

**NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES** *First Regular Session* 

23 MAR 14 P2:26

## SENATE

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Senate Bill No. 2002

# Introduced by Senator Juan Miguel F. Zubiri

## **AN ACT**

# PROVIDING FOR A 150 PESOS DAILY ACROSS-THE-BOARD INCREASE IN THE SALARY RATES OF EMPLOYEES AND WORKERS IN THE PRIVATE SECTOR AND FOR OTHER PURPOSES

#### **EXPLANATORY NOTE**

Section 9, Article 2 of the Constitution declares that "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social service, promote full employment, a rising standard of living, and an improved quality of life for all."

The Regional Wages and Productivity Boards created by virtue of Republic Act No. 6727 prescribes the minimum wages for workers in the private sector. Prior to the enactment of this law, Congress may, by legislation, determine the minimum wage for workers. In the determination of wages, the Boards shall among other relevant factors, consider the needs of workers and their families, capacity to pay of employers and the industry, comparable wages, and requirements for national development.

At present, workers in the National Capital Region (NCR) receive the highest daily nominal wage rate of Php570.00 while the lowest rate of Php316.00 is granted in the Bangsamoro Autonomous Region in Muslim Mindanao for non-agriculture sector, and Php533.00 and Php306.00 for agriculture sector in the same areas.

According to Ibon Foundation, the gap between workers' wages and the estimated family living wage continues to widen. As of January 2023, a family in NCR will need a daily living wage of Php1,161. This is almost double than the highest pay received by a minimum wage worker in the region.

Labor groups including the Trade Union Congress of the Philippines and Partido ng Manggagawa have all been calling for a wage hike amid the unprecedented surge in inflation in the past months. In February 2023, inflation was recorded at 8.6% driving the prices of basic goods and services at an all-time high.

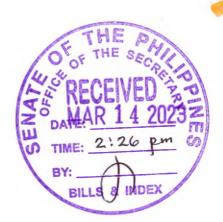
Despite the soaring inflation, however, the Regional Wages and Productivity Boards are constrained by law as they can only come out with a new wage order once every year unless they declare supervening conditions due to unusual economic incidents. According to news reports, the regional wage boards are still reviewing the economic indicators in their respective regions.

Given the urgency of the situation, a legislated wage increase is called for to ease the effect of wage erosion brought about by inflation. This measure proposes a Php150.00 across the board increase in the minimum wage of workers in the private sector to cover food, water, fuel, electricity, clothing, transportation, rent, communications and other personal needs.

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

JUAN MIGUEL F. ZUBIRI

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

SECTION 1. Short Title - This Act shall be known as the "Across the Board Wage
Increase Act of 2023".

**SEC.2. Declaration of Policy** – It is a policy of the State to alleviate the living conditions of the ordinary Filipino through policies that provide for a decent and humane standard of living and improved quality of life, particularly of the working class by ensuring the right of labor to its just share in the fruits of production, to guarantee the workers' right to a living wage, and to promote social justice through the adoption of measures calculated to ensure the well-being and economic security of all the members of the community.

**SEC. 3.** Across-the-Board Wage Increase. – All employers in the private sector, whether agricultural or non-agricultural, regardless of capitalization and number of employees shall pay their workers an across-the-board wage increase in the sum of One Hundred Fifty Pesos (Php150.00) a day upon the effectivity of this Act. Nothing in this Act shall prevent the respective Regional Tripartite Wages and Productivity Board to grant additional increases to the workers and employees on the basis of its determination pursuant to Republic Act No. 6727, as Amended.

SEC. 4. Non-Chargeability of Prior Increases - No wage increase shall be 18 credited as compliance with the increase prescribed herein unless expressly provided 19 under valid collective bargaining agreements: Provided, that such wage increase was 20 granted in anticipation of the legislated across-the-board wage increase under this Act: 21 Provided further, that where such increase is less than the prescribed increase under this 22 Act, the employer shall pay the difference. Such increases shall not include anniversary 23 wage increases, merit wage increases and those resulting from the regularization or 24 25 promotion of employees.

26 **SEC. 5.** *Non-diminution of other benefits.* — Nothing in this Act shall be 27 construed to reduce any existing allowance and benefit of any form under existing laws, 1 decrees, issuances, executive orders and any contract or agreement between workers 2 and employers.

3 SEC. 6. Inspection by the DOLE - The Department of Labor and Employment 4 (DOLE) shall, after approval of this Act, conduct inspection of payroll and other financial 5 records kept by the company or business to determine whether the workers are paid the prescribed across-the-board wage increase and other benefits granted by law. In 6 7 unionized companies, the DOLE inspectors shall always be accompanied by the president or any responsible officer of the recognized bargaining unit or of interested union in the 8 9 conduct of the inspection. In non-unionized companies, establishments or businesses, the 10 inspection should be carried out in the presence of a workers' representatives. The 11 worker's representative shall have the right to submit his own findings to the DOLE and 12 to testify on the same if he cannot concur with the findings of the labor inspector.

13 SEC. 7. *Penalties.* – Any person, corporation, trust, firm, partnership, association 14 or entity violating any provision of this Act shall be punished by a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand 15 Pesos (P500,000.00) or imprisonment of not less than two years nor more than four years, 16 or both at the discretion of the court: *Provided*, that if the violation is committed by a 17 18 corporation, trust or firm, association or any other entity, the penalty of imprisonment 19 shall be imposed upon the entity's responsible officers including, but not limited to, the 20 president, vice president, chief executive officer, general manager, managing director or 21 partner.

The employer concerned shall be order to pay an amount equivalent to double the unpaid benefits owing to the employees: *Provided*, that the payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act, *Provided further*, that any person convicted under this Act shall not be entitled to the benefits provided for under the Probation Law.

Sec. 8. Implementing Rules and Regulations. – The Secretary of Labor and
Employment shall promulgate the necessary rules and regulations to implement this Act.

29 **Sec. 9.** *Separability Clause.* If any provision or part of this Act or the remainder 30 of this Act or the application of such provision or part thereof to other persons or 31 circumstances shall not be affected thereby.

32 **Sec. 10.** *Repealing Clause.* All laws, orders, issuances, rules and regulations or 33 parts thereof inconsistent with the provisions of this Act are hereby repealed, amended 34 or modified accordingly.

35 Sec. 11. *Effectivity Clause. –* This Act shall take effect within fifteen (15) days
36 after its publication in the Official Gazette.

Approved,