



Republic of the Philippines
HOUSE OF REPRESENTATIVES

Quezon City
TWENTIETH CONGRESS
First Regular Session



House Bill No. 2603

Introduced by CIBAC Party-List Representative
EDUARDO "BRO. EDDIE" C. VILLANUEVA

EXPLANATORY NOTE

Article XIII, Section 3 of the 1987 Philippine Constitution mandates the State to guarantee the rights of workers to a living wage and humane conditions of work. However, the prevailing minimum wage rates in most regions of the country remain far below what is necessary for a dignified standard of living.

Current wage-setting mechanisms rely on generalized economic indicators without ensuring that the minimum wage meets the actual cost of living of workers and their families. As a result, many wage earners struggle to afford basic needs such as food, housing, education, and healthcare, perpetuating poverty and inequality across regions.

This proposed measure seeks to amend Article 124 of the Labor Code by mandating that regional minimum wages must meet living wage standards. Specifically, it requires that wage levels ensure the nourishment, clothing, shelter, and education of workers and their families—shifting the basis of wage determination toward real and region-specific living costs.

By anchoring wage-setting mechanisms to the actual needs of families and reinforcing the accountability of employers through reporting requirements, this bill promotes economic justice and aligns national labor policy with constitutional principles and international labor standards.

The passage of this measure is a critical step toward ensuring that all Filipino workers are compensated fairly and allowed to live with dignity.


HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA
Representative, CIBAC Party-List



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AN ACT
ESTABLISHING THE STANDARDS FOR A LIVING WAGE, AMENDING FOR THE
PURPOSE ARTICLE 124 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED,
OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

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

SECTION 1. Article 124 of the Labor Code is hereby amended to read as follows:

“ARTICLE 124. Standards/Criteria for minimum wage fixing. – The regional minimum wages to be established by the Regional Board shall MEET THE LIVING WAGE STANDARDS IN THE REGION, WHICH SHALL ENSURE THE EMPLOYEES’ AND THEIR FAMILIES’ NOURISHMENT, CLOTHING, SHELTER, EDUCATION, be as nearly adequate and 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. 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 ESTIMATED COST OF LIVING FOR A DETERMINED SIZE OF A FAMILY IN THE REGION;
- (b) Wage adjustment vis-a-vis the consumer price index;
- (c) The cost of living and changes or increases therein
- (d) The needs of workers and their families;

- 1
2 (e) The need to induce industries to invest in the countryside;
3
4 (f) Improvements in standards of living; The prevailing wage levels;
5
6 (g) Fair return of the capital invested and eCapacity to pay of
7 employers: AND
8
9 (h) Effects on employment generation-and family income; and
10
11 (i) The equitable distribution of income and wealth along the
12 imperatives of economic and social development
13

14 The wages prescribed in accordance with the provisions of this Title shall be
15 the standard prevailing minimum wages in every region. These wages shall include
16 wages varying with industries, provinces or localities if in the judgment of the Regional
17 Board, conditions make such local differentiation proper and necessary to effectuate
18 the purpose of this Title.
19

20 Any person, company, corporation, partnership or any other entity engaged in
21 business shall file and register annually with the appropriate Regional Board,
22 Commission and the National Statistics Office, an itemized listing of their labor
23 component, specifying the names of their workers and employees below the
24 managerial level, including learners, apprentices and disabled/handicapped workers
25 who were hired under the terms prescribed in the employment contracts, and their
26 corresponding salaries and wages. Where the application of any prescribed wage
27 increase by virtue of a law or wage order issued by any Regional Board results in
28 distortions of the wage structure within an establishment, the employer and the union
29 shall negotiate to correct the distortions.
30

31 Any dispute arising from wage distortions shall be resolved through the
32 grievance procedure under their collective bargaining agreement and, if it remains
33 unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in
34 writing, such dispute shall be decided by the voluntary arbitrators within ten (10)
35 calendar days from the time said dispute was referred to voluntary arbitration. In cases
36 where there are no collective agreements or recognized labor unions, the employers
37 and workers shall endeavor to correct such distortions.
38

39 Any dispute arising therefrom shall be settled through the National Conciliation
40 and Mediation Board and, if it remains unresolved after ten (10) calendar days of
41 conciliation, shall be referred to the appropriate branch of the National Labor Relations
42 Commission (NLRC). It shall be mandatory for the NLRC to conduct continuous
43 hearings and decide the dispute within twenty (20) calendar days from the time said
44 dispute is submitted for compulsory arbitration. The pendency of a dispute arising from
45 a wage distortion shall not in any way delay the applicability of any increase in
46 prescribed wage rates pursuant to the provisions of law or wage order.
47

48 As used herein, a wage distortion shall mean a situation where an increase in
49 prescribed wage rates results in the elimination or severe contraction of intentional

1 quantitative differences in wage or salary rates between and among employee groups
2 in an establishment as to effectively obliterate the distinctions embodied in such wage
3 structure based on skills, length of service, or other logical bases of differentiation. All
4 workers paid by result, including those who are paid on piecework, takay, pakyaw or
5 task basis, shall receive not less than the prescribed wage rates per eight (8) hours of
6 work a day, or a proportion thereof for working less than eight (8) hours. All recognized
7 learnership and apprenticeship agreements shall be considered automatically
8 modified insofar as their wage clauses are concerned to reflect the prescribed wage
9 rates. (As amended by Republic Act No. 6727, June 9, 1989)”

10
11 **SEC. 2. Implementing Rules and Regulations.** - Within thirty (30) days from
12 the effectivity of this Act, the Secretary of Labor and Employment, in consultation with
13 the Tripartite Industrial Peace Council and other relevant stakeholders, shall issue the
14 necessary rules and regulations to implement the provisions of this Act.

15
16 **SEC. 3. Separability Clause.** - If any part or provision of this Act is held invalid
17 or unconstitutional, other provisions not affected thereby shall remain in force and
18 effect.

19
20 **SEC. 4. Repealing Clause.** – All laws, Executive Orders, Presidential Decrees,
21 rules and regulations inconsistent herewith are deemed modified and repealed
22 accordingly. All affected provisions of existing laws are deemed effective until such
23 promulgation of the IRR.

24
25 **SEC. 5. Effectivity Clause.** - This Act shall take effect fifteen (15) days upon
26 its complete publication in the Official Gazette or in at least two (2) newspapers of
27 general circulation, whichever comes first.

28
29 Approved,