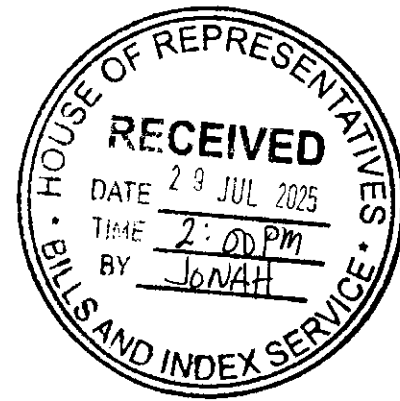


TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

House Bill No. 2477

Introduced by Hon. Antonio B. Legarda, Jr.

AN ACT
ESTABLISHING THE STANDARDS FOR A LIVING WAGE, AMENDING FOR
THE PURPOSE PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS
THE LABOR CODE OF THE PHILIPPINES, AS AMENDED

EXPLANATORY NOTE

Wages are the primary source of income for over half of the global workforce, according to the International Labour Organization (ILO). Yet, millions of workers, across the world and in the Philippines, earn wages too low to afford a decent standard of living.¹

In the Philippines, this wage gap is stark. As of January 2025, the average daily minimum wage stood at ₱469, while the estimated family living wage was ₱1,237 – a shortfall of ₱762 per day, based on data from the Ibon Foundation.² This gap underscores a broader crisis: minimum wages are no longer enough to meet workers' basic needs.

In 2024, the ILO finalized a global framework for the living wage, defining it as the wage required to afford a decent standard of living, based on national circumstances and calculated in accordance with ILO wage-setting principles.³

¹ Retrieved June 26, 2025, from the International Labour Organization on Living Wages. <https://www.ilo.org/living-wages>.

² Retrieved June 26, 2025, from the IBON Foundation. (2025, February 6). *Minimum wage and family living wage per region, as of January 2025*. <https://www.ibon.org/flw-regl-2501/>

³ Retrieved June 26, 2025, from the International Labour Organization. (2024, March 15). *ILO reaches agreement on the issue of living wages*. <https://www.ilo.org/global/about-the->

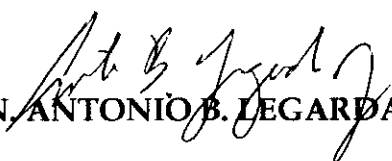
Meanwhile, a 2023 global study by PwC and Wage Indicator found that only 24% of employers currently pay a living wage, though 54% aim to do so within five years.⁴

In the Philippines, the 1987 Constitution (Article XIII, Section 3) clearly affirms every worker's right to a living wage, along with security of tenure and humane working conditions. While Republic Act No. 6727, or the Wage Rationalization Act, recognizes the concept of a living wage in principle, its implementation has not bridged the growing gap between nominal wages and real living costs.

This bill seeks to amend Article 124 of the Labor Code of the Philippines (Presidential Decree No. 442) to institutionalize the living wage as the core benchmark for regional wage-setting. It proposes a data-driven, transparent, and responsive wage framework that ensures Filipino families can meet their essential needs – food, shelter, healthcare, education, and meaningful participation in society.

More than three decades have passed since the wage-setting framework was last updated. The assumptions of 1989 no longer reflect today's labor realities. This measure brings the country's wage policies in line with modern standards and reaffirms our Constitutional commitment to decent work and just compensation.

In line with the policy espoused by its original proponent, Senator Loren Legarda, this bill is being introduced as a counterpart measure. In view of the foregoing, the immediate passage of this measure is earnestly sought.


HON. ANTONIO B. LEGARDA JR.

ilo/newsroom/news/WCMS_918717/lang=en/index.htm#:~:text=The%20agreement%20says%20that%20the,and%20local%20contexts%20and%20socio%2D

⁴ Retrieved June 26, 2025, from PwC. (2023, October). *Living wage: An emerging standard*. <https://www.pwc.com/gx/en/services/tax/assets/global-living-wage-report.pdf>

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

HOUSE OF REPRESENTATIVES

House Bill No. 2477

Introduced by Hon. Antonio B. Legarda, Jr.

AN ACT

ESTABLISHING THE STANDARDS FOR A LIVING WAGE, AMENDING FOR
THE PURPOSE PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS
THE LABOR CODE OF THE PHILIPPINES, AS AMENDED

*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 “Living Wage Act”.

Sec. 2. Article 124 of Presidential Decree No. 442, as amended and renumbered,
is hereby amended to read as follows:

“ART. 124. *Standards/Criteria for Minimum Wage Fixing.* — The
regional minimum wages to be established by the Regional Board shall
~~[be as nearly adequate as is economically feasible 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]~~ MEET THE
LIVING WAGE THAT IS NECESSARY TO AFFORD A DECENT
STANDARD OF LIVING FOR WORKERS AND THEIR FAMILIES.

In the determination of such regional minimum wages, the Regional
Board shall, among other relevant factors, consider the following:

- (a) ~~[The demand for living wages]~~ ESTIMATION OF THE NEEDS
OF WORKERS AND THEIR FAMILIES, INCLUDING BUT

NOT LIMITED TO FOOD, CLOTHING, SHELTER,
HEALTHCARE, EDUCATION, CONDUCTED THROUGH
TRANSPARENT AND EVIDENCE-BASED
METHODOLOGIES IN CONSULTATION WITH
TRIPARTITE INDUSTRIAL PEACE COUNCILS (TIPCs);

(b) Wage adjustment vis-a-vis the consumer price index;

(c) ~~[The]~~ CHANGES IN the cost of living and ~~[changes or increases therein]~~ PATTERNS OF CONSUMPTION;

~~[(d) The needs of workers and their families;]~~

(D) The need to induce industries to invest in the countryside;

(E) Improvements in standards of living;

(F) The prevailing wage levels;

(G) ~~[Fair return of the capital invested and e]~~Capacity to pay of employers;

(H) Effects on employment generation and family income; and

(I) The equitable distribution of income and wealth along the imperatives of economic and social development.

x x x “

Sec. 3. *Implementing Rules and Regulations.* — Within ninety (90) days from the effectivity of this Act, the Department of Labor and Employment, in coordination with the Tripartite Industrial Peace Councils and other relevant stakeholders, shall promulgate the rules and regulations for the effective implementation of this Act.

Sec. 4. *Separability Clause.* — If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

Sec. 5. *Repealing Clause.* — Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

Sec. 6. *Effectivity.* — This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette or a newspaper of general circulation.

Approved,