

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
**Second Regular Session**

**HOUSE BILL NO: 6034**



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Introduced by **Representative Dennis C. Laogan**  
*Ang Kabuhayan Party-List*

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**EXPLANATORY NOTE**

A 2015 report published by the Philippine Statistics Authority (PSA) showed that around 8.1 million Filipinos in primary jobs were considered “overworked”, or have worked an average of more than the regular forty-eight (48) hours a week. This constitutes an alarming 20.9 per cent (20.9%) of the 38.7 million Filipinos listed as employed by the PSA.

Numerous studies, mainly those of Marianna Virtanen of the Finnish Institute of Occupation Health and her colleagues, have found that overwork and the resulting stress can lead to various health problems and risks including impaired sleep<sup>1</sup>, depression<sup>2</sup>, diabetes<sup>3</sup>, impaired memory and cognitive functions<sup>4</sup>, and heart disease<sup>5</sup>.

Moreover, a culture of overwork within a company often ends up being more detrimental than beneficial to it, as such translate to tardiness or absenteeism, high turnover rates, higher risk of human-caused errors or misjudgments in decisions<sup>6</sup>, and higher injury hazards<sup>7</sup>, among others.

Despite these dangers, however, there is still no legal limit to the number of hours an employee can be made to work overtime, be that within a day or within a week.

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<sup>1</sup> Virtanen, M., et al (2009), “Long working hours and sleep disturbances: The Whitehall II prospective cohort study”. Last accessed on May 27, 2017 at <https://www.ncbi.nlm.nih.gov/pubmed/19544749>

<sup>2</sup> Virtanen, M., et al (2012), “Overtime Work as a Predictor of Major Depressive Episode: A 5-Year Follow-up of the Whitehall II Study”. Last accessed on May 27, 2017 at <https://doi.org/10.1371/journal.pone.0030719>

<sup>3</sup> Kivimäki, M. (2014), “Long working hours, socioeconomic status, and the risk of incident type 2 diabetes: a meta-analysis of published and unpublished data from 222 120 individuals”. Last accessed on May 27, 2017, at [http://www.thelancet.com/journals/landia/article/PIIS2213-8587\(14\)70178-0/fulltext](http://www.thelancet.com/journals/landia/article/PIIS2213-8587(14)70178-0/fulltext)

<sup>4</sup> Virtanen, M., et al (2009), “Long working hours and cognitive functions: the Whitehall II Study”. Last accessed on May 27, 2017 at <https://academic.oup.com/aje/article/169/5/596/143020/Long-Working-Hours-and-Cognitive-FunctionThe>

<sup>5</sup> Virtanen, M., et al (2012), “Long working hours and coronary heart disease: a systematic review and meta-analysis”. Last accessed on May 27, 2017 at <https://www.ncbi.nlm.nih.gov/pubmed/22952309>

<sup>6</sup> Carmichael, S. (2015), “The Research is Clear: Long Hours Backfire for People and for Companies”. Last accessed on May 28, 2017 at <https://hbr.org/2015/08/the-research-is-clear-long-hours-backfire-for-people-and-for-companies>

<sup>7</sup> Dembe A.E., et al (2005), “The impact of overtime and long work hours on occupational injuries and illnesses: new evidence from the United States”. Last accessed on May 28, 2017 at <http://oem.bmj.com/content/62/9/588>  
Occupational and Environmental Medicine 2005

The Labor Code of the Philippines provides that the normal hours of work shall not exceed eight (8) hours a day<sup>8</sup>. With regard overtime work, the rule is that an employee who renders work in excess of eight (8) hours a day is entitled to overtime pay<sup>9</sup>, which rate will vary depending on when such overtime work is rendered. Further, employers generally may not mandate employees to perform overtime work, except in specified situations under the law, subject to appropriate compensation.<sup>10</sup>

However, despite the above, the absence of an institutionalized limit as to overtime work hours exposes employees all over the country, especially those who are not as informed of their statutory rights on conditions of work, to abuse by their employers and/or their clients alike. Some employers mistakenly, or even falsely, invoke one of the emergency overtime situations enumerated in Article 89 of the Labor Code to justify requiring an employee to work overtime, while some employers even go so far as to blatantly demand their employees to work overtime with threats ranging from salary deductions to deferral of seniority rights, and sometimes even to dismissal.

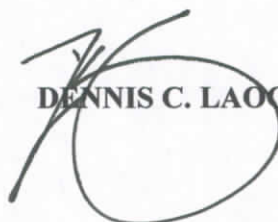
While the State recognizes the right of enterprises to reasonable returns on investments, and the Labor Code recognizes employers' or capital's management prerogative, this representation believes that first and foremost, we must ensure adequate protection of and for our employees' physical, mental, and social well-being, which this bill aims to address.

Employers, and society in general, have to discontinue this practice of viewing employees merely as organic machines designed to slave for work. They have to accept that as human beings, employees, too, have limits, both physical and psychological.

This measure seeks to put a legal limit to the extent that employees can be made to work overtime, whether voluntarily or involuntarily, based on a study of the Working Time Directive of the European Union<sup>11</sup> and overtime work policies of other progressive nations, such as the United States and China.

Let this serve as an acknowledgement that indeed, mere monetary compensation of employees will never be enough to allay the long-term effects of overtime work, hence, this pro-active response to the recurring calls for better and more humane working conditions nationwide.

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

  
DENNIS C. LAOGAN

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<sup>8</sup> Article 83, The Labor Code of the Philippines.

<sup>9</sup> Article 87, The Labor Code of the Philippines.

<sup>10</sup> Article 89, The Labor Code of the Philippines.

<sup>11</sup> The European Union's Working Time Directive (2003). Last accessed on June 28, 2017 at <http://ec.europa.eu/social/main.jsp?catId=706&langId=en&intPageId=205>



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**AN ACT IMPOSING A LIMIT TO THE NUMBER OF HOURS AN EMPLOYEE CAN  
WORK AND BE MADE TO WORK OVERTIME, AMENDING FOR THE PURPOSE  
ARTICLE 87 AND 89 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED,  
OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES**

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

1       **SECTION 1. Declaration of Policy** – The State, in accordance with the constitutional mandate  
2 in Article XIII of the 1987 Constitution, shall afford full protection to labor, and entitle all workers to  
3 humane conditions of work. The State is also mandated to regulate the relations between workers and  
4 employers, recognizing the right of labor to its just share in the fruits of production.

5       More importantly, the Congress is constitutionally mandated to give the highest priority to the  
6 enactment of measures that protect and enhance the right of all the people to human dignity.

7  
8       **SECTION 2. Amendment of Article 87 of the Labor Code** – Article 87 of the Labor Code is  
9 hereby amended to read as follows:

10       **“ART. 87. Overtime work** – Work may be performed beyond eight (8) hours a day  
11 provided that the employee is paid for the overtime work, an additional compensation  
12 equivalent to his regular wage plus at least twenty-five percent (25%) thereof. Work performed  
13 beyond eight hours on a holiday or rest day shall be paid an additional compensation equivalent  
14 to the rate of the first eight hours on a holiday or rest day plus at least thirty percent (30%)  
15 thereof.

1           ***Provided, that the total allowable overtime work hours per week shall not exceed***  
2           ***25 per cent (25%) of an employee's average number of work hours per week.***

3           ***Provided further, that the total allowable overtime work hours per month shall not***  
4           ***exceed 20 per cent (20%) of an employee's average number of work hours per month.***

5           ***Provided finally, that for employees covered by compressed work week schemes***  
6           ***and other similarly irregular work schemes, the Department of Labor and Employment***  
7           ***shall promulgate specific rules derivative of the two preceding provisos to determine the***  
8           ***applicable weekly and monthly overtime work limits on such situations.***

9  
10           ***SECTION 3. Amendment of Article 89 of the Labor Code*** – To clarify the effect of the  
11           amended Article 87 of the Labor Code to emergency situations as provide for in Article 89 of the same,  
12           the latter is hereby amended to read as follows:

13           ***“ART. 89. Emergency overtime work*** – Any employee may be required by the  
14           employer to perform overtime work in any of the following cases:

- 15           1.   When the country is at war or when any other national or local emergency has been  
16               declared by the National Assembly or the Chief Executive;
- 17           2.   When it is necessary to prevent loss of life or property or in case of imminent  
18               danger to public safety due to an actual or impending emergency in the locality  
19               caused by serious accidents, fire, flood, typhoon, earthquake, epidemic, or other  
20               disaster or calamity;
- 21           3.   When there is urgent work to be performed on machines, installations, or  
22               equipment, in order to avoid serious loss or damage to the employer or some other  
23               cause of similar nature;
- 24           4.   When the work is necessary to prevent loss or damage to perishable goods; and
- 25           5.   Where the completion or continuation of the work started before the eighth hour is  
26               necessary to prevent serious obstruction or prejudice to the business or operations  
27               of the employer.

28           Any employee required to render overtime work under this Article shall be paid the  
29           additional compensation required in this Chapter.

1           ***Provided, that the provisos on the limits of overtime work hours in Article 87 of***  
2           ***the Labor Code, as amended, shall not be mandatory for the emergency cases enumerated***  
3           ***under this article, but shall serve merely as directory guidelines for the same, without***  
4           ***prejudice to a finding or declaration to the contrary, in which case, the overtime work***  
5           ***limits under Article 87 shall apply.”***  
6

7           ***SECTION 4. Implementing Rules and Regulations.*** – The Department of Labor and  
8           Employment shall revise, amend, and promulgate the necessary rules and regulations to implement the  
9           relevant provisions of the Labor Code of the Philippines as amended by this Act within ninety (90)  
10          days after its approval. The said rules and regulations issued pursuant to this Section shall take effect  
11          fifteen (15) days after its publication in a newspaper of general circulation.  
12

13          ***SECTION 5. Repealing Clause.*** – Any law, presidential decree or issuance, executive order,  
14          letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with the  
15          provisions of this Act is hereby repealed, modified or amended accordingly.  
16

17          ***SECTION 6. Effectivity Clause.*** – This Act shall take effect after fifteen (15) days following  
18          its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,