

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

5 MAY 30 P5:39

SENATE

RECEIVED BY: _____

Senate Bill No. 2030

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

The unabated increase in the prices of basic commodities, coupled with the ongoing increases in deregulated oil and automatic adjustments in rates of utilities such as electricity and water, among others, has continuously brought to the fore the perennial problem of the Filipino workers on how to make both ends meet. Given the continuous erosion of purchasing power, the Filipino workers, especially the minimum wage earners, are subsisting on inadequate income.

According to a study conducted by an independent research organization, the minimum wage has not improved compared to the cost of living in the last decade. Based on the data of The National Wages and Productivity Commission (NWPC), the cost of living for a family of six in the National Capital Region is around P15,300.00 a month, or P510.00 per day. The present minimum wage, however, is only P250.00 a day for non-agricultural workers and an even at a lower amount of P213.00 for agricultural workers. The gap, therefore, between the minimum wage and cost of living ranges from a low of P260.00 to a high of P297.00.

This bill proposes a One Hundred Peso (P100.00) across-the-board increase which aims to partially restore the lost purchasing power in real value of the workers wage over the last decade and would somehow close the gap between the income of minimum wage earners and the daily-cost-of-living. The proposed wage hike, as demanded by the workers, would bring minimum wages to within 61% to 68% cost of living estimates. Although the proposed P100.00 hike is still insufficient, it is substantial enough to raise the quality of life of 16 million workers and their dependents.

It is the duty of the government to give rational and effective solution to the various economic predicaments of our country to keep its poor citizens off the streets and to partially fill the empty bellies of more than 40% of the populace. The demand for wage hike is a socio-economic concern that should be immediately addressed.

In the light of the urgency of enacting a measure that would provide our workers with a living wage rightfully due them, the approval of this bill is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

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AN ACT
PROVIDING FOR A P100.00 DAILY ACROSS-THE-BOARD INCREASE IN
THE SALARY RATES OF EMPLOYEES AND WORKERS IN THE PRIVATE
SECTOR AND FOR OTHER PURPOSES

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

SECTION 1. *Declaration of Policy.* It is hereby declared to be the policy of the State to guarantee the worker's right to a living wage and ensure the right of labor to its just share in the fruits of production which will alleviate the living condition of the Filipino family through policies that will provide for a decent and humane standard of living and improved quality of life, particularly of the working class.

SEC. 2. In line with the declared policy under this Act, all employers in the private sector, whether agricultural or non-agricultural, regardless of capitalization and number of employees shall pay their workers an across-the-board wage increase on the sum of One Hundred Pesos (P100.00) a day upon the effectivity of this Act.

SEC. 3. No wage increase shall be credited as compliance with the increase prescribed herein unless expressly provided under valid collective bargaining agreements; *Provided*, That such wage increase was granted in anticipation of the legislated across-the-board wage increase under the Act; and, *Provided further*, That where such increase is less than the prescribed increase under this Act, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

SEC. 4. Nothing in this Act shall be construed to reduce any existing allowance and benefit of any form under existing laws, decrees, issuances, executive orders, and any contract or agreement between workers and employers.

SEC. 5. The Department of Labor and Employment (DOLE) shall, after approval of this Act, conduct inspection of the payroll and other financial records kept by the company or business to determine whether the workers are paid the

prescribed across-the-board wage increase and other benefits granted by law. In unionized companies, DOLE inspector shall always be accompanied by the president or any responsible officer of the recognized bargaining unit or of any interested union in the conduct of the inspection. In non-unionized companies, establishments or businesses, the inspection should be carried out in the presence of a worker representing the workers in the said company. The workers' representative shall have the right to submit his own findings to DOLE and to testify on the same if he cannot concur with the findings of the labor inspector.

SEC. 6. Any person, corporation, trust, firm, partnership, association, or entity violating any provision of this Act shall be punished by a fine of not less than Twenty five thousand pesos (P25,000.00) nor more than One hundred thousand pesos (P100,000.00) or imprisonment of not less than two (2) years nor more than four (4) years, or both such fine and imprisonment at the discretion of the court; *Provided*, That if the violation is committed by a corporation, trust or firm, association or any other entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers, including, but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees; *Provided*, That the payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act; *Provided further*, That any person convicted under this Act shall not be entitled to the benefits provided for under the Probation Law.

SEC. 7. *Implementing Rules and Regulations.* The Secretary of Labor and Employment shall promulgate the necessary rules and regulations to implement this Act.

SEC. 8. *Separability Clause.* If any provision or part of this Act, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of this Act or the application of such provision or part thereof to other persons or circumstances, shall not be affected thereby.

SEC. 9. *Repealing Clause.* All laws, orders, issuances, rules and regulations or part thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 10. *Effectivity.* This Act shall take effect within fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved,