

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 SEP 20

SENATE

RECEIVED BY



COMMITTEE REPORT NO. 105

Submitted by the Committee on Labor, Employment and Human Resources
Development on SEP 30 2008

RE : S. B. No. 1370, taking into consideration S. B. No. 933.

Recommending the approval of S. B. No. 1370 with amendments.

Sponsor : Senator Ejercito Estrada

MR. PRESIDENT:

The Senate Committee on Labor, Employment and Human Resources
Development to which were referred S. B. No. 933, introduced by Senator Legarda.
entitled:

**"AN ACT
AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 6971
OTHERWISE KNOWN AS "THE PRODUCTIVITY INCENTIVES ACT
OF 2007" AND FOR OTHER PURPOSES." and**

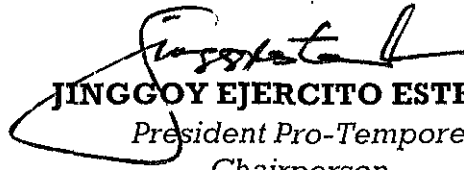
Senate Bill No. 1370, introduced by Senator Aquino, III, *entitled:*

**"AN ACT
GRANTING AN ANNUAL PRODUCTIVITY INCENTIVE TO ALL
WORKERS IN THE PRIVATE SECTOR, ESTABLISHING
MECHANISMS FOR ITS IMPLEMENTATION, AND FOR OTHER
PURPOSES."**

has considered the same and has the honor to report them back to the Senate with
the recommendation that the **S. B. No. 1370** be approved with amendments, taking
into consideration S. No. 933, to wit:

1. On page 1, Section 1 Title, change the year 2007 to year **"2008"**;
2. On page 2, Section 7 on the enumerations of "Exemptions", after the word
"regulations", delete the whole phrase starting from semi-colon (;) sign up to
the words "five (5) workers", and in lieu thereof insert the words **"AND
THOSE"**;
3. Still on the same page and section, after the word "liquidation" change the
semi-colon (;) into period (.) sign and delete the phrase "and those employed
in new business enterprises".

Respectfully submitted:



JINGGOY EJERCITO ESTRADA
President Pro-Tempore
Chairperson

Committee on Labor, Employment and Human
Resources Development



LOREN B. LEGARDA

Vice-Chairperson
Committee on Labor, Employment and Human
Resources Development

MEMBERS:



PIA S. CAYETANO

ALAN PETER "Compañero" S. CAYETANO



FRANCIS "Chiz" G. ESCUDERO



GREGORIO "Gringo" B. HONASAN



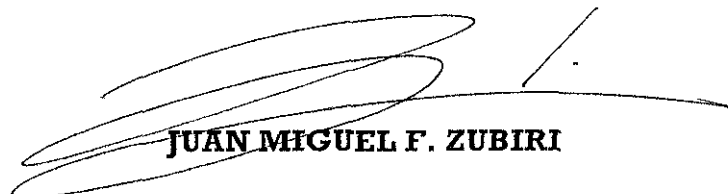
REMON "Bong" REVILLA, JR.



MANUEL "Lito" M. LAPID




ROFOLFO G. BIAZON



JUAN MIGUEL F. ZUBIRI


PANFILO "Ring" M. LACSON

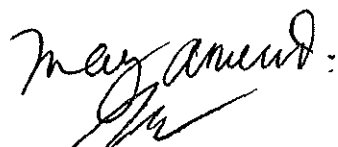

BENIGNO S. AQUINO, III

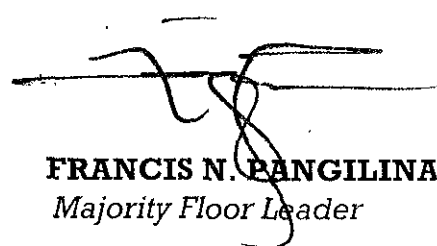
my proposed amendments!

my question + amend.


M. A. MADRIGAL

EX- OFFICIO MEMBERS:

may amend:

AQUILINO Q. PIMENTEL, JR.
Minority Floor Leader


FRANCIS N. PANGILINAN
Majority Floor Leader

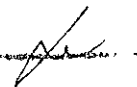
MANNY VILLAR
Senate President
Pasay City

FOURTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

OFFICE OF THE SECRETARY

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SENATE

RECEIVED BY: 

S. No. 1370

Introduced by Senator Benigno S. Aquino III

AN ACT
GRANTING AN ANNUAL PRODUCTIVITY INCENTIVE TO ALL
WORKERS IN THE PRIVATE SECTOR, ESTABLISHING MECHANISMS
FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES

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

SECTION 1. **Title.** - This Act shall be known as the "Workers Productivity Incentives Act of 2007."

SEC. 2. **Statement of Policy.** - It is hereby declared the policy of the State to continuously empower the Filipino workers in their continuing struggle to uplift and improve their lives through policies that effectively contribute to greater economic gains, protection of their rights and advancement of their welfare. The State shall, therefore, promote the rights of workers in their just and fair share in the profits from the production of goods and services in all endeavors where their labors and expertise are employed by virtue of a management-labor/employer-employee relation.

SEC. 3. **Extent of Grant.** -- All workers in the private sector regardless of their employment status and not excluded by this Act shall be granted an annual productivity incentive bonus which shall be equivalent to not less than ten percent (10%) of net profits before taxes gained by any company or business establishment for every fiscal year that engages their labor, skills and expertise for any period or duration, provided that they have worked for at least one month during the calendar year. If the employee worked for only a portion of the year, the productivity incentive bonus shall be computed pro rata.

SEC. 4. **Rule Making Power** - The Department of Labor and Employment, in consultation with the National Wages and Productivity Commission, Bureau of Internal Revenue, and representatives from the labor and employer sectors shall promulgate and issue within six (6) months from the effectivity of this Act such rules and regulations as are necessary to implement the provisions hereof.

SEC.5. **Non-diminution of Benefits.** – Nothing in this Act shall be construed to diminish or reduce any benefits and other privileges enjoyed by the workers under existing laws, decrees, executive orders, company policy or practice, or any agreement or contract between the employer and employees.

SEC. 6. **Unlawful interference or restraint.** - It shall be unlawful for an employer or labor union or for any government official or employee and any other business enterprise or entity to interfere with, restrain or coerce employees in the right to receive this grant and to require as a condition of employment that the employee shall not collect this grant in his favor.

SEC. 7. **Exemptions.** - The provisions of this Act shall not apply to government-owned and controlled corporations with original charters; managerial employees; house helpers; non-resident aliens; workers who are paid by results as determined by the Secretary of Labor in appropriate regulations; workers employed by retail service establishments employing not more than five (5) workers; employees or workers in companies or enterprises undergoing receivership/liquidation; and those employed in new business enterprises. Applications for exemption strictly in accordance with those exempted employers, enterprises or establishments herein stated shall be duly filed with the Office of the Regional Director of the Department of Labor and Employment (DOLE) whose decision can be appealed to the DOLE Secretary within ten (10) days from its promulgation.

SEC. 8. **Compliance Order.** – All Regional Directors of the DOLE shall issue an annual compliance order for the payment of the grant as provided for in this Act. The order shall, among other things, direct the employer or manager to pay the amount due each worker or employee, thirty (30) days after the end of every fiscal year and shall also include the computation on which the order was based:

SEC. 9. **Penalties.** – Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the herein prescribed grant in accordance with this Act shall be directly liable to the affected worker for thrice (3x) the accrued grant plus moral damages not exceeding thirty thousand pesos (P30,000.00) for each affected worker and imprisonment of not less than one (1) year nor more than two (2) years and including the costs of litigation and attorney's fees.

If the violation is committed by a corporation, trust or firm, partnership, association or entity the penalty of imprisonment shall be imposed on the entity's responsible officers. If the violation is committed by a foreign individual, he/she shall be summarily deported under applicable laws after complete satisfaction of his adjudged liabilities.

SEC. 10. **Separability Clause.** – If any provision of this Act shall be declared unconstitutional, any other provision not affected thereby shall remain in full force and effect.

SEC. 11. **Repealing Clause.** – All laws, decrees, orders, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 12. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,