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SENATE

Senate Bill No. 812

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

The Constitution guarantees our workers with a decent wage. This promise, however, has remained elusive for the great majority of the country's workforce because their real salaries and wages have significantly shrunk due to inflation and the depreciation of the Peso.

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 addresses the plight of the working class by bringing them closer to the State's assurance of a decent wage. Hence, early passage of this bill is fervently sought.


JINGGOY EJERCITO ESTRADA
Senator

10 JUL -7 P5:25

SENATE

Senate Bill No. 812

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AN ACT
PROVIDING FOR A P125.00 DAILY ACROSS-THE-BOARD INCREASE IN
THE SALARY RATES OF EMPLOYEES AND WORKERS IN THE PRIVATE
SECTOR AND FOR OTHER PURPOSES

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

SECTION 1. This Act shall be known as "*The P125.00 Daily-Across-the
Board Wage Increase Act.*"

SEC. 2. It is hereby declared to be the 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; to ensure 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. In line with the declared policy under this Act, all employers in the private sector, whether agricultural or nonagricultural, regardless of capitalization and number of employees shall pay their workers an across-the-board wage increase in the sum of One hundred twenty-five pesos (P125.00) a day to be paid in the following manner:

(a) Upon the effectivity of this Act, an additional Forty-five pesos (P45.00) a day;

(b) The year thereafter, an additional Forty pesos (P40.00) a day; and

(c) On the third year, the remaining amount of Forty pesos (P40.00) a day shall be added.

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

SEC. 5. Nothing in this Act shall be construed to reduce any existing allowance and benefit of any form under existing laws, decrees, issuances, executive orders and any contract or agreement between workers and employers.

SEC. 6. The Department of Labor and Employment (DOLE) shall, after approval of this Act, conduct inspection of the payroll and other financial 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 unionized companies, the DOLE inspectors shall always be accompanied by the president or any responsible officer of the recognized bargaining unit or of any interested union in the conduct of the inspection. In non unionized companies, establishments or businesses, the inspection should be carried out in the presence of a worker representing the workers in the said company. The workers' representative shall have the right to submit his own findings to the DOLE and to testify on the same if he cannot concur with the findings of the labor inspector.

SEC. 7. Any person, corporation, trust, firm, partnership, association or entity violating any provision of this Act shall be punished by a fine of not less than Twenty-five thousand pesos (P25,000.00) nor more than One hundred thousand pesos (P100, 000.00) or imprisonment of not less than two years nor more than four years, or both such fine and imprisonment at the discretion of the court: *Provided*, That if the violation is committed by a corporation, trust or firm, association or any other entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers including, but not limited to, the president, vice president, chief executive officer, general manager, managing director or partner.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: *Provided*, that 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. The Secretary of Labor and Employment shall promulgate the necessary rules and regulations to implement this Act.

SEC. 9. If any provision or part of this Act or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of this Act or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

SEC. 10. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 11. This Act shall take effect within fifteen (15) days after its publication in the Official Gazette or in at least two newspapers of general circulation, whichever comes earlier.

Approved,