

SIXTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session



Senate
Office of the Secretary

13 JUL 23 19:45

SENATE

Senate Bill No. 1062

HPD

BY: *ji*

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

In the absence of a retirement plan, employment contract, or collective bargaining agreement prescribing a retirement age for employees, the Labor Code provides that an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years, which is declared as the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire. They shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

However, certain classes of employees should be allowed to retire at a younger age; and in fact, they should be mandatorily retired upon reaching a certain age because requiring them to continue with their employment may be either hazardous to their health, prejudicial to the viability of the establishment they served, dangerous for their employers' clients, or inimical to public safety.

The Labor Code already provides for the earlier retirement of underground mining employees. Upon reaching the age of fifty (50) years or more, but not beyond sixty (60) years, which is declared as the compulsory retirement age for underground mine workers, they may retire and shall be entitled to all the retirement benefits under the law.

This bill seeks to afford other employees who are similarly situated as underground mine workers an earlier retirement age pursuant to the tenets of social justice and public safety.

Hence, the immediate passage of this bill is therefore earnestly solicited.

JINGGOY EJERCITO ESTRADA
Senator

SIXTEENTH CONGRESS OF THE REPUBLIC)
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73 JUL 23 89:45

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RECORDED BY: *ja*

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

AN ACT
AMENDING ARTICLE 287 OF PRESIDENTIAL DECREE NO. 442, AS
AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE
PHILIPPINES, BY PROVIDING AN EARLIER AGE OF RETIREMENT FOR
CERTAIN CLASSES OF EMPLOYEES

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

SECTION 1. Article 287 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, is hereby amended to read as follows:

"ART. 287. Retirement. - Any employee may be retired upon reaching the retirement age established in the collective bargaining agreement or other applicable employment contract. "In case of retirement, the employee shall be entitled to receive such retirement benefits as he may have earned under existing laws and any collective bargaining agreement and other agreements: *Provided, however,* That an employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided herein.

"In the absence of a retirement plan or agreement providing for retirement benefits of employees in the establishment, an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

"Unless the parties provide for broader inclusions, the term one-half (1/2) month salary shall mean fifteen (15) days plus one-twelfth (1/12) of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leaves.

"An underground mining employee upon reaching the age of fifty (50) years or more, but not beyond sixty (60) years which is hereby declared the compulsory retirement age for underground mine workers, who has served at least five (5) years as underground mine worker, may retire and shall be entitled to all the

retirement benefits provided for in this Article. *PROVIDED THAT THE SECRETARY OF LABOR AND EMPLOYMENT SHALL, THROUGH THE APPROPRIATE RULES AND REGULATIONS, DETERMINE SUCH OTHER CLASSES OF EMPLOYEES SIMILARLY SITUATED AS UNDERGROUND MINING EMPLOYEES, WHO MAY AVAIL OF THE EARLIER RETIREMENT AGE PROVISION INTENDED FOR UNDERGROUND MINING EMPLOYEES. PROVIDED FURTHER THAT THE SECRETARY MAY USE OTHER REASONABLE CRITERIA, SUCH AS PERSONAL AND PUBLIC HEALTH AND SAFETY CONSIDERATIONS, IN DETERMINING SUCH OTHER CLASSES OF ENTITLED EMPLOYEES.*

"Retail, service and agricultural establishments or operations employing not more than ten (10) employees or workers are exempted from the coverage of this provision.

"Violation of this provision is hereby declared unlawful and subject to the penal provisions provided under Article 288 of this Code.

"Nothing in this Article shall deprive any employee of benefits to which he may be entitled under existing laws or company policies or practices."

SEC. 2. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national papers of general circulation, whichever comes earlier.

Approved,