

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

17th Congress
Second Regular Session

HOUSE BILL NO. **5911**

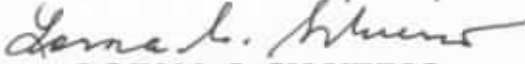


Introduced by: **HON. LORNA C. SILVERIO**

EXPLANATORY NOTE

This bill is cognizant to the provisions of Article II, Section 18 of the Philippine Constitution which expressly provides that the State shall protect the workers' rights and promote their welfare. The intent of this bill is to amend Article 96 of the Labor Code which entitles employees to an 85% share of service charges or tips which are paid by customers in any service oriented establishments like restaurants, hotels, and alike. It gives the full 100% to all covered employees which can serve as a morale booster and thus improving customer service and overall client satisfaction. We must take in to consideration that these are added benefits that can provide for a workers' daily fare, meal, or any expense that the service charge can cover.

In view of the foregoing, approval of this bill is earnestly sought.


LORNA C. SILVERIO

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HOUSE BILL NO. 5911

Introduced by: HON. LORNA C. SILVERIO

AN ACT PROVIDING THAT 100% OF THE SERVICE CHARGE COLLECTED IN HOTELS, RESTAURANT AND OTHER ESTABLISHMENTS BE DISTRIBUTED TO ALL COVERED EMPLOYEES AND FOR OTHER PURPOSES

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

Section 1. Article 96 of the Labor Code is hereby amended to read as follows:

ART. 96. Service Charges. - All service charges' collected by hotels, restaurants and similar establishments shall be distributed [at the rate of eighty-five percent (85%) for all covered employees and fifteen percent (15%) for management. The share of the employees shall be] COMPLETELY AND equally [distributed] among [them] THE COVERED EMPLOYEES. In case the service charge is abolished, the share of the covered employees shall be considered integrated in their wages.

Section 2. Nothing in this Act shall be construed as to diminish existing benefits under present laws, company policies and collective bargaining agreements

Section 3. All laws, executive orders, proclamations, presidential decrees, rules and regulations and other issuances, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 4. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,

