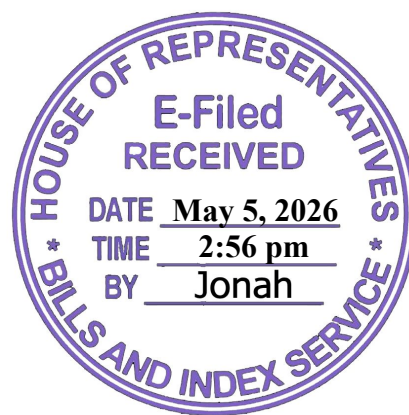


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 9103



Introduced by Representative JEFFREY SORIANO

EXPLANATORY NOTE

This bill seeks to penalize the act of wage theft by strengthening existing provisions of the Labor Code of the Philippines, particularly Articles 87 and 116, in order to ensure that workers receive the full compensation and benefits legally due to them.

Despite existing labor protections, wage theft remains a persistent issue affecting workers across various sectors. It manifests in multiple forms, including non-payment or underpayment of wages, denial of overtime pay, withholding of bonuses and benefits, unlawful deductions, and requiring employees to perform off-the-clock work without compensation. These practices undermine the dignity of labor, erode trust in employment relationships, and deprive workers of their rightful livelihood.

This measure affirms the State's commitment to protect workers' rights by clearly defining wage theft and expanding its coverage to include not only wages but also other earnings and benefits such as overtime pay, tips, holiday pay, and reimbursements. It further strengthens safeguards by prohibiting discriminatory practices in the assignment of overtime work and ensuring equitable access to compensation opportunities.

The bill also imposes stricter accountability by providing criminal liability for violators and introducing administrative sanctions, including the suspension and eventual cancellation of business permits for repeat offenders. By institutionalizing comprehensive protections against wage theft, this measure upholds social justice, promotes fair labor standards, and ensures that workers are duly compensated for their labor, both locally and abroad.

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

A handwritten signature in black ink, appearing to read "Jeffrey Soriano", written over a horizontal line.

HON. JEFFREY SORIANO

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TWENTIETH CONGRESS
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House Bill No. **9103**

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AN ACT
PENALIZING THE ACT OF WAGE THEFT BY AMENDING FOR THIS
PURPOSE ARTICLES 87 AND 116 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. *Short Title.* — This Act shall be known as the “*Traffic Enforcers and Aides, Street Sweepers, and Garbage Collectors Hazard Pay Act*”.

SEC. 2. *Declaration of Policy.* — It is the policy of the State to not only ensure workers’ right to a living wage and to a humane working condition, but full protection to all the rights legally due to a worker.

To promote and ensure full protection of a workers’ wage against unlawful acts of wage theft, the State adopts and institutionalizes the legislation of penalizing the act of wage theft that can possibly be committed against honest and hardworking workers of both the public and private sectors, locally and abroad.

SEC. 3. *Definition of Terms.* — As used in this Act:

a. Wage Theft refers to the act of depriving or withholding an employee of the wages, other earnings, and benefits to which the employee is legally entitled to as stated in the contract or agreement entered by both the employer and employee of the private sector, locally or abroad.

The act may be in the form of, but is not limited to:

1. non-payment or incorrect payment of wage, including minimum wage, overtime premium, holiday/rest day pay, night shift differential, among others;

2. tip theft or failure to award the amount of tips honestly earned by a workers;

3. failure to pay bonuses granted to each employee as stated in their contract or agreement;

4. off-the-clock work, wherein employees are required to perform work-related tasks before clocking in or after clocking out, essentially working for free and losing overtime pay; and

5. discrimination on the classification of employees from other earnings and benefits.

SEC. 4. Article 87 of the Labor Code of the Philippines is hereby amended to read as follows:

“ART. 87. Overtime Work. - Work may be performed beyond eight (8) hours a day provided that the employee is paid for the overtime work, an additional compensation equivalent to his regular wage plus at least twenty-five percent (25%) thereof. Work performed beyond eight hours on a holiday or rest day shall be paid an additional compensation equivalent to the rate of the first eight hours on a holiday or rest day plus at least thirty percent (30%) thereof.

“IT SHALL BE UNLAWFUL FOR ANY EMPLOYER TO DISCRIMINATE ANY EMPLOYEE BY CLASSIFYING THOSE WHO CAN EXCLUSIVELY RENDER OVERTIME WORK ON THE BASIS OF SEXUAL ORIENTATION, ETHNIC ORIGIN, RELIGIOUS BELIEF, DISABILITY, EDUCATIONAL ATTAINMENT AND OTHER FORMS OF DISCRIMINATION.”

SEC. 5. Article 116 of the Labor Code of the Philippines is hereby amended to read as follows:

*“ART. 116. Withholding of Wages and Kickbacks Prohibited. - It shall be unlawful for any person, directly or indirectly, to withhold any amount from the wages, **OTHER EARNINGS AND BENEFITS SUCH AS OVERTIME COMPENSATION, TIPS, 13TH MONTH PAY, REIMBURSEMENTS DONE ON THE COURSE OF THEIR DUTY, HOLIDAY PAY, BONUSES, AMONG OTHERS ON THE AGREED RELEASE DATE OF SUCH WAGE, OTHER EARNINGS AND BENEFITS** of a worker or induce him to give any part of his wages by force, stealth, intimidation, threat or by any other means whatsoever without the workers’ consent.”*

SEC. 6. *Penalties.* — Employers who fail to comply with this Act shall be criminally liable in accordance with paragraphs 1 to 6 of Article 309 of the Revised Penal Code, as amended, and other existing laws, rules, and regulations.

In cases where the employee who is subject to wage theft is employed by a corporation, the person criminally liable shall be the person directly responsible for the release of wages or, in the absence thereof, the beneficial owner of the corporation. In cases of partnerships, all partners shall be liable, and in cases of sole proprietorship, the sole proprietor shall be liable.

Furthermore, if proven that the violating entity has been withholding workers' wages, other earnings and/or other benefits, suspension or cancellation of business permits will be as follows:

- a. First Offense: suspension of three (3) months to six (6) months;
- b. Second Offense: suspension of six (6) months to 1 year;
- c. Third Offense: cancellation of business permit.

SEC. 7. *Implementing Rules and Regulations.* – In coordination with the representatives of the public and private sectors, and other concerned government agencies, the Secretary of Labor and Employment shall promulgate the necessary rules and regulations to implement the provisions of this Act.

SEC. 8. *Separability Clause.* – If any portion or provision of this Act is declared invalid or unconstitutional, other provisions hereof shall remain in full force and effect.

SEC. 9. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 10. *Effectivity.* – This Act shall take effect fifteen days (15) after its publication in the Official Gazette or in a national newspaper of general circulation.

Approved,