FOURTEENTH CONGRESS OF THE REPUBLIC
    OF THE PHILIPPINES
First Regular Session

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RECEIVED BY: _____

Senate Bill No.__579__

INTRODUCED BY **SEN. JINGGOY EJERCITO ESTRADA**

EXPLANATORY NOTE

The Labor Code was amended by RA 6727 creating the National Wages and Productivity Commission and the Regional Tripartite Wages and Productivity Boards allowing for the determination and fixing of minimum wage rates applicable to the various regions, provinces or industries therein.

Article 123 of the Labor Code provides that, whenever conditions in the region so warrant, the Regional Board shall investigate and study all pertinent facts; and based on the standards and criteria herein prescribed, shall proceed to determine whether a Wage Order should be issued.

However, the labor sector has often criticized the Regional Boards for their delayed reaction to the conditions of their respective regions, and their slow action on petitions for minimum wage increase, so much so that the labor sector is now demanding that Congress reverts back to the old system of legislated wage increases.

This bill seeks to require the Regional Boards to issue Wage Orders annually, preferably on or before May 1 (Labor Day) of each year, or to issue a detailed explanation why such Wage Order cannot be issued. It is expected that this measure shall make the Regional Boards more transparent and accountable to the sectors they serve.

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)

SENATE

Senate Bill No. 579

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

AN ACT
AMENDING ARTICLE 123 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, BY REQUIRING THE REGIONAL BOARD TO ISSUE A WAGE ORDER EVERY YEAR OR AN EXPLANATION FOR NOT ISSUING SUCH WAGE ORDER

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

SECTION 1. Article 123 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, is hereby amended to read as follows:

"ART. 123. Wage Order. - Whenever conditions in the region so warrant, AND ONCE EVERY YEAR STARTING MAY 1, the Regional Board shall investigate and study all pertinent facts; and based on the standards and criteria herein prescribed, shall proceed to determine whether a Wage Order should be issued. Any such Wage Order shall take effect after fifteen (15) days from its complete publication in at least one (1) newspaper of general circulation in the region. THE REGIONAL BOARD SHALL ISSUE SUCH WAGE ORDER ON OR BEFORE MAY 1 OF EVERY YEAR.

"IN LIEU OF A WAGE ORDER, THE REGIONAL BOARD, ON OR BEFORE MAY 1 OF EVERY YEAR, SHALL PUBLISH IN AT LEAST ONE (1) NEWSPAPER OF GENERAL CIRCULATION IN THE REGION ITS DETAILED EXPLANATION FOR NOT ISSUING A WAGE ORDER.

"In the performance of its wage-determining functions, the Regional Board shall conduct public hearings/consultations, giving notices to employees' and employers' groups, provincial, city and municipal officials and other interested parties.

"Any party aggrieved by the Wage Order issued by the Regional Board may appeal such order to the Commission within ten (10) calendar days from the publication of such order. It shall be mandatory for the Commission to decide such appeal within sixty (60) calendar days from the filing thereof.

"The filing of the appeal does not stay the order unless the person appealing such order shall file with the Commission, an undertaking with a

surety or sureties satisfactory to the Commission for the payment to the employees affected by the order of the corresponding increase, in the event such order is affirmed."

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,