



HOUSE OF REPRESENTATIVES

H. No. 5506

BY REPRESENTATIVES AQUINO (B.), CHUNGALAO, MAMBA, MITRA, ACOSTA,
CASTRO, ROMAN, UY (R.), ABAYA, SYJUCO, NIEVA, BIAZON, ALCALA,
VALENCIA, DUMARPA, MARCOLETA AND AMIN, PER COMMITTEE
REPORT NO. 1694

AN ACT INCREASING THE PENALTIES FOR NONCOMPLIANCE
WITH THE PRESCRIBED INCREASES AND ADJUSTMENTS IN
THE WAGE RATES OF WORKERS, AMENDING FURTHER FOR
THE PURPOSE REPUBLIC ACT NO. 6727, OTHERWISE KNOWN
AS THE "WAGE RATIONALIZATION ACT", AND FOR OTHER
PURPOSES

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

1 SECTION 1. Section 12 of Republic Act No. 6727, as amended, is
2 hereby further amended to read as follows:

3 "SEC. 12. Any person, corporation, trust, firm,
4 partnership, association or entity which refuses or fails to pay
5 any of the prescribed increases or adjustments in the wage rates
6 made in accordance with this Act shall be punished by a fine [not

1 less than Twenty-five thousand pesos (P25,000) nor more than
2 One hundred thousand pesos (P100,000)] OF AT LEAST FIFTY
3 THOUSAND PESOS (P50,000) PLUS MORAL DAMAGES NOT
4 EXCEEDING THIRTY THOUSAND PESOS (P30,000) FOR EACH
5 AFFECTED WORKER AND THE COSTS OF LITIGATION
6 INCLUDING ATTORNEY'S FEES, and/or imprisonment of not less
7 than two (2) years nor more than four (4) years, or both such fine
8 and imprisonment at the discretion of the court: *Provided*, That
9 any person convicted under this Act shall not be entitled to the
10 benefits provided for under the Probation Law.

11 "The employer concerned shall be ordered to pay an
12 amount equivalent to double the unpaid benefits owing to the
13 employees: *Provided*, That payment of indemnity shall not
14 absolve the employer from the criminal liability imposable under
15 this Act.

16 "If the violation is committed by a corporation, trust or
17 firm, partnership, association or any other entity, the penalty of
18 imprisonment shall be imposed upon the entity's responsible
19 officers, including, but not limited to, the president, vice-
20 president, chief executive officer, general manager, managing
21 director or partner.

1 “IN CASES WHERE A FINE IS DECREED BY THE
2 NATIONAL LABOR RELATIONS COMMISSION (NLRC)
3 AGAINST PERSON/S WHO VIOLATED THE PROVISIONS OF THIS
4 ACT AND CANNOT BE IMMEDIATELY SATISFIED BECAUSE OF
5 THE UNAVAILABILITY OR INADEQUACY OF FUNDS, THE ASSETS
6 OF THE OWNER, PRESIDENT OR MANAGER OF THE
7 CORPORATION OR ANY OTHER ENTITY, OR FRACTIONS
8 THEREOF, EITHER MOVABLE OR IMMOVABLE PROPERTY,
9 ESTIMATED TO BE CAPABLE OF FULLY SATISFYING THE
10 IMPOSED FINES SHALL BE THE SUBJECT OF A SUMMARY
11 FORFEITURE AND GARNISHMENT PROCEEDINGS TO BE
12 LITIGATED BY THE SAME BODY WHICH IMPOSED THE SAID
13 PENALTY.”

14 SEC. 2. *Separability Clause.* – If any provision of this Act shall be
15 declared unconstitutional, any other provision not affected thereby shall remain
16 in full force and effect.

17 SEC. 3. *Repealing Clause.* – All laws, decrees, orders, rules and
18 regulations or parts thereof inconsistent with this Act are hereby repealed or
19 amended accordingly.

20 SEC. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after
21 its publication in at least two national newspapers of general circulation.

Approved,