

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



SIXTEENTH CONGRESS
First Regular Session

House Bill No. **2268**

Introduced by: REPRESENTATIVE ERIC L. OLIVAREZ

EXPLANATORY NOTE

Under existing provisions of the Labor Code of the Philippines (P.D.NO.442) on Night Shift Differential specifically Sec. 2 Rule II "an employee shall be paid night differential of no less than ten per cent (10%) of his regular wage for each hour of work performed between ten o'clock in the evening and six o'clock in the morning."

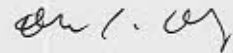
Because of this provision in the Labor Code, builders and contractors of government infrastructure projects such as roads and bridges do not allow work at night except in extreme cases of urgency on account of the additional cost of labor. However an analysis of the work output of workers would show that their efficiency is greater at night because it is cooler and they are spared of the biting heat of the sun. Furthermore, the delays caused by traffic are eliminated as traffic density at night is at a minimum or almost nil and therefore the work flow is faster.

On the part of the motorists, work on roads and bridges at night would be preferred because the flow of traffic during the day would be unimpeded by road construction or repairs.

This bill proposes to amend Sec. 2 Rule II Book III of the Labor Code quoted above, by EXEMPTING government construction of infrastructure projects from the application of the payment of night shift differential OR by GRANTING the builders or contractors of government infrastructure projects a TAX INCENTIVE equivalent to the

amount of night shift differential payments made by them which may be applied to payment of income taxes for the current or succeeding year. The pertinent provisions of the Tax Code shall also be considered modified or amended accordingly.

Considering the benefits expected from the enactment of this proposed measure and the practice in almost all other countries, it is desired that this bill will merit the support of my colleagues.



ERIC L. OLIVAREZ

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**AN ACT CREATING INCENTIVES FOR UNDERTAKING
GOVERNMENT INFRASTRUCTURE CONSTRUCTION WORKS AT NIGHT
AMENDING CERTAIN PROVISIONS OF THE LABOR CODE AND THE
TAX CODE AND FOR OTHER PURPOSES.**

Be it enacted by Congress in session assembled:

Section 1. Government infrastructure projects shall be exempt from the application of night shift differential as required under Section 2 Rule III Book III of the Labor Code. However should the builder or contractor of such government infrastructure project decide to pay the night shift differential for night labor, as required in the labor code, such builder/contractor shall be allowed a tax credit equivalent to the total night shift differential paid, to be deducted from the income taxes due from said builder/contractor for the current or succeeding years.

Section 2. Sec. 2 Rule II Book III of the Labor Code (P.D. 442) shall be amended to read as follows:

“Sec. 2. Night shift differential – an employee shall be paid night shift differential of no less than ten percent (10%) of his regular wage for each hour of work performed between ten o’clock in the evening and six o’clock in the morning. Provided that government infrastructure projects shall be exempted from the application of this provision.”

Provided, further, that should the builder/contractor of government infrastructure projects decide to pay the night shift differential such builder/contractor shall be allowed a tax credit equivalent to the total amount of night shift differential paid deductible from the income tax due from him for the current years.

Section 3. This law shall take effect after publication in two (2) newspapers of general circulation.

Approved,