTONIO TINIO
ACT Teachers Party


JAMES MARK TERRY RIDON
KABATAAN Party-list

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FERNANDO L. HICAP, NERI JAVIER COLMENARES,
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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:

SECTION 1. This Act shall be known and cited as the **"P125 Daily Across-the-Board Wage Increase Act"**.

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

SECTION 3. All employers in the private sector, whether agricultural or non-agricultural, regardless of capitalization and number of employees shall pay their workers an across-the-board wage increase in the sum of *One Hundred Twenty Five Pesos (P125.00)* per day upon the effectivity of this Act.

SECTION 4. No wage increase shall be credited as a compliance with the increase prescribed herein, unless expressly provided under the Collective Bargaining Agreements: Provided, That such wage increase was granted in anticipation of the legislated across-the-board wage 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 regularization and promotion of employees.

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

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

SECTION 7. Any person, corporation, trust, firm, partnership association or any entity violating any provision of this Act shall be punished by a fine not less than Twenty Five Thousand Pesos (P25,000.00) nor more than One Hundred Thousand Pesos (P100,000.00) 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 if the violation is committed by a corporation, trust or firm, 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.

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

SECTION 8. The Secretary of Labor and Employment shall promulgate the necessary implementing rules and regulations to implement this Act.

SECTION 9. If any provision or part of this Act, or the application thereof, to any person or circumstance is held invalid or unconstitutional, the remainder of this Act or the application of such provision or part thereof to other persons or circumstances shall be affected thereby.

SECTION 10. All laws, decrees, executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

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

Approved.