

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 4102



Introduced by **Pangasinan Fifth District Representative**
HON. RAMON N. GUICO JR.,

EXPLANATORY NOTE

The Philippines is entering a critical phase of national development. With the government's Build Better More infrastructure program in full swing and hundreds of flagship projects underway across the regions—from expressways and railways to airports and digital connectivity—economic activity outside Metro Manila is finally beginning to show long-term promise. Yet, despite these gains, the reality on the ground remains unchanged for many Filipinos: job quality and compensation in the provinces remain far below what is available in the capital.

In recent years, internal migration patterns have begun to shift. Many Filipinos have opted to return to their home provinces in hopes of a more affordable and sustainable life. This trend, while promising, also underscores a stark economic truth: outside the National Capital Region (NCR), job opportunities are either too scarce or too poorly paid to keep people from returning to the cities. As a result, the country remains caught in a self-defeating cycle—Metro Manila continues to swell, and the countryside continues to lag behind.

At the core of this dysfunction lies one policy failure: the persistence of unequal minimum wages across regions.

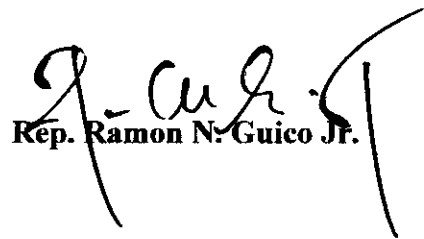
The regional wage board system was established to rationalize wage setting by taking into account local economic conditions. In theory, this allowed flexibility and fairness. But in practice, it has institutionalized disparity. As of mid-2025, the daily minimum wage in NCR stands at ₱645, while in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), it remains below ₱350. Across the board, regions with the lowest wage rates are also the ones with the highest poverty incidence, lowest productivity, and weakest access to capital—despite the fact that the cost of basic goods and services shows little variation nationwide.

The consequence is clear: people follow opportunity, not sentiment. And when opportunity is centralized, so too is growth. Provinces are left depleted of the very human capital needed to catalyze development, trapping them in a cycle of underinvestment and neglect. Unless this cycle is broken, no amount of infrastructure or investment will produce the equitable growth that national development demands.

This measure proposes a decisive shift: the establishment of a General Minimum Wage applicable across all regions of the Philippines. It acknowledges the simple but powerful truth that the value of a worker's labor should not be dictated by geography. Whether one is a fishmonger in Pangasinan, a sales clerk in Baguio, or a technician in Quezon City—their work contributes meaningfully to national progress and must be compensated accordingly.

This Act seeks to abolish the Regional Tripartite Wages and Productivity Boards and establish in their stead a General Minimum Wage pegged initially to the current NCR rate at the time of the Act's effectivity. The National Wages and Productivity Commission (NWPC) shall assume an expanded role, tasked with issuing wage orders to adjust the minimum every three (3) years, with the express condition that no adjustment shall result in a reduction of the existing rate. The National Tripartite Conference shall likewise play an enhanced advisory role in setting and reviewing policy direction. Stricter penalties will be imposed on employers who fail to comply with the law.

The path to national development is through inclusive economic growth—and no policy is more essential to that than a wage system that treats all Filipino workers with fairness and dignity. This measure is not merely about income; it is about justice, opportunity, and building a truly balanced nation.



Rep. Ramon N. Guico Jr.

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AN ACT

ESTABLISHING A GENERAL MINIMUM WAGE RATE FOR PRIVATE SECTOR WORKERS AMENDING FOR THIS PURPOSE PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, AS AMENDED

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 the “**General Minimum Wage Act.**”

SEC. 2. *Declaration of Policy.* – Article XIII, Sec. 3 of the 1987 Constitution entitle workers to security of tenure, humane conditions of work, and a living wage. In recognition of this, the State shall adopt a general minimum wage for private sector workers with the goal of eradicating regional wage disparities and improving workers’ living standards throughout all the regions of the country.

SEC. 3. Chapter II, Article 99 of the Labor Code of the Philippines is hereby amended to read as follows:

“ART. 99. [Regional] **GENERAL Minimum Wage[s].** – The **GENERAL** minimum wage [rates] for **ALL** agricultural and non-agricultural employees and workers in each and every region of the country shall be [those] **THAT** prescribed by the [Regional Tripartite Wages and Productivity Board] **THE NATIONAL WAGES PRODUCTIVITY COMMISSION.**”

SEC. 4. Chapter V, Article 121 of the Labor Code of the Philippines is hereby amended to read as follows:

“xxx

(c) To [prescribe] **ADOPT** rules and guidelines for the determination of **THE** appropriate **GENERAL** minimum wage and productivity measures [at the regional, provincial, or industry levels];

(d) To [review regional wage levels set by the Tripartite Wages and Productivity Boards to] determine [if these are] **AND FIX, IN ACCORDANCE WITH THE COMMISSION'S GUIDELINES AND NATIONAL DEVELOPMENT PLANS, THE GENERAL MINIMUM WAGE AND ISSUE THE CORRESPONDING WAGE ORDERS EVERY THREE (3) YEARS.**

(e) xxx

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

[(g) To exercise technical and administrative supervision over the Regional Tripartite Wages and Productivity Boards.]

[(h)] **(F)** To call, [from time to time] **EVERY THREE (3) YEARS**, a national tripartite conference of representatives of government, workers, and employers for the deliberation of **ADJUSTING THE AMOUNT OF THE GENERAL MINIMUM WAGE** [and], **INCLUDING MEASURES WHICH PROMOTE PRODUCTIVITY AND THE WELFARE OF WORKERS AND EMPLOYEES**; and

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

xxx”

SEC. 5. *Abolition of the Regional Tripartite Wages and Productivity Board.* – Article 122 of the Labor Code of the Philippines is hereby repealed. The Regional Tripartite Wages and Productivity Boards (RTWPB) is hereby abolished.

SEC. 6. Chapter V, Article 123 of the Labor Code of the Philippines shall hereby be amended to read as follows:

“ART. 123. Wage Order. – [Whenever conditions in the region so warrant,] [t]The **COMMISSION** shall investigate and study all pertinent facts **IN THE DELIBERATIONS OF THE TRI-ANNUAL NATIONAL TRIPARTITE CONFERENCE**; and based on the standards and criteria herein prescribed **EXAMINE WHICH AMOUNT OF THE GENERAL MINIMUM WAGE CAN SUITABLY CONTRIBUTE TO PROVIDING WORKERS WITH AN APPROPRIATE MINIMUM LEVEL OF PROTECTION CONSIDERING**

PREVAILING ECONOMIC CONDITIONS, TO ENABLING FAIR AND FUNCTIONING CONDITIONS OF COMPETITION, AND WITHOUT JEOPARDIZING EMPLOYMENT. WHEN SETTING THE GENERAL MINIMUM WAGE, THE COMMISSION SHALL SUBSEQUENTLY BE GUIDED BY COLLECTIVE BARGAINING DEVELOPMENTS. Any such Wage Order **SHALL BE ISSUED EVERY THREE (3) YEARS** and shall take effect after fifteen (15) days from its complete publication in at least one (1) newspaper of general circulation [in the region].

THE COMMISSION SHALL REGULARLY EVALUATE THE IMPACT OF THE GENERAL MINIMUM WAGE IN RESPECT OF THE PROTECTION OF WORKERS, CONDITIONS OF COMPETITION, EMPLOYMENT WITH REGARD TO CERTAIN INDUSTRIES AND REGIONS, AS WELL AS PRODUCTIVITY. THE COMMISSION SHALL FURNISH THE OFFICE OF THE PRESIDENT OF THE PHILIPPINES AS WELL AS BOTH HOUSES OF CONGRESS A REPORT OF ITS FINDINGS EVERY THREE (3) YEARS.

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

Any party aggrieved by the Wage Order issued by the [Regional Board] **COMMISSION** may appeal such order to the Commission within ten (10) calendar days from the publication of such order. It shall be mandatory for the Commission to decide such appeal within [sixty (60)] **THIRTY (30)** calendar days from the filing thereof.

xxx”

SEC. 7. Chapter V, Article 124 of the Labor Code of the Philippines is hereby amended to read as follows:

“ART. 124. Standards/Criteria for Minimum Wage Fixing. – The [regional] **GENERAL** minimum wage[s] 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 **GOOD** health, efficiency, **FULFILLMENT** and general well-being of the employees **AND THEIR FAMILY** within the framework of the national economic and social development program. In the determination of such **GENERAL** minimum wage, **THE COMMISSION** shall, among other relevant factors, consider the following:

(a) The demand for [living wages] **A FAMILY WAGE;**

(b) [Wage adjustment vis-à-vis the consumer price index] **THE NEED TO SAVE A SMALL MARGIN OF INCOME FOR SOCIAL SECURITY AND EMERGENCIES;**

(c) [The cost of living and changes or increases therein] **WAGE ADJUSTMENT VIS-À-VIS THE CONSUMER PRICE INDEX;**

(d) **COST OF LIVING AND CHANGES OR INCREASES THEREIN;**

(e) The need to [induce industries to invest] **INCENTIVIZE WORKER PRODUCTIVITY AND EFFICIENCY;**

(f) Improvements in standards of living;

[(g)] The prevailing wage levels;

(G) Fair return of the capital invested and 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.

[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 Board] Commission and the [National Statistics Office] **PHILIPPINE STATISTICS AUTHORITY**, 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 who were hired under the terms prescribed in the employment contracts, and their corresponding salaries and wages.

xxx”

SEC. 8. Amount of the General Minimum Wage. – Upon effectivity of this Act, the Commission shall issue a wage order, which will be effective fifteen (15) days after its publication in two (2) newspapers of general circulation, regarding the adjustment of the minimum wage to reflect that of the current real minimum wage for the National Capital Region (NCR.) Thereafter,

the commission shall issue wage orders with respect to the adjustment of the amount of the general minimum wage every three (3) years. *Provided*, That subsequent adjustments of the general minimum wage shall not be lower than the amount prescribed by the Commission in the initial wage order it shall issue upon the effectivity of this Act.

No part of this Act shall be construed as to prejudice other wage increases through collective bargaining.

SEC. 9. *Prohibitions on Layoffs and Downsizing.* – Any private company, corporation, partnership, or any other private entity engaged in business that will resort to laying-off workers or downsizing as a response to the payment of wage increases arising from the establishment of the general minimum wage shall be held in violation of the law and be penalized accordingly.

This provision shall not preclude layoffs undertaken in good faith due to legitimate business exigencies, provided such action is supported by documentation and subject to existing labor regulations.

SEC. 10. *Penalties.* – Section 12 of Republic Act No. 6727, as amended by Republic Act No. 8188 is hereby further amended to read as follows:

“Section 12. Any person, corporation, trust, firm, partnership, association, or entity which refuses or fails to pay their workers the national minimum wage set herein and any of the succeeding legislated wage increases or adjustments pursuant to this Act shall be punished by a fine of not less than [Twenty-five thousand pesos (P25,000.00)] **ONE HUNDRED AND FIFTY THOUSAND PESOS (P150,000.00)** nor more than [One hundred thousand pesos (P100,000.00)] **THREE HUNDRED THOUSAND PESOS (P300,000.00)** and imprisonment of not less than two (2) years nor more than four (4) years[,or both such fine and imprisonment at the discretion of the court]. *Provided*, That any person convicted under this Act shall not be entitled to the benefits provided under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: *Provided*, That payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act.

FURTHERMORE, THE BUSINESS PERMIT OF THE VIOLATING ENTITY SHALL BE SUSPENDED FOR A PERIOD OF SIX (6) MONTHS FOR THE FIRST OFFENSE; ONE (1) YEAR FOR THE SECOND OFFENSE; AND THE REVOCATION OF THE OFFENDER’S BUSINESS PERMIT ON THE THIRD AND FINAL OFFENSE.

xxx”

SEC. 11. *Repealing Clause.* – All laws, decrees, executive orders or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 12. *Separability Clause.* – If any part or provision of this Act is declared invalid or unconstitutional, the other parts not otherwise affected shall remain in full effect and force.

SEC. 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,