

FIFTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session

SENATE  
OFFICE OF THE SECRETARY

10 JUL -8 18:46

SENATE

Senate Bill No. 869

RECEIVED BY: 

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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### EXPLANATORY NOTE

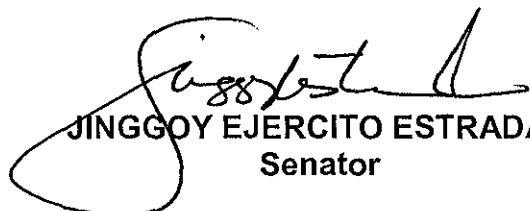
In the absence of a retirement plan, employment contract, or collective bargaining agreement prescribing a retirement age for employees, the Labor Code provides that an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years, which is declared as the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire. They 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.

However, certain classes of employees should be allowed to retire at a younger age; and in fact, they should be mandatorily retired upon reaching a certain age because requiring them to continue with their employment may be either hazardous to their health, prejudicial to the viability of the establishment they served, dangerous for their employers' clients, or inimical to public safety.

The Labor Code already provides for the earlier retirement of underground mining employees. Upon reaching the age of fifty (50) years or more, but not beyond sixty (60) years, which is declared as the compulsory retirement age for underground mine workers, they may retire and shall be entitled to all the retirement benefits under the law.

This bill seeks to afford other employees who are similarly situated as underground mine workers an earlier retirement age pursuant to the tenets of social justice and public safety.

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

  
JINGGOY EJERCITO ESTRADA  
Senator

10 JUL -8 11:16

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AN ACT  
AMENDING ARTICLE 287 OF PRESIDENTIAL DECREE NO. 442, AS  
AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE  
PHILIPPINES, BY PROVIDING AN EARLIER AGE OF RETIREMENT FOR  
CERTAIN CLASSES OF EMPLOYEES

*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.

"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. *PROVIDED THAT THE SECRETARY OF LABOR AND  
EMPLOYMENT SHALL, THROUGH THE APPROPRIATE RULES AND*

REGULATIONS, DETERMINE SUCH OTHER CLASSES OF EMPLOYEES SIMILARLY SITUATED AS UNDERGROUND MINING EMPLOYEES, WHO MAY AVAIL OF THE EARLIER RETIREMENT AGE PROVISION INTENDED FOR UNDERGROUND MINING EMPLOYEES. *PROVIDED FURTHER* THAT THE SECRETARY MAY USE OTHER REASONABLE CRITERIA, SUCH AS PERSONAL AND PUBLIC HEALTH AND SAFETY CONSIDERATIONS, IN DETERMINING SUCH OTHER CLASSES OF ENTITLED EMPLOYEES.

"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."

**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,*