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Senate
Office of the Secretary

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

'22 JUL -7 P5 :41

RECEIVED BY:

SENATE

Senate Bill No. 209

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

"AN ACT MODIFYING THE PRESCRIPTIVE PERIOD OF MONEY CLAIMS ARISING OUT OF EMPLOYER-EMPLOYEE RELATIONS AMENDING FOR THIS PURPOSE ARTICLE 306 OF PRESIDENTIAL DECREE NUMBER 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES"

EXPLANATORY NOTE

The relation of an employee to his or her employer is inherently one possessed of disadvantage on the part of the laborer. Such status is already a matter of notice both in our Constitution, in our current Labor Code, and in various jurisprudence interpreting provisions of laws regarding labor standards and labor relations. As applied in real life, this disadvantageous position most often results to the inability of the employee to institute any suit, criminal, civil, or administrative against his or her employer for fear that the employer may terminate their employment legally or illegally.

This situation, combined with the current prescriptive period provided for money claims arising out of employee-employer relationship set forth in Article 306 of our Labor Code has brought about many instances where the aggrieved employee is left to retrieve only a pittance of the amount unjustly taken or withheld by the employer. To rectify this imbalance, the Legislative must put into consideration the impracticality

of instituting any suit during the pendency of the Employee-Employer relationship to ensure full recovery of any unjust withholding or taking of wages due to every Filipino.

By extending the prescriptive period to allow for full recovery until three years after the termination of the Employee-Employer relationship, it is guaranteed that the employee will not have to choose between their job security or enforcing their legal right to a fair wage. By the amendment proposed in this bill, the disadvantageous situation of our laborers as against their employers will further narrow guaranteeing equality in the eyes of justice when it comes to claiming what is rightfully theirs.

It is for this purpose that the approval of this bill is earnestly sought.




Raffy T. Tulfo
Senator



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

1 *SECTION 1.* Article 306 of Presidential Decree No. 442, as amended, otherwise known
2 as the Labor Code of the Philippines, is hereby amended to read as follows:

3 **"Article 306. Money Claims.** All money claims arising from employer-
4 employee relations accruing during the effectivity of this Code shall be filed
5 within ten (10) years from the time the cause of action accrued; otherwise
6 they shall be forever barred. *Provided* that money claims arising from the
7 non-payment of the just amount of wages, benefits, or other just
8 remuneration due to the employee shall prescribe three (3) years from the
9 date of termination of the employer-employee relationship.

10 All money claims accruing prior to the effectivity of this Code shall be filed
11 with the appropriate entities established under this Code within one (1) year

1 from the date of effectivity, and shall be processed or determined in
2 accordance with the implementing rules and regulations of the Code;
3 otherwise, they shall be forever barred.

4 Workmen's compensation claims accruing prior to the effectivity of this Code
5 and during the period from November 1, 1974 up to December 31, 1974,
6 shall be filed with the appropriate regional offices of the Department of Labor
7 not later than March 31, 1975; otherwise, they shall forever be barred. The
8 claims shall be processed and adjudicated in accordance with the law and
9 rules at the time their causes of action accrued"

10
11 *SECTION 2. Implementing Rules and Regulations* – The Secretary of Labor and
12 Employment is hereby authorized to promulgate such rules and regulations as may be
13 necessary to implement the provisions of this Act.

14
15 *SECTION 3. Separability Clause.* – If any section or provision of this Act is held
16 unconstitutional or invalid, the other sections or provisions shall not be affected.

17
18 *SECTION 4. Repealing Clause* – All laws, Presidential Decrees, Executive Orders, and
19 rules and regulations, or parts thereof, inconsistent with the provisions of this Act are
20 hereby repealed or modified accordingly.

21
22 *SECTION 5. Effectivity* – This Act shall take effect fifteen (15) days from the date of
23 its complete publication in at least two (2) newspapers of general circulation.

Approved.