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SENATE

Senate Bill No. 439



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

SENATE

Senate Bill No. 439



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."

SEC. 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,