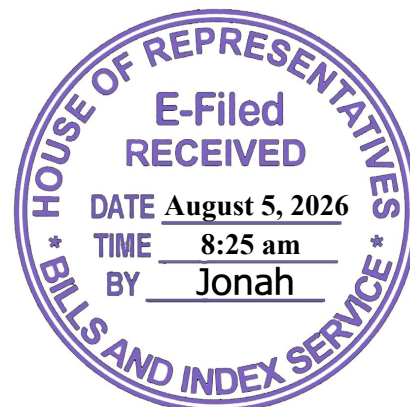


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10614



Introduced by **REP. ISIDRO T. UNGAB**

AN ACT

ESTABLISHING A COMPREHENSIVE PROFESSIONAL COMPENSATION SYSTEM IN THE PHILIPPINES, CREATING THE PROFESSIONAL WAGE BOARD AS AN ATTACHED AGENCY OF THE DEPARTMENT OF LABOR AND EMPLOYMENT WITH QUASI-JUDICIAL POWERS, ESTABLISHING THE PROFESSIONAL WAGE COUNCIL AS ITS CONSULTATIVE ARM, CREATING REGIONAL PROFESSIONAL WAGE OFFICES, ALIGNING MINIMUM PROFESSIONAL COMPENSATION WITH THE SALARY STANDARDIZATION LAW, COVERING ALL GOVERNMENT AND PRIVATE EMPLOYERS, PROVIDING FOR PERMANENT FUNDING, PRESCRIBING MINIMUM PROFESSIONAL COMPENSATION STANDARDS, DEFINING AND PENALIZING PROHIBITED ACTS, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippines produces some of the most highly trained licensed professionals in Asia — nurses, engineers, architects, pharmacists, physicians, accountants, teachers, and hundreds of others — yet systematically fails to retain them because domestic compensation does not reflect the investment, expertise, and public responsibility they carry. No existing law establishes minimum compensation standards specifically calibrated to licensed professional practice. The Labor Code and regional minimum wage system were designed for ordinary workers and are structurally ill-suited to capture the unique attributes of professional labor: mandatory years of education, state-administered licensure, continuing professional development obligations, personal and public liability, and the direct bearing of professional services on public health, safety, infrastructure, justice, and national development.

This Act proposes a permanent systemic solution through two complementary institutions: the Professional Wage Board (PWB), an attached agency of the Department of Labor and Employment with quasi-judicial authority to issue and enforce binding Professional Wage Orders; and the Professional Wage Council (PWC), a broad multi-sector consultative body that conducts stakeholder consultations and endorses draft wage orders to the Board. This two-tier architecture separates the political legitimacy of the consultation process from the legal authority of the wage-setting institution.

A defining feature of this Act is its alignment with the existing Salary Standardization Law (SSL). Rather than inventing compensation benchmarks from scratch, the Board shall use the SSL salary grade equivalents for each covered profession in government service as the statutory minimum floor for both government and private sector employment. This approach leverages a proven, legislatively validated, and regularly updated compensation framework and ensures parity between public and private professional compensation. Private employers may not pay less than the SSL-equivalent rate for a given profession; the Board may set higher rates when brain drain data and market conditions warrant.

This Act expressly covers all employers — every national government agency, local government unit, state university and college, government-owned and controlled corporation, government financial institution, private corporation, partnership, sole proprietorship, cooperative, foundation, and international organization operating in the Philippines — without distinction. For government employers, a dedicated budget alignment provision ensures appropriation compliance within one budget cycle. For private employers, graduated administrative sanctions, criminal penalties with imprisonment, civil liability, and a whistleblower reward program provide credible enforcement.

The Chairpersonship is open to any seasoned licensed professional with demonstrated leadership — pharmacists, nurses, engineers, and all other licensed professionals qualify alongside lawyers and economists. The Board is organized around the PRC's four professional clusters, with two seats per cluster. The Selection Committee is composed of the heads of the Civil Service Commission, Professional Regulation Commission, NEDA, and DOLE — or their designated alternates of at least Undersecretary rank — ensuring credible, practical, and expedient screening without overburdening already busy officials.

Approval of this measure is urgently sought.

A handwritten signature in black ink, appearing to be 'Isidro T. Ungab', with a stylized flourish at the end.

REP. ISIDRO T. UNGAB

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

ARTICLE I — GENERAL PROVISIONS

SECTION 1. Short Title. This Act shall be known and cited as the "Philippine Professional Compensation Act" or the "PPCA."

SEC. 2. Declaration of State Policy. The State hereby declares that:

- (a) It is the policy of the Republic of the Philippines to protect and promote the right of all licensed professionals to fair, equitable, and adequate compensation commensurate with their educational investment, professional responsibilities, and contribution to national development;
- (b) Chronic underpayment of licensed professionals constitutes structural injustice that undermines the national credentialing system, incentivizes emigration, depletes critical sectors, and injures the public that depends on professional services;

- (c) The State shall establish a permanent, adaptive, expert-administered system of minimum professional compensation standards — anchored to the Salary Standardization Law framework and responsive to market and economic conditions — that does not require repeated legislative intervention to remain relevant; and
- (d) This Act shall be construed liberally in favor of covered professionals, consistent with the constitutional mandate to afford full protection to labor.

SEC. 3. Universal Employer Coverage. This Act covers all employers engaging the services of covered professionals in the Philippines, without distinction as to sector, ownership, or organizational form, including:

- (a) All national government agencies, departments, bureaus, offices, and instrumentalities of the national government;
- (b) All local government units, including provinces, cities, municipalities, and barangays;
- (c) All state universities and colleges and other government educational institutions;
- (d) All government-owned and controlled corporations, government financial institutions, and their subsidiaries and affiliates, whether or not performing proprietary functions;
- (e) All private corporations, partnerships, sole proprietorships, and joint ventures, regardless of capitalization or size;
- (f) All cooperatives, foundations, associations, and non-stock, non-profit organizations; and
- (g) All international organizations, foreign missions, and foreign-funded projects operating within Philippine territory, to the extent consistent with applicable treaties and international agreements.

No employer falling within any of the foregoing categories may pay a covered professional below the Minimum Professional Compensation established under this Act and applicable Professional Wage Orders. The fact that an employer is a government entity or that its compensation structure is governed by existing law shall not be a defense to liability under this Act, except insofar as the budget alignment provision of Section 71 applies during the transition period.

SEC. 4. Coverage of Professionals. This Act covers all natural persons holding a valid certificate of registration and professional identification card issued by the Professional Regulation Commission or by any other professional regulatory body established by law, regardless of whether they are employed, self-employed, or engaged as independent contractors or consultants in Philippine territory.

SEC. 5. Non-Diminution of Benefits. Nothing in this Act shall reduce, diminish, or impair any benefit, right, privilege, or compensation that a covered professional is

receiving or is entitled to receive under any existing law, collective bargaining agreement, employer policy, practice, or individual contract. Minimum professional compensation rates established hereunder constitute a floor, not a ceiling.

SEC. 6. Relationship with Existing Wage and Compensation Laws. This Act operates in addition to the minimum wage system under the National Wages and Productivity Commission. Where a covered professional is also covered by a regional minimum wage order, whichever rate is higher shall apply. This Act operates in addition to, and not in derogation of, the Salary Standardization Law — the SSL shall serve as the statutory floor reference for professional wage-setting as provided in Article VII hereof. The Board shall coordinate with the NWPC and the Department of Budget and Management to prevent inconsistencies.

ARTICLE II — DEFINITION OF TERMS

SEC. 7. Definition of Terms. As used in this Act:

- (a) **"Accredited Professional Organization" or "APO"** refers to the integrated professional organization of a given profession duly accredited by the PRC or the relevant regulatory body as the official organization of that profession;
- (b) **"Board" or "PWB"** refers to the Professional Wage Board created under this Act;
- (c) **"Council" or "PWC"** refers to the Professional Wage Council created under this Act as the consultative and recommendatory arm of the Board;
- (d) **"Covered Professional"** refers to any person holding a valid certificate of registration and professional identification card issued by the PRC or any other professional regulatory body established by law;
- (e) **"Employer"** refers to any person or entity — natural or juridical, government or private — that engages, hires, contracts, or retains the services of a covered professional for compensation, as more particularly enumerated in Section 3 hereof;
- (f) **"Minimum Professional Compensation" or "MPC"** refers to the lowest lawful compensation, in any form, that an employer may pay a covered professional for professional services rendered, as determined by applicable Professional Wage Orders and anchored to the SSL floor reference;
- (g) **"Professional Cluster"** refers to one of the four groupings of professions recognized under this Act, consistent with the PRC's existing classification framework;
- (h) **"Professional Compensation Fund" or "PCF"** refers to the dedicated special trust fund of the Board established under this Act;
- (i) **"Professional Wage Order" or "PWO"** refers to the binding order issued by the Board prescribing MPC rates for a covered profession or group of professions, which shall have the force and effect of law upon effectivity;

- (j) **"Salary Grade" or "SG"** refers to the salary grade classification under the Salary Standardization Law (Republic Act No. 11466, as amended) and its implementing rules, as periodically updated by the Department of Budget and Management;
- (k) **"SSL Floor Reference"** refers to the monthly basic salary corresponding to the SSL salary grade assigned to the equivalent government position for a given covered profession, as determined by the Board in consultation with the DBM and PRC, which shall serve as the statutory minimum for MPC rate-setting;
- (l) **"Salary Differential"** refers to the difference between the applicable MPC and the actual compensation received by a covered professional, which the employer is obligated to pay in full; and
- (m) **"Technical Secretariat"** refers to the permanent administrative and technical staff of the Board.
- (n)

ARTICLE III — THE PROFESSIONAL WAGE BOARD

SEC. 8. Creation. There is hereby created the Professional Wage Board as an attached agency of the Department of Labor and Employment. The Board shall exercise its quasi-judicial, regulatory, and enforcement powers free from the direction or control of the DOLE Secretary, except as otherwise expressly provided by law. The Board shall have its principal office in Metro Manila and Regional Professional Wage Offices in every administrative region of the Philippines.

SEC. 9. Composition. The Board shall be composed of twelve (12) voting members as follows:

- (a) A Chairperson, appointed by the President;
- (b) Eight (8) Regular Members representing the four Professional Clusters — two (2) per cluster:
 - (i) Cluster A — Health and Allied Sciences: Medicine, Nursing, Pharmacy, Dentistry, Medical Technology, Physical Therapy, Nutrition and Dietetics, Midwifery, Optometry, Radiologic Technology, Respiratory Therapy, and allied health professions;
 - (ii) Cluster B — Engineering, Architecture, and Technology: Civil, Electrical, Mechanical, Chemical, Electronics, Geodetic, Naval Architecture and Marine Engineering, Sanitary Engineering, Architecture, and related technical professions;
 - (iii) Cluster C — Business, Management, and Social Sciences: Accountancy, Criminology, Customs Brokerage, Real Estate Service, Psychology, Social Work, Guidance Counseling, and related professions; and
 - (iv) Cluster D — Education, Arts, and Humanities: Teaching profession, Librarianship, Interior Design, Landscape Architecture, and related professions;

- (c) One (1) representative from the private employer sector, nominated by the Philippine Chamber of Commerce and Industry; and
- (d) One (1) representative from the labor sector, nominated by the most representative labor federation as certified by the Bureau of Labor Relations.

The Secretary of Labor and Employment, or a permanently designated alternate of at least Undersecretary rank, shall serve as a permanent non-voting resource person and shall attend all Board sessions in that capacity. The PRC Chairperson, or a designated alternate, shall likewise serve as a permanent non-voting technical resource person.

SEC. 10. Nomination of Cluster Representatives. For each Professional Cluster, the Accredited Professional Organizations within the cluster shall, through a process facilitated by the PRC, collectively nominate three (3) candidates for each of the two (2) cluster seats. Nominees must be licensed members of a profession within the represented cluster with at least ten (10) years of active professional practice or organizational leadership. The PRC shall transmit the shortlisted nominees to the Selection Committee within thirty (30) days of request.

SEC. 11. The Selection Committee. A Selection Committee shall screen and endorse nominees for the Chairperson and Regular Member positions. It shall be composed of:

- (a) The Chairperson of the Civil Service Commission, as Presiding Officer;
- (b) The Chairperson of the Professional Regulation Commission;
- (c) The Director-General of the National Economic and Development Authority;
and
- (d) The Secretary of Labor and Employment.

Each member of the Selection Committee may designate a permanent alternate of not lower than Undersecretary rank or its equivalent to act on their behalf in all Selection Committee proceedings. Such designation shall be in writing, addressed to the Presiding Officer, and shall remain effective until revoked in writing. The designated alternate shall have full authority to deliberate, vote, and sign documents on behalf of the principal. The Selection Committee shall convene within thirty (30) days from any vacancy, promulgate its own procedural rules, and submit an endorsed shortlist of three (3) nominees per position to the President within forty-five (45) days from convening. Decisions shall be by majority vote, with the Presiding Officer casting the deciding vote in case of a tie. The Technical Secretariat shall provide administrative support to the Committee.

SEC. 12. Qualifications of the Chairperson. The Chairperson shall:

- (a) Be a natural-born Filipino citizen, at least forty (40) years of age;
- (b) Hold a valid professional license issued by the PRC or any recognized professional regulatory body in any field of practice — including but not limited

- to health sciences, engineering, architecture, business, law, education, or any allied profession;
- (c) Have at least fifteen (15) years of combined experience in any of the following fields: professional practice, public administration, professional organization leadership, labor relations, compensation management, human resource management, or regulatory administration;
 - (d) Have demonstrated knowledge of or significant exposure to compensation policy, labor markets, professional regulation, or institutional governance;
 - (e) Be of proven integrity and probity with no final conviction of any crime involving moral turpitude; and
 - (f) Not be a current officer of any political party at the time of appointment.

SEC. 13. Qualifications of Regular Members. Each Regular Member shall:

- (a) Be a natural-born Filipino citizen, at least thirty-five (35) years of age;
- (b) In the case of cluster representatives: hold a valid professional license within their represented cluster;
- (c) In the case of the employer and labor representatives: possess at least ten (10) years of relevant experience in employer relations, labor relations, or workforce development;
- (d) Be of good moral character with no final conviction of any crime involving moral turpitude; and
- (e) Not be a current officer of any political party at the time of appointment.

SEC. 14. Term of Office. The Chairperson and Regular Members shall each serve a single non-renewable term of six (6) years. To ensure staggered succession among the first set of appointees, four (4) members determined by lot shall serve an initial term of three (3) years; the remainder shall serve the full six (6) years. Vacancies shall be filled within sixty (60) days in the same manner as the original appointment; the appointee shall serve only the unexpired term.

SEC. 15. Compensation. The Chairperson shall receive compensation and benefits equivalent to a Department Secretary. Regular Members shall receive those equivalents to an Undersecretary. All members shall receive corresponding allowances, insurance coverage, GSIS, PhilHealth, and PAGIBIG benefits.

SEC. 16. Conflict of Interest. During tenure, no member shall hold any paid position in any professional organization or private enterprise within the Board's jurisdiction; accept gifts or benefits from parties to any proceeding; or engage in partisan political activity. Within two (2) years after their term, no member shall appear before or accept employment with any party that had a pending case before the Board during their tenure.

SEC. 17. Causes for Removal. Members may be removed by the President upon recommendation of the Selection Committee for: culpable violation of this Act or the Constitution; graft and corruption; gross neglect or incompetence; grave misconduct; undisclosed conflict of interest; or permanent physical or mental incapacity. No removal shall be effected without written notice, opportunity to be heard, and formal investigation.

SEC. 18. Quorum and Voting. Seven (7) members shall constitute a quorum. Decisions require a majority of members present. Issuance of a Professional Wage Order requires the affirmative vote of at least seven (7) members. Reduction of existing minimum rates requires nine (9) affirmative votes.

SEC. 19. Meetings. The Board shall hold regular meetings at least twice a month. Deliberations on wage orders shall be in open session. Minutes shall be published within fifteen (15) days of each meeting.

ARTICLE IV — THE PROFESSIONAL WAGE COUNCIL

SEC. 20. Creation and Nature. There is hereby created the Professional Wage Council as the permanent consultative and recommendatory arm of the Board. The Council is not a separate government agency; it operates within the Board's institutional framework, serviced by the Technical Secretariat, and funded from the Professional Compensation Fund. Its function is recommendatory: the Council conducts stakeholder-driven multi-sector consultations on proposed Professional Wage Orders and transmits formal endorsed recommendations to the Board for deliberation and issuance.

SEC. 21. Composition. The Council shall be composed of twenty-three (23) members:

- (a) Sixteen (16) professional sector seats — four (4) per Professional Cluster — allocated among the APOs within each cluster through a rotation mechanism prescribed by the Board's implementing rules, ensuring that every APO within a cluster is represented within a three-year cycle;
- (b) Four (4) employer sector seats — one (1) each from: the Philippine Chamber of Commerce and Industry; the Employers Confederation of the Philippines; the Financial Executives Institute of the Philippines; and a representative of micro, small, and medium enterprises nominated by the Department of Trade and Industry;
- (c) One (1) labor sector seat, nominated by the most representative labor federation;
- (d) One (1) civil society seat, nominated by accredited consumer and civil society coalitions; and

- (e) One (1) academic or research seat — a compensation economist or labor market specialist nominated by the Commission on Higher Education from among university faculty.

SEC. 22. Officers of the Council. The Council shall elect from among its professional cluster members a President, a Vice-President, and a Secretary, each serving a two-year term renewable once. The President shall preside over all Council sessions and formally transmit the Council Recommendation to the Board. The Executive Director of the Technical Secretariat shall serve as the non-voting administrative liaison of the Council.

SEC. 23. Term of Council Members. Each Council member shall serve a term of two (2) years, renewable for one (1) additional term. APO seats shall rotate among constituent APOs within each cluster in accordance with the implementing rules.

SEC. 24. Functions of the Council. The Council shall:

- (a) Upon request of the Board or upon its own initiative, conduct multi-sector consultations on proposed Professional Wage Orders, including cluster-specific and profession-specific sessions;
- (b) Gather, consolidate, and analyze position papers, compensation data, and stakeholder inputs from all represented sectors;
- (c) Prepare and transmit to the Board a formal Council Recommendation for each proposed wage order, specifying: (i) recommended MPC rates with their basis; (ii) a summary of each sector's position; (iii) areas of consensus and disagreement; and (iv) the Council's reasoning;
- (d) Monitor implementation of issued wage orders and report compliance concerns to the Board;
- (e) Conduct or commission independent research on professional compensation and brain drain, and share findings with the Board; and
- (f) Submit an Annual State of Professional Compensation Report to the Board.

SEC. 25. Consultative Process. When the Board initiates a wage review, it shall simultaneously direct the Council to commence the consultative process. The Council shall:

- (a) Publish a Notice of Consultation at least forty-five (45) days before transmitting its Recommendation;
- (b) Conduct not less than four (4) regional consultations distributed across Luzon, Visayas, Mindanao, and Metro Manila;
- (c) Conduct at least one (1) cluster-specific or profession-specific technical session per affected cluster;

- (d) Accept written submissions for at least thirty (30) days from the last public consultation; and
- (e) Transmit the Council Recommendation to the Board within fifteen (15) days after the close of the submission period.

SEC. 26. Effect of Council Recommendation. The Board shall not issue a Professional Wage Order without first receiving and considering the Council Recommendation, except under the urgent economic necessity procedure of Section 38. Upon receipt, the Board shall: publish the Recommendation on its official website within five (5) working days; deliberate on it in open session; and, if the issued wage order deviates materially from the Recommendation, publish a detailed written explanation simultaneously with the wage order.

SEC. 27. Binding Authority of the Board. The Council Recommendation carries persuasive weight but does not bind the Board. The Board's quasi-judicial authority to fix MPC rates remains plenary and independent. Deviation from the Recommendation, properly explained and documented, shall not constitute a ground for annulment of a wage order.

SEC. 28. Compensation of Council Members. Council members shall receive per diems, transportation allowances, and reimbursement of reasonable expenses in amounts fixed by the Board's implementing rules, funded from the Professional Compensation Fund. Council membership does not constitute government service for GSIS purposes.

ARTICLE V — TECHNICAL SECRETARIAT AND REGIONAL PROFESSIONAL WAGE OFFICES

SEC. 29. Technical Secretariat. The Board shall be supported by a permanent Technical Secretariat headed by an Executive Director — a licensed professional with at least ten (10) years of relevant experience — appointed by the Chairperson with the concurrence of a majority of Regular Members. The Secretariat shall consist of:

- (a) Research and Standards Division — compensation studies, wage methodology, economic modeling, and technical preparation of draft wage orders;
- (b) Legal and Adjudication Division — legal research, quasi-judicial proceedings, enforcement coordination;
- (c) Stakeholder Engagement Division — servicing the Council, organizing consultations, liaison with APOs and employer associations;
- (d) Compliance and Enforcement Division — receiving complaints, conducting inspections, monitoring compliance, operating the Professional Wage Violation Registry; and
- (e) Finance and Administrative Division — budget, human resources, information technology, public communications, and records management.

SEC. 30. Regional Professional Wage Offices. The Board shall establish one (1) Regional Professional Wage Office (RPWO) in each administrative region, co-located with the DOLE regional office wherever practicable. Each RPWO shall be headed by a Regional Director and staffed with at minimum a legal officer, a research officer, and a compliance officer. RPWOs shall receive complaints, conduct regional inspections, facilitate Council consultations, and refer cases beyond their jurisdiction to the Board with a complete record.

SEC. 31. Civil Service Coverage. All positions in the Technical Secretariat and RPWOs shall be classified under the civil service and filled in accordance with Civil Service Commission rules. Existing DOLE personnel performing related functions may be transferred to the Board with their status, rank, and benefits intact.

ARTICLE VI — POWERS AND FUNCTIONS OF THE BOARD

SEC. 32. Powers and Functions. The Board shall:

- (a) Determine, fix, review, and adjust MPC rates for all covered professions through Professional Wage Orders, anchored to the SSL floor reference system established in Article VII;
- (b) Conduct or commission research and surveys on professional compensation, brain drain, and international benchmarks;
- (c) Hear and decide all complaints and disputes arising under this Act in the exercise of quasi-judicial authority, with primary, exclusive, and original jurisdiction;
- (d) Issue subpoenas, subpoenas duces tecum, and other compulsory processes; enforce compliance through contempt proceedings;
- (e) Conduct employer inspections without prior warrant, in the exercise of visitorial powers consistent with Article 128 of the Labor Code;
- (f) Issue cease-and-desist orders and writs of execution;
- (g) Promulgate and enforce implementing rules and regulations;
- (h) Impose administrative sanctions, order salary differential payments, and award damages;
- (i) Maintain and publish the Professional Wage Violation Registry;
- (j) Coordinate with BIR, SSS, GSIS, PhilHealth, and Pag-IBIG for compensation record cross-matching;
- (k) Coordinate with the Civil Service Commission and DBM for enforcement involving government employers;
- (l) Publish all wage orders, decisions, and reports in print and online; and
- (m) Recommend legislative amendments to Congress as conditions warrant.

SEC. 33. Resolution of Cases. The Board shall resolve all cases within thirty (30) working days from completion of pleadings or formal hearings, extendible once by the Chairperson for another thirty (30) working days upon written order.

SEC 34. Urgent Economic Necessity. In cases of grave national economic emergency officially declared by the President, the Board may, by an affirmative vote of nine (9) members, issue an interim Professional Wage Order without awaiting the full Council consultative process. Such interim order shall be effective for not more than one (1) year and shall be replaced through the full normal process within that period.

ARTICLE VII — SALARY STANDARDIZATION LAW ALIGNMENT AND PROFESSIONAL WAGE ORDERS

SEC. 35. SSL as the Statutory Minimum Floor. The Salary Standardization Law (Republic Act No. 11466, as amended, and all future SSL enactments) shall serve as the statutory minimum floor reference for all Professional Wage Orders issued under this Act. Specifically:

- (a) For each covered profession, the Board shall identify the equivalent government position and its corresponding SSL Salary Grade (SG) in consultation with the Civil Service Commission and the Department of Budget and Management;
- (b) The monthly basic salary corresponding to the identified SSL Salary Grade — at its lowest step increment — shall constitute the SSL Floor Reference for that profession;
- (c) No Professional Wage Order may prescribe an MPC rate below the applicable SSL Floor Reference for the covered profession; and
- (d) When the SSL is amended or updated by Congress or by the President, raising the monthly basic salary for any Salary Grade, the MPC rate for all professions whose SSL Floor Reference is pegged to that Salary Grade shall automatically adjust upward to match the new SSL rate within thirty (30) days of the SSL amendment's effectivity, without need of a new wage order. The Board shall publish a notice of such automatic adjustment within fifteen (15) days of the SSL amendment's effectivity.

SEC. 36. SSL Grade Equivalency Schedule. Within ninety (90) days from effectivity of this Act and within sixty (60) days from the enactment of any amendment to the SSL, the Board shall publish and maintain a Professional SSL Grade Equivalency Schedule, which shall:

- (a) List all covered professions and their corresponding SSL Salary Grade equivalent;
- (b) Specify the applicable SSL Floor Reference rate for each profession;

- (c) Be developed in consultation with the Civil Service Commission, DBM, PRC, and the Professional Wage Council; and
- (d) Be updated within sixty (60) days of any amendment to the SSL.

The Professional SSL Grade Equivalency Schedule shall be published in the Official Gazette, in two (2) newspapers of general circulation, and on the Board's online portal, and shall have the force of a Board resolution.

SEC. 37. Board Authority to Set Higher Rates. Nothing in this Article shall prevent the Board from setting MPC rates above the SSL Floor Reference for any profession. The Board shall set rates above the SSL Floor Reference when:

- (a) Brain drain data demonstrates that the SSL Floor Reference is insufficient to retain professionals in the domestic labor market;
- (b) Prevailing private sector compensation rates significantly exceed the SSL Floor Reference;
- (c) International or ASEAN-regional benchmarks demonstrate that the SSL Floor Reference is globally non-competitive; or
- (d) The Council Recommendation, supported by documented evidence, recommends higher rates.

SEC. 38. Authority to Issue Wage Orders. The Board shall issue Professional Wage Orders fixing MPC rates classified by profession or group of professions, industry or sector, geographic area, and career level or years of experience where appropriate. All wage orders shall be anchored to the SSL Floor Reference system and shall comply with the mandatory consultative process.

SEC. 39. Wage-Setting Criteria. In determining MPC rates above the SSL Floor Reference, the Board shall consider and document in a Technical Basis Report:

- (a) The SSL Floor Reference and the basis for any upward adjustment;
- (b) Cost of living and prevailing domestic compensation rates for the profession;
- (c) Educational requirements, licensure obligations, and continuing professional education burdens;
- (d) Professional liability and public trust inherent in the practice;
- (e) International and ASEAN-regional benchmark compensation;
- (f) Documented brain drain rate and trend, using PRC, POEA, and CFO data;
- (g) Supply and demand conditions in the domestic professional labor market;
- (h) Financial capacity of employers, distinguishing enterprise sizes and sector types;
- (i) Overall macroeconomic conditions; and
- (j) The Council Recommendation and APO and employer association submissions.

SEC. 40. Mandatory Consultative Process. No Professional Wage Order prescribing rates above the SSL Floor Reference shall be issued without compliance with the following:

- (a) Simultaneous notice to the Board and the Council initiating the review;
- (b) Council consultation of at least forty-five (45) days including regional public hearings;
- (c) Publication of the Council Recommendation and the Technical Basis Report before Board deliberation; and
- (d) Board deliberation in open session, with the written explanation requirement of Section 26 observed if deviating from the Council Recommendation.

Wage orders that merely implement automatic SSL floor adjustments under Section 35(d) are not subject to this consultative process, as they operate by force of law.

SEC. 41. Effectivity of Wage Orders. Every Professional Wage Order shall be published in at least two (2) newspapers of general circulation and in the Official Gazette and shall take effect not earlier than thirty (30) days after complete publication. It shall specify the professions covered, the applicable SSL Floor Reference, the MPC rates, and the period of validity.

SEC. 42. Mandatory Review. The Board shall conduct a mandatory review of all wage orders at least once every three (3) years. An extraordinary review shall be initiated within sixty (60) days upon: a cumulative CPI increase exceeding twelve percent (12%) since the last order; a petition by an APO supported by thirty percent (30%) of its membership; a petition by a recognized employer association; or a majority Board resolution.

SEC. 43. Non-Diminution. No wage order shall reduce existing MPC rates below the applicable SSL Floor Reference, ever. No wage order shall reduce MPC rates above the SSL Floor Reference except upon: a finding of extraordinary economic dislocation supported by verified data; nine (9) affirmative Board votes; and endorsement by the affected APOs. Any such reduction shall be temporary, not exceeding two (2) years.

SEC. 44. Exemptions. An employer may apply for temporary exemption within thirty (30) days of a wage order's effectivity if it is: a distressed employer with net operating losses in the two (2) preceding fiscal years evidenced by certified audited financial statements; a micro-enterprise in its first three (3) years of operations; or a duly registered non-stock, non-profit organization with certified limited funding. No exemption shall reduce MPC below the SSL Floor Reference. Exemptions shall not exceed two (2) years and are subject to monthly financial reporting. Government agencies, GOCCs, and large enterprises are ineligible for exemptions.

ARTICLE VIII — OBLIGATIONS OF EMPLOYERS AND PROFESSIONALS

SEC. 45. Duty to Pay. Every employer — whether government or private — shall pay covered professionals not less than the applicable MPC in Philippine currency, not less frequently than twice a month. No scheme, device, or intermediary arrangement shall be used to reduce effective compensation below the MPC.

SEC. 46. Government Employer Compliance. All government agencies, local government units, SUCs, GOCCs, and other government employers shall include in their annual budget submissions to the DBM the amounts necessary to comply with applicable Professional Wage Orders. The DBM shall prioritize the funding of MPC compliance in the National Expenditure Program. Government employers shall not use insufficiency of appropriations as a defense to the payment of salary differentials beyond the transition period prescribed in Section 71.

SEC. 47. Record-Keeping. All employers shall keep for at least ten (10) years: employment contracts; payroll records and pay slips; copies of applicable wage orders; and professional license records of all engaged professionals. Records shall be produced to Board inspectors within forty-eight (48) hours of demand. Failure to produce records creates a prima facie presumption of violation.

SEC. 48. Annual Compliance Report. Employers engaging five (5) or more covered professionals shall file a sworn Annual Employer Compliance Report with the Board not later than January 31 of each year, disclosing: number and classification of covered professionals engaged; their compensation relative to applicable MPC rates; any exemptions in effect; and the SSL Floor Reference applicable to each profession engaged.

SEC. 49. Posting Requirement. Every employer shall post conspicuously at the workplace the text or a Board-approved summary of all applicable Professional Wage Orders, including the SSL Floor Reference rates, and include this in every contract offered to a covered professional.

SEC. 50. Non-Waiver. No covered professional shall, under coercion, duress, or any form of pressure, waive any right or benefit under this Act or an applicable wage order. Any such waiver shall be void ab initio.

ARTICLE IX — PROHIBITED ACTS AND UNLAWFUL PRACTICES

SEC. 51. Prohibited Acts of Employers. The following are prohibited:

- (a) Paying a covered professional below the applicable MPC — whether directly or through wage-splitting, false classification, labor-only contracting, intermediary arrangements, or any other device;

- (b) Requiring any covered professional to return, rebate, or give back any part of compensation paid;
- (c) Coercing or inducing a covered professional to waive any right or benefit under this Act;
- (d) Retaliating against a covered professional for: filing a complaint; participating in Board proceedings; providing information to Board inspectors; or exercising any right under this Act — including through demotion, suspension, pay reduction, constructive dismissal, non-renewal, or blacklisting;
- (e) Obstructing, delaying, or refusing a lawful Board inspection or investigation;
- (f) Maintaining false, incomplete, or fraudulent payroll or employment records;
- (g) Misrepresenting to a covered professional the applicable MPC rates or SSL Floor Reference;
- (h) Failing to file the Annual Employer Compliance Report; and
- (i) Aiding, abetting, or inducing another employer or intermediary to commit any of the foregoing.

SEC. 52. Prohibited Acts of Intermediaries. No placement agency, staffing firm, or labor contractor shall: place a covered professional for compensation below the MPC; deduct fees that effectively reduce compensation below the MPC; or assist in any scheme to evade employer obligations. Intermediaries in violation are jointly and solidarily liable with the employer and subject to cancellation of their license to operate.

SEC. 53. Prohibited Acts of Board Members and Staff. No member of the Board, officer, or employee of the Secretariat or RPWO shall: solicit or accept gifts or benefits from parties to any proceeding; disclose confidential information for personal gain; participate in proceedings where they have a conflict of interest; or issue a wage order or decide a case without following this Act's mandatory procedures.

ARTICLE X — ENFORCEMENT, SANCTIONS, AND PENALTIES

SEC. 54. Complaint Procedure. Any covered professional, representative, labor organization, or any person may file a complaint with the Board or any RPWO. Complaints are free of charge, confidential upon written request, acknowledged within forty-eight (48) hours, and assigned a docket number. Any adverse employment action taken against a complainant within six (6) months of filing is prima facie evidence of retaliation.

SEC. 55. Inspection Powers. Authorized Board representatives may enter any workplace at reasonable times; examine all employment records, payrolls, and contracts; interview any covered professional in private; and photograph or copy relevant documents. Obstruction of inspection is a separate violation.

SEC. 56. Salary Differential Recovery. A violating employer shall pay the full salary differential with legal interest at the BSP-prescribed rate, from the date the obligation fell due. The right to recover shall not prescribe in less than three (3) years from discovery.

SEC. 57. Administrative Sanctions. The Board may impose the following, separately or jointly:

- (a) Order of Payment of the full salary differential with interest within fifteen (15) working days from finality;
- (b) Administrative Fine per affected professional:
 - (v) First violation: Php 50,000 to Php 200,000;
 - (vi) Second violation: Php 250,000 to Php 500,000; and
 - (vii) Third and subsequent violations: Php 750,000 to Php 2,000,000;
- (c) Suspension of operations for up to six (6) months;
- (d) Recommendation for revocation of business permit or license to operate;
- (e) Disqualification from government procurement for up to three (3) years; and
- (f) Listing in the Professional Wage Violation Registry.

For government employers, the Board shall, in lieu of business sanctions, refer final and executory violations to the Civil Service Commission, the Commission on Audit, and the Office of the Ombudsman for appropriate administrative action against the responsible officers. All fines collected shall be remitted to the Professional Compensation Fund.

SEC. 58. Criminal Penalties. The following are criminal offenses prosecuted before the Regional Trial Court:

- (a) Willful refusal to pay MPC after a final Order of Payment: imprisonment of two (2) to six (6) years, or a fine of not less than Php 1,000,000 per affected professional, or both;
- (b) Retaliation against a covered professional for exercising rights under this Act: imprisonment of one (1) to three (3) years, or a fine of not less than Php 500,000, or both, plus mandatory reinstatement with full back pay;
- (c) Obstruction of a lawful Board inspection: imprisonment of six (6) months to two (2) years, or a fine of not less than Php 250,000, or both;
- (d) Submission of false payroll records or compliance reports: imprisonment of two (2) to eight (8) years, or a fine of not less than Php 500,000, or both; and
- (e) Violation by an intermediary of Section 52: imprisonment of one (1) to four (4) years, or a fine of not less than Php 300,000, or both.

If the offender is a corporation or other juridical entity, criminal liability shall be imposed upon all responsible officers — including the President, CEO, CFO, CHRO, and

any officer who directed, authorized, ratified, or knowingly failed to remedy the violation — in addition to the fine imposed on the entity. For government employers, responsible officials shall be liable under Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act) and Republic Act No. 6713, in addition to liability under this Act.

SEC. 59. Civil Liability. A violating employer shall be civilly liable for: the full salary differential with legal interest; actual damages; moral damages of not less than Php 50,000 per affected professional; exemplary damages when the violation is attended by fraud, malice, or bad faith; and attorney's fees and litigation costs.

SEC. 60. Solidary Liability. The principal employer and any intermediary shall be jointly and solidarily liable for all salary differentials, fines, and civil liability under this Act.

SEC. 61. Whistleblower Protection and Reward. Any person reporting a violation to the Board shall be entitled to: confidentiality of identity upon request; protection from retaliation; the right to file a separate retaliation complaint; and a monetary reward equal to ten percent (10%) of the total administrative fine collected, funded from the PCF.

SEC. 62. Prescription. Complaints shall be filed within three (3) years from the violation or its discovery, whichever is later. The period is tolled by filing a complaint with the Board or any RPWO, or by written employer acknowledgment of the obligation.

SEC. 63. Contempt. The Board may cite any person for contempt for defying or obstructing its orders. Fines of up to Php 50,000 per act may be imposed; for indirect contempt, imprisonment of up to six (6) months may be recommended to the appropriate court.

SEC. 64. Compromise and Settlement. Parties may settle at any stage subject to Board approval. No compromise shall be valid if the professional receives less than the full salary differential, unless the Board finds genuine factual uncertainty. Administrative fines are not reducible through compromise without Board approval.

ARTICLE XI — APPEALS AND JUDICIAL REVIEW

SEC. 65. Appeals from RPWOs. Parties aggrieved by an RPWO decision may appeal to the Board within fifteen (15) working days from receipt. Filing an appeal does not stay execution unless the Board issues a TRO upon motion.

SEC. 66. Appeals from the Board. Parties aggrieved by a final Board decision may appeal to the Court of Appeals within fifteen (15) days from receipt, by verified

petition for review under Rule 43 of the Rules of Court. No administrative appeal shall lie to the DOLE Secretary or the Office of the President.

SEC. 67. Stay of Execution. An appeal does not stay execution of a salary differential payment order unless the Court of Appeals so directs upon the employer's posting of a cash bond equal to the full amount adjudged, held in escrow until final resolution.

SEC. 68. Execution of Final Orders. Final decisions shall be enforced through: writs of execution implemented with law enforcement assistance; garnishment of bank accounts; levy on property; and referral to the BIR for tax lien purposes.

ARTICLE XII — FUNDING AND THE PROFESSIONAL COMPENSATION FUND

SEC. 69. Initial Appropriation. The amount of Five Hundred Million Pesos (Php 500,000,000.00) is hereby appropriated from the General Fund for the initial operational requirements of the Board, including its principal office, all Regional Professional Wage Offices, staffing, and information technology infrastructure.

SEC. 70. Annual Appropriation. The funds necessary for continued operations shall be included annually in the General Appropriations Act under a dedicated budget line item for the Professional Wage Board. The Board shall prepare and submit its budget directly to the DBM. DOLE shall not modify, reduce, or condition the Board's budget submission.

SEC. 71. Professional Compensation Fund. There is established the Professional Compensation Fund as a special trust fund of the Board, maintained in a government depository bank and audited by the Commission on Audit, funded from:

- (a) Fifty percent (50%) of all administrative fines collected;
- (b) Two percent (2%) of all professional regulatory fees collected by the PRC annually, remitted as a statutory charge directly to the PCF;
- (c) Grants and donations from domestic or foreign entities, subject to applicable law; and
- (d) Income from authorized investments in risk-free government securities.

The PCF shall be used for: operational expenses not covered by annual appropriation; Council member per diems and allowances; the whistleblower reward program; legal aid for covered professionals without means; and research and data-gathering programs. A full audited accounting shall be published in each Annual Report.

SEC. 72. Fiscal Autonomy. The Board shall allocate and disburse its appropriated budget and PCF resources without prior DOLE or DBM approval, subject to COA auditing rules.

ARTICLE XIII — TRANSPARENCY, REPORTING, AND CONGRESSIONAL OVERSIGHT

SEC. 73. Annual Report. The Board shall submit a comprehensive Annual Report to the President, the Senate, and the House of Representatives not later than March 31 of each year, covering: all wage orders in effect including SSL Floor References; brain drain statistics by profession; enforcement statistics; PCF financial report; compliance assessment by sector and region; and legislative recommendations.

SEC. 74. Public Transparency Portal. The Board shall maintain a continuously updated online portal containing: all Professional Wage Orders and the Professional SSL Grade Equivalency Schedule; the Professional Wage Violation Registry; all Annual Reports and Technical Basis Reports; Council Recommendations; minutes of open Board meetings; and the Board's budget and PCF status.

SEC. 75. Congressional Oversight. The Senate Committee on Labor, Employment, and Human Resources Development and the House Committee on Labor and Employment shall jointly conduct annual oversight hearings, to which the Chairperson and Executive Director shall respond in person.

ARTICLE XIV — TRANSITORY AND FINAL PROVISIONS

SEC. 76. Priority Wage Orders. Within one hundred eighty (180) days from effectivity, the Board shall publish the initial Professional SSL Grade Equivalency Schedule and issue initial Professional Wage Orders for the ten (10) professions with the highest documented overseas migration rates. An expedited Council consultation of not less than forty-five (45) days may be used for these initial orders.

SEC. 77. Complete Coverage Timeline. Within three (3) years from effectivity, the Board shall have issued Professional Wage Orders covering all PRC-regulated professions. An implementation timeline shall be published within ninety (90) days of the Board's organization.

SEC. 78. Government Employer Transition. Government agencies, LGUs, SUCs, and GOCCs are granted a transition period of one (1) full budget cycle — the period from the effectivity of an applicable wage order to the end of the immediately following fiscal year — to secure appropriations for compliance. During this transition period, the affected government employer shall not be subject to administrative fines, but shall remain obligated to pay salary differentials with legal interest from the date the obligation fell due. After the transition period, all sanctions under this Act apply fully to government employers, and their responsible officers are subject to administrative and criminal liability.

SEC. 79. Implementing Rules and Regulations. The Board, in consultation with the Council, DOLE, CSC, DBM, PRC, and stakeholder groups, shall promulgate the Implementing Rules and Regulations within ninety (90) days from effectivity, to be published in two (2) newspapers of general circulation and effective fifteen (15) days after publication.

SEC. 80. Transition of Personnel. DOLE officers and employees currently performing functions related to professional compensation administration may be transferred to the Board with their civil service status, rank, salaries, and benefits intact.

SEC. 81. Separability Clause. If any provision of this Act is declared invalid, the remaining provisions shall remain in full force and effect.

SEC. 82. Repealing Clause. All laws, executive orders, and regulations inconsistent with this Act are hereby amended, modified, or repealed accordingly. The Labor Code of the Philippines, Republic Act No. 8981, and Republic Act No. 11466, insofar as not inconsistent with this Act, shall apply suppletorily.

SEC. 83. Effectivity. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in two (2) newspapers of general circulation, whichever comes earlier.

Approved