

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session



HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 2671

Introduced by **REPRESENTATIVE VIRGILIO S. LACSON**

EXPLANATORY NOTE

Our workforce is the backbone of the economy. It is because of their hard work and sacrifice that we enjoy the economic progress we have been experiencing in the past years. In return, we owe it to them to advocate for laws that make their quality of lives better.

At present, the Labor Code, supplemented by the Omnibus Rules Implementing the Labor Code, provides for the manner by which wages and other remuneration are to be released to workers, to wit:

Rules VIII of Omnibus Rules to Implement the Labor Code of the Philippines

SECTION 1. Manner of wage payment. — As a general rule, wages shall be paid in legal tender and the use of tokens, promissory notes, vouchers, coupons, or any other form alleged to represent legal tender is absolutely prohibited even when expressly requested by the employee.

SECTION 2. Payment by check. — Payment of wages by bank checks, postal checks or money orders is allowed where such manner of wage payment is customary on the date of the effectivity of the Code, where it is so stipulated in a collective agreement, or where all of the following conditions are met:

- (a) There is a bank or other facility for encashment within a radius of one (1) kilometer from the workplace;
- (b) The employer or any of his agents or representatives does not receive any pecuniary benefit directly or indirectly from the arrangement;
- (c) The employees are given reasonable time during banking hours to withdraw their wages from the bank which time shall be considered as compensable hours worked if done during working hours; and

(d) The payment by check is with the written consent of the employees concerned if there is no collective agreement authorizing the payment of wages by bank checks.

Moreover, in a recent advisory of the Department of Labor and Employment, Labor Advisory no. 26 dated on August 3, 2020. The Department promotes the mode of payment of wages through transaction accounts and electronic money, to reduce the cost and risks of physical cash disbursements and to provide a safer alternative to physical exchange of money.

In connection therewith, this representation earnestly seeks the passage of this bill entitled, “Workers’ Choice of Banking Act.”

The instant bill aims to free our workforce from other unnecessary burdens in relation to accessing their wages and remuneration. By empowering the workforce with the right to choose the financial institution through which they receive their salaries, we unburden them the cost of maintaining bank accounts based solely on the choice and convenience of the employers. With this bill, employees shall have the freedom to choose a financial institution based on factors that benefit him or her, such as ease of access, service offerings, attraction to financial products, familiarity with the bank’s process, among others.

To this end, this representation firmly believes that this Bill will help us achieve our Constitutional goal to protect the rights of workers and promote their welfare.


HON. VIRGILIO S. LACSON
Manila Teachers Partylist

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AN ACT

**GRANTING PREFERENCE IN CHOICE OF BANKING SERVICES TO EMPLOYEES
IN THE PRIVATE SECTOR THROUGH WHICH TO RECEIVE THEIR SALARIES
AND OTHER MONETARY REMUNERATION, AND AMENDING THE LABOR CODE
OF THE PHILIPPINES FOR THAT PURPOSE**

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

Section 1. Short Title. – This Act shall be known as “Worker’s Choice of Banking Act.”

Sec. 2. Declaration of Policy. – It shall be the policy of the State to protect the interest of the workforce by institutionalizing their right of preference in the manner by which to receive their salaries and wages.

Sec. 3. Amendment to the Labor Code of the Philippines. – A second sentence shall be added to the first paragraph of Article 102, Chapter III, Title I, Book Three, of Presidential Decree No.442 as amended and renumbered, otherwise known as the Labor Code of the Philippines, so that the entire first paragraph shall read as follows:

"ART. 102. Forms of Payment. - No employer shall pay the wages of an employee by means of promissory notes, vouchers, coupons, tokens, tickets, chits, or any object other than legal tender, even when expressly requested by the employee. **THE EMPLOYEES SHALL HAVE THE RIGHT TO DESIGNATE THE BANK ACCOUNT TO WHICH THEIR WAGES SHALL BE DEPOSITED.**"

Sec. 4. Implementing Rules. - The Department of Labor and Employment shall, within ninety (90) days from the effectivity of this Act, promulgate such rules and regulations as may be necessary for the effective implementation of this Act

V. Lacson

Sec. 5. Separability Clause. – If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

Sec. 6. Repealing Clause. – All laws, decrees, orders, rules and regulations and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

Sec. 7. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,

A handwritten signature in black ink, appearing to read 'V. Glaser'.