

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL No. 2599

Introduced by
ACT Teachers Party-List Rep. ANTONIO L. TINIO
and **KABATAAN Party-List Rep. RENEE LOUISE M. CO**

AN ACT
ESTABLISHING A NATIONAL MINIMUM WAGE FOR
PRIVATE AND PUBLIC SECTOR WORKERS AND IMPOSING STIFFER
PENALTIES FOR VIOLATIONS THEREOF, AMENDING FOR THIS
PURPOSE THE LABOR CODE OF THE PHILIPPINES

EXPLANATORY NOTE

When President Cory Aquino signed into law Republic Act 6727 in 1989, the country abandoned the old practice of legislating national minimum wage and entered into the regime of regional wage boards setting the wage increases for workers in each region. The Aquino administration justified this setup as “wage rationalization.”

But results were contrary to the avowed end. Wage rationalization created an irrational system—anti-worker, detached from evolving economic realities, unjust, and has sabotaged rather than encouraged the establishment of decent minimum wages across the country. To start with, the wage boards were not really intended to rationalize wages. They have been actually weaponized to keep the wages of workers low as part of the “come-on package” of the Aquino government to attract foreign investors in its foreign investments-led economic programs that dispersed industries in the regions, which later were expanded into “regional industrial centers,” “agriculture and fisheries development zones” and “growth areas” by succeeding administrations.

This was the real rationale that animated the wage boards and it continues to animate them to this day. They conducted no independent in-depth studies that would have informed them and the workers of the minimum level of living wage that workers should receive in the light of soaring price increases of goods and services. If they did any study at all, it was only for deciding particular petitions for wage increases per

region. Even with this, they are passive instruments for deciding wage increases. They are slow to react to movements in the market and to the periodic economic crises that hit the country in 1998, 2008, and 2020.

The irrationality of wage rationalization became even more evident when the build-up of investment zoning of the regions to attract foreign investments had connected local markets to capital cities in the regions and the regions to Metro Manila that significant differences in prices of goods and services across areas were dissolved. Investment zoning, in fact, became the vehicle for monopolies and cartel-type commercial operations to penetrate the regions, enabling them to fix prices not just in certain localities but in all corners of the country. Consequently, workers across the country now buy from one big monopoly-dominated market where price differences across regions are minimal if not non-existent. One example is the price of rice, an everyday staple of the Filipino people, including ordinary wage-earners. To date, there is no longer any significant variation of rice prices between the regions and Metro Manila.

Since their creation, the 17 Regional Tripartite Wages and Productivity Boards (RTWPBs) have issued a total of 390 wage orders since 1990. These issuances had increased the wages of Filipino workers from the 1989 national minimum wage of ₱89.00 per day to today's 17 different regional minimum wage scales, ranging from as high as ₱645 per day in the National Capital Region (NCR) to as low as ₱361 per day in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). On the average, the minimum wage in the country amounts to ₱470.00 per day. This means that the Filipino workers as a class received only an average real increase of ₱381 per day since 1989 or during the entire thirty-six-year regime of regionalized minimum wage. An increase of 428% is not something to crow about, considering that in those nearly four decades, inflation in food and non-food necessities was felt daily. For instance, the prices of basic necessities soared since 1989:

Basic needs item	1989 price	2024 price	% increase
Rice (regular-milled) per kilo	₱ 7.00	₱ 50.00	614%
Meat (liempo) per kilo	₱ 60.00	₱ 343.00	472%
Fish (galunggong) per kilo	₱ 20.00	₱ 202.00	910%
Egg (medium) per piece	₱ 1.50	₱ 9.00	500%

Source: Philippine Statistics Authority

Obviously, while the regional minimum wage rates increased by hesitant small steps as their formation has been obstructed by RTWPBs, the prices of basic goods and services increased by wild leaps and bounds across the country, unchecked by any government intervention. This resulted in a widening gap between the minimum wage and the cost of living.

According to the IBON Foundation, a daily income of ₱1,216 per day is now required to sustain the needs of a family of five (estimate as of May 2025). Given the

pace of wage increases through the thirty-six-year period of the regime of regionalized wages, this is a gap that no worker in the country can ever hope to close even if the reference is the highest regional minimum wage of ₱645 per day in the NCR.

The reality on the ground is that the current levels of wages per region do not answer the basic daily needs of workers' families. It is also not commensurate with the contribution of labor to the economy. Since 1991, labor productivity across all sectors has increased from ₱60,342 in 1991 to ₱423,408 in 2018, a whopping 600% increase of labor productivity.

Republic Act 6727 laid down ten factors for RTWPBs to consider in setting the wage increases in their respective regions. But the drafting of wage orders lack transparency: Do the RTPWBs really balance or consider the interplay of several factors such as current and projected inflation in setting wage increases? It is hard to appreciate the rationality of wage orders in the light of those ten factors.

Under RA 6727, the RTWPBs are allowed to issue wage increase orders once a year. The one-year limit is by itself irrational considering the volatile movement of prices, especially oil and other petroleum products, but there were instances of intervals of several years that, without any reason, the RTWPBs across all regions did not issue any wage orders so that workers did not receive any wage increase during those intervals. In many instances, some RTWPBs issued wage orders while other RTWPBs did not. This is because RTWPBs are generally petition-driven although they have the power to initiate *motu proprio* the process of deciding wage increases. When there were no petitions, there were no wage increases. In some cases, RTWPBs even set differentiated wage increases for the provinces, cities, and major towns covered by their jurisdictions, ostensibly to avert wage distortion.

In other instances, some RTWPBs issued wage orders that granted only cost-of-living allowances (COLAs) while others ordered wage increases. Some RTWPBs separated the COLAs, others ordered their integration to the daily wage and then suddenly removed the COLAs on their next wage order. Given these variances, it appears that RTWPBs do not have a unified understanding of the criteria the law had set for determining wage increases.

When Region IV-B was still part of Region IV, it used to enjoy the same minimum wage scale with Region IV-A. When it became a separate region, a succession of wage orders lowered its minimum wage scale through pittance increases until it finally lagged so far behind from Region IV-A by ₱46 to ₱130 per day (₱404 to ₱430 per day in Region IV-B as against ₱450 to ₱560 per day in Region IV-A).

The irrationality of the regionalized minimum wage scheme is brought to focus if we note that the poorest regions in the country have the lowest levels of minimum wage. The fact that the prices of petroleum products generally get higher as the one goes farther from Metro Manila exposes the unfairness to the non-NCR regions and the iniquities of the present regionalized wage regime. This is telling of the unjust theory

behind the scheme: a worker living in dirt-poor areas in BARMM is not entitled to the wages that workers earn in high-standard and well-off Metro Manila even though that worker has the same productivity skills, suffers the same high cost of living as his or her counterparts in Metro Manila. This injustice feeds on another injustice: it preserves the economic inequality among regions and in effect perpetuates the poverty of those poor regions and their workers.

Wages are supposed to represent the “value” of labor power. But it is one of the injustices of our times that the prices of commodities automatically move up and down according to market dictates, unfettered by government, workers have to fight for wage increases, often facing the opposition of government. It is thus the duty of the State and society to create that level playing field on which workers can fairly fight for their minimum wage and through which the real price of labor power can freely assume form according to the motions of prices. Instead of creating that level playing field, the wage rationalization scheme, as embodied by regional wage boards, destroyed it. It not only weakened the power of workers to fight for just wages as one whole organized mass but also closed the arena for the workers to take their fight fairly.

Filipino workers have weighed in on the regionalized wage regime through thirty-six-year history and found it a big failure. They are now demanding that it be scrapped and for the Philippines to return to the regime of uniform national minimum wage that is based on the family living wage.

The 19th Congress failed to pass a legislated wage increase despite the demand of Filipino workers. It failed to harmonize the differences of House Bill 10319 and Senate Bill 2534, which would have provided for a ₱100 and ₱200 increase in minimum wage, respectively. Moreover, the economic managers of the Marcos administration are opposing the meager wage increase alleging possible inflationary impacts.

On the contrary, the study of IBON Foundation shows that the amount needed to raise the current minimum wage to ₱1,200 living wage is doable if the employers deduct it from their huge profits and do not pass it on to consumers. The needed wage increase only requires 29.7% to 49.1% of the profits amassed by private employers.

That demand assumes utmost urgency given the harsh impact of the Tax Reform for Acceleration and Inclusion (TRAIN) Law on wages. The surge in the prices of oil and other basic goods and services in the last several years likewise has devoured, according to some estimates, the wages of our workers by 25-30%. Workers are now groaning under the crushing effect of heavy taxes and high prices on their wages and income. Despite this, the Marcos, Jr. administration is imposing new regressive taxes, like the value-added tax on digital services, against the ordinary consumers while lowering the corporate income taxes and granting more fiscal incentives to local and foreign companies.

It is therefore imperative for the State to ensure that what the Constitution guarantees—the workers’ just share in the fruits of production and the workers’ right to


living wage—is fulfilled in pursuit of the equitable distribution of income and wealth towards economic and social development. The State must recognize its justice and necessity given the workers’ contribution to society and the economy amidst all the hardships and challenges.

Finally, this Bill also seeks to impose stiffer penalties for companies that do not follow the national minimum wage.

In view of the foregoing, the passage of this Bill is earnestly sought.



Rep. ANTONIO L. TINIO
ACT Teachers Party-List



Rep. RENEE LOUISE M. CO
KABATAAN Party-List

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Batasan Hills, Quezon City
4

5
6 **TWENTIETH CONGRESS**
7 First Regular Session
8

9
10 **HOUSE BILL No. 2599**
11

12 -----
13 Introduced by
14 **ACT Teachers Party-List Rep. ANTONIO L. TINIO**
15 **and KABATAAN Party-List Rep. RENEE LOUISE M. CO**
16 -----

17
18 **AN ACT**
19 **ESTABLISHING A NATIONAL MINIMUM WAGE FOR**
20 **PRIVATE AND PUBLIC SECTOR WORKERS AND IMPOSING STIFFER**
21 **PENALTIES FOR VIOLATIONS THEREOF, AMENDING FOR THIS**
22 **PURPOSE THE LABOR CODE OF THE PHILIPPINES**
23

24 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
25 *assembled:*
26

27 **SECTION 1. *Short Title.*** This Act shall be known as the “*National Minimum Wage*
28 *Act of 2025.*”
29

30 **SEC. 2. *Declaration of Policy.*** It is hereby declared the policy of the State to ensure
31 workers’ right to a living wage and to humane conditions of work.
32

33 In order to promote a living wage for the workers in the public and private sectors, the
34 State adopts and hereby institutionalizes the legislation of a national minimum wage as
35 the primary mode of setting wages for public and private sector workers in the country
36 and to address regional wage disparities and to unify wage levels across regions with
37 the national economic and social development plans. In firms and establishments where
38 terms and conditions on wages are mandated by collective bargaining agreements,
39 diminution of wages and benefits shall in no case result from the enactment or
40 establishment of national wage increases.
41

42 **SEC. 3. *Definition of terms.*** As used in this Act, the following terms shall mean:
43

- 44 (a) **Worker** refers to any natural person in the employ of another or a juridical
45 person, whether in the public sector or private sector, including ambulant,
46 intermittent, self-employed, rural workers, and those without definite employers,

1 regardless of their employment status, tenure, or nature of agreements or
2 contracts.

3
4 (b) **Family living wage** refers to the amount of family income needed to provide for
5 the family's food and non-food expenditures with sufficient allowance for
6 savings/investments for social security so as to enable the family to live and
7 maintain a decent standard of human existence beyond mere subsistence level,
8 taking into account all of the family's physiological, social and other needs.

9
10 (c) **Wage distortion** is a situation where an increase in prescribed wage results in
11 the elimination or severe contraction of intentional quantitative differences in
12 wage or salary rates between and among employee groups in an establishment
13 as to effectively obliterate the distinctions embodied in such wage structure
14 based on skills, length of service, or other logical bases of differentiation.

15
16 **SEC. 4. National Minimum Wage.** In line with this declared policy, Article 99 of the
17 Labor Code is hereby amended to read as follows:

18
19 ART. 99. [Regional] **NATIONAL minimum wage[s].** - The **NATIONAL**
20 minimum wage [rates] for agricultural and non-agricultural employees and
21 workers across the country shall be [those] **THAT** prescribed by [the Regional
22 Tripartite Wages and Productivity Boards] **THE NATIONAL WAGES AND**
23 **PRODUCTIVITY BOARD (NWPB) THROUGH A WAGE ORDER, BY**
24 **CONGRESS THROUGH LEGISLATED WAGE INCREASE, OR BY**
25 **THE PRESIDENT THROUGH AN EXECUTIVE ORDER.**

26
27 **THE NATIONAL MINIMUM WAGE SHALL APPLY TO ALL**
28 **ENTERPRISES, INCLUDING SPECIAL ECONOMIC ZONES (SEZs),**
29 **REGARDLESS OF LOCATION, SIZE, OR INDUSTRY**
30 **CLASSIFICATION. LIKEWISE, IT SHALL APPLY TO WORKERS IN**
31 **NON-REGULAR EMPLOYMENT.**

32
33 **THE NATIONAL MINIMUM WAGE SET BY THE NWPB SHALL BE**
34 **THE BASIS FOR THE MINIMUM SALARY IN THE PUBLIC SECTOR.**
35 **THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL**
36 **ADJUST THE MONTHLY SALARY SCHEDULE ACCORDINGLY.**

37
38 **SEC. 5. Creation of the National Wages and Productivity Board.** The National Wages
39 and Productivity Commission shall be renamed as the National Wages Productivity
40 Board (NWPB). Articles 120 and 121 of the Labor Code, as amended, is hereby
41 amended as follows:

42
43 ART. 120. Creation of the National Wages and Productivity [Commission]
44 **BOARD.** - There is hereby created a National Wages and Productivity
45 [Commission] **BOARD**, hereinafter referred to as the [Commission] **BOARD**,

1 which shall be attached to the Department of Labor and Employment (DOLE)
2 for policy and program coordination.

3
4 ART. 121. Powers and Functions of the [Commission] **BOARD**. - The
5 [Commission] **BOARD** shall have the following powers and functions:

6
7 (a) To act as the national consultative and advisory body to the President of the
8 Philippines and Congress on matters relating to wages, incomes and
9 productivity;

10
11 (b) To formulate policies and guidelines on wages, incomes and productivity
12 improvement at the enterprise, industry and national levels;

13
14 (c) To prescribe rules and guidelines for the determination of **THE** appropriate
15 minimum wage and productivity measures at the [regional, provincial or
16 industry] **NATIONAL** level[s];

17
18 **(D) TO DETERMINE AND PRESCRIBE ADJUSTMENTS TO THE**
19 **NATIONAL MINIMUM WAGE;**

20
21 **(E) TO ISSUE WAGE ORDERS;**

22
23 [(d) To review regional wage levels set by the Regional Tripartite Wages and
24 Productivity Boards to determine if these are in accordance with prescribed
25 guidelines and national development plans;]

26
27 [(e)] **(F)** To undertake studies, researches and surveys necessary for the
28 attainment of its functions and objectives, and to collect and compile data and
29 periodically disseminate information on wages and productivity and other
30 related information, including, but not limited to, employment, cost of living,
31 labor costs, investments and returns;

32
33 [(f) To review plans and programs of the Regional Tripartite Wages and
34 Productivity Boards to determine whether these are consistent with national
35 development plans;]

36
37 [(g) To exercise technical and administrative supervision over the Regional
38 Tripartite Wages and Productivity Boards;]

39
40 [(h)] **(G)** To [call, from time to time,] **CONVENE** a national tripartite
41 conference of representatives of government, workers and employers for the
42 consideration of measures to promote higher wages and improved standards of
43 living. The national tripartite conference on wages shall be convened on an
44 annual basis, or as the situation demands it;

1 [(i)] (H) To exercise such powers and functions as may be necessary to
2 implement this Act.

3
4 The [Commission] **BOARD** shall be composed of the Secretary of Labor and
5 Employment as *ex officio* chairman, the [Director General of the National
6 Economic and Development Authority (NEDA)] **SECRETARY OF**
7 **ECONOMY, PLANNING, AND DEVELOPMENT** as *ex officio* vice-
8 chairman, **SECRETARY OF BUDGET AND MANAGEMENT AND CIVIL**
9 **SERVICE COMMISSIONER AS EX OFFICIO MEMBERS**, and [two (2)]
10 **SEVEN (7)** members [each] from the **PUBLIC AND PRIVATE** workers
11 **SECTOR**, and **TWO (2)** from the employers sector[s] upon recommendation of
12 the Secretary of Labor and Employment, to be made on the basis of the list of
13 nominees submitted by the workers and employers sectors, respectively, and
14 who shall serve for a term of five (5) years. The Executive Director of the
15 [Commission] **BOARD** shall also be a member of the [Commission] **BOARD**.

16
17 The [Commission] **BOARD** shall be assisted by a Secretariat to be headed by an
18 Executive Director and two (2) Deputy Directors, who shall be appointed by the
19 President of the Philippines, upon the recommendation of the Secretary of Labor
20 and Employment.

21
22 The Executive Director shall have the same rank, salary, benefits and other
23 emoluments as that of a Department Assistant Secretary, while the Deputy
24 Directors shall have the same rank, salary, benefits and other emoluments as that
25 of a Bureau Director. The members of the [Commission] **BOARD** representing
26 labor and management shall have the same rank, emoluments, allowances and
27 other benefits as those prescribed by law for labor and management
28 representatives in the Employees' Compensation Commission.

29
30 **SEC. 6. Wage Order.** Articles 123 of the Labor Code, as amended, is hereby amended
31 to read as follows:

32
33 **Art. 123. Wage Order.** — Whenever conditions [in the region] warrant, the
34 **NWPB [Regional Board]** shall investigate and study all pertinent facts[;], and
35 based on the standards and criteria herein prescribed, shall proceed to determine
36 whether a Wage Order should be issued. Any such Wage Order shall take effect
37 after fifteen (15) days from its complete publication in at least one (1) newspaper
38 of general circulation[in the region].

39
40 In the performance of its wage determining functions, the **NWPB [Regional**
41 **Board]** shall conduct public hearings/consultations, giving notices to employees'
42 and employers' groups, provincial, city and municipal officials and other
43 interested parties.

44
45 Any party aggrieved by the Wage Order issued by the **NWPB [Regional Board]**
46 may appeal such order to the Commission within ten (10) calendar days from the

1 publication of such order. It shall be mandatory for the NWPB [Commission]
2 to decide such appeal within sixty (60) calendar days from the filing thereof.

3
4 The filing of the appeal does not stay the order unless the person appealing such
5 order shall file with the NWPB [Commission] an undertaking with a surety or
6 sureties satisfactory to the Commission for the payment to the employees
7 affected by the order of the corresponding increase, in the event such order is
8 affirmed.

9
10 **SEC. 7. Abolition of the Regional Tripartite Wages and Productivity Board.** Articles
11 122 of the Labor Code, as amended, are hereby repealed. Hence, the Regional Tripartite
12 Wages and Productivity Boards (RTWPB) created under Republic Act 6727 are hereby
13 abolished.

14
15 **SEC. 8. Standards for national minimum wage fixing.** Article 124 of the Labor Code
16 is hereby amended and renumbered to read as follows:

17
18 “ART. [124] 122. - The [regional] **NATIONAL** minimum wage[s] to be
19 established [by the Regional Board] shall be [as nearly adequate as is
20 economically feasible to maintain the minimum standards of living necessary for
21 the health, efficiency and general well-being of the employees within the
22 framework of the national economic and social development program.] **THAT**
23 **WAGE RATE NECESSARY FOR RAISING A FAMILY AND**
24 **MAINTAINING ITS DECENT EXISTENCE. IT SHALL BE OF SUCH**
25 **AMOUNT WHICH IS SUFFICIENT FOR A WORKER TO PROVIDE**
26 **THEIR FAMILY THE BASIC AND NECESSARY EXPENDITURES**
27 **THAT TAKE INTO CONSIDERATION ALL OF THEIR FAMILY’S**
28 **PHYSIOLOGICAL, SOCIAL AND OTHER NEEDS, SO AS TO ENABLE**
29 **THEM TO LIVE AND MAINTAIN A DECENT STANDARD OF LIVING**
30 **BEYOND MERE SUBSISTENCE, WITH ADEQUATE ALLOWANCE**
31 **FOR SOCIAL SECURITY.** In the determination of such [regional]
32 **NATIONAL** minimum wage[s], the [Regional Board] **NWPB AND**
33 **CONGRESS** shall, among other relevant factors, consider the following:

34
35 (a) The [demand for] **RIGHT TO** living wages;

36
37 (b) **THE COST FOR PROVIDING THE FOOD, CLOTHING, SHELTER,**
38 **EDUCATION, HEALTH MAINTENANCE, AND OTHER NON-FOOD**
39 **NECESSITIES FOR RAISING THE FAMILY OF A WORKER;**

40
41 (c) [Wage adjustment vis-a-vis the consumer price index] **THE**
42 **PHYSIOLOGICAL, SOCIAL, AND OTHER RELATED NEEDS OF**
43 **WORKERS AND THEIR FAMILIES;**

44
45 (d) [The cost of living and changes or increases therein] **MOVEMENTS IN**
46 **THE CONSUMER PRICE INDEX;**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46

(e) The [needs of workers and their families] **COST OF LIVING AND CHANGES OR INCREASES IN THEM;**

[(e) The need to induce industries to invest in the countryside;]

(f) Improvements in standards of living; **AND**

[(g) The prevailing wage levels;]

[(h) Fair return of the capital invested and capacity to pay of employers;]

[(F) Effects on employment generation and family income; and]

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

[The wages prescribed in accordance with the provisions of this Title shall be the standard prevailing minimum wages in every region. These wages shall include wages varying with industries, provinces or localities if in the judgment of the Regional Board, conditions make such local differentiation proper and necessary to effectuate the purpose of this Title.]

Any person, company, corporation, partnership or any other entity engaged in business shall file and register annually with the appropriate [Regional Wage Boards, Commission] **REGIONAL OFFICE OF THE DEPARTMENT OF LABOR AND EMPLOYMENT** and the [National Statistics Office] **PHILIPPINE STATISTICS AUTHORITY (PSA)**, an itemized listing of their labor component, specifying the names of their workers and employees below the managerial level, including learners, apprentices and [disabled/handicapped] workers **WITH DISABILITIES** who were hired under the terms prescribed in the employment contracts, and their corresponding salaries and wages.

Where the application of any prescribed wage increase by virtue of a law or wage order issued by **NWPB** [any Regional Board] 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 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

1 Mediation Board and, if it remains unresolved after ten (10) calendar days of
2 conciliation, shall be referred to the [appropriate branch of the National Labor
3 Relations Commission (NLRC)] **SECRETARY OF THE DEPARTMENT**
4 **OF LABOR AND EMPLOYMENT**. It shall be mandatory for the [NLRC]
5 **DOLE SECRETARY** to conduct continuous hearings and decide the dispute
6 within twenty (20) calendar days from the time said dispute is submitted for
7 compulsory arbitration.

8
9 The pendency of a dispute arising from a wage distortion shall not in any way
10 delay the applicability of any increase in prescribed wage rates pursuant to the
11 provisions of law or wage order.

12
13 As used herein, a wage distortion shall mean a situation where an increase in
14 prescribed wage rates results in the elimination or severe contraction of
15 intentional quantitative differences in wage or salary rates between and among
16 employee groups in an establishment as to effectively obliterate the distinctions
17 embodied in such wage structure based on skills, length of service, or other
18 logical bases of differentiation.

19
20 All workers paid by result, including those who are paid on piecework, takay,
21 pakyaw or task basis, shall receive not less than the prescribed wage rates per
22 eight (8) hours of work a day, or a proportion thereof for working less than eight
23 (8) hours.

24
25 All recognized learnership and apprenticeship agreements shall be considered
26 automatically modified insofar as their wage clauses are concerned to reflect the
27 prescribed wage rates.

28
29 **SEC. 9. Amount of National Minimum Wage.** Upon effectivity of this Act, the daily
30 statutory minimum wages of private sector workers in both agricultural and non-
31 agricultural enterprises nationwide shall be increased to a uniform national minimum
32 wage rate to be prescribed by the NWPB, the amount of which shall approximate if not
33 equate the prevailing family living wage, which currently amounts to One Thousand
34 Two Hundred Pesos (P1,200.00) per month. *Provided*, that the wage increases arising
35 from the new national minimum wage rate should not prejudice other wage increases
36 through collective bargaining.

37
38 Subsequent to the implementation of a uniform national minimum wage rate, the
39 national minimum wage shall be adjusted on an annual basis, or when a supervening
40 event arises such as extraordinary increase in prices of petroleum and basic goods and
41 services.

42
43 **SEC. 10. Implications on learners, apprentices, project employees, and workers paid**
44 **by results.** All workers paid by result, including those who are paid on piecework, takay,
45 pakyaw or task basis, shall receive not less than the prescribed national minimum wage

1 per eight (8) hours of work or a portion thereof for the hours worked or outputs
2 produced.

3
4 All recognized learnership and apprenticeship agreements shall be considered
5 automatically modified insofar as their wage clauses are concerned to reflect the
6 prescribed national minimum wage.

7
8 Project employees and seasonal employees shall be entitled to the prescribed national
9 minimum wage.

10
11 **SEC. 11. *Credible Wage Increase.*** No wage increase arising from collective bargaining
12 agreements shall be credited as compliance with the increases prescribed under the Act.

13
14 **SEC. 12. *Prohibition on layoffs and downsizing.*** It shall be unlawful for a company,
15 corporation, partnership or any other entity engaged in business to lay off workers or
16 resort to downsizing on the mere basis of complying to the payment of wage increases
17 arising from the establishment of the national minimum wage.

18
19 **SEC. 13. *Terms of service of the secretariat of RTWPB.*** The terms of service of the
20 members of the secretariat of all Regional Tripartite Wages and Productivity Boards
21 (RTWPBs) shall cease upon the effectivity of this Act. *Provided,* That the members of
22 the secretariat shall be given preference for appointment to the new positions in
23 government agencies and bureaus, in line with existing rules by the Civil Service
24 Commission (CSC).

25
26 **SEC. 14. *Wage subsidies.*** Micro- and small- enterprises who may not be able to pay
27 the new national minimum wage may apply for wage subsidies which shall be a fraction
28 of the new national minimum wage, subject to the implementing rules and regulations
29 (IRR) of this Act.

30
31 The amount necessary for the funding of wage subsidies shall be included in the annual
32 appropriations of the Department of Labor and Employment (DOLE).

33
34 **SEC. 15. *Non-diminution of benefits.*** - Nothing in this Act shall be construed as to
35 diminish or discontinue existing benefits currently enjoyed whether or not these are
36 granted under collective bargaining agreements (CBA) or present laws.

37
38 **SEC. 16. *Penalties.*** - Section 12 of Republic Act No. 6727 which was amended by
39 Section 1 of Republic Act No. 8188 is hereby further amended to read as follows:

40
41 “Section 12. Any person, corporation, trust, firm, partnership, association or
42 entity which refuses or fails to pay [any of the prescribed] **THEIR WORKERS**
43 **THE NATIONAL MINIMUM WAGE SET HEREIN AND ANY OF THE**
44 **SUCCEEDING LEGISLATED WAGE** increases or adjustments [in the wage
45 rates] made in accordance with this Act shall be punished by a fine [not less than
46 Twenty-five thousand pesos (P25,000.00) nor more than One-hundred thousand

1 pesos (P100,000.00)] WHICH SHALL BE FIXED AT ONE HUNDRED
2 PERCENT (100%) OF THE TOTAL AMOUNT OF THE WAGE
3 INCREMENT DUE THE EMPLOYEES TO BE MULTIPLIED BY THE
4 NUMBER OF WORKING DAYS THE WAGE INCREMENT HAS BEEN
5 UNPAID TO THE EMPLOYEES or imprisonment of not less than [two (2)]
6 THREE (3) years nor more than [four (4)] FIVE (5) years, or both such fine and
7 imprisonment at the discretion of the court. *Provided*, That any person convicted
8 under this Act shall not be entitled to the benefits provided for under the
9 Probation Law.

10
11 The employer concerned shall be ordered to PAY THE EMPLOYEES
12 MORAL DAMAGES OF FIFTY THOUSAND PESOS (P50,000.00) EACH
13 EMPLOYEE PLUS an amount equivalent to double the unpaid benefits owing
14 to the employees: *Provided*, That payment of indemnity shall not absolve the
15 employer from the criminal liability imposable under this Act.

16
17 FURTHERMORE, THE BUSINESS PERMIT OF THE VIOLATING
18 ENTITY SHALL BE SUSPENDED FOR ONE (1) MONTH TO THREE (3)
19 YEARS FOR SECOND OFFENSE; FOR THIRD OFFENSES, THE
20 BUSINESS PERMIT OF THE OFFENDER SHALL BE REVOKED.

21
22 If the violation is committed by a corporation, trust or firm, partnership,
23 association or any other entity the penalty of imprisonment shall be imposed
24 upon the entity's responsible officers, including, but not limited to, the president,
25 vice-president, chief executive officer, general manager, managing director or
26 partner.

27
28 THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL HAVE
29 THE AUTHORITY TO IMPOSE SUCH OTHER ADMINISTRATIVE
30 PENALTIES IT SEES FIT TO IMPOSE UNDER THE
31 CIRCUMSTANCES OF EACH CASE OF VIOLATION.”

32
33 **SEC. 17. *Implementing rules and regulations.*** The Department of Labor and
34 Employment (DOLE) and other agencies charged with carrying out the provisions of
35 this Act shall, within sixty (60) days after the effectivity of this Act, formulate the
36 necessary rules and regulations for its effective implementation.

37
38 **SEC. 18. *Separability clause.*** Should any provision of this Act be declared invalid or
39 unconstitutional, the validity of the other provisions shall not be affected thereby.

40
41 **SEC. 19. *Repealing clause.*** All laws, orders, issuances, rules and regulations or parts
42 thereof inconsistent with the provisions of the Act are hereby repealed, amended or
43 modified accordingly.

44
45 **SEC. 20. *Effectivity.*** This Act shall take effect fifteen (15) days after its publication in
46 two (2) newspapers of general circulation.

1
2
3
4
5
6
7

Approved,