

THIRTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Second Regular Session

6 JAN -7 1977

SENATE

COPY: 

Senate Bill No. 2279

INTRODUCED BY SEN. MANNY VILLAR

EXPLANATORY NOTE

It may be surprising to note that notwithstanding the strides made in the legislative arena to advance the interest of the workers, our present labor laws and social legislations do not amply provide benefits to an employee whose employment status is terminated due to the installation of power-saving devices, redundancy, retrenchment, or the closure of cessation of business operation. Parenthetically, a legislative proposal to further improve the lot of the employees under the aforesaid circumstances is not wanting of constitutional derivations. The pertinent constitutional provisions mandate thus:

"The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare."
(Section 18, Article II, 1987 Constitution)

"The State shall afford full protection to labor, local and overseas, organized and unorganized and promote full employment and equality of employment opportunities for all.

It shall guarantee the right of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including their right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

The State shall promote the principle of shared responsibility between workers and employees and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.

The State shall regulate the relations between workers and employees, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable

returns on investments and to expansion and growth.” (Section 3, Article XIII, 1987 Constitution)

“The use of property hears a social function and all economic agents shall contribute to the common good. Individuals and private groups, including corporations, cooperatives, shall have the right to own, establish and operate economic enterprises subject to the duty of the State to promote distributive justice and to intervene when the common good so demands”. (Section 6, Article XII, 1987 Constitution)

This bill seeks a longer notice requirement for the abovementioned entrepreneurial undertakings resulting in the termination of the employment status to afford the employees ample opportunity to examine the grounds on which these prerogatives are anchored. The Bill also provides a bigger separation pay as an expanded financial safety net to the dislocated employees who will invariably scout for other means of livelihood.

The foregoing premises considered, early passage if this Bill is earnestly requested.




MANNY VILLAR

THIRTEENTH CONGRESS OF THE
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6 JUN -7 P2:00

SENATE

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Senate Bill No. 2279

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**AN ACT
TO FURTHER STRENGTHEN THE RIGHTS OF WORKERS IN CASES OF
CLOSURE OF ESTABLISHMENT AND OTHER SIMILAR CAUSES,
AMENDING FOR THIS PURPOSE ARTICLE 283 OF PRESIDENTIAL DECREE
NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF
THE PHILIPPINES AND FOR OTHER PURPOSES**

*Be^{it} enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:*

SECTION 1. Article 283 of Presidential Decree No. 442, as amended,
otherwise known as the Labor Code of the Philippines, is hereby further
amended to read as follows:

"ART. 283. *Closure of Establishment and [Reduction of
Personnel] OTHER SIMILAR CASES.* – The employer may also
terminate the employment of any employee due to the installation
of labor-saving devices, redundancy, retrenchment to prevent
losses or the closing or cessation of operation of the establishment
or undertaking unless the closing is for the purpose of
circumventing the provision of this Title, by serving a written notice
on the workers and the [Ministry] Department of Labor and
Employment at least [one (1)] TWO (2) months before the intended
date thereof. [In case of termination due to the installation of labor-
saving devices or redundancy,] **IN ANY OF THESE CASES,** the
worker affected thereby shall be entitled to a separation pay
equivalent to at least his [one (1)] TWO (2) months pay or to at
least [one (1)] TWO (2) months pay for every year of service,
whichever is higher. [In case of retrenchment to prevent losses and
in cases of closure or cessation of operations of establishment or
undertaking not due to serious business losses or financial
reverses, the separation pay shall be equivalent to one (1) month
pay or at least one-half (1/2) month pay for every year of service,
whichever is higher. A fraction of at least six (6) months shall be
considered one (1) whole year.

SECTION 2. *Non-Diminution of Benefits.* - Nothing in this Act shall be construed to reduce any benefit, interest, right or participation enjoyed by the workers under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between the workers and employers at the time of the enactment of this Act.

SECTION 3. *Repealing Clause.* - All laws, decrees, executive orders and rules and regulations or parts thereof inconsistent with any provision of this Act are hereby repealed, modified, superseded or amended accordingly.

SECTION 4. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved,