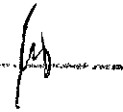


FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

7 JUL -2 1978

SENATE

RECEIVED BY: 

Senate Bill No. 563

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

The Labor Code provides for the minimum retirement pay of an employee, in the absence of a retirement plan, employment contract, or collective bargaining agreement granting higher retirement benefits.

However, the Labor Code is silent regarding the period within which such retirement pay should be released to the retiree, and the manner of such payment.

There have been instances when retirees receive their retirement pay after the lapse of several months, or even years. In some instances, retirement benefits are released to the retiree on installment basis.

This bill seeks to correct the deficiency in the law by requiring employers to release the retirement benefits of employees within a period of 15 days in a single lump-sum amount in legal tender.


Hence, the immediate passage of this bill is therefore earnestly solicited.


JINGGOY EJERCITO ESTRADA
Senator

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

7 JUL -2 P6:29

SENATE

RECEIVED BY: 

Senate Bill No. 563

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

AN ACT

AMENDING ARTICLE 287 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, BY REQUIRING EMPLOYERS TO RELEASE THE RETIREMENT PAY OF EMPLOYEES WITHIN FIFTEEN DAYS FROM SUBMISSION OF COMPLETE DOCUMENTARY REQUIREMENTS

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

SECTION 1. Article 287 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, is hereby amended to read as follows:

"ART. 287. Retirement. — Any employee may be retired upon reaching the retirement age established in the collective bargaining agreement or other applicable employment contract.

"In case of retirement, the employee shall be entitled to receive such retirement benefits as he may have earned under existing laws and any collective bargaining agreement and other agreements: Provided, however, That an employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided herein.

"In the absence of a retirement plan or agreement providing for retirement benefits of employees in the establishment, an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

"Unless the parties provide for broader inclusions, the term one-half (1/2) month salary shall mean fifteen (15) days plus one-twelfth (1/12) of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leaves.

"THE RETIREMENT PAY OF EMPLOYEES, INCLUDING HIS OTHER EMPLOYMENT BENEFITS, SHALL BE RELEASED BY THE EMPLOYER AS A SINGLE LUMP-SUM AMOUNT IN LEGAL TENDER

WITHIN FIFTEEN (15) DAYS FROM HIS SUBMISSION OF COMPLETE DOCUMENTARY REQUIREMENTS, BUT NOT EARLIER THAN THE DATE OF HIS RETIREMENT.

"An underground mining employee upon reaching the age of fifty (50) years or more, but not beyond sixty (60) years which is hereby declared the compulsory retirement age for underground mine workers, who has served at least five (5) years as underground mine worker, may retire and shall be entitled to all the retirement benefits provided for in this Article.

"Retail, service and agricultural establishments or operations employing not more than ten (10) employees or workers are exempted from the coverage of this provision.

"Violation of this provision is hereby declared unlawful and subject to the penal provisions provided under Article 288 of this Code.

"Nothing in this Article shall deprive any employee of benefits to which he may be entitled under existing laws or company policies or practices."

SECTION 2. This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) national papers of general circulation, whichever comes earlier.

Approved,