

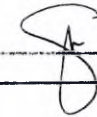


Senate  
Office of the Secretary

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

'22 JUL -7 P5 :40

**SENATE**  
**Senate Bill No. 208**

RECEIVED BY: 

Introduced by: **Senator Raffy T. Tulfo**

**"AN ACT PENALIZING THE ACT OF WAGE THEFT BY AMENDING FOR THIS PURPOSE ARTICLES 87 & 116 OF PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES"**

**Explanatory Note**

The relation between an employer and employee is one, by its nature, disadvantageous on the part of the employee. Time and time again, it has been observed that a mere infraction or personal dispute between the employer and a single employee would result into extreme measures by the employer such as immediate termination of their employment or even worse, fabricated claims of theft that lead to criminal prosecution. On the other hand, in circumstances where the labor rights of the employee is breached by the employer, the employee is left with no equivalent recourse than to institute money-claims which would eventually lead to his or her employment due to strained relationships.

To help rectify this situation, it is about time that the employees who have less in life be given a stronger means of penalizing abuses in law. By making the withholding and taking of their proper remuneration as an imprisonable offense, there will be created a deterrent for the employers to breach their legal obligation to provide proper remuneration to those who they employ.

In view of the foregoing, the urgent passing of this bill is earnestly sought.

  
**Raffy Teshiba Tulfo**  
Senator

'22 JUL -7 P5 :41

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KNOWN AS THE LABOR CODE OF THE PHILIPPINES"**

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

1       **SECTION 1. *Title.*** – This Act shall be known as the "*Wage Theft Prevention Act*"  
2

3       **SEC. 2. *Declaration of Policy.*** – It is the policy of the State to not only ensure  
4 workers' right to a living wage and to a humane working condition, but full protection to  
5 all the rights legally due to a worker.  
6

7       To promote and ensure full protection of a workers' wage against unlawful act of  
8 wage theft, the State adopts and institutionalizes the legislation of penalizing the act of  
9 wage theft that can possibly be committed against honest and hardworking workers of  
10 both the public and private sectors, locally and abroad.  
11

12       **SEC. 3. *Definition of Terms.*** – As used in this Act:  
13

14       a) *Wage Theft* refers to the act of depriving or withholding an employee of the  
15 wages, other earnings, and other benefits to which the employee is legally  
16 entitled to as stated in the contract or agreement entered by both the employer  
17 and employee of the private sector, locally or abroad.  
18

19       The act may be in the form of withholding wage, including minimum wage, other  
20 earnings, and other benefits, failure to pay overtime compensation, failure to pay  
21 holiday benefits, failure to award the amount of tips honestly earned by a worker,  
22 failure to pay bonuses granted to each employee as stated in their contract or  
23 agreement, and discrimination on the classification of employees from other  
24 earnings and benefits, among others.

1  
2       **SEC. 4.** In line with this policy, Article 87 of the Labor Code of the Philippines is  
3 hereby amended to read as follows:  
4

5           “ART. 87. Overtime Work. Work may be performed beyond eight  
6 (8) hours a day provided that the employee is paid for the overtime  
7 work, an additional compensation equivalent to his regular wage  
8 plus at least twenty-five percent (25%) thereof. Work performed  
9 beyond eight hours on a holiday of rest day shall be paid an  
10 additional compensation equivalent to the rate of the first eight  
11 hours on a holiday or rest day plus at least thirty percent (30%)  
12 thereof.  
13

14           IT SHALL BE UNLAWFUL FOR ANY EMPLOYER TO DISCRIMINATE  
15 ANY EMPLOYEE BY CLASSIFYING THOSE WHO CAN EXCLUSIVELY  
16 RENDER OVERTIME WORK ON THE BASIS OF SEXUAL  
17 ORIENTATION, ETHNIC ORIGIN, RELIGIOUS BELIEF, DISABILITY,  
18 EDUCATIONAL ATTAINMENT AND OTHER FORMS OF  
19 DISCRIMINATION.”  
20

21       **SEC. 5.** – In line with this policy, Article 116 of the Labor Code of the Philippines is  
22 hereby amended to read as follows:  
23

24           “ART. 116. Withholding of Wages and Kickbacks Prohibited. – It  
25 shall be unlawful for any person, directly or indirectly, to withhold  
26 any amount from the wages, OTHER EARNINGS AND OTHER  
27 BENEFITS SUCH OVERTIME COMPENSATION, TIPS, 13<sup>TH</sup> MONTH  
28 PAY, REIMBURSEMENTS DONE ON THE COURSE OF THEIR DUTY,  
29 HOLIDAY PAY, BONUSES, AMONG OTHERS ON THE AGREED  
30 RELEASE DATE OF SUCH WAGE, OTHER EARNINGS AND BENEFITS  
31 of a worker or induce him to give any part of his wages by force,  
32 stealth, intimidation, threat or by any other means whatsoever  
33 without the workers’ consent.”  
34

35       **SEC. 6. *Penalty.*** – Employers who fail to comply with this Act shall be criminally  
36 liable in accordance with Article 309 of the *Revised Penal Code* and other existing laws,  
37 rules, and regulations.  
38

39       In cases where the employee who is subject to wage theft is employed by a  
40 corporation, the person criminally liable shall be the person directly responsible for the  
41 release of wages or, in the absence thereof, the beneficial owner of the corporation. In  
42 cases of partnerships, all partners shall be liable, and in the cases of a sole proprietorship,  
43 the sole proprietor shall be liable.  
44

1 Furthermore, if proven that the violating entity has been withholding workers'  
2 wages, other earnings and/or other benefits, suspension or cancellation of business  
3 permits will be as follows:

- 4  
5 a) **First Offense:** suspension of three (3) months to six (6) months;  
6 b) **Second Offense:** suspension of six (6) months to 1 year;  
7 c) **Third Offense:** cancellation of business permit.

8  
9 **SEC. 7. *Implementing Rules and Regulations.*** – In coordination with the  
10 representatives of the public and private sectors, and other concerned government  
11 agencies, the Secretary of Labor and Employment shall promulgate the necessary rules  
12 and regulations to implement the provisions of this Act.

13  
14 **SEC. 8. *Separability Clause.*** – If any provision of this Act is declared invalid or  
15 unconstitutional, the other provisions not affected by such declaration shall remain in full  
16 force and effect.

17  
18 **SEC. 9. *Repealing Clause.*** – All laws, executive orders, administrative orders, and  
19 rules and regulations inconsistent with this Act are hereby repealed or amended  
20 accordingly.

21  
22 **SEC. 10. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its  
23 complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,