

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



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SENATE

P.S. Resolution No. 205

RECEIVED BY:

Introduced by **SENATOR GREGORIO B. HONASAN II**

RESOLUTION

DIRECTING THE COMMITTEE ON LABOR, EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED CASES OF VIOLATION AND COMPLAINTS OF UNJUST AND UNLAWFUL DISTRIBUTION OR NON-DISTRIBUTION OF/NON-COMPLIANCE WITH THE EIGHTY-FIVE PERCENT (85%) SHARE DISTRIBUTION FOR ALL COVERED EMPLOYEES OF THE TOTAL SERVICE CHARGES COLLECTED BY THE HOTELS, RESTAURANTS AND SIMILAR ESTABLISHMENTS, PURSUANT TO ARTICLE 96 OF PRESIDENTIAL DECREE NO. 442 OTHERWISE KNOWN AS THE "LABOR CODE OF THE PHILIPPINES", WITH THE END IN VIEW OF REVISITING AND REVIEWING SUCH PROVISION AND OTHER RELATED PROVISIONS OF THE LABOR CODE FOR POSSIBLE LEGISLATIVE INTERVENTION FURTHER PROTECTING, PROMOTING AND ENSURING THE RIGHTS, INTERESTS, AND WELFARE OF THE WORKERS

WHEREAS, Article II, Section 18 of the 1987 Constitution provides that "*The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.*"

WHEREAS, Article 96 of Presidential Decree No. 442 on Service Charges provides that "*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, Section 4, Rule 6, Book Three of the Omnibus Rules Implementing the Labor Code states that "*Section 4. Frequency of Distribution.- The shares referred to herein shall be distributed and paid to the employees not less than once every two (2) weeks or twice a month at intervals not exceeding sixteen (16) days.*"

WHEREAS, the employers shall strictly comply with the law and shall implement policies and employment terms and conditions consistent with the provisions of the Labor Code of the Philippines in order to maintain, balance, promote and protect the equal rights and interests of both the employer and employee.

WHEREAS, despite such requirement of the law, there have been significant reported cases of violation, issues and complaints of non-distribution/non-compliance, unjust and unlawful distribution to the intended employees of their 85 percent share of the total service charges collected by certain hotels, restaurants and similar establishments and of denying them of their right to be consistently and properly informed of the actual total of service charges collected by their respective establishments concerned;

WHEREAS, a legislative inquiry shall be conducted to hear and look into these identified issues and concerns, and determine whether or not the genuine intent and spirit of Article 96 of the Labor Code is being properly implemented;

WHEREAS, cognizant of the existence of the Philippine Labor Code since 1974, there is further need to revisit and review particularly the implementation of Article 96 and other related provisions of the Labor Code for possible amendments in order to be updated and truly responsive to the present needs of the workers who are contributing immensely to the economy;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED by the Senate to direct the Committee on Labor, Employment and Human Resources Development to conduct an inquiry, in aid of legislation, on the reported cases of violation and complaints of unjust and unlawful distribution or non-distribution of/non-compliance with the eighty-five percent (85%) share distribution for all covered employees of the total service charges collected by the hotels, restaurants and similar establishments, pursuant to Article 96 of Presidential Decree No. 442 otherwise known as the "Labor Code of the Philippines", with the end in view of revisiting and reviewing such provision and other related provisions of the labor code for possible legislative intervention further protecting, promoting and ensuring the rights, interests, and welfare of the workers.

ADOPTED,



GREGORIO B. HONASAN II