



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 6752



Introduced by **HON. JOSEFINA B. TALLADO**

AN ACT ESTABLISHING A NATIONAL MINIMUM WAGE RATE FOR PRIVATE SECTOR WORKERS AMENDING FOR THIS PURPOSE PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, AS AMENDED

EXPLANATORY NOTE

With the onslaught of the COVID-19 Pandemic, particularly in the National Capital Region, there have been several calls to encourage workers in Metro Manila to go back to their respective provinces through the “Balik Probinsya Program”.

This program is being eyed as one of the solutions to decongest Metro Manila and prevent easy transmission of diseases due to overpopulation of a particular locality in as much as it would also put a halt on nagging problems in urban areas such as worsening of traffic, uneven development, poor sanitation, and dismal health care. This will also spur economic growth in the provinces.

Nevertheless, if one is to go back to the provinces what kind of livelihood will he have there. This has to be solved by the government. But at present, one obstacle of the “Balik Probinsya” program is the glaring disparity of wages among the various regions in the country.

To illustrate, below is the table of the present Minimum Wage Rate as of May 4, 2020, posted in the National Wage and Productivity Commission¹

REGION	MINIMUM WAGE RATE (Range depending on industry or location)
NCR	Php 500.00 – Php 537.00
CAR	Php 340.00 – Php 350.00
Region 1	Php 282.00 – Php 340.00
Region II	Php 345.00 – Php 370.00
Region III	Php 304.00 – Php 420.00
Region IV-A	Php 303.00 – Php 400.00
Region IV-B	Php 294.00 – Php 320.00

¹ <https://nwpc.dole.gov.ph/>, accessed on May 4, 2020

Region V	Php 310.00
Region VI	Php 310.00 – Php 395.00
Region VII	Php 351.00 – Php 404.00
Region VIII	Php 295.00 – Php 325.00
Region IX	Php 303.00 – Php 316.00
Region X	Php 331.00 – Php 365.00
Region XI	Php 381.00 – Php 396.00
Region XII	Php 305.00 – Php 326.00
Region XIII	Php 320.00
BARM	Php 290.00 – Php 325.00

This wage disparity becomes even absurd when you come to terms with the fact that a worker in a progressive city like Legaspi in Albay will receive a minimum wage of Php310.00 while his counterpart in Manila is receiving Php537.00. Much more so when you consider the wide disparity between someone working in the Bangsamoro Autonomous Region in Muslim Mindanao who receives a meager Php290.00 while his counterpart in the National Capital Region gets Php537.00. That is a 46% percent difference in wages.


More so, a worker in the Municipality of Caluag in Quezon is entitled to a minimum wage rate of Php373.00² whereas in the neighboring town of Santa Elena in Camarines Norte, a similar worker will only get Php310.00³. Note that Caluag and Santa Elena are neighboring border towns of Region IV-A and Region V but despite the proximity the workers do not receive the same rate. How ridiculous is that!

The problem also arise when one lives in the National Capital Region, say Valenzuela City, but works in neighboring town of Obando or Meycauayan in Bulacan. While he lives in Metro Manila, the wages he will receive is only Php420.00⁴ because he happens to work in Region III which has a different wage schedule compared to those in NCR.

Dignity in work becomes a farcical concept when you discriminate a worker through disparity in wages.

It is in this light that this humble representation seeks a National Minimum Wage rate across regions. Consequently, we seek the abolition of the Regional Tripartite Wages Productivity in as much as it will become moot once a national minimum wage is determined by the National Wages and Productivity Commission.

In view of the foregoing, the immediate approval of this measure is earnestly sought.


HON. JOSEFINA B. TALLADO
Representative
1st District , Camarines Norte

² <https://nwpc.dole.gov.ph/wp-content/uploads/2018/06/reg-04-wo-18-Clarificatory-Order.pdf>

³ <https://nwpc.dole.gov.ph/regionandwages/region-v-bicol/>

⁴ <https://nwpc.dole.gov.ph/wp-content/uploads/2018/06/Wage-Order-No.-RBIII-22.pdf>



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AMENDING FOR THIS PURPOSE PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS THE
LABOR CODE OF THE PHILIPPINES, AS AMENDED**

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

1 **SECTION 1.** Short Title. – This Act shall be known as the “National Minimum Wage Act of 2020.”

2 **SECTION 2.** Declaration of Policy. –The 1987 Philippine Constitution, particularly, Section 3 of Article
3 XIII entitles workers to security of tenure, humane conditions of work, and a living wage. In recognition of
4 this, it is hereby declared a policy of the State to ensure worker’ right to a living wage and humane conditions
5 of work by obliterating regional wage disparities and improving workers’ living standards throughout all the
6 regions of the country.

7 **SECTION 3.** In light of the declared policy, Article 99 of the Labor Code of the Philippines is hereby
8 amended to read as follows:

9 “ART. 99. [Regional] NATIONAL Minimum Wage[s]. – The NATIONAL minimum wage
10 [rates] for agricultural and non-agricultural employees and workers in each and every region
11 of the country shall be [those] THAT prescribed by the [Regional Tripartite Wages and
12 Productivity Board] THE NATIONAL WAGES PRODUCTIVITY COMMISSION.”

13 **SECTION 4.** Article 121 of the Labor Code of the Philippines is hereby amended to read as follows:

14 “xxx

15 (c) To prescribe rules and guidelines for the determination of THE appropriate GENERAL
16 minimum wage and productivity measures [at the regional, provincial, or industry levels];

17 (d) To [review regional wage levels set by the Tripartite Wages and Productivity Boards to]
18 determine [if these are] AND FIX, IN ACCORDANCE WITH THE COMMISSION’S

19 GUIDELINES AND NATIONAL DEVELOPMENT PLANS, THE GENERAL MINIMUM
20 WAGE AND ISSUE THE CORRESPONDING WAGE ORDERS EVERY THREE (3) YEARS.

21 (e) xxx

22 [(f) To review plans and programs of the Regional Tripartite Wages and Productivity Boards
23 to determine whether these are consistent with national development plans.]

24 [(g) To exercise technical and administrative supervision over the Regional Tripartite Wages
25 and Productivity Boards.]

26 [(h)] (F) To call, [from time to time] EVERY THREE (3) YEARS, a national tripartite
27 conference of representatives of government, workers, and employers for the deliberation
28 of ADJUSTING THE AMOUNT OF THE GENERAL MINIMUM WAGE [and], INCLUDING
29 MEASURES WHICH PROMOTE PRODUCTIVITY AND THE WELFARE OF WORKERS
30 AND EMPLOYEES; and

31 [(i)] (G) To exercise such powers and functions as may be necessary to implement this Act.

32 xxx”

33 **SECTION 5.** Abolition of the Regional Tripartite Wages and Productivity Board. – Article 122 of the
34 Labor Code of the Philippines is hereby repealed. Consequently, the Regional Tripartite Wages and
35 Productivity Boards (RTWPB) created by virtue of Republic Act No. 6727, otherwise known as the Wage
36 Rationalization Act is hereby abolished.

37 **SECTION 6.** Chapter V, Article 123 of the Labor Code of the Philippines shall hereby be amended
38 to read as follows:

39 “ART. 123. Wage Order. – [Whenever conditions in the region so warrant,] [t]The
40 COMMISSION shall investigate and study all pertinent facts IN THE DELIBERATIONS OF
41 THE NATIONAL TRIPARTITE CONFERENCE; and based on the standards and criteria
42 herein prescribed SCRUTINIZE WHICH AMOUNT OF THE NATIONAL MINIMUM WAGE
43 CAN SUITABLY CONTRIBUTE TO PROVIDE WORKERS WITH AN APPROPRIATE
44 MINIMUM LEVEL OF PROTECTION CONSISTENT WITH PREVAILING ECONOMIC
45 CONDITIONS, TO ENABLE FAIR AND FUNCTIONING CONDITIONS OF COMPETITION,
46 AND TO PRESERVE EMPLOYMENT. WHEN SETTING THE GENERAL MINIMUM WAGE,
47 THE COMMISSION SHALL SUBSEQUENTLY BE GUIDED BY COLLECTIVE
48 BARGAINING DEVELOPMENTS. Any such Wage Order SHALL BE ISSUED EVERY
49 THREE (3) YEARS AND shall take effect after fifteen (15) days from its complete publication
50 in at least one (1) newspaper of general circulation [in the region].

51 THE COMMISSION SHALL REGULARLY EVALUATE THE IMPACT OF THE NATIONAL
52 MINIMUM WAGE IN RESPECT OF THE PROTECTION OF WORKERS, CONDITIONS OF
53 COMPETITION, EMPLOYMENT WITH REGARD TO CERTAIN INDUSTRIES AND
54 REGIONS, AS WELL AS PRODUCTIVITY. THE COMMISSION SHALL FURNISH THE

OFFICE OF THE PRESIDENT OF THE PHILIPPINES AS WELL AS BOTH HOUSES OF CONGRESS A REPORT OF ITS FINDINGS EVERY THREE (3) YEARS.

[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] COMMISSION 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)] THIRTY (30) calendar days from the filing thereof.

xxx"

SECTION 7. Chapter V, Article 124 of the Labor Code of the Philippines is hereby amended to read as follows:

"ART. 124. Standards/Criteria for Minimum Wage Fixing. – The [regional] NATIONAL minimum wage[s] to be established [by the Regional Board] shall be [as nearly] THAT WAGE WHICH IS adequate AND as is economically feasible to maintain the minimum standards of living necessary for RAISING THE FAMILY AND MAINTAINING ITS DECENT EXISTENCE, PROMOTE the GOOD health, efficiency, FULFILLMENT and general well-being of the employees within the framework of the national economic and social development program. In the determination of such NATIONAL minimum wage, THE COMMISSION shall, among other relevant factors, consider the following:

- (a) The COST FOR PROVIDING THE FOOD, SHELTER, CLOTHING, EDUCATION, HEALTH AND OTHER SIMILAR NECESSITIES FOR RAISING A FAMILY;
- (b) [Wage adjustment vis-à-vis the consumer price index] THE NECESSITY TO SAVE A SMALL MARGIN OF INCOME FOR SOCIAL SECURITY AND EMERGENCIES;
- (c) [The cost of living and changes or increases therein] WAGE ADJUSTMENT VIS-À-VIS THE CONSUMER PRICE INDEX;
- (d) COST OF LIVING AND CHANGES OR INCREASES THEREIN;
- (e) The need to [induce industries to invest] ENCOURAGE WORKERS TO WORK EFFICIENTLY AND NATIONAL STANDARDS;
- (f) Improvements in standards of living;
- [(g)] The prevailing wage levels;
- (G) Fair return of the capital invested and capacity to pay of employers;
- (H) Effects on employment generation and family income; and
- (I) The equitable distribution of income and wealth along the imperatives of economic and social development.

[The wages prescribed in accordance with the provisions of this Title shall be the standard prevailing minimum wages in every region. These wages shall include wages varying with industries, provinces or localities if in the judgment of the Regional Board, conditions make such local differentiation proper and necessary to effectuate the purpose of this Title.]

Any person, company, corporation, partnership or any other entity engaged in business shall file and register annually with the [appropriate Regional Board]REGIONAL OFFICES OF THE DEPARTMENT OF LABOR AND EMPLOYMENT and the [National Statistics Office] PHILIPPINE STATISTICS AUTHORITY, an itemized listing of their labor component, specifying the names of their workers and employees below the managerial level, including learners, apprentices and disabled/handicapped workers who were hired under the terms prescribed in the employment contracts, and their corresponding salaries and wages.

Where the application of any prescribed wage increases by virtue of a law or wage order issued by [any Regional Board] THE COMMISSION results in distortions of the wage structure within an establishment, the employer and the union shall negotiate to correct the distortions. Any dispute arising from wage distortions shall be resolved through the grievance procedure under their collective bargaining agreement and, if it remains unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in writing, such dispute shall be decided by the voluntary arbitrators within ten (10) calendar days from the time said dispute was referred to voluntary arbitration.

xxx"

SECTION 8. Amount of the National Minimum Wage. – Upon effectivity of this Act, the Commission shall issue a wage order, which will be effective fifteen (15) days after its publication in two (2) newspapers of general circulation, regarding the adjustment of the minimum wage to reflect that of the current real minimum wage for the National Capital Region (NCR.) Thereafter, the COMMISSION shall issue wage orders with respect to the adjustment of the amount of the general minimum wage every three (3) years. Provided, That subsequent adjustments of the general minimum wage shall not be lower the amount prescribed by the Commission in the initial wage order it will issue upon the effectivity of this Act.

No part of this Act shall be construed as to prejudice other wage increases through collective bargaining.

SECTION 9. Credible Wage Increase. No wage increase arising from collective bargaining agreements shall be credited as compliance with the increases prescribed under the Act.

SECTION 10. Prohibitions on Layoffs and Downsizing. – It shall be unlawful for any private company, corporation, partnership, or any other private entity engaged in business that will resort to laying-off workers or downsizing as a response to the payment of wage increases arising from the establishment of the national minimum wage. Any violation of the law shall be penalized accordingly.

SECTION 11. Penalties. – Section 12 of Republic Act No. 6727, as amended by Republic Act No. 8188 is hereby further amended to read as follows:

"Section 12. Any person, corporation, trust, firm, partnership, association, or entity which refuses or fails to pay their workers the national minimum wage set herein and any of the succeeding legislated wage increases or adjustments with this Act shall be punished by a fine of not less than [Twenty-five thousand pesos (P25,000.00)] ONE HUNDRED THOUSAND PESOS (P100,000.00) nor more than [One hundred thousand pesos (P100,000.00)] FIVE HUNDRED THOUSAND PESOS (P500,000.00) and imprisonment of

not less than two (2) years nor more than FIVE (5) years, or both such fine and imprisonment at the discretion of the court]. Provided, That any person convicted under this Act shall not be entitled to the benefits provided under the Probation Law.

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.

FURTHERMORE, THE BUSINESS PERMIT OF THE VIOLATING ENTITY SHALL BE SUSPENDED FOR A PERIOD OF SIX (6) MONTHS FOR THE FIRST OFFENSE; ONE (1) YEAR FOR THE SECOND OFFENSE; AND THE REVOCATION OF THE OFFENDER'S BUSINESS PERMIT ON THE THIRD AND FINAL OFFENSE.

xxx"

SECTION 12. Implementing Rules and Regulations. – Within sixty (60) days from the effectivity of this Act, the Department of Labor and Employment shall promulgate the necessary rules and regulations to implement this Act.

SECTION 13. *Separability Clause* – If for any reason, part of the provision of this Act shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 14. *Repealing Clause* – All laws, decrees, orders, rules, and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 15. *Effectivity Clause* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two newspapers of general circulation.

Approved.