



HOUSE OF REPRESENTATIVES

H. No. 8784

BY REPRESENTATIVES LAOGAN, PRIMICIAS-AGABAS, SILVERIO,
LAZATIN, SY-ALVARADO, TUGNA, BELMONTE (F.),
PANGANIBAN, VILLARIN, BAG-AO, VILLAFUERTE, SAHALI,
AMANTE, TAMBUNTING, TING, MENDOZA, GO (M.),
CORTUNA, ROBES, LACSON, MENDING AND LAGMAN, PER
COMMITTEE REPORT NO. 1023

AN ACT INCREASING THE BENEFITS FROM SERVICE
CHARGES OF RANK-AND-FILE AND SUPERVISORY
EMPLOYEES, AMENDING FOR THE PURPOSE ARTICLE
96 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED,
OTHERWISE KNOWN AS THE "LABOR CODE OF THE
PHILIPPINES"

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

1 SECTION 1. Article 96 of the Labor Code is hereby amended to
2 read as follows:

3 "ART. 96. *Service Charges.* - All service charges
4 collected by hotels, restaurants and similar
5 establishments shall be distributed at the rate of
6 [eighty-five percent (85%)] NINETY PERCENT (90%)
7 for all [covered] REGULAR RANK-AND-FILE AND
8 SUPERVISORY employees, and [fifteen percent (15%)]
9 TEN PERCENT (10%) for management TO COVER

1 PILFERAGES AND BREAKAGES, AND FOR DISTRIBUTION
2 TO LOCAL MANAGERIAL EMPLOYEES. The share of
3 the REGULAR RANK-AND-FILE AND SUPERVISORY
4 employees shall be FULLY AND equally distributed
5 among them. [In case the service charge is abolished,
6 the share of the covered employees shall be considered
7 integrated in their wages.] IN CASE THE MINIMUM
8 WAGE IS INCREASED BY LAW OR WAGE ORDER, SERVICE
9 CHARGES PAID TO THE COVERED EMPLOYEES
10 SHALL NOT BE CONSIDERED IN DETERMINING THE
11 EMPLOYER'S COMPLIANCE WITH THE INCREASED
12 MINIMUM WAGE."

13 SEC. 2. Nothing in this Act shall be construed as to diminish
14 existing benefits under present laws, company policies, and
15 collective bargaining agreements.

16 SEC. 3. All laws, presidential decrees, proclamations,
17 executive orders, issuances, rules and regulations or parts thereof
18 inconsistent with the provisions of this Act are hereby repealed,
19 amended or modified accordingly.

20 SEC. 4. This Act shall take effect fifteen (15) days after its
21 complete publication in the *Official Gazette* or in at least two (2)
22 newspapers of general circulation.

 Approved,

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