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CONGRESS OF THE PHILIPPINES }
First Regular Session }

HOUSE OF REPRESENTATIVES

H. No. 2842

INTRODUCED BY CONGRESSMEN ISIDRO, GUERRERO, ANNI, VELOSO, BANDON, JR., DUREZA, BAUTISTA, SR., PELAEZ, ANDOLANA, PINEDA, WEBB, ANIAG, JR., BADELLES, TY, OZAMIZ, PUEY, PONCE DE LEON, RODRIGUEZ, SANTOS (O.), GUANZON, GUTANG, HORCA, JR., JOAQUIN, LAZATIN, LAGMAN, LEGASPI, SERAPIO, CONGRESSWOMAN GORDON, CONGRESSMEN ABAYA, ESTRELLA III, TAGARAO, ROMERO, MERCADO (R.G.), OCAMPO, JABAR, ABLAN, JR., DAYANGHIRANG, CAMASURA, JR., MONFORT, FUGOSO, LOPEZ (J.), CONGRESSWOMAN GONZALEZ, CONGRESSMEN PILAPIL, TEVES, ANTONINO, AGUILAR, TUPAS, DEL MAR, ESTRELLA (E.), REAL, AMATONG, AND APACIBLE, PER COMMITTEE REPORT NO. 24

AN ACT PROVIDING FOR AN INCREASE IN THE STATUTORY MINIMUM WAGE RATES AND GRANTING EMERGENCY COST OF LIVING ALLOWANCES TO EMPLOYEES IN THE PRIVATE SECTOR AND FOR OTHER PURPOSES

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

- 1 SECTION 1. The statutory daily minimum wage rates
- 2 of employees in the private sector, except domestic helpers
- 3 and persons employed in the personal service of another,
- 4 shall be increased by ₱10.00 for all types of workers; Pro-

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1 *vided*, That those receiving above the minimum wage up to
2 ₱100.00 shall receive an increase of ₱10.00 and those re-
3 ceiving above ₱100.00 shall receive an emergency cost of
4 living allowance of ₱10.00; in either case, ₱8.00 thereof shall
5 be effective upon approval of this Act and ₱2.00 thereof
6 on January 1, 1988.

7 SEC. 2. In unionized companies, where the applications
8 of the minimum wage increases prescribed herein result in
9 distortions of the wage structure within an establishment, the
10 employer and the union shall, within a period of sixty days,
11 negotiate to correct the distortion. Any dispute arising
12 from wage distortions shall be resolved through the grievance
13 procedure under their collective bargaining agreement and
14 if not resolved, the dispute shall go to voluntary arbitration
15 as provided in that agreement.

16 If there is no collective bargaining agreement or re-
17 cognized labor organization, the employer shall promptly
18 endeavor to correct such distortion in consultation with
19 the workers. Any dispute arising therefrom shall be concil-
20 iated by the Regional Office of the Department of Labor and
21 Employment. If the dispute remains unresolved after con-
22 ciliation, the same shall be resolved through compulsory
23 arbitration by the NLRC Arbitration Branch having juris-
24 diction over the work place.

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SEC. 3. All workers paid according to results shall
2 receive the mandated increase based on the applicable stat-
3 utory minimum wage rates prescribed herein per eight (8)
4 hours work a day, or a proportion thereof for working less
5 than eight (8) hours.

6 SEC. 4. Learners, apprentices and handicapped workers
7 shall be entitled to not less than seventy-five percent (75%)
8 of the applicable adjusted wage rates.

9 All recognized learnership and apprenticeship agree-
10 ments entered into before the effective date of this Act
11 shall be considered as automatically modified insofar as
12 their wage clauses are concerned to reflect the wage rates
13 adjustment provided in this Act.

14 SEC. 5. Nothing in this Act shall be construed to
15 eliminate or in any way diminish supplements, or other
16 employee benefits being enjoyed by agreement or pursuant
17 to any policy or practice by the employer or by mandate
18 of law or rule at the time of its passage.

19 SEC. 6. The Department of Labor and Employment
20 may upon application grant an employer exemption from
21 compliance with the provisions of this Act in accordance
22 with existing guidelines of the Department.

23 Whenever an application for exemption has been duly
24 filed with the National Wages Council, action by the Regional

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1 Office of the Department on any complaint for alleged non-
2 compliance with this Act shall be deferred pending resolution
3 of the application for exemption by the Council.

4 Exemptions granted pursuant to this Act shall in no
5 case extend beyond two (2) years from effectivity of this
6 Act.

7 In the event that applications for exemptions are not
8 granted, employees shall receive the appropriate compen-
9 sation due them as provided for by this law plus interest
10 equivalent to the highest interest income accruing to a savings
11 deposit granted by savings and commercial banks in the
12 locality or the legal interest, whichever is higher, retro-
13 active to the effectivity of this law.

14 SEC. 7. The Secretary of Labor and Employment,
15 as Chairman of the National Wages Council, shall promul-
16 gate the necessary rules and regulations to implement this
17 Act.

18 SEC. 8. Any person, corporation, trust, firm, part-
19 nership, association or entity violating this Act shall be
20 punished by a fine not exceeding Five thousand pesos
21 (₱5,000.00) and/or imprisonment for not less than six
22 (6) months nor more than one (1) year.

23 If the violation is committed by a corporation, trust
24 or firm, partnership, association or any other entity, the

1 penalty of imprisonment shall be imposed upon the entity's
2 Chief Executive Officer or General Manager.

3 SEC. 9. All laws, orders, issuances, rules and regulations
4 or parts thereof inconsistent with the provisions of this
5 Act are hereby repealed or amended accordingly.

6 SEC. 10. If any part or provision of this Act is declared
7 invalid or unconstitutional, the other parts or provisions
8 thereof shall remain valid and effective.

9 SEC. 11. This Act shall take effect immediately upon
10 approval.

Approved,



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