

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**TWENTIETH CONGRESS**  
First Regular Session

HOUSE BILL No. 4775



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Introduced by Honorable Representative  
**SARAH JANE I. ELAGO (Gabriela Women's Party)**

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**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 Republic Act (R.A.) No. 6727 into law in 1989, the country abandoned the old practice of legislating a national minimum wage and shifted to a system of regional wage boards responsible for setting wage increases in each region. The Aquino administration justified this arrangement as 'wage rationalization'.

But the 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 shaped the wage boards, and it continues to guide them to this day. They have conducted no independent, in-depth studies to determine the minimum living wage that workers should receive amid soaring prices of goods and services. If any studies were done, these were limited only to resolving specific regional wage petitions. Even then, the boards serve merely as passive instruments for wage determination—slow to respond to market shifts and to the recurring economic crises that struck 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 in 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 PhP89.00 per day to today's 17 different regional minimum wage scales, ranging from as high as PhP645 per day in the National Capital Region (NCR) to as low as PhP361 per day in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). On average, the minimum wage in the country amounts to PhP470.00 per day. This means that the Filipino workers as a class received only an average real increase of PhP381 per day since 1989, or during the entire thirty-six-year regime of regionalized minimum wage. An increase of 428 percent (%) 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 have soared since 1989:

Basic needs item	1989 price	2024 price	% increase
Rice (regular-milled) per kilo	PhP7.00	PhP50.00	614%
Meat (liempo) per kilo	PhP60.00	PhP343.00	472%
Fish (galunggong) per kilo	PhP20.00	PhP202.00	910%
Egg (medium) per piece	PhP1.50	PhP9.00	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, as of August 2025, a daily income of PhP1,218 per day is now required to sustain the needs of a family of five. Given the pace of wage increases over thirty-six years under 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 PhP645 per day in the NCR.

The reality on the ground is that the current levels of wages per region do not meet 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 PhP60,342 in 1991 to PhP423,408 in 2018, a whopping 600% increase in labor productivity.

R.A. No. 6727 laid down ten factors for RTWPBs to consider in setting the wage increases in their respective regions. However, the drafting of wage orders lacks transparency. Do the RTWPBs truly balance and consider the interplay of various factors, such as current and projected inflation, when determining wage adjustments? It is difficult to appreciate the rationale behind wage orders in light of these ten factors.

Under R.A. No. 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, 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 others did not. This is largely because RTWPBs are generally petition-driven, even though they have the authority to initiate the process of deciding wage increases *motu proprio*. When no petitions were filed, no wage increases were granted. In some cases, RTWPBs even set differentiated wage increases for provinces, cities, and major towns within their jurisdictions, ostensibly to prevent 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 in 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 shared the same minimum wage scale as 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 that of Region IV-A by PhP46 to PhP130 per day (PhP404 to PhP430 per day in Region IV-B as against PhP450 to PhP560 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 the government, workers have to fight for wage increases, often facing the opposition of the 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, drawing from thirty-six years of experience under the regionalized wage regime, have found it a failure. They are now calling for its abolition and urging a return to a uniform national minimum wage anchored on the family living wage.

The 19<sup>th</sup> Congress failed to pass a legislated wage increase despite the demand of Filipino workers. It failed to harmonize the differences between the House Bill (HB) No. 10319 and

Senate Bill (SB) No. 2534, which would have provided for a PhP100 and PhP200 increase in minimum wage, respectively. Moreover, the economic managers of the Marcos Jr. 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 PhP1,200 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.

This 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 (VAT) on digital services, targeting ordinary consumers, while simultaneously 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 a 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 proposed measure 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. SARAH JANE I. ELAGO**  
*Gabriela Women's Party*

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*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 "*National Minimum Wage Act of 2025.*"

**SECTION. 2. *Declaration of Policy.*** It is hereby declared the policy of the State to ensure workers' right to a living wage and to humane conditions of work.

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

**SECTION 3. *Definition of Terms.*** As used in this Act, the following terms shall mean:

- (a) **Worker** refers to any natural person in the employ of another or a juridical person, whether in the public sector or private sector, including ambulant, intermittent, self-employed, rural workers, and those without definite employers, regardless of their employment status, tenure, or nature of agreements or contracts.
- (b) **Family living wage** refers to the amount of family income needed to provide for the family's food and non-food expenditures with sufficient allowance for savings/investments for social security so as to enable the family to live and maintain a decent standard of human existence beyond mere subsistence level, taking into account all of the family's physiological, social and other needs.

- (c) **Wage distortion** is a situation where an increase in prescribed wage 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.

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

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

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

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

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

**ART. 120. Creation of the National Wages and Productivity [Commission] BOARD.** - There is hereby created a National Wages and Productivity [Commission] **BOARD**, hereinafter referred to as the [Commission] **BOARD**, which shall be attached to the Department of Labor and Employment (DOLE) for policy and program coordination.

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

- (a) To act as the national consultative and advisory body to the President of the Philippines and Congress on matters relating to wages, incomes and productivity;
- (b) To formulate policies and guidelines on wages, incomes and productivity improvement at the enterprise, industry and national levels;
- (c) To prescribe rules and guidelines for the determination of **THE** appropriate minimum wage and productivity measures at the [regional, provincial or industry] **NATIONAL** level[s];

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

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

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

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

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

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

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

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

The Executive Director shall have the same rank, salary, benefits and other emoluments as that of a Department Assistant Secretary, while the Deputy Directors shall have the same rank, salary, benefits and other emoluments as that of a Bureau Director. The

members of the [Commission] **BOARD** representing labor and management shall have the same rank, emoluments, allowances and other benefits as those prescribed by law for labor and management representatives in the Employees' Compensation Commission.

**SECTION 6. *Wage Order.*** Article 123 of the Labor Code, as amended, is hereby amended to read as follows:

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

In the performance of its wage determining functions, the **NWPB** [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 **NWPB** [Regional Board] may appeal such order to the Commission within ten (10) calendar days from the publication of such order. It shall be mandatory for the **NWPB** [Commission] to decide such appeal within sixty (60) calendar days from the filing thereof.

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

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

**SECTION 8. *Standards for National Minimum Wage Fixing.*** Article 124 of the Labor Code is hereby amended and renumbered to read as follows:

“ART. [124] 122. - The [regional] **NATIONAL** 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 health, efficiency and general well-being of the employees within the framework of the national economic and social development program.] **THAT WAGE RATE NECESSARY FOR RAISING A FAMILY AND MAINTAINING ITS DECENT EXISTENCE. IT SHALL BE OF SUCH AMOUNT WHICH IS SUFFICIENT FOR A WORKER TO PROVIDE THEIR FAMILY THE BASIC AND NECESSARY EXPENDITURES THAT TAKE INTO CONSIDERATION ALL OF THEIR FAMILY'S PHYSIOLOGICAL, SOCIAL AND OTHER NEEDS, SO AS TO ENABLE THEM TO LIVE AND MAINTAIN A DECENT STANDARD OF LIVING BEYOND MERE SUBSISTENCE, WITH ADEQUATE ALLOWANCE FOR SOCIAL SECURITY.** In the determination of such [regional] **NATIONAL**

minimum wage[s], the [Regional Board] **NWPB AND CONGRESS** shall, among other relevant factors, consider the following:

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

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

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

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

(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 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)] **SECRETARY OF THE DEPARTMENT OF LABOR AND EMPLOYMENT**. It shall be mandatory for the [NLRC] **DOLE SECRETARY** 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 of 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.

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

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

**SECTION 10. *Implications on Learners, Apprentices, Project Employees, and Workers Paid by Results.*** All workers paid by result, including those who are paid on piecework, takay,

pakyaw or task basis, shall receive not less than the prescribed national minimum wage per eight (8) hours of work or a portion thereof for the hours worked or outputs produced.

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

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

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

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

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

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

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

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

**SECTION 16. *Penalties.*** - Section 12 of Republic Act No. 6727 which was amended by Section 1 of 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 [any of the prescribed] **THEIR WORKERS THE NATIONAL MINIMUM WAGE SET HEREIN AND ANY OF THE SUCCEEDING LEGISLATED WAGE** increases or adjustments [in the wage rates] made in accordance with this Act shall be punished by a fine [not less than Twenty-five thousand pesos (P25,000.00) nor more than One-hundred thousand pesos (P100,000.00)] **WHICH SHALL BE FIXED AT ONE HUNDRED PERCENT (100%) OF THE TOTAL AMOUNT OF THE WAGE INCREMENT DUE THE EMPLOYEES TO BE MULTIPLIED BY THE NUMBER OF WORKING DAYS THE WAGE INCREMENT HAS BEEN UNPAID TO THE EMPLOYEES** or imprisonment of not less than [two (2)] **THREE (3)** years nor more than [four (4)]

**FIVE (5) 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 for under the Probation Law.

The employer concerned shall be ordered to **PAY THE EMPLOYEES MORAL DAMAGES OF FIFTY THOUSAND PESOS (P50,000.00) EACH EMPLOYEE PLUS** 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 ONE (1) MONTH TO THREE (3) YEARS FOR SECOND OFFENSE; FOR THIRD OFFENSES, THE BUSINESS PERMIT OF THE OFFENDER SHALL BE REVOKED.**

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

**THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL HAVE THE AUTHORITY TO IMPOSE SUCH OTHER ADMINISTRATIVE PENALTIES IT SEES FIT TO IMPOSE UNDER THE CIRCUMSTANCES OF EACH CASE OF VIOLATION."**

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

**SECTION 18. *Separability Clause.*** Should any provision of this Act be declared invalid or unconstitutional, the validity of the other provisions shall not be affected thereby.

**SECTION 19. *Repealing Clause.*** All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of the Act are hereby repealed, amended or modified accordingly.

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

*Approved,*