



SENATE

S. No. 1299

INTRODUCED BY SENATORS VILLANUEVA AND VILLAR

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

*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
2 amended to read as follows:

3 "ART. 96. *Service Charges.* – All service
4 charges collected by hotels, restaurants and
5 similar establishments shall be distributed [at
6 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
9 be] COMPLETELY AND equally [distributed]

1 among [them] THE COVERED WORKERS
2 EXCEPT MANAGERIAL EMPLOYEES. In
3 case the service charge is abolished, the share
4 of the covered employees shall be considered
5 integrated in their wages.

6 "FOR THE PURPOSE OF THIS
7 ARTICLE, MANAGERIAL EMPLOYEES
8 MEANS THOSE WHO ARE VESTED WITH
9 POWERS OR PREROGATIVES TO LAY
10 DOWN AND EXECUTE MANAGEMENT
11 POLICIES AND/OR TO HIRE, TRANSFER,
12 SUSPEND, LAY OFF, RECALL, DISCHARGE,
13 ASSIGN OR DISCIPLINE EMPLOYEES, OR
14 TO EFFECTIVELY RECOMMEND SUCH
15 MANAGERIAL ACTIONS."

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

19 SEC. 3. All laws, executive orders, proclamations,
20 presidential decrees, rules and regulations and other

1 issuances, or parts thereof, inconsistent with the
2 provisions of this Act are hereby repealed or modified
3 accordingly.

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

Approved,