

HOUSE OF REPRESENTATIVES

H. No. 23227

INTRODUCED BY CONGRESSMEN VELOSO, OZAMIZ, PADILLA, ANNI, PINEDA, ANIAG, JR., LAGMAN, GUERRERO, TAGARAO, BANDON, JR., CERILLES, PELAEZ, BAUTISTA, SR., DUREZA, WEBB, BADELLES, PUEY, PONCE DE LEON, TY, LOPEZ-VITO, CONGRESSWOMAN ALMARIO, CONGRESSMEN ADASA, RODRIGUEZ, SANTOS, HORCA, JR., GUANZON, CONGRESSWOMAN GORDON, CONGRESSMEN JOAQUIN, ABAYA, SERAPIO, LORETO, ESTRELLA III, ALFELOR, MATHAY, JR., CHIONGBIAN, JAVIER (E), ZAMORA, MERCADO (R.G.), DE VENECIA, JR., DEL MAR, MONFORT, BAGATSING (A.), DRAGON, CAMASURA, JR., ANGELES (R.), BAGATSING, JR., CONGRESSWOMAN VERANO-YAP, AND CONGRESSMAN GARDUCE, PER COMMITTEE REPORT NO. 555

AN ACT TO RATIONALIZE WAGE POLICY DETERMINATION BY ESTABLISHING THE MECHANISM AND PROPER STANDARDS THEREFOR, AMENDING FOR THE PURPOSE ARTICLES 99, 120, 121, 122, AND 123 OF PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, FIXING THE STATUTORY MINIMUM WAGES, PROVIDING WAGE INCENTIVES FOR INDUSTRIAL DISPERSAL TO THE COUNTRY-SIDE, AND FOR OTHER PURPOSES

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

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SECTION 1. It is hereby declared the policy of the

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1 State to rationalize the fixing of minimum wages and to
2 promote productivity-improvement and gainsharing measures
3 to ensure a decent standard of living for the workingman
4 and his family; to guarantee the right of labor to its just
5 share in the fruits of production; to enhance employment
6 generation in the countryside through industry dispersal; and
7 to allow business and industry reasonable returns on invest-
8 ment, expansion and growth.

9 The State shall promote collective bargaining as the
10 primary mode of setting wages and other terms and con-
11 ditions of employment; and, whenever necessary, the statu-
12 tory minimum wage rates shall be adjusted in a fair and
13 equitable manner, considering existing regional disparities
14 in the cost of living and other socioeconomic factors and
15 the national economic and social development plans.

16 SEC. 2. In line with the declared policy under this
17 Act, Article 99 of the Labor Code of the Philippines (Chap-
18 ter II, Title II, Presidential Decree No. 422) is hereby amend-
19 ed to read as follows:

20 "Art. 99. *REGIONAL Statutory Minimum Wages.* —
21 The minimum wage rates for agricultural and non-agricultural
22 employees AND WORKERS IN EACH AND EVERY RE-
23 GION OF THE COUNTRY shall be those prescribed [by
24 law in force on the date this Code takes effect.] BY THE
25 NATIONAL WAGES AND PRODUCTIVITY COMMISSION,

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1 HEREINAFTER REFERRED TO AS THE COMMISSION,
2 WHICH IS HEREBY CREATED AND ATTACHED TO
3 THE DEPARTMENT OF LABOR AND EMPLOYMENT
4 FOR POLICY AND PROGRAM COORDINATION AND
5 IMPLEMENTATION.

6 "THE COMMISSION SHALL HAVE THE FOLLOW-
7 ING POWERS AND FUNCTIONS:

8 "(A) TO FIX, SET, DETERMINE AND ADJUST
9 MINIMUM WAGE RATES APPLICABLE IN THE RE-
10 GIONS, PROVINCES OR INDUSTRIES, AND ISSUE
11 THE CORRESPONDING WAGE ORDERS, SUBJECT TO
12 THE STANDARDS, CRITERIA OR GUIDELINES HEREIN
13 PROVIDED AND TO SUCH STATUTORY MINIMUM
14 AS MAY BE PRESCRIBED BY THE CONGRESS OF THE
15 PHILIPPINES;

16 "(B) TO ISSUE RULES AND REGULATIONS AND
17 TO FORMULATE POLICIES AND GUIDELINES ON
18 WAGES, INCOMES AND PRODUCTIVITY IMPROVE-
19 MENT AT THE ENTERPRISE, INDUSTRY AND NA-
20 TIONAL LEVELS;

21 "(C) TO DEVELOP PLANS, PROGRAMS AND
22 PROJECTS RELATIVE TO WAGES, INCOMES AND
23 PRODUCTIVITY IMPROVEMENT FOR THE DIFFERENT
24 REGIONS;

25 "(D) TO UNDERTAKE STUDIES, RESEARCHES

1 AND SURVEYS NECESSARY FOR THE ATTAINMENT
2 OF ITS FUNCTIONS AND OBJECTIVES; AND TO COL-
3 LECT AND COMPILE DATA AND PERIODICALLY
4 DISSEMINATE INFORMATION ON WAGES AND PRO-
5 DUCTIVITY AND OTHER RELATED INFORMATION,
6 INCLUDING, BUT NOT LIMITED TO, EMPLOYMENT,
7 COST OF LIVING, LABOR COSTS, INVESTMENTS
8 AND RETURNS.

9 "THE COMMISSION SHALL BE COMPOSED OF
10 THE SECRETARY OF LABOR AND EMPLOYMENT
11 AS ITS *EX OFFICIO* CHAIRMAN, THE DIRECTOR
12 GENERAL OF THE NATIONAL ECONOMIC AND DEVEL-
13 OPMENT AUTHORITY AS ITS *EX OFFICIO* VICE-CHAIR-
14 MAN, AND TWO MEMBERS EACH FROM THE LABOR
15 AND THE MANAGEMENT SECTORS, WHO SHALL BE
16 APPOINTED BY THE PRESIDENT OF THE PHILIPPINES
17 FROM A LIST OF NOMINEES TO BE SUBMITTED BY
18 SAID SECTORS FOR A TERM OF FIVE YEARS. THE
19 EXECUTIVE DIRECTOR OF THE COMMISSION SEC-
20 RETARIAT SHALL ALSO BE A MEMBER OF THE COM-
21 MISSION.

22 "THE COMMISSION SHALL BE ASSISTED BY A
23 SECRETARIAT TO BE HEADED BY AN EXECUTIVE
24 DIRECTOR AND TWO DEPUTY DIRECTORS, WHO
25 SHALL LIKEWISE BE APPOINTED BY THE PRESIDENT

1 UPON RECOMMENDATION OF THE SECRETARY OF
2 LABOR AND EMPLOYMENT.

3 "THE EXECUTIVE DIRECTOR SHALL HAVE THE
4 SAME RANK, SALARY AND EMOLUMENTS OF A DE-
5 PARTMENT ASSISTANT SECRETARY, WHILE THE
6 MEMBERS OF THE COMMISSION REPRESENTING
7 LABOR AND MANAGEMENT SHALL HAVE THE SAME
8 RANK, EMOLUMENTS, ALLOWANCES AND OTHER
9 BENEFITS AS THOSE PRESCRIBED BY LAW FOR LA-
10 BOR AND MANAGEMENT REPRESENTATIVES IN THE
11 EMPLOYEES COMPENSATION COMMISSION.

12 "IMPLEMENTATION OF PLANS, PROGRAMS AND
13 PROJECTS OF THE COMMISSION SHALL BE THROUGH
14 THE RESPECTIVE REGIONAL OFFICES OF THE DE-
15 PARTMENT OF LABOR AND EMPLOYMENT WITHIN
16 THEIR TERRITORIAL JURISDICTION: *PROVIDED,*
17 *HOWEVER,* THAT THE COMMISSION SHALL HAVE
18 TECHNICAL SUPERVISION OVER THE SAME RE-
19 GIONAL OFFICES WITH RESPECT TO THE IMPLEMEN-
20 TATION OF SAID PLANS, PROGRAMS AND PROJECTS.

21 [However, the Secretary of Labor may, to the extent neces-
22 sary to promote employment in severely depressed areas,
23 authorize the payment of sub-minimum wage rates, but
24 in no case lower than fifty percent (50%) of the applicable
25 minimum by enterprises that may be established in such

1 areas to provide employment opportunities to the residents
2 therein, subject to such terms and conditions as he may pre-
3 scribe to insure the protection and welfare of the workers.]”

4 SEC. 3. Articles 120, 121, 122 and 123 of the same
5 Labor Code (Chapter V, Title II, Presidential Decree No.
6 422) are hereby likewise amended to read as follows:

7 “Art. 120. *Wage Studies.* — The [Wage] Commission
8 [in the Department of Labor] shall conduct a continuing
9 study of wage rates in the various [agricultural and non-
10 agricultural] industries IN EVERY REGION all over the
11 country. The results of such study shall be periodically
12 disseminated to the government, THE REGIONAL TRI-
13 PARTITE COUNCILS, AND TO THE labor and management
14 sectors for their information and guidance.

15 “If, after such study, the Commission is of the opinion
16 that a substantial number of employees AND WORKERS
17 [in a given industry] IN THE REGION are receiving wages
18 which, although complying with the PRESCRIBED minimum
19 [provided by law], are less than sufficient to maintain
20 them in health, efficiency and general well-being, taking
21 into account FACTORS, CRITERIA OR GUIDELINES
22 OUTLINED IN ARTICLE 123 HEREOF, AS WELL AS
23 [among others,] the peculiar circumstances of the [indus-
24 try] INDUSTRIES IN THE REGION and [its] THEIR
25 geographical locations, the Commission shall, [with the

1 approval of the Secretary of Labor] UPON RECOMMEN-
2 DATION BY OR AFTER CONSULTATION WITH THE RE-
3 GIONAL TRIPARTITE COUNCIL, proceed to determine
4 whether a wage [recommendation] ORDER shall be issued
5 BY IT.”

6 “Art. 121. *Wage Recommendation.* —[The Commission
7 shall have 60 days within which to conduct hearings and
8 recommend to the Secretary of Labor the issuance of a
9 wage order establishing the wage or wages to be paid by
10 employers in the industry or the various branches thereof.]
11 DURING THE FIRST QUARTER OF EVERY YEAR,
12 THE REGIONAL TRIPARTITE COUNCIL IN EVERY
13 REGION OF THE COUNTRY SHALL CONVENE TO
14 DISCUSS AND CONSIDER WHETHER TO RECOMMEND
15 TO THE COMMISSION THE EARLIEST POSSIBLE
16 DETERMINATION OR ADJUSTMENT OF MINIMUM
17 WAGES APPLICABLE TO EACH SUCH REGION BASED
18 ON THE STANDARDS AND CRITERIA HEREIN PRE-
19 SCRIBED. WITHIN 15 DAYS THEREAFTER, THE RE-
20 GIONAL TRIPARTITE COUNCIL MAY FORMALLY
21 SUBMIT A WAGE RECOMMENDATION TO THE COM-
22 MISSION, ESTABLISHING THE WAGE OR WAGES TO
23 BE PAID BY EMPLOYERS THROUGHOUT THE RE-
24 GION.”

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1 “Art. 122. *Wage Order*. — Upon submission TO IT
2 of, the [Commission] REGIONAL TRIPARTITE COUN-
3 CIL’S recommendation, the [Secretary of Labor] COMMIS-
4 SION shall give notice to interested parties and conduct
5 [a] public hearingS thereon within 15 days. On the basis of
6 the [Commission] REGIONAL TRIPARTITE COUNCIL’S
7 recommendation and of the results of the public hearingS, the
8 [Secretary of Labor] COMMISSION shall, within [15] 45
9 days [after] FOLLOWING the termination of the hearingS,
10 approve, [or] reject [but shall not], ALTER OR modify
11 the REGIONAL minimum wages recommended by the
12 [Commission] REGIONAL TRIPARTITE COUNCIL[. If
13 he rejects the recommendation, he shall issue a statement
14 of his reasons therefore and shall direct the Commission
15 to consider the same immediately. If he approves the re-
16 commendation of the Commission, original or modified,
17 he shall] AND immediately issue a wage order, subject to
18 the approval of the President of the Philippines, prescribing
19 the minimum wageS to be paid to the employees and
20 WORKERS [in the industry] THROUGHOUT THE RE-
21 GION.

22 “A NEW WAGE ORDER MAY BE ISSUED BY THE
23 COMMISSION NOT MORE THAN ONCE A YEAR.”

24 “Art. 123. *STANDARDS/Criteria for Minimum Wage*

1 *Fixing.* — [A] THE REGIONAL minimum wages to be
2 established by the Commission shall be as nearly adequate
3 as is economically feasible to maintain the minimum stan-
4 dards of living necessary for the health, efficiency and
5 general well-being of the employees within the framework
6 of the national economic and social development program.
7 In the determination of [a] SUCH REGIONAL minimum
8 wages, the Commission shall, among other relevant factors,
9 consider the following:

10 “(a) THE cost of living AND CHANGES OR IN-
11 CREASES THEREIN;

12 “[(b) Comparable wages and other incomes in the
13 economy;]

14 “(B) THE NEEDS OF WORKERS AND THEIR
15 FAMILIES;

16 “(C) THE NEED TO INDUCE INDUSTRIES TO
17 INVEST IN THE COUNTRYSIDE;

18 “(D) IMPROVEMENTS IN STANDARDS OF LIVING;

19 “[(c)] (E) Fair return of the capital invested AND
20 CAPACITY TO PAY OF INDUSTRIES; [and]

21 “(F) EFFECTS ON EMPLOYMENT GENERATION
22 AND FAMILY INCOME; AND

23 “[(d)] (G) THE EQUITABLE DISTRIBUTION OF
24 INCOME AND WEALTH ALONG [T]the imperatives of

1 economic and social development.

2 "The wages established in accordance with the provi-
3 sions of this Title shall [not] be the standard prevailing
4 minimum wages in [the industry on the effective date of this
5 Code] EVERY REGION and SHALL in no case be less than
6 the STATUTORY minimum wage rates PRESCRIBED BY
7 THE CONGRESS OF THE PHILIPPINES [set forth in
8 Chapter II of this Title]. These wages [may] SHALL include
9 wages varying with INDUSTRIES, PROVINCES OR locali-
10 ties if in the judgment of the Commission [and the Secretary
11 of Labor] conditions make such local differentiation proper
12 and necessary to effectuate the purposes of this Title.

13 "EVERY INDIVIDUAL, COMPANY, CONCERN,
14 CORPORATION OR PARTNERSHIP ENGAGED IN BUSI-
15 NESS SHALL FILE AND REGISTER ANNUALLY WITH
16 THE NATIONAL WAGES AND PRODUCTIVITY COMMIS-
17 SION AND THE NATIONAL STATISTICS OFFICE AN
18 ITEMIZED LISTING OF THEIR LABOR COMPONENT,
19 SPECIFYING THE NAMES OF THEIR WORKERS AND
20 EMPLOYEES BELOW THE MANAGERIAL LEVEL, IN-
21 CLUDING LEARNERS, APPRENTICES AND DISABLED/
22 HANDICAPPED WORKERS WHO WERE HIRED UNDER
23 THE TERMS PRESCRIBED HEREIN, AND THEIR COR-
24 RESPONDING SALARIES AND WAGES.

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1 "WHERE THE APPLICATION OF ANY MINIMUM
2 WAGE INCREASE BY VIRTUE OF A LAW OR WAGE
3 ORDER BY THE COMMISSION RESULTS IN DISTOR-
4 TIONS OF THE WAGE STRUCTURE WITHIN AN ESTAB-
5 LISHMENT, THE EMPLOYER AND THE UNION SHALL
6 NEGOTIATE TO CORRECT THE DISTORTIONS. ANY
7 DISPUTE ARISING FROM WAGE DISTORTIONS SHALL
8 BE RESOLVED THROUGH THE GRIEVANCE PROCE-
9 DURE UNDER THEIR COLLECTIVE BARGAINING
10 AGREEMENT AND, IF IT REMAINS UNRESOLVED,
11 THROUGH VOLUNTARY ARBITRATION. UNLESS
12 OTHERWISE AGREED BY THE PARTIES IN WRITING,
13 SUCH DISPUTE SHALL BE DECIDED BY THE VOLUN-
14 TARY ARBITRATOR OR PANEL OF VOLUNTARY
15 ARBITRATORS WITHIN 10 DAYS FROM THE TIME
16 SAID DISPUTE WAS REFERRED TO VOLUNTARY
17 ARBITRATION.

18 "IN CASES WHERE THERE IS NO COLLECTIVE
19 AGREEMENT OR RECOGNIZED LABOR UNION, THE
20 EMPLOYER SHALL ENDEAVOR TO CORRECT SUCH
21 DISTORTIONS IN CONSULTATIONS WITH HIS
22 WORKERS. ANY DISPUTE ARISING THEREFROM
23 SHALL BE SETTLED THROUGH THE NATIONAL CON-
24 CILIATION AND MEDIATION BOARD AND, IF IT RE-

1 MAINS UNRESOLVED AFTER 10 DAYS OF CONCIL-
2 IATION, SHALL BE REFERRED TO THE APPROPRI-
3 ATE BRANCH OF THE NATIONAL LABOR RELA-
4 TIONS COMMISSION. IT SHALL BE MANDATORY
5 FOR THE NATIONAL LABOR RELATIONS COMMISSION
6 TO CONDUCT CONTINUOUS HEARINGS AND DECIDE
7 THE DISPUTE WITHIN 20 DAYS FROM THE TIME
8 SAID DISPUTE IS SUBMITTED TO IT FOR COMPULSO-
9 RY ARBITRATION.

10 "THE PENDENCY OF A DISPUTE ARISING FROM
11 A WAGE DISTORTION SHALL NOT IN ANY WAY DE-
12 LAY THE APPLICABILITY OF ANY INCREASE IN
13 MINIMUM WAGES PURSUANT TO THE PROVISIONS OF
14 LAW OR WAGE ORDER.

15 "AS USED HEREIN, A WAGE DISTORTION SHALL
16 MEAN A SITUATION WHERE AN INCREASE IN MINI-
17 MUM WAGES RESULTS IN THE ELIMINATION OR
18 SEVERE CONTRACTION OF INTENTIONAL QUANTI-
19 TATIVE DIFFERENCES IN WAGE OR SALARY RATES
20 BETWEEN AND AMONG EMPLOYEE GROUPS IN AN
21 ESTABLISHMENT AS TO EFFECTIVELY OBLITERATE
22 THE DISTINCTIONS EMBODIED IN SUCH WAGE STRUC-
23 TURE BASED ON SKILLS, LENGTH OF SERVICE, OR
24 OTHER LOGICAL BASES OF DIFFERENTIATION.

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1 "ALL WORKERS PAID BY RESULT, INCLUDING
 2 THOSE WHO ARE PAID ON PIECEWORK, TAKAY,
 3 PAKYAW OR TASK BASIS, SHALL RECEIVE NOT LESS
 4 THAN THE PRESCRIBED MINIMUM WAGES PER 8
 5 HOURS WORK A DAY, OR A PROPORTION THEREOF
 6 FOR WORKING LESS THAN 8 HOURS.

7 "ALL COLLECTIVE BARGAINING AGREEMENTS
 8 AND RECOGNIZED EMPLOYMENT AGREEMENTS WITH
 9 LEARNERS, APPRENTICES, OR DISABLED OR HANDI-
 10 CAPPED WORKERS SHALL BE CONSIDERED AS AUTO-
 11 MATICALLY MODIFIED BY LAW OR A NEW WAGE
 12 ORDER, INsofar AS THEIR WAGE CLAUSES ARE
 13 CONCERNED, TO REFLECT THE PRESCRIBED MINI-
 14 MUM WAGES."

15 SEC. 4. (a) Upon the effectivity of this Act, all em-
 16 ployers in the private sector shall pay their workers not less
 17 than the daily statutory minimum wage rates herein pre-
 18 scribed as follows:

19 (1) In the National Capital Region:

20 Non-agriculture P84.00

21 Cottage/handicraft P72.00

22 Retail/service employing

23 not more than

24 10 workers P63.00

1 (2) In the Cities of Angeles, Baguio, Cagayan de Oro,
 2 Metropolitan Cebu (Cities of Cebu, Mandaue, and Lapu-lapu),
 3 Davao, Iligan and Iloilo, and the Provinces of Bulacan, Cavite,
 4 Laguna, Pampanga and Rizal:

5 Non-agriculture P77.00

6 Agriculture P62.00

7 Sugar mills P79.00

8 Cottage/handicraft P65.00

9 Retail/service employing

10 not more than

11 10 workers P56.00

12 (3) In the other regions/areas:

13 Non-agriculture P72.00

14 Agriculture P62.00

15 Sugar mills P74.00

16 Cottage/handicraft P60.00

17 Retail/service employing

18 not more than

19 10 workers P51.00

20 (b) All industry classifications and wage differen-
 21 tiations not herein provided are deemed repealed.

22 (c) All employers who are required to pay, upon
 23 the effectivity of this Act, a wage increase of more than
 24 P20.00, P13.00 or P8.00 per day, as the case may be, as a

1 result of the repeal of previous industry classifications and
2 wage differentiations under the immediately preceding
3 paragraph, shall pay the difference not later than June 1,
4 1990.

5 (d) Compliance with the provisions of this Act
6 or any of the wage orders issued pursuant thereto shall
7 be credited as partial or full compliance, as the case may
8 be, with the provisions of Section 32 of Republic Act
9 No. 6657: *Provided, however,* That, in the case of partial
10 compliance, the difference, if any, shall be distributed as
11 provided by said Republic Act No. 6657 pending land trans-
12 fer or distribution of shares of stocks.

13 (e) In a situation where the employer and the majority
14 of the workers in an enterprise can mutually agree on a
15 profit-sharing scheme, such as converting a certain amount
16 or percentage of the proposed wage increase into shares of
17 stocks of the enterprise, or any other mutually agreed and
18 workable formula, such agreement as duly certified by the
19 Commission can be considered as compliance with the new
20 minimum wage.

21 (f) The minimum wage increases herein prescribed
22 shall apply to all workers and employees entitled to the
23 same in private educational institutions as soon as they
24 are granted authority to increase their tuition fees or are

1 given adequate subsidy by the government during school
2 year 1989-1990. Otherwise, such increase shall be so applica-
3 ble not earlier than the opening of the next school year
4 beginning 1990.

5 (g) The Commission shall, in the case of workers
6 whose daily minimum wages were temporarily increased by
7 only P8.00 under the industry classifications and wage
8 differentiation prescribed herein, effect such adjustment
9 of the regional minimum wages as are necessary within a
10 period of six (6) months after approval of this Act.

11 (h) Exempted from the provisions of this Act are
12 household or domestic helpers and persons employed in the
13 personal service of another, including family drivers.

14 SEC. 5. A Regional Tripartite Council is hereby created
15 in every region which shall be composed of the Regional
16 Director of the Department of Labor and Employment who
17 shall act as Chairman, three (3) members coming from the
18 workers or employees, and three (3) members coming from
19 the management or employers, to be designated by the
20 Secretary of Labor and Employment.

21 SEC. 6. Without prejudice to collective bargaining
22 negotiations or agreements or other employment contracts
23 between employers and workers, new business enterprises
24 that are established outside of Metro Manila within five (5)
25 years following passage of this measure shall be exempt from

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1 any and all minimum wage increases resulting from applica-
2 tion of its provisions during the three-year period after such
3 establishment: *Provided*, That such new enterprises estab-
4 lished in Region III (Central Luzon) and Region IV (South-
5 ern Tagalog) shall be exempt from such increases only
6 within one (1) year from effectivity of this Act, except
7 those established in the Provinces of Palawan, Mindoro,
8 Marinduque, Romblon, Quezon and Aurora, which shall
9 enjoy such exemption within two (2) years from its effec-
10 tivity: *Provided, further*, That nothing in this section shall
11 prevent the workers and employers in such enterprises from
12 negotiating and agreeing for higher daily wage rates.

13 SEC. 7. In the case of contracts for construction
14 projects and for security, janitorial and similar services,
15 the increases in the minimum wages of the workers shall be
16 borne by the principals or clients of the workers. In the
17 event, however, that the principal or client fails to pay the
18 prescribed minimum wages, the construction/service con-
19 tractor shall be jointly and severally liable with his principal
20 or client.

21 SEC. 8. Upon written petition of the majority of
22 the employees or workers concerned, all private establish-
23 ments, companies, businesses, and other entities with twenty-
24 five (25) or more employees and located within one (1)
25 kilometer radius to a commercial savings or rural bank

1 shall pay the wages and other benefits of their employees
2 through any of said banks and within the period fixed by
3 Presidential Decree No. 442, otherwise known as the Labor
4 Code of the Philippines, as amended, for payment of wages.

5 SEC. 9. The Department of Labor and Employment
6 shall conduct inspection as often as possible within its man-
7 power constraint of the payroll and other financial records
8 kept by the company or business to determine whether the
9 workers are paid their legal minimum wages and other bene-
10 fits granted by law. In unionized companies, the Depart-
11 ment of Labor and Employment inspectors shall always
12 be accompanied by the president or any responsible officer
13 of the recognized bargaining unit or of any interested union
14 in the conduct of the inspection. In non-unionized com-
15 panies, establishments or businesses, the inspection shall be
16 carried out in the presence of a worker representing the
17 workers in the said company and by a representative of any
18 civic organization in the municipality, city or province
19 where the company is located. The worker and civic or-
20 ganization representatives shall have the right to submit
21 their own findings to the Department of Labor and Em-
22 ployment and to testify on the same if they cannot concur
23 with the findings of the labor inspector.

24 SEC. 10. Whenever applicable and upon request of
25 a concerned worker or union, the bank shall issue a certi-

1 fication of the record of payment of wages of a particular
2 worker or workers for a particular payroll period.

3 SEC. 11. The funds necessary to carry out the provi-
4 sions of this Act shall be taken from the Compensation and
5 Organizational Adjustment Fund, the Contingent Fund,
6 and other savings under Republic Act No. 6688, otherwise
7 known as the General Appropriations Act of 1989, or from
8 any unappropriated funds of the National Treasury: *Pro-*
9 *vided*, That the funding requirements necessary to implement
10 this Act shall be included in the annual General Appro-
11 priations Act for the succeeding years.

12 SEC. 12. The National Wages Council created under
13 Executive Order No. 614 and the National Productivity
14 Commission created under Executive Order No. 615 are
15 hereby abolished. All properties, records, equipment, buil-
16 dings, facilities, and other assets, liabilities and appropriations
17 of and belonging to the abovenamed offices, as well as
18 other matters pending therein, shall be transferred to the
19 Commission. All personnel of the above abolished offices
20 shall continue to function in a hold-over capacity and shall
21 be preferentially considered for appointments to or place-
22 ment in the Commission.

23 Any official or employee separated from the service
24 as a result of the abolition of offices pursuant to this Act
25 shall be entitled to appropriate separation pay and retirement

1 and other benefits accruing to them under existing laws.
2 In lieu thereof, at the option of the employee, he shall be
3 preferentially considered for employment in the government
4 or in any of its subdivisions, instrumentalities, or agencies,
5 including government-owned or controlled corporations
6 and their subsidiaries.

7 SEC. 13. The refusal or failure to pay any of the
8 prescribed increases or adjustments in minimum wages
9 made in accordance with this Act shall be punished by a
10 fine not exceeding Twenty-five thousand pesos (P25,000.00)
11 and/or imprisonment of not less than one (1) year nor
12 more than two (2) years.

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

19 SEC. 14. The Secretary of Labor and Employment
20 shall promulgate the necessary rules and regulations to
21 implement the provisions of this Act.

22 SEC. 15. All laws, orders, issuances, rules and regula-
23 tions or parts thereof inconsistent with the provisions of this
24 Act are hereby repealed, amended or modified accordingly.
25 If any provision or part of this Act, or the application thereof

1 to any person or circumstance, is held invalid or unconsti-
2 tutional, the remainder of this Act or the application of
3 such provision or part thereof to other persons or circum-
4 stances shall not be affected thereby.

5 Nothing in this Act shall be construed to reduce any
6 existing wage rates, allowances and benefits of any form
7 under existing laws, decrees, issuances, executive orders,
8 and/or under any contract or agreement between the workers
9 and employers.

10 SEC. 16. This Act shall take effect fifteen (15) days
11 after its complete publication in the *Official Gazette* or
12 in at least two (2) newspapers of general circulation, which-
13 ever comes earlier.

Approved,

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