



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Twentieth Congress
First Regular Session

HOUSE BILL NO. 8246

Introduced by Representative Lorenz R. Defensor

EXPLANATORY NOTE

This bill seeks to mandate a staggered daily wage increase of Two hundred pesos (P200.00) for minimum wage workers in the private sector.

In a 2025 study, it was noted that prior to the enactment of Republic Act (RA) No. 6727, otherwise known as the "*Wage Rationalization Act of 1989*," the Philippines adhered to a national wage-fixing system that prescribed uniform wage floors across the country. Historically, wage adjustments were legislated or mandated at the national level, thereby ensuring parity regardless of geographic location. The passage of RA 6727, however, introduced a fragmented wage policy framework that marked a significant structural shift, the long-term effects of which have proven regressive to the welfare of workers.

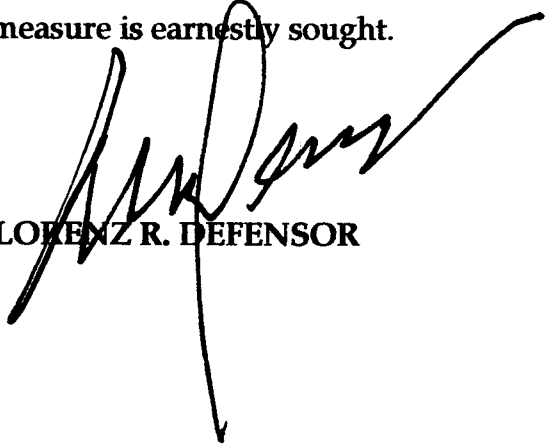
It was further underscored that the persistent stagnation of real wages in the country, despite sustained economic growth, raises serious concerns about the adequacy, efficiency, and fairness of the prevailing wage-setting framework. Since the enactment of RA 6727, wage determination has been delegated to the Regional Tripartite Wages and Productivity Boards. This regionalized mechanism was conceived to align wage levels with local economic conditions and to balance the interests of workers and employers. Yet, more than three decades of experience have demonstrated that the regional approach has fallen short of its objectives. Rather than fostering equity, it has resulted in fragmented wage structures, entrenched inter-regional disparities, and the continued erosion of workers' real purchasing power.

It was likewise argued that the regional minimum wage system has demonstrably failed to fulfill its objectives of poverty reduction, wage equity, and inclusive growth. First, while labor productivity and gross domestic product have

grown substantially since 2001, real wages have remained largely stagnant for prolonged periods. Second, corporate profitability, particularly among the largest firms, has expanded significantly in real terms, yet these profits have not been proportionately shared with labor. Third, regional wage setting has entrenched wide geographic inequalities, leaving many workers earning real wages below historical benchmarks.

A similar measure was previously introduced during the Nineteenth Congress, Third Regular Session, underscoring the continuing recognition of the urgent need to address wage disparities in the private sector. The earlier filing of such measure which was approved on Third Reading, reflects sustained legislative intent to uplift minimum wage earners and strengthen labor protections, thereby affirming that the present proposal builds upon established efforts to advance social and economic justice for workers.

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



LORENZ R. DEFENSOR

1 agricultural or nonagricultural, shall be increased by One hundred pesos (P100.00)
2 per day upon the effectivity of this Act; another Fifty peso (P50.00) increase per day
3 on its second year of implementation; and another Fifty peso (P50.00) increase per
4 day on its third year of implementation, for entities not considered as micro, small,
5 and medium enterprises (MSMEs) as determined by the Secretary of Labor and
6 Employment, in accordance with the parameters laid down by law.

7 The daily rate of all minimum wage workers of MSMEs in the private sector,
8 regardless of employment status, including those engaged under contractual and
9 sub-contractual arrangements, whether agricultural or nonagricultural, shall be
10 increased by Fifty pesos (P50,00) per day upon the effectivity of this Act; another
11 Fifty peso (P50,00) increase per day on its second year of implementation; another
12 Fifty peso (P50,00) increase per day on its third year of implementation; and another
13 Fifty peso (P50,00) increase per day on its fourth year of implementation.

14 Nothing in this Act shall prevent the respective Regional Tripartite Wages and
15 Productivity Boards from granting additional increases to the workers and
16 employees, as may be determined in accordance with their mandate under Republic
17 Act No. 6727, otherwise known as the "*Wage Rationalization Act*," as amended.

18 SEC. 4. *Coverage.* - This Act shall apply to all minimum wage earners in the
19 private sector nationwide, regardless of industry, trade, or service, subject to
20 exemptions as may be determined by the Regional Tripartite Wages and
21 Productivity Boards in accordance with existing labor laws.

22 SEC 5. *Incentives to Small Enterprises.* - To assist in their compliance with the
23 wage increase, small enterprises may avail of incentives from the Department of

1 Labor and Employment (DOLE), subject to the implementing rules and regulations
2 of this Act.

3 SEC. 6. *Non-diminution of Other Benefits.* – Nothing in this Act shall be
4 construed to reduce any existing allowance and benefit of any form under existing
5 laws, decrees, issuances, executive orders, and any contract or agreement between
6 workers and employers.

7 SEC. 7. *Existing Exemptions.* – As provided by Republic Act No. 9178, also
8 known as the “Barangay Micro Business Enterprises (BMBEs) Act of 2002,” the BMBEs
9 shall be exempt from the coverage of the Minimum Wage Law. Further, as provided
10 by Republic Act No. 6727, also known as the “Wage Rationalization Act,” and relevant
11 rules of the National Wages and Productivity Commission, the following
12 establishments may apply for exemption from compliance with the minimum wage
13 increase as provided by this Act:

14 (a) Retail or service establishments regularly employing not more than ten
15 (10) workers; and

16 (b) Establishments adversely affected by natural calamities or human-
17 induced disasters as certified by the Secretary of Labor and Employment: *Provided,*
18 That the implementation of the wage increase shall resume not later than one (1)
19 year from the lifting of the state of calamity by the appropriate government office
20 with jurisdiction over the affected area or areas.

21 SEC. 8. *Wage Distortions.* – In the event that wage distortions arise between
22 minimum wage earners and employees in the next or higher ranks who are already
23 receiving salaries or wages above the minimum wage, the Secretary of Labor and

1 Employment shall promulgate the necessary rules and regulations to determine and
2 adjust the pay of affected employees.

3 SEC. 9. *Penalties.* – Any person, corporation, trust, firm, partnership,
4 association, or entity found guilty of violating Section 3 and 8 of this Act shall be
5 punished by a fine of not less than One hundred thousand pesos (P100,000.00) nor
6 more than Five hundred thousand pesos (P500,000.00) or imprisonment of not less
7 than two (2) years nor more than four (4) years, or both at the discretion of the Court:
8 *Provided,* That if the violation is committed by a corporation, trust or firm,
9 association or any other entity, the penalty of imprisonment shall be imposed upon
10 the entity's responsible officers including the president, vice president, chief
11 executive officer, general manager, managing director or partner.

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

16 SEC. 10. *Implementing Rules and Regulations.* – Within sixty (60) days from
17 the effectivity of this Act, the Secretary of Labor and Employment shall, in
18 coordination with other relevant government agencies, promulgate the necessary
19 rules and regulations for the effective implementation of this Act.

20 SEC. 11. *Separability Clause.* – If any provision or part of this Act is declared
21 invalid or unconstitutional, the remaining provisions or parts of this Act shall
22 remain in full force and effect, and the application of such provision to other persons
23 or circumstances, shall not be affected.

1 SEC. 12. *Repealing Clause.* - All laws, orders, issuances, rules, and
2 regulations or parts thereof inconsistent with the provisions of this Act are hereby
3 repealed, amended, or modified accordingly.

4 SEC. 13. *Effectivity.* - This Act shall take effect fifteen (15) days after its
5 publication in the *Official Gazette* or in a newspaper of general circulation.

6 Approved,