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HOUSE OF REPRESENTATIVES

H. No. 317

INTRODUCED BY HONORABLE VELOSO, FUGOSO, SERAPIO, ROMERO, DRAGON, YAP (R.), DEL MAR, RAMIREZ, LIBAN, BONDOC, CATANE, ANDOLANA, PANCHO, TAMMANG, LORETO, TY, PANES, CABILAO, KHO, LANTO, SARMIENTO (A.), LORENZO, CANDAZO, BAGUIO, PIMENTEL, PAREDES, JR., AUMENTADO, LOPEZ (E.), CERILLES, DAMASING, PEREZ, JR., ISIDRO, LAGMAN, CUENCO, PALACOL, GUANZON, TUAZON, LOBREGAT, FUA, ADASA, JR. AND ALFELOR, PER COMMITTEE REPORT NO. 3

AN ACT AMENDING ARTICLE 287 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, BY PROVIDING FOR RETIREMENT PAY TO QUALIFIED PRIVATE SECTOR EMPLOYEES IN THE ABSENCE OF ANY RETIREMENT PLAN IN THE ESTABLISHMENT

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

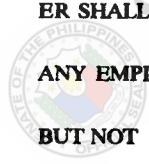
1 SECTION 1. Article 287 of Presidential Decree No. 442, as
2 amended, otherwise known as the Labor Code of the Philippines, is
3 hereby amended to read as follows:

4 "ART. 287. *Retirement.* - Any employee may be retired upon
5 reaching the retirement age established in the collective bargaining
6 agreement or other applicable employment contract.

1 **"In case of retirement, the employee shall be entitled to receive**
 2 **such retirement benefits as he may have earned under existing laws**
 3 **and any collective bargaining AGREEMENT and other agreements:**
 4 ***PROVIDED, HOWEVER, THAT AN EMPLOYEE'S RETIREMENT BENE-***
 5 ***FFITS UNDER ANY COLLECTIVE BARGAINING AND OTHER AGREE-***
 6 ***MENTS SHALL NOT BE LESS THAN THOSE PROVIDED HEREIN.***

7 **"IN THE ABSENCE OF A RETIREMENT PLAN OR AGREEMENT**
 8 **PROVIDING FOR RETIREMENT BENEFITS OF EMPLOYEES IN THE**
 9 **ESTABLISHMENT, AN EMPLOYEE UPON REACHING THE AGE OF**
 10 **SIXTY (60) YEARS OR MORE BUT NOT BEYOND SIXTY-FIVE (65)**
 11 **YEARS MAY RETIRE AND SHALL BE ENTITLED TO RETIREMENT PAY**
 12 **EQUIVALENT TO AT LEAST ONE-HALF (1/2) MONTH SALARY FOR**
 13 **EVERY YEAR OF SERVICE, A FRACTION OF AT LEAST SIX (6)**
 14 **MONTHS BEING CONSIDERED AS ONE WHOLE YEAR. THE EMPLOY-**
 15 **ER SHALL LIKEWISE HAVE THE RIGHT TO COMPULSORILY RETIRE**
 16 **ANY EMPLOYEE HAVING REACHED THE AGE OF SIXTY (60) YEARS**
 17 **BUT NOT BEYOND SIXTY-FIVE (65) YEARS: *PROVIDED, THAT THE***
 18 ***SAME RETIREMENT PAY IS GRANTED.*"**

19 **"UNLESS THE PARTIES PROVIDE FOR BROADER INCLUSIONS,**
 20 **THE TERM "MONTH SALARY" SHALL BE DEEMED TO INCLUDE**
 21 **13TH MONTH PAY AND CASH EQUIVALENTS OF SERVICE INCENTIVE**
 22 **LEAVES OR VACATION AND SICK LEAVES: *PROVIDED, FURTHER,***



1 THAT 13TH MONTH PAY SHALL NOT INCLUDE COMMISSIONS,
2 INCENTIVES OR ADDITIONAL REMUNERATIONS WHICH IS TIED TO
3 CERTAIN QUOTA, CRITERIA OR PERFORMANCE."

4 SEC. 2. This Act shall take effect fifteen (15) days after its
5 complete publication in the *Official Gazette* or in at least two (2)
6 national newspapers of general circulation, whichever comes earlier.

Approved,

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Senate Archives (LRAD)

