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EXPLANATORY NOTE

In June 2001, the National Wages and Productivity Commission (NWPC) came up with new estimates of the living wage and cost of living for all regions:

Regions	Current Minimum Wages		Family Living Wage in PhP
	Non-Agri Workers	Agri Workers	
NCR	350	313	764
CAR	235	222	735
Region I	225	195	713
Region II	218	206	630
Region III	278	248	651
Region IV	287	262	669
Region V	220	198	637
Region VI	222	203	562
Region VII	241	223	736
Region VIII	220	201	476
Region IX	215	190	668
Region X	234	222	637
Region XI	240	230	631
Region XII	224.5	208	610
Region XIII	214	201	
ARMM	200	200	1005

The above data showed that there is a substantial discrepancy from the current minimum wage that an employee earns compared to the required living wage. The NWPC defines living wage as the amount of family income needed to provide for the "cost of living," which includes food and non-food requirements, with sufficient allowance for savings and investments for social security.

The real value of workers' wages had also seriously been eroded. There are statistical proofs to show that. The purchasing power of the peso in Metro Manila, or the amount of goods and services one peso can buy, fell from P0.72 in 2006, to P0.70 in April 2007.

It is therefore timely and necessary to enact a legislation that would alleviate the living conditions of the people, hence, the filing of this proposed measure of a P125 across-the-board wage increase nationwide.

Other factors that underscore the urgency of this measure are the increasing cost of utilities like power, water, oil and other petroleum products, etc.

Hence, passage of this bill is earnestly sought.


RAMON BONG REVILLA, JR.

FIFTEENTH CONGRESS of the)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE
OFFICE OF THE SECRETARY

10 JUL 26 AM 22

SENATE
S.B. No. 1981

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**“AN ACT
PROVIDING FOR A P125.00 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. Short Title. - This Act shall be known as “*The P125.00 Daily-Across-the-Board Wage Increase Act.*”

SECTION 2. Declaration of Policy. - It is a policy of the State to alleviate the living conditions of an ordinary Filipino through policies that provide for a decent and humane standard of living and improved the quality of life, particularly of the working class by ensuring the right of labor to its just share in the fruits of production, to guarantee the workers' right to a living wage, and to promote social justice through the adoption of measures calculated to ensure the well-being and economic security of all the members of the community.

SECTION 3. Across-the-Board Wage Increase. - 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 in the sum of One Hundred Twenty-Five Pesos (P125.00) a day to be paid in the following manner:

- (A) Upon the effectivity of this Act, an additional Forty-five pesos (P45.00) a day;
- (B) The year thereafter, an additional Forty pesos (P40.00) a day; and
- (C) On the third year, the remaining amount of Forty pesos (P40.00) a day shall be added.

SECTION 4. Non-chargeability of prior increases. - 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 this Act: *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.

SECTION 5. Non-diminution of other benefits. - 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.

SECTION 6. *Inspection by the DOLE.* – The Department of Labor and Employment (DOLE) shall, after approval of this Act, conduct inspection of 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, the DOLE inspectors 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 the DOLE and to testify on the same if he cannot concur with the findings of the labor inspector.

SECTION 7. *Penalties.* – 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 years nor more than four years, or both 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.

SECTION 8. *Implementing Rules and Regulations.* – The Secretary of Labor and Employment shall promulgate the necessary rules and regulations to implement this Act.

SECTION 9. *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.

SECTION 10. *Repealing Clause.* – All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 11. *Effectivity Clause.* – This Act shall take effect within fifteen (15) days after its publication in the *Official Gazette* or in at least two newspapers of general circulation, whichever comes earlier.

Approved,