

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 4608



Introduced by **Rep. Doy C. Leachon**

EXPLANATORY NOTE

Labor force is regarded as the primary social economic force of the Philippines. In the population of the Philippines estimated at 100,096,496 as of 1 July 2014, the Labor Force Participation Rate in Philippines as reported by the National Statistics Office of Philippines averaged at 65.94 Percent from 1990 until 2014, reaching an all-time high of 94.70 percent in the fourth quarter of 1993. This growth gives an opportunity to drive economic expansion both domestic and global and increase gross domestic product (GDP).

In order to protect, strengthen and recognize the working force in the Philippines, the government, as one of the state policies enunciates under Article II, Section 18 of the 1987 Philippine Constitution, that "The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare." Further, the government has had enacted laws to regulate wages, retirement benefits, insurance benefits, health benefits, and some other rights of workers, to wit; the Labor Code of the Philippines otherwise known as the Presidential Decree No.442. It is a code protecting labor, promoting employment, developing human resources, and equitable industrial services; Creation of the Social Security System otherwise known as Social Security Act of 1997 or RA 8292 to cover the insurance and retirement benefits of all employees; Creation of the Home Development Mutual Fund Law otherwise known as the PAG- IBIG Fund Law (Presidential Decree No. 1752 series of 1980) to cover housing benefits for employees of both private and public sectors among others.

Thus, to give effect to the policy of the state that labor laws and procedures are tilted in favor of the worker under the social justice principle - those who have less in life should have more in law, this amendment seeks to provide a more comprehensive benefits – Compensation to the affected employees terminated on causes beyond their control. This shall promote the workers' welfare by easing their burden in seeking for another employment by providing them an allowance during job hunting period.

In lieu of the foregoing, the passage of the bill is earnestly sought.



ATTY. PAULINO SALVADOR "DOY" C. LEACHON

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AN ACT PROVIDING ADDITIONAL REMUNERATION TO WORKERS TERMINATED DUE TO AUTHORIZED CAUSES, AMENDING FOR THE PURPOSE ARTICLES 283 AND 284 OF PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS "THE LABOR CODE OF THE PHILIPPINES", AND APPROPRIATING FUNDS THEREFOR.

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

SECTION 1. The following paragraph shall be inserted after Article 284 of Presidential Decree No. 442:

"ART. 283. Closure of establishment and reduction of personnel.

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IN ADDITION TO THE BENEFITS ACCORDED TO THE WORKER(S) AFFECTED UNDER THE PRECEEDING ARTICLE, HE/SHE SHALL ALSO BE ENTITLED TO AN ALLOWANCE EQUIVALENT TO ¼ MONTH PAY OR AT LEAST THREE (3) THOUSAND PESOS WHICHEVER IS HIGHER, FOR A PERIOD NOT EXCEEDING THREE (3) MONTHS FROM TERMINATION.

ART. 284. Disease as ground for termination.

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IN ADDITION TO THE BENEFITS ACCORDED TO THE WORKER(S) AFFECTED UNDER THE PRECEEDING ARTICLE, HE/SHE SHALL ALSO BE ENTITLED TO AN ALLOWANCE EQUIVALENT TO ¼ MONTH PAY OR AT LEAST THREE (3) THOUSAND PESOS WHICHEVER IS HIGHER, FOR A PERIOD NOT EXCEEDING THREE (3) MONTHS FROM TERMINATION.

SECTION 2. Funding. - The amount necessary to carry out the provisions of this act shall be included in the General Appropriations Act of the year following its enactment into law and thereafter.

SECTION 3. Implementing Rules and Regulations. - Within ninety (90) days after the approval of this Act, the Secretary of Labor and Employment shall issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 4. Effectivity Clause. -This Act shall take effect fifteen (15) days following its complete publication in the *Official Gazette* or in any newspapers of general circulation.

Approved,