

REPUBLIC OF THE PHILIPPINES
S E N A T E
Manila

FIRST REGULAR SESSION



COMMITTEE REPORT NO. 42

Submitted by the Committee on Labor, Employment and
Human Resources Development on October , 1987.

Re: Senate Bill No. 156 , prepared by the Committee.

Recommending its approval in substitution of Senate
Bill Nos. 70, 134 and 135.

Sponsors: Senators Herrera, Maceda, Paterno, Angara,
Alvarez, Mercado, Osmeña, Romulo, Shahani, Lina,
Jr., Ziga, Laurel, Gonzales, Aquino, Rasul,
Guingona, Jr. and Salonga.

MR. PRESIDENT:

The Committee on Labor, Employment and Human
Resources Development to which was referred Senate
Bill No. 70, entitled:

"AN ACT
PROVIDING FOR AN INCREASE OF TWENTY PESOS
TO THE DAILY BASIC WAGE OF PUBLIC AND
PRIVATE EMPLOYEES AND FOR OTHER
PURPOSES".

Senate Bill No. 134, entitled:

"AN ACT
PROVIDING FOR AN INCREASE IN THE
STATUTORY MINIMUM WAGE RATES OF
EMPLOYEES IN THE PRIVATE SECTOR AND FOR
OTHER PURPOSES".

and Senate Bill No. 135, entitled:

"AN ACT
INCREASING BY TWELVE PESOS PER DAY THE
PRESENT MINIMUM WAGE FOR ALL WORKERS AND
EMPLOYEES IN THE GOVERNMENT AND PRIVATE
SECTORS".

has considered the said Bills and has the honor

COMMITTEE REPORT NO. _____

SENATE BILL NO.

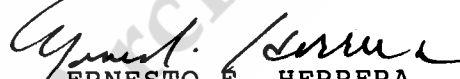
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to report them back to the Senate with the recommendation that they be substituted by the attached Bill (Senate Bill No. _____), prepared by the Committee, entitled:

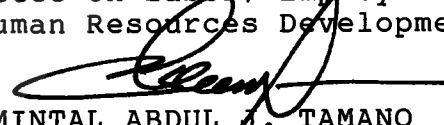
"AN ACT
PROVIDING FOR AN INCREASE IN THE WAGE
OF PUBLIC OR GOVERNMENT SECTOR
EMPLOYEES ON A DAILY WAGE BASIS AND
IN THE STATUTORY MINIMUM WAGE OF
EMPLOYEES AND WORKERS IN THE PRIVATE
SECTOR AND FOR OTHER PURPOSES".

and that this Bill be approved without amendments, with Senators Herrera, Maceda, Paterno, Angara, Alvarez, Mercado, Osmeña, Romulo, Shahani, Lina, Jr., Ziga, Laurel, Gonzales, Aquino, Rasul, Guingona, Jr., and Salonga, as authors thereof.

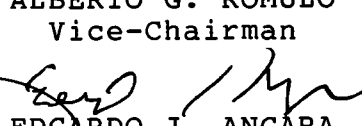
Respectfully Submitted,


ERNESTO F. HERRERA
Chairman

Committee on Labor, Employment
and Human Resources Development

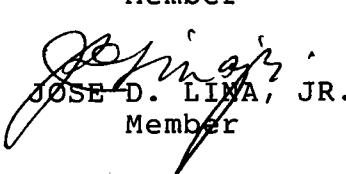

MAMINTAL ABDUL J. TAMANO
Vice-Chairman


ALBERTO G. ROMULO
Vice-Chairman


EDGARDO J. ANGARA
Member


NEPTALI A. GONZALES
Member

SOTERO H. LAUREL
Member

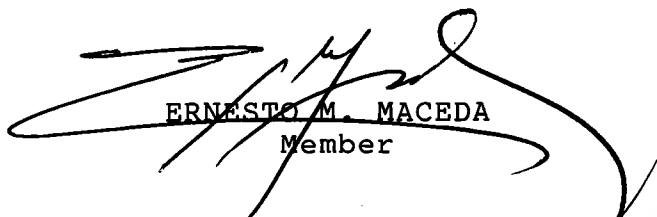

JOSE D. LINA, JR.
Member



COMMITTEE REPORT NO. _____

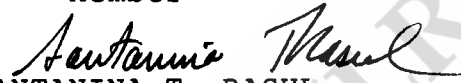
SENATE BILL NO.

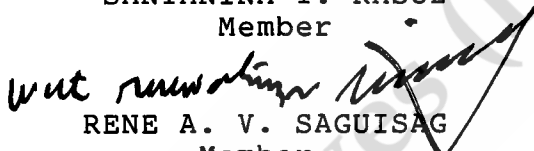
Page 3


ERNESTO M. MACEDA
Member

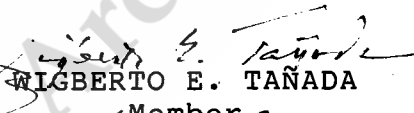
VICENTE T. PATERNO
Member

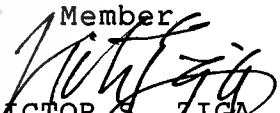

AQUILINO PIMENTEL, JR.
Member

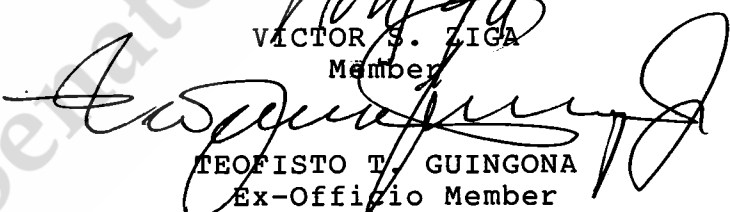

SANTANINA T. RASUL
Member


RENE A. V. SAGUISAG
Member


LETICIA RAMOS-SHAHANI
Member


WIGBERTO E. TAÑADA
Member


VICTOR S. ZIGA
Member


TEOFISTO T. GUINGONA
Ex-Officio Member


ORLANDO MERCADO
Ex-Officio Member


JUAN PONCE-ENRILE
Ex-Officio Member



THE HONORABLE JOVITO SALONGA
The Senate President
Senate
Manila

:jrmb

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Congress of the Philippines)
First Regular Session)

S E N A T E

COMMITTEE REPORT NO. 42

Submitted by the Committee on Labor, Employment and Human
Resources Development on October 15, 1987

Re: Senate Bill No. 156, prepared by the Committee

Recommending its approval in substitution of Senate Bill
Nos. 70, 134 and 135

Sponsors: Senators Herrera, Maceda, Paterno, Angara, Alvarez,
Mercado, Osmeña, Romulo, Shahani, Lina, Jr., Ziga
Laurel, Gonzales, Aquino, Rasul, Guingona, Jr.
and Salonga.

MR. PRESIDENT:

The Committee on Labor, Employment and Human Resources
Development to which was referred S. No. 70, entitled:

"AN ACT PROVIDING FOR AN INCREASE OF TWENTY PESOS
TO THE DAILY BASIC WAGE OF PUBLIC AND PRIVATE
EMPLOYEES AND FOR OTHER PURPOSES"

Senate Bill No. 134, entitled:

"AN ACT PROVIDING FOR AN INCREASE IN THE STATUTORY
MINIMUM WAGE RATES OF EMPLOYEES IN THE PRIVATE
SECTOR AND FOR OTHER PURPOSES"

Senate Bill No. 135, entitled:

"AN ACT INCREASING BY TWELVE PESOS PER DAY THE
PRESENT MINIMUM WAGE FOR ALL WORKERS AND
EMPLOYEES IN THE GOVERNMENT AND THE PRIVATE
SECTORS"

has considered the said bills and has the honor to report them
back to the Senate with the recommendation that Senate Bill
No. 156, prepared by the Committee, entitled:

"AN ACT PROVIDING FOR AN INCREASE IN THE WAGE OF
PUBLIC OR GOVERNMENT SECTOR EMPLOYEES ON A
DAILY WAGE BASIS AND IN THE STATUTORY MINIMUM
WAGE OF EMPLOYEES AND WORKERS IN THE PRIVATE
SECTOR AND FOR OTHER PURPOSES"

be approved without amendment in substitution to S. Nos. 70,
134 and 135, with Senators Herrera, Maceda, Paterno, Angara,

Alvarez, Mercado, Osmeña, Romulo, Shahani, Lina, Jr., Ziga, Laurel, Gonzales, Aquino, Rasul, Guingona, Jr., and Salonga, as authors thereof.

Respectfully Submitted:

(Sgd.) ERNESTO F. HERRERA
Chairman
Committee on Labor, Employment
and Human Resources Development

(Sgd.) MAMINTAL ABDUL J. TAMANO
Vice Chairman

(Sgd.) ALBERTO G. ROMULO
Vice Chairman

MEMBERS:

(Sgd.) EDGARDO J. ANGARA
SOTERO H. LAUREL

(Sgd.) NEPTALI A. GONZALES

(Sgd.) JOSE D. LINA, JR.

(Sgd.) ERNESTO M. MACEDA

VICENTE T. PATERNO

(Sgd.) AQUILINO Q. PIMENTEL, JR.
With reservations

(Sgd.) SANTANINA T. RASUL

(Sgd.) RENE A. V. SAGUISAG

(Sgd.) LETICIA RAMOS SHAHANI

(Sgd.) WIGBERTO E. TAÑADA

(Sgd.) VICTOR S. ZIGA

EX-OFFICIO MEMBERS:

(Sgd.) TEOFISTO T. GUINGONA, JR.
President Pro-Tempore

(Sgd.) ORLANDO S. MERCADO
Majority Floor Leader

(Sgd.) JUAN PONCE ENRILE
Minority Floor Leader

HONORABLE JOVITO R. SALONGA
President of the Senate
M a n i l a

/dj



S E N A T E

S. NO. 156

Introduced by Senators Herrera, Maceda, Paterno, Angara,
Alvarez, Mercado, Osmeña, Romulo, Shahani, Lina, Jr.,
Ziga, Laurel, Gonzales, Aquino, Rasul, Guingona, Jr.
and Salonga

AN ACT
PROVIDING FOR AN INCREASE IN THE WAGE OF PUBLIC OR GOVERNMENT
SECTOR EMPLOYEES ON A DAILY WAGE BASIS AND IN THE STATUTORY
MINIMUM WAGE OF EMPLOYEES AND WORKERS IN THE PRIVATE SECTOR
AND FOR OTHER PURPOSES

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

1 SECTION 1. All employees in the public or government
2 sector on a daily wage basis shall receive an increase in the
3 sum of ten pesos (P10.00) a day.

4 SEC. 2. The statutory minimum wage rates of workers and
5 employees in the private sector, whether agricultural or non-
6 agricultural, except domestic helpers and persons employed in
7 the personal service of another, and those in the retail esta-
8 blishments regularly employing not more than ten (10) workers,
9 shall be increased by ten pesos (P10.00) per day.

10 SEC. 3. In unionized companies, where the application
11 of the minimum wage increase prescribed herein results in
12 distortions of the wage structure within an establishment, the
13 employer and the union shall, within a period of sixty days,
14 negotiate to correct the distortion. Any dispute arising from
15 wage distortions shall be resolved through the grievance pro-
16 cedure under their collective bargaining agreement or arbi-
17 tration.

18 If there is no collective bargaining agreement or recog-

1 nized labor organization , the employer shall promptly endeavor
2 to correct such distortion in consultation with the workers.
3 Any dispute arising therefrom shall be resolved through com-
4 pulsory arbitration by the NLRC Arbitration Branch having
5 jurisdiction over the workplace.

6 It shall be mandatory for the NLRC to conduct continuous
7 hearings and decide any dispute arising under this section
8 within ten (10) days from the time said dispute is submitted
9 for decision.

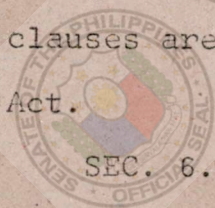
10 SEC. 4. All workers paid by result, including those who
11 are paid on piece-work, "takay", or task basis, shall receive
12 not less than the applicable statutory minimum wage prescribed
13 herein per eight (8) hours work a day, or a proportion thereof
14 for working less than eight (8) hours.

15 SEC. 5. Learners, apprentices and handicapped workers
16 shall be entitled to not less than seventy-five percent (75%)
17 of the applicable adjusted minimum wage.

18 All recognized leadership and apprenticeship agreements
19 entered into before the effective date of this Act shall be
20 considered as automatically modified insofar as their wage
21 clauses are concerned to reflect the increase provided in this
22 Act.

23 SEC. 6. In the case of contracts for construction pro-
24 jects and for security, janitorial and similar services,
25 the increase in the minimum wage of the workers shall be
26 borne by the principal or client of the construction/service
27 contractor and the contract shall be deemed amended accord-
28 ingly.

29 SEC. 7. Nothing in this Act shall be construed to reduce
30 any existing allowances and benefits of any form under existing



1 laws, decrees, issuances, executive orders, and/or under any
2 contract or agreement between workers and employers.

3 SEC. 8. Every year thereafter, the President of the
4 Philippines shall, by executive order, increase the basic or
5 minimum wage for all such employees and workers by not
6 more than fifteen percent (15%) of the current basic or minimum
7 wage, taking into consideration the cost of living index as
8 measured and determined by the National Census and Statistics
9 Office (NCSO) or its successor entity, economic recovery
10 requirements, social justice and such other factors to assure
11 a decent, just and humane income for all workers.

12 SEC. 9. All laws, orders, issuances, rules and regulations
13 or part thereof inconsistent with the provisions of this Act
14 are hereby repealed or amended accordingly.

15 SEC. 10. This Act shall take effect fifteen (15) days
16 following the completion of its publication in the Official
17 Gazette or in at least two (2) national newspapers of general
18 circulation.

Approved,

/dj

pr.ecl





S E N A T E

S. No. 156

Introduced by Senators Herrera, Maceda, Paterno, Angara, Alvarez, Mercado, Osmeña, Romulo, Shahani, Lina, Jr., Ziga, Laurel, Gonzales, Aquino, Rasul, Guingona, Jr. and Salonga.

AN ACT
PROVIDING FOR AN INCREASE IN THE WAGE OF PUBLIC OR GOVERNMENT SECTOR EMPLOYEES ON A DAILY WAGE BASIS AND IN THE STATUTORY MINIMUM WAGE OF EMPLOYEES AND WORKERS IN THE PRIVATE SECTOR AND FOR OTHER PURPOSES".

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

1 SECTION 1. All employees in the public or govern-
2 ment sector on a daily wage basis shall receive an in-
3 crease in the sum of ten pesos (P10.00) a day.

4 SECTION 2. The statutory minimum wage rates of
5 workers and employees in the private sector, whether
6 agricultural or non-agricultural, except domestic helpers
7 and persons employed in the personal service of another,
8 and those in the retail establishments regularly employ-
9 ing not more than ten (10) workers, shall be increased
10 by ten pesos (P10.00) per day.

11 SECTION 3. In unionized companies, where the appli-
12 cation of the minimum wage increase prescribed herein
13 results in distortions of the wage structure within an
14 establishment, the employer and the union shall, within
15 a period of sixty days, negotiate to correct the distor-
16 tion. Any dispute arising from wage distortions shall
17 be resolved through the grievance procedure under their
18 collective bargaining agreement

1 or arbitration.

2 If there is no collective bargaining agreement
3 or recognized labor organization, the employer shall
4 promptly endeavor to correct such distortion in
5 consultation with the workers. Any dispute arising
6 therefrom shall be resolved through compulsory
7 arbitration by the NLRC Arbitration Branch having
8 jurisdiction over the workplace.

9 It shall be mandatory for the NLRC to conduct
10 continuous hearings and decide any dispute arising
11 under this section within ten (10) days from the
12 time said dispute is submitted for decision.

13 SEC. 4. All workers paid by result, including
14 those who are paid on piece-work, "takay", or task
15 basis, shall receive not less than the applicable
16 statutory minimum wage prescribed herein per eight
17 (8) hours work a day, or a proportion thereof for
18 working less than eight (8) hours.

19 SEC. 5. Learners, apprentices and handicapped
20 workers shall be entitled to not less than seventy-
21 five percent (75%) of the applicable adjusted
22 minimum wage.

23 All recognized leadership and apprenticeship
24 agreements entered into before the effective date of
25 this Act shall be considered as automatically modi-
26 fied insofar as their wage clauses are concerned to
27 reflect the increase provided in this Act.



1 SEC. 6. In the case of contracts for construction
2 projects and for security, janitorial and similar ser-
3 vices, the increase in the minimum wage of the workers
4 shall be borne by the principal or client of the cons-
5 truction/service contractor and the contract shall be
6 deemed amended accordingly.

7 SEC. 7. Nothing in this Act shall be construed to
8 reduce any existing allowances and benefits of any form
9 under existing laws, decrees, issuances, executive orders,
10 and/or under any contract or agreement between workers
11 and employers.

12 SEC. 8. Every year thereafter, the President of
13 the Philippines shall, by executive order, increase the
14 basic or minimum wage for all such employees and workers
15 by not more than fifteen percent (15%) of the current
16 basic or minimum wage, taking into consideration the
17 cost of living index as measured and determined by the
18 National Census and Statistics Office (NCSO) or its
19 successor entity, economic recovery requirements, social
20 justice and such other factors to assure a decent, just
21 and humane income for all workers.

22 SEC. 9. All laws, orders, issuances, rules and
23 regulations or part thereof inconsistent with the pro-
24 visions of this Act are hereby repealed or amended
25 accordingly.

26 SEC. 10. This Act shall take effect fifteen (15)
27 days following the completion of its publication in the
28 Official Gazette or in at least two (2) national newspapers
29 of general circulation.

Approved,

/jrmb