



Senate
Office of the Secretary

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

'17 JAN 19 A11 :01

RECEIVED BY: _____

SENATE

S. B. No. 1299

Introduced by Senator JOEL VILLANUEVA

**AN ACT
PROVIDING THAT 100% OF THE SERVICE CHARGE COLLECTED
IN HOTELS AND OTHER ESTABLISHMENTS BE DISTRIBUTED TO
ALL COVERED EMPLOYEES AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Currently, Article 96 of the Labor Code provides that employees are entitled to only 85% of the service charge paid by customers in hotels, restaurants and similar establishments. This bill seeks to address the concerns of the workers in these industries to distribute 100% of the service charge collected among the covered employees.

This bill also seeks to echo the call in other parts of the world. For example, in the Union Kingdom, a survey conducted by the labor organization *Unite* revealed that approximately 90% of those who participated in the survey supports a bill that give staff 100% ownership rights over their hard earned tips.

This bill is also in line with the provisions of Article II, Section 18 of the Philippine Constitution, which provides that the State shall protect the rights of workers and promote their welfare.

The immediate passage of this bill is earnestly sought.

SENATOR JOEL VILLANUEVA



'17 JAN 19 AM 10:01

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

1 **Section 1.** Article 96 of the Labor Code is hereby amended to read as
2 follows:

3
4 **ART. 96. Service Charges.** – All service charges collected
5 by hotels, restaurants and similar establishments shall be
6 distributed [at the rate of eighty-five percent (85%) for all
7 covered employees and fifteen percent (15%) for
8 management. The share of the employees shall be]
9 **COMPLETELY AND** equally [distributed] among [them]
10 **THE COVERED EMPLOYEES.** In case the service charge
11 is abolished, the share of the covered employees shall be
12 considered integrated in their wages.
13

14 **Section 2.** Nothing in this Act shall be construed as to diminish existing
15 benefits under present laws, company policies and collective bargaining
16 agreements.
17

1 **Section 3.** All laws, executive orders, proclamations, presidential
2 decrees, rules and regulations and other issuances, or parts thereof,
3 inconsistent with the provisions of this Act are hereby repealed or
4 modified accordingly.

5

6 **Section 4.** This Act shall take effect fifteen (15) days after its publication
7 in the Official Gazette or in at least two (2) national newspapers of
8 general circulation.

9

10

11 Approved,

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