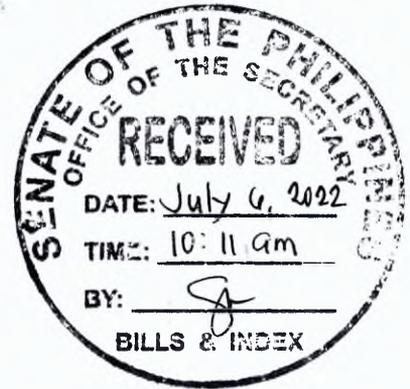


NINETEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



SENATE
S. No. 41

Introduced by SENATOR JINGGOY EJERCITO ESTRADA

AN ACT
FURTHER STRENGTHENING THE NATIONAL WAGES AND PRODUCTIVITY COMMISSION, FURTHER AMENDING FOR THIS PURPOSE ARTICLES 121 AND 122 OF PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, AS AMENDED BY R.A. 6727

EXPLANATORY NOTE

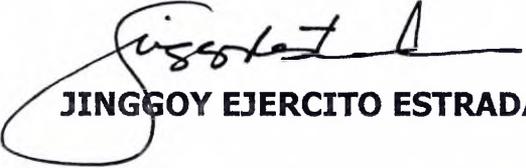
Presidential Decree No. 442, otherwise known as the Labor Code of the Philippines created the National Wages and Productivity Commission as an attached agency of the Department of Labor and Employment (DOLE) under Article 120 and laid down its powers and functions under Article 121. To complement the Commission, the Regional Tripartite Wages and Productivity Boards was also created under Article 122 of the Labor Code.

This proposed bill seeks to include the Secretary of Department of Trade and Industry (DTI) as one of the ex-officio Vice Chairpersons of the Commission to provide guidance on business and investment conditions including insights on the implications of wage and income policies to any business performance.

A Productivity and Quality Expert from the private sector shall likewise be included as a regular member of the Commission and the Board. This is aimed to put productivity perspective at the center of tripartite discussions on wage and productivity policies and programs.

Lastly, the term of duty of all private sectoral representatives in the Commission and the Boards shall be reduced from the current five (5) years to three (3) years with a possible re-appointment of one (1) term only.

In view of foregoing, approval of this bill is earnestly requested.



JINGGOY EJERCITO ESTRADA

NINETEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
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SENATE

S. No. 41

Introduced by SENATOR JINGGOY EJERCITO ESTRADA

**AN ACT
FURTHER STRENGTHENING THE NATIONAL WAGES AND PRODUCTIVITY
COMMISSION, FURTHER AMENDING FOR THIS PURPOSE ARTICLES 121
AND 122 OF PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS
THE LABOR CODE OF THE PHILIPPINES, AS AMENDED BY R.A. 6727**

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

1 Section 1. Article 121, paragraph 2 of the Labor Code of the Philippines, as
2 amended by Republic Act 6727, is hereby amended to read as follows:
3 "Article 121. Powers and Functions of the Commission. – x x x.
4 "x x x
5 "The Commission shall be composed of the Secretary of Labor
6 and Employment as ex-officio [~~chairman~~] **CHAIRPERSON**, the
7 Director-General of the National Economic and Development
8 Authority (NEDA) **AND THE SECRETARY OF THE**
9 **DEPARTMENT OF TRADE AND INDUSTRY (DTI) AS EX-**
10 **OFFICIO VICE-CHAIRPERSONS** [~~vice-chairman~~], and two
11 (2) members each from workers and employers sectors who
12 shall be appointed by the President of the Philippines upon

1 recommendation of the Secretary of Labor and Employment to
2 be made on the basis of the list of nominees submitted by the
3 workers and employers sectors, respectively, and who shall
4 serve for a term of [~~five (5) years~~] **THREE (3) YEARS AND**
5 **MAY BE RE-APPOINTED FOR ONE (1) TERM ONLY.** The
6 Executive Director of the Commission shall be a member of the
7 Commission.

8 **"THE COMMISSION SHALL ALSO HAVE A PRODUCTIVITY**
9 **AND QUALITY EXPERT/CHAMPION WHO SHALL BE A**
10 **REGULAR MEMBER OF THE COMMISSION. THE PRIVATE**
11 **SECTOR PRODUCTIVITY AND QUALITY EXPERT SHALL**
12 **BE APPOINTED BY THE PRESIDENT OF THE**
13 **PHILIPPINES UPON RECOMMENDATION OF THE**
14 **SECRETARY OF LABOR AND EMPLOYMENT TO BE MADE**
15 **ON THE BASIS OF THE LIST OF NOMINEES SUBMITTED**
16 **BY A DULY RECOGNIZED PRODUCTIVITY AND QUALITY**
17 **ORGANIZATION WHO SHALL SERVE FOR A TERM OF**
18 **THREE (3) YEARS AND MAY BE RE-APPOINTED FOR ONE**
19 **(1) TERM ONLY.**

20 "x x x"

21 Sec. 2. Article 122 of the Labor Code, as amended, is hereby amended to
22 read as follows:

23 "Article 122. Creation of Regional Tripartite Wages and
24 Productivity Boards. – x x x.

25 "x x x.

26 "Each Regional Board shall be composed of the Regional
27 Director of the Department of Labor and Employment as
28 [~~chairman~~] **CHAIRPERSON**, the Regional Directors of the
29 National Economic Development Authority (NEDA) and

1 Department of Trade and Industry (DTI) as [~~vice-chairman~~]
2 **VICE-CHAIRPERSONS**, and two (2) members each from
3 workers' and employers' sectors who shall be appointed by the
4 President of the Philippines, upon the recommendation of the
5 Secretary of Labor and Employment to be made on the basis of
6 the list of nominees submitted by the workers' and employers'
7 sectors, respectively, and who shall serve for a term of [~~five (5)~~
8 years] **THREE (3) YEARS AND MAY BE RE-APPOINTED**
9 **FOR ONE (1) TERM ONLY.**

10 **"THE BOARD SHALL ALSO HAVE A PRODUCTIVITY AND**
11 **QUALITY EXPERT/CHAMPION WHO SHALL BE A**
12 **REGULAR MEMBER OF THE BOARD. THE PRIVATE**
13 **SECTOR PRODUCTIVITY AND QUALITY EXPERT SHALL**
14 **BE APPOINTED BY THE PRESIDENT OF THE**
15 **PHILIPPINES UPON RECOMMENDATION OF THE**
16 **SECRETARY OF LABOR AND EMPLOYMENT TO BE MADE**
17 **ON THE BASIS OF THE LIST OF NOMINEES SUBMITTED**
18 **BY A DULY RECOGNIZED PRODUCTIVITY AND QUALITY**
19 **ORGANIZATION WHO SHALL SERVE FOR A TERM OF**
20 **THREE (3) YEARS AND MAY BE RE-APPOINTED FOR ONE**
21 **(1) TERM ONLY.**

22 "x x x."

23 *Sec. 3. Implementing Rules and Regulations.* – The Secretary of Labor and
24 Employment shall promulgate the necessary rules and regulations to implement the
25 provisions of this Act.

26 *Sec. 4. Separability Clause.* – If any part, section or provision of this Act shall
27 be held invalid or unconstitutional, the other provisions not affected by such
28 declaration shall remain in full force and effect.

1 Sec. 5. *Repealing Clause.* – All laws, acts, decrees, executive orders, rules
2 and regulations or other issuances or parts thereof, which are consistent with this
3 Act, are hereby modified and repealed.

4 Sec. 6. *Effectivity.* – This Act shall take effect fifteen (15) days after its full
5 publication in the Official Gazette or in at least two (2) newspapers of national
6 circulation.

Approved,