

9 FEB -2 P6:34

SENATE

P.S. Res. No. 864

RECEIVED BY



Introduced by Senator Ramon Bong Revilla, Jr.

RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, ON THE NEED TO REVIEW THE
PROPER IMPLEMENTATION OF ARTICLE 96 OF THE LABOR CODE

WHEREAS, Article 96 of the Labor Code provides that:

"ART. 96. Service charges. - All service charges collected by hotels, restaurants and similar establishments shall be distributed at the rate of eighty-five percent (85%) for all covered employees and fifteen percent (15%) for management. The share of the employees shall be equally distributed among them. In case the service charge is abolished, the share of the covered employees shall be considered integrated in their wages. "

WHEREAS, it is apparent from the above-mentioned provision that the law did not set the minimum nor the maximum rate for Service Charges in hotels, restaurants and similar establishments. Neither did the law posit that it is mandatory;

WHEREAS, because of the growing issue regarding Service Charges, queries on the maximum rate that an establishment may require a consumer to pay and whether a particular establishment may obligate a consumer to pay such;

WHEREAS, it is still in dispute whether or not the same should be included in the price tag before or after the imposition of the Value Added Tax;

WHEREAS, due to the emergence of the issues cited above, it is just well-timed to revisit the proper implementation of Article 96 of the Labor Code.

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate Committee to conduct an inquiry in aid of legislation, to review the proper implementation of Article 96 of the Labor Code.

Adopted,



RAMON BONG REVILLA, JR.
Senator