

Congress of the Philippines)  
First Regular Session )

SENATE BILL NO. 134



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Introduced by Senators Paterno, Angara, Alvarez, Mercado,  
Osmeña, Romulo, Shahani, Lina, Ziga, Laurel, Gonzales, Aquino,  
Rasul, Guingona and Salonga  
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EXPLANATORY NOTE

This bill seeks to provide immediate relief to minimum wage earners who comprise 20% of this country's wage and salary workers and whose real wages have deteriorated due to a rise in the cost of living.

Specifically, this bill seeks to grant a minimum wage increase of ₱8.00 for non-agricultural workers and ₱6.00 for agricultural workers and workers in retail/service establishments employing not more than 10 employees. These amounts will restore real wages of affected workers to the 1984 level and in the case of agricultural workers, provide them with a bigger cushion given the historical bias that have kept their wages low and lagging behind their non-agricultural counterparts.

This measure also marks a shift in the policy which has been pursued since 1974 mandating adjustments not only in minimum wages but also in other monetary benefits. While the bill seeks to promote the well-being of the lowest paid workers, it also encourages workers and employers to bargain collectively for benefits above the minimum. It is hoped that this will give the trade union movement further impetus to organize and negotiate even as it affords management enough room for constructive dialogue and financial adjustments.

*Vicente T. Paterno*  
VICENTE T. PATERNO

*Heheron T. Alvarez*  
HEHERSON T. ALVAREZ

*John H. Osmena*  
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*Neptali D. Gonzales*  
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*Edgardo J. Angara*  
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*Orlando S. Mercado*  
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*Alberto G. Romulo*  
ALBERTO G. ROMULO

*Jose D. Lina, Jr.*  
JOSE D. LINA, JR.

*Victor S. Zica*  
VICTOR S. ZICA

*Teofisto T. Guingona*  
TEOFISTO T. GUINGONA  
w/ reservation  
for higher  
amount.

*J.R. Salonga*  
J.R. SALONGA





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AN ACT

PROVIDING FOR AN INCREASE IN THE STATUTORY MINIMUM WAGE RATES OF  
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:

SECTION 1. The statutory minimum wage rates of employees in  
the private sector, except domestic helpers and persons employed in  
the personal service of another, shall be increased as follows:

(a) For Non-Agricultural Workers

P6.00 upon approval of this Act and  
P2.00 effective January 1, 1988; and

(b) For Agricultural Workers and Workers in  
Retail/Service establishments regularly employing  
not more than ten workers.

P4.00 upon approval of this Act and  
P2.00 effective January 1, 1988.

SECTION 2. In unionized companies, where the applications of  
the minimum wage increases prescribed herein results in distortions  
of the wage structure within an establishment, the employer and the  
union shall, within a period of sixty days, negotiate to correct  
the distortion. Any dispute arising from wage distortions shall be  
resolved through the grievance procedure under their collective  
bargaining agreement or through conciliation or arbitration. Wage  
distortions shall not be a ground for a notice of strike and where  
filed, such notice shall be dismissed immediately.

If there is no collective bargaining agreement or recognized labor organization, the employer shall promptly endeavor to correct such distortion in consultation with the workers. Any dispute arising therefrom shall be conciliated by the Regional Office of the Department of Labor and Employment. If the dispute remains unresolved after conciliation, the same shall be resolved through compulsory arbitration by the NLRC Arbitration Branch having jurisdiction over the workplace.

SECTION 3. All workers paid by results shall receive not less than the applicable statutory minimum wage rates prescribed herein per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

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

All recognized learnership and apprenticeship agreements entered into before the effective date of this Act shall be considered as automatically modified insofar as their wage clauses are concerned to reflect the increases provided in this Act.

SECTION 5. In the case of contracts for construction projects and for security, janitorial and similar services, the increases in the minimum wage rates of the workers shall be borne by the principal or client of the construction/service contractor and the contract shall be deemed amended accordingly.

SECTION 6. Nothing in this Act shall be construed to eliminate or in any way diminish supplements, or other employee benefits being enjoyed by agreement or pursuant to any policy or practice by the employer or by mandate of law or rule at the time of its passage.

SECTION 7. The Secretary of Labor and Employment, as Chairman of the National Wages Council, shall promulgate the necessary rules and regulations to implement this Act.

SECTION 8. All laws, orders, issuances, rules and regulations or part thereof inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SECTION 9. This Act shall take effect fifteen days after its publication in any national paper of general circulation.

Approved.



Senate Archives (LRAS)