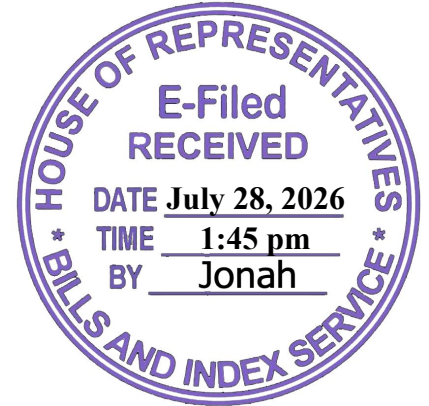


**REPUBLIC OF THE PHILIPPINES**  
**House of Representatives**  
**TWENTIETH CONGRESS**  
Second Regular Session

**HOUSE BILL NO. 10277**

INTRODUCED BY  
**Rep. Alexander T. Pimentel**



**AN ACT INSTITUTING AN AUTOMATIC REGIONAL MINIMUM WAGE  
ADJUSTMENT MECHANISM, AMENDING FOR THE PURPOSE  
PERTINENT PROVISIONS OF THE LABOR CODE OF THE  
PHILIPPINES**

**EXPLANATORY NOTE**

Minimum wage earners across the country continue to lose purchasing power every time inflation outpaces the slow, petition-based wage-setting process of the Regional Tripartite Wages and Productivity Boards. Workers and their families often wait a year or longer for a wage order, by which time the increase granted has already been eroded by rising prices. This bill proposes an automatic, formula-based adjustment of the regional minimum wage tied to the official inflation rate, removing the need for a new petition each time prices rise. The mechanism retains the tripartite boards' authority to set the base wage and to adjust the formula for extraordinary circumstances, but ensures that workers are not left waiting indefinitely for relief that is already overdue.

This measure is intended to protect the take-home pay of minimum wage workers without waiting for Congress or the boards to act on every price spike.

Respectfully submitted,

  
**REP. ALEXANDER T. PIMENTEL**

**REPUBLIC OF THE PHILIPPINES**  
**HOUSE OF REPRESENTATIVES**  
**Twentieth Congress**  
Second Regular Session

**HOUSE BILL NO. 10277**

**AN ACT INSTITUTING AN AUTOMATIC REGIONAL MINIMUM WAGE  
ADJUSTMENT MECHANISM, AMENDING FOR THE PURPOSE  
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PHILIPPINES**

**Be it enacted by the Senate and House of Representatives of the  
Philippines in Congress assembled:**

**SECTION 1.** This Act shall be known as the "Automatic Minimum  
Wage Adjustment Act."

**SECTION 2.** Declaration of Policy. — The State affirms its policy to  
afford full protection to labor and to ensure that wages keep pace with the  
cost of living, consistent with the principles of social justice enshrined in  
the Constitution.

**SECTION 3.** Automatic Adjustment Mechanism. — Beginning the  
year following the effectivity of this Act, the daily minimum wage rates set  
by the Regional Tripartite Wages and Productivity Boards shall be  
automatically adjusted every six (6) months based on the movement of the  
regional Consumer Price Index (CPI) as officially released by the Philippine  
Statistics Authority, without need of a new wage petition: Provided, That  
the adjustment shall not exceed the actual percentage change in the CPI  
for the relevant period.

**SECTION 4.** Retention of Board Authority. — Nothing in this Act  
shall diminish the authority of the Regional Tripartite Wages and  
Productivity Boards to conduct wage reviews, issue wage orders  
addressing structural or extraordinary conditions, and set the base  
minimum wage from which future automatic adjustments shall be  
computed.

**SECTION 5.** Non-Diminution of Benefits. — No wage, benefit, or privilege currently enjoyed by workers shall be reduced, diminished, or discontinued by reason of this Act.

**SECTION 6.** Implementing Rules and Regulations. — The Department of Labor and Employment, in coordination with the National Wages and Productivity Commission and the Philippine Statistics Authority, shall issue the implementing rules and regulations within ninety (90) days from the effectivity of this Act.

**SECTION 7.** Separability Clause. — If any provision of this Act is declared invalid, the other provisions not affected shall remain in force.

**SECTION 8.** Repealing Clause. — All laws, decrees, executive orders, and issuances inconsistent with this Act are hereby repealed or modified accordingly.

**SECTION 9.** Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.