



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH (20TH) CONGRESS
First Regular Session

HOUSE BILL NO. 9816



Introduced by KAMANGGAGAWA Partylist
Representative **ELIJAH R. SAN FERNANDO**

EXPLANATORY NOTE

The Constitution affirms the State's duty to afford full protection to labor and to ensure just and humane conditions of work, including the right of workers to receive a fair and living wage. Central to this guarantee is the ability of workers to know, verify, and, when necessary, contest how their wages are computed and paid. Without clear and accessible documentation of earnings and deductions, these rights are rendered difficult to enforce in practice.

Under the Labor Code of the Philippines and related issuances of the Department of Labor and Employment, employers are required to pay wages properly and ensure transparency in deductions. However, the obligation to issue itemized pay statements or payslips is not explicitly provided in the statute itself, but instead inferred from implementing rules and reinforced through administrative advisories. This gap in statutory clarity has resulted in uneven compliance across industries and employment arrangements, particularly in subcontracted, small and medium enterprise, and non-standard or emerging forms of work.

In practice, many workers do not regularly receive payslips. This creates a serious enforcement gap. Without documentary proof of wages received, workers are placed at a significant disadvantage in asserting claims for underpayment, non-payment of statutory benefits, or illegal deductions. Existing enforcement mechanisms, which are largely complaint-driven and inspection-dependent, often require workers to substantiate claims without access to basic

payroll records. As a result, wage-related violations, including wage theft and disguised deductions, may persist with limited accountability.

This bill addresses these gaps by making the issuance of itemized payslips an explicit statutory obligation and, more importantly, by positioning payslips as a core enforcement and transparency mechanism in labor standards compliance.

The measure strengthens enforcement by integrating payslip compliance into the visitorial and enforcement powers of the Department of Labor and Employment under Article 128 of the Labor Code. It ensures that compliance is subject to routine and complaint-based inspections and treated as a labor standards violation when not observed.

To address evidentiary barriers faced by workers, the bill establishes a rebuttable presumption in favor of the employee in cases where the employer fails to issue payslips, thereby aligning legal procedure with the realities of workplace documentation and strengthening workers' ability to assert their claims.

Recognizing the recurring nature of wage opacity, the bill imposes graduated administrative penalties per affected employee and per pay period, ensuring that non-compliance is not treated as a one-time infraction but as a continuing violation warranting proportionate sanctions. This deterrence framework is designed to promote sustained compliance rather than episodic correction.

The measure likewise addresses enforcement gaps in contracting and subcontracting arrangements by imposing joint and solidary liability, ensuring that wage transparency obligations cannot be evaded through layered employment structures. It also clarifies coverage of non-standard work arrangements, without altering existing legal tests for determining employer-employee relationships.

At the same time, the bill adopts a practical and modern compliance framework by allowing the issuance of electronic payslips, subject to accessibility, verifiability, and record-keeping requirements. This ensures that the measure remains feasible for employers, including small enterprises, while safeguarding workers' access to their wage records.

In sum, this measure does not merely restate existing policy. It closes a clear statutory gap, strengthens enforcement through integration with existing powers, introduces evidentiary tools that make labor rights actionable, and establishes a proportionate deterrence system against wage opacity and abuse.

By transforming payslips from a procedural formality into a central instrument of wage transparency, accountability, and worker protection, this bill advances the State's commitment to social justice and the dignity of labor.

In solidarity with the working class, the passage of this bill is earnestly sought.



ELIJAH R. SAN FERNANDO
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AN ACT

**STRENGTHENING WAGE TRANSPARENCY AND ENFORCEMENT THROUGH
THE MANDATORY ISSUANCE OF ITEMIZED PAYSLIPS, PROVIDING FOR
ENFORCEMENT MECHANISMS, AND FOR OTHER PURPOSES**

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 “Wage Transparency and Payslip Act.”

SEC. 2. *Declaration of Policy.*

It is hereby declared the policy of the State to afford full protection to labor, ensure just and humane conditions of work, and guarantee the right of workers to receive fair, timely, and transparent compensation.

Toward this end, the State shall promote wage transparency and accountability by requiring clear documentation of wage payments, strengthening enforcement mechanisms against wage-related violations, and ensuring that workers are able to effectively verify and assert their rights.

SEC. 3. Coverage.

This Act shall apply to all employers in the private sector, regardless of size, industry, or employment arrangement, including but not limited to:

- (a) Regular, probationary, casual, project-based, seasonal, and fixed-term employees;
- (b) Workers engaged through contracting or subcontracting arrangements;
- (c) Workers in non-standard or emerging work arrangements, including platform-based or digital work arrangements where an employer-employee relationship exists as determined under existing laws and jurisprudence; and
- (d) Such other categories of workers as may be determined by the Department of Labor and Employment consistent with existing laws.

SEC. 4. Mandatory Issuance of Payslips.

All employers shall issue to every employee an accurate, itemized payslip for every pay period, at the time of wage payment or not later than three (3) days thereafter.

The payslip may be issued in printed or electronic form, provided that it is accessible, downloadable, and capable of being stored or reproduced by the employee.

SEC. 5. Minimum Contents of Payslip.

The payslip shall, at a minimum, contain the following information:

- (a) Name of the employer and registered business name;
- (b) Employer identification details, including address and registration number, where applicable;
- (c) Name of the employee and employee identification number, if any;
- (d) Covered pay period and date of payment;
- (e) Basic wage or salary rate;
- (f) Total number of hours or days worked, including overtime, night shift differential, holiday, and rest day work, where applicable;
- (g) Gross pay for the period;
- (h) Itemized deductions, including but not limited to taxes and mandatory contributions such as SSS, PhilHealth, and Pag-IBIG;
- (i) Other authorized deductions;
- (j) Net pay received; and
- (k) Such other information as may be prescribed by the Secretary of Labor and Employment.

SEC. 6. Applicability to Micro and Small Enterprises

Specific to micro and small enterprises (MSEs), the Department of Labor and Employment shall prescribe core compliance standards for the implementation of this Act, taking into account enterprise size, operational capacity, and available resources, including simplified formats or systems for payslip issuance.

Such standards shall ensure that the essential requirements of wage transparency, particularly the accurate and timely disclosure of earnings and deductions, are maintained.

Provided, That compliance with such standards shall be mandatory and shall not be construed as exempting MSEs from any obligations or liability under this Act: Provided further, That nothing in this section shall be interpreted to permit the non-issuance of payslips.

SEC. 7 *Record-Keeping and Accessibility.*

Employers shall maintain copies of all payslips, whether in physical or electronic form, for a period of at least three (3) years from issuance.

Employees shall have the right to request and be provided copies of their payslips at no cost.

The Department of Labor and Employment shall ensure that systems for electronic payslip issuance comply with data privacy, accessibility, and verification standards.

SEC. 8. *Evidentiary Presumption.*

In any administrative or judicial proceeding involving wage-related claims, the failure of the employer to issue payslips as required under this Act shall give rise to a rebuttable presumption that the employee's claims as to wages, hours worked, and deductions are correct.

Such presumption may be overturned only upon presentation of substantial evidence consisting of contemporaneous payroll records or other credible documentation.

SEC. 9. *Joint and Solidary Liability.*

In cases of contracting or subcontracting arrangements, the principal and the contractor or subcontractor shall be jointly and solidarily liable for compliance with the provisions of this Act, without prejudice to existing laws on labor-only contracting and employer liability.

SEC. 10. *Prohibited Acts.*

It shall be unlawful for any employer to:

- (a) Fail or refuse to issue payslips as required under this Act;
- (b) Issue payslips containing false, misleading, or incomplete information;
- (c) Deny employees access to their payslips;
- (d) Retaliate, dismiss, suspend, or otherwise prejudice an employee for asserting rights under this Act or for reporting violations; or
- (e) Commit any analogous act that undermines wage transparency and the rights protected under this Act.

Acts under paragraph (d) shall be treated as unfair labor practice or illegal dismissal, as applicable, under existing laws.

SEC. 11. *Enforcement and Visitorial Powers.*

The Secretary of Labor and Employment or duly authorized representatives shall enforce the provisions of this Act pursuant to the visitorial and enforcement powers under Article 128 of the Labor Code of the Philippines.

Compliance with this Act shall form part of routine labor inspections, including the Labor Law Compliance System (LLCS), and shall be subject to both routine and complaint-based inspections.

SEC. 12. *Administrative Penalties.*

Any employer who violates the provisions of this Act shall be subject to administrative fines to be imposed by the Secretary of Labor and Employment, as follows:

- (a) First offense – Not less than Five thousand pesos (₱5,000.00) but not more than Twenty thousand pesos (₱20,000.00) per affected employee;
- (b) Second offense – Not less than Twenty thousand pesos (₱20,000.00) but not more than Fifty thousand pesos (₱50,000.00) per affected employee;
- (c) Third and subsequent offenses – Not less than Fifty thousand pesos (₱50,000.00) but not more than One hundred thousand pesos (₱100,000.00) per affected employee, and may include the issuance of compliance orders, work stoppage orders in extreme cases, or other sanctions authorized under existing labor laws.

Each pay period in which a violation occurs shall constitute a separate offense.

The imposition of penalties under this Act shall be without prejudice to the exercise of powers under Article 128 of the Labor Code of the Philippines and other applicable laws.

SEC. 13. *Non-Diminution of Benefits.*

Nothing in this Act shall be construed to diminish or reduce existing rights and benefits granted under current laws, rules, regulations, or collective bargaining agreements.

SEC. 14. *Implementing Rules and Regulations.*

Within ninety (90) days from the effectivity of this Act, the Department of Labor and Employment, in consultation with relevant stakeholders, shall promulgate the necessary rules and regulations for its effective implementation.

Such rules shall ensure integration with existing labor inspection systems, including the Labor Law Compliance System (LLCS), and alignment with data privacy, accessibility, and verification standards.

SEC. 15. *Separability Clause.*

If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 16. *Repealing Clause.*

All laws, decrees, orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 17. *Effectivity.*

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

Approved,