

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4471

Introduced by REP. JOSE MA. R. ZUBIRI, JR.

AN ACT
AMENDING PRESIDENTIAL DECREE NO. 442, AS
AMENDED, OTHERWISE KNOWN AS THE LABOR CODE
OF THE PHILIPPINES AS AMENDED FOR THE PURPOSE
OF INCREASING THE DAILY MINIMUM WAGE OF THE
PRIVATE SECTOR WORKERS

EXPLANATORY NOTE

The enactment into law of Republic Act 6727 or the Wage Rationalization Act established a new mechanism for minimum wage determination through the National Wages and Productivity Commission and the Regional Tripartite Wages and Productivity Boards. This brought up a system of establishing the minimum wage per region.

However, instead of decentralizing growth to the countryside and convincing our people not to flock to Manila in order to help their respective provinces grow, private sector workers feel that these wage boards failed to maintain the minimum standards of living necessary for the health, efficiency and general well-being of the employees within the framework of the national economic and social development program.



Throughout the years, the government endeavors to improve the economy and uplift the lives of our people. Yet, the minimum wages currently in place are not enough to give the ordinary workforce a decent and humane living existence. It likewise does not prevent them from slipping back into poverty when cost of certain necessities increase such as housing, energy and transportation.

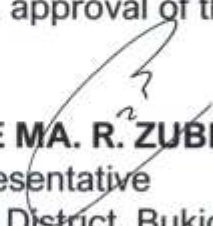
The existing wage of private sectors should be lifted in a level that will give every Filipino family a humane standard of living. Truly, it is the constitutional right of every Filipino to have a living wage sufficient to live decently. Indeed, the inclusive progress and development that is desired by everyone – both public and the private sectors – has remained elusive.

Thus, it is proposed in this bill that the minimum wage be increased to Seven Hundred Fifty Pesos (P750.00) for all workers in the National Capital Region and Five Hundred Fifty Pesos (P550.00) for all other regions in the country. This will address the prevailing inequality and disparity in income levels of the different regions in the country.

This will contribute to the reduction of dependence to various income-support programs of the government and promote our countrymen to stay in their respective localities to help various regions in the country grow. Finally, this measure will cushion the blow of inflation for our countrymen and guarantee a more humane standard of living for all.

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

Thus, approval of this bill is earnestly sought.



JOSE MA. R. ZUBIRI, JR.
Representative
Third District, Bukidnon

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HOUSE BILL NO. 4471

Introduced by REP. JOSE MA. R. ZUBIRI, JR.

AN ACT
INCREASING THE DAILY MINIMUM WAGE OF THE PRIVATE SECTOR
WORKERS THEREBY AMENDING FOR THE PURPOSE PRESIDENTIAL
DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR
CODE OF THE PHILIPPINES, AND FOR OTHER PURPOSES

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

Section 1. Short Title. – This Act shall be known as the “Minimum Wage Act”.

Section 2. Declaration of Policy – The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.

It is hereby declared the policy of the State to rationalize the fixing of minimum wages to ensure a humane and decent living existence for workers in tune with the times and to promote productivity-improvement and gain-sharing measures for the workers and their families; to enhance employment generation in the countryside through industry dispersal; and to allow business and industry reasonable returns on investment, expansion and growth.

Section 3. Definition of Terms. –

- a) “Wage” means all remuneration or earnings paid by an employer to a worker for services rendered on normal working days and hours but does not include cost-of-living allowances, profit sharing payments, premium payments, 13th month pay or other monetary benefits which are not considered as part of or integrated into the regular salary of the workers on the date the Act became effective;
- b) “Minimum Wage” means the lowest amount of wage permitted by law. It shall be computed on a per day basis;

Section 4. Minimum Wage. – The minimum wage for all workers in the private sector, whether agricultural or non-agricultural, is hereby fixed at Seven Hundred Fifty Pesos (P750.00) for the National Capital Region and Five Hundred Fifty Pesos (P550.00) for all other regions consistent with the principle of equal pay for work of equal value. Provided, that succeeding increases shall be determined by the Secretary of Labor and Employment, in compliance with the provisions of this Act.

Section 5. Coverage. – This applies to all workers from the private sector, whether working as a regular, contractual, or casual employee, inclusive of both Non-agricultural and Agricultural employment.

Section 6. Repeal of Article 99 of Presidential Decree No. 442. – Article 99 of Presidential Decree No. 442 which states that: “Art. 99. Regional Minimum Wages. – The minimum wage rates for agricultural and non-agricultural employees and workers in each and every region of the country shall be those prescribed by the Regional Tripartite Wages and Productivity Boards,” is hereby repealed upon the promulgation of this Act.

Section 7. Exception: Excluded from the provisions of this Act are domestic helpers and persons employed in the personal service of another including family drivers.

The DOLE may, upon application by an employer in the retail business regularly employing not more than ten workers, grant him exemption from compliance with the provisions of this Act.

Section 8. Implementing Agency. The DOLE through its Secretary shall have the power to increase the minimum wage for private sector workers *motu proprio* when conditions so warrant, or upon petition of any labor unit.

Where the application of any prescribed wage increase by virtue of law or Wage order issued by the Secretary results in distortions of the wage structure within an establishment, the employer and the union shall negotiate to correct the distortions. Any dispute arising from wage distortions shall be resolved through the grievance procedure under their collective bargaining agreement and, if it remains unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in writing, such dispute shall be decided by the voluntary arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time said dispute was referred to voluntary arbitration.

In cases where there are no collective agreements or recognized labor unions, the employers and workers shall endeavor to correct such distortions. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board and, if it remains unresolved after ten (10) calendar days of conciliation, shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). It shall be mandatory for the NLRC to conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

The pendency of a dispute arising from a wage distortion shall not in any way delay the applicability of any increase in prescribed wage rates pursuant to the provisions of law or Wage Order.

As used herein, a wage distortion shall mean a situation where an increase in prescribed wage rates results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service, or other logical bases of differentiation.

All workers paid by result, including those who are paid on piecework, takay, pakyaw or task basis, shall receive not less than the prescribed wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

All recognized learnership and apprenticeship agreements shall be considered automatically modified insofar as their wage clauses are concerned to reflect the prescribed wage rates.

The Department shall conduct research and evaluation as well as public hearings and consultations and shall ask supporting documents relative to the appealed increase. The Department shall also have the following powers and functions relative to the establishment and implementation of a humane and sufficient minimum wage in the private sectors:

- (a) To develop plans, programs and projects relative to wages, incomes and productivity improvement on a national level;
- (b) To determine and fix minimum wage rates applicable in all industries in the country and to issue the corresponding wage orders together with their guidelines;
- (c) To conduct researches and surveys necessary for the attainment of their functions, objectives and programs, and to collect and compile data on wages, incomes, productivity and other related information and periodically disseminate the same;
- (d) To receive, process and act on applications for exemption from prescribed wage rates as may be provided by law or any Wage Order; and
- (e) To exercise such other powers and functions as may be necessary to carry out their mandate under this Code.

Section 9. Implementing Rules and Regulations. – Within ninety days from the effectivity of this Act, the DOLE, Department of Budget and Management (DBM), Department of Finance (DOF), Department of Interior and Local Government (DILG), and other affected agencies, shall issue the implementing rules and regulations for the immediate implementation of this Act.

Section 10. Prohibited Acts. – It shall be unlawful for any person, corporation, trust, firm, partnership, association or entity, directly or indirectly, to refuse to comply with the provisions of this Act or to refuse or to fail to pay any of the prescribed increases or adjustments in the wage rate as mandated by this Act.

Section 11. Penalties. – Any person, corporation, firm, trust, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with this Act shall be punished by a fine not exceeding One Hundred Thousand Pesos (P100,000.00) and/or imprisonment of not less than two nor more than three years.

If the violation is committed by a corporation, trust, firm, partnership, association or any other entity, the penalty of imprisonment shall be imposed on the entity's responsible officers, including but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner.

Section 12. Appropriations. – The amount necessary to carry out the implementation of this Act shall be taken from any available funds in the National Treasury for the current fiscal year, thereafter, such sums as may be needed for its full implementation shall be included in the annual General Appropriations Act.

Section 13. Separability Clause. – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Section 14. Repealing Clause. – All laws, executive orders, administrative orders, proclamations, rules and regulations or parts thereof inconsistent with or contrary to this Act are hereby deemed accordingly repealed or amended.

Section 15. Effectivity Clause. – This Act shall take effect after fifteen (15) days from publication in at least two (2) newspapers of general circulation.

Approved,