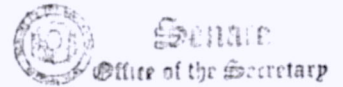


SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)



'18 AUG 28 P5:19

SENATE
S.B. NO. 1953

RECEIVED

Introduced by Senator Maria Lourdes Nancy S. Binay

**AN ACT
CLARIFYING THE MEANING OF FULL BACKWAGES, BY AMENDING
ARTICLE 271 OF THE LABOR CODE OF THE PHILIPPINES, AND FOR
OTHER PURPOSES**

EXPLANATORY NOTE

Article 279 of the Labor Code of the Philippines explains security of tenure and provides for full backwages in favor of illegally dismissed employee.

Jurisprudence has explained that payment of backwages is a relief granted to an illegally dismissed employee. However, the basis for the amount of the "full backwage" has been subject of divergent, if not conflicting, decisions of the Supreme Court.

This bill seeks to clarify the meaning of "full backwages" in light of the various decisions of the Supreme Court by amending Article 279 of the Labor Code.

In view foregoing, the passage of this bill is earnestly recommended.


MARIA LOURDES NANCY S. BINAY
Senator

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OTHER PURPOSES**

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

1 Section 1. Article 279, Title I, Book VI of the Labor Code of the
2 Philippines, as amended is hereby amended to read:

3
4 "Art. 279. *Security of tenure.* In cases of regular employment, the
5 employer shall not terminate the services of an employee except
6 for a just cause or when authorized by this Title. An employee
7 who is unjustly dismissed from work shall be entitled to
8 reinstatement without loss of seniority rights and other privileges
9 and to his full backwages, inclusive of allowances, and to his other
10 benefits or their monetary equivalent computed from the time his
11 compensation was withheld from him up to the time of his actual
12 reinstatement.

13
14 AS USED IN THIS ARTICLE THE TERM "FULL BACKWAGES" SHALL
15 MEAN WITHOUT DEDUCTION WHATSOEVER. THE BASIS FOR
16 THE AMOUNT OF FULL BACKWAGES SHALL BE THE MINIMUM
17 WAGE OR ACTUAL WAGE, WHICHEVER IS HIGHER, THAT THE

1 EMPLOYEE SHOULD HAVE RECEIVED DURING THE PERIOD THAT
2 HIS COMPENSATION WAS WITHHELD. WHEN APPROPRIATE,
3 INFLATION SHALL BE CONSIDERED IN DETERMINING THE
4 AMOUNT OF FULL BACKWAGE.”
5

6 *Sec. 2. Implementing Rules and Regulations.* – The Department of Labor
7 and Employment (“DOLE”) in coordination with all relevant government agencies
8 shall formulate the rules implementing this Act within ninety (90) days from
9 promulgation of this Act. Thereafter, the DOLE may issue such relevant rules and
10 regulations as may be necessary from time to time.
11

12 *Sec. 3. Repealing Clause.* – All laws, ordinances, rules, regulations,
13 issuances, or parts thereof which are inconsistent with this Act are hereby
14 repealed or modified accordingly.
15

16 *Sec. 4. Effectivity Clause.* – This Act shall take effect fifteen (15) days
17 after its complete publication in at least two (2) newspapers of general
18 circulation.

Approved,