

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**18TH CONGRESS**  
First Regular Session

HOUSE BILL NO. 1171



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**Introduced by Representatives Michael L. Romero and  
Enrico A. Pineda**

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**EXPLANATORY NOTE**

It is the declared policy of the republic of the Philippines to encourage higher levels of productivity, maintain industrial peace and harmony and promote the principle of shared responsibility in the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of business enterprises to reasonable returns on investments and to expansion and growth, and accordingly to provide corresponding incentives to both labor and capital for undertaking voluntary programs to ensure greater sharing by the workers in the fruits of their labor.

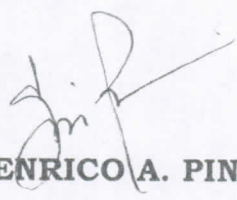
Whenever disputes, grievances, or other matters arise from the interpretation or implementation of the productivity incentives program, the labor-management committee shall meet to resolve the dispute, and may seek the assistance of the National Conciliation and Mediation Board of the Department of Labor and Employment (DOLE) for such purpose. Any dispute which remains unresolved within twenty (20) days from the time of its submission to the labor-management committee shall be submitted for voluntary arbitration in line with the pertinent of the Labor Code, as amended.

This House Bill seeks to provide stiffer penalties, sanctions and restrictions to ensure a better ongoing productivity incentives program thru the voluntary arbitrator or panel of voluntary arbitrators previously chosen and agreed upon by the labor-management committee.

Earnest approval of this bill is hereby requested.



**MICHAEL L. ROMERO Ph.D.**



**ENRICO A. PINEDA**

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**AN ACT**  
**AMENDING SECTION 11 OF R.A. 6971 OTHERWISE KNOWN AS**  
**THE "PRODUCTIVITY INCENTIVES ACT OF 1990", INCREASING**  
**ITS PENALTIES AND SANCTIONS, RATIONALIZING ITS**  
**COVERAGE AND BENEFITS, AND FOR OTHER PURPOSES**

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

**SECTION 1. DECLARATION OF POLICY**

Section 11 of Republic Act No. 6971 is hereby amended to read:

Section 11. Penalty - Any person who shall make any fraudulent claim under this Act, regardless of whether or not a tax benefit has been granted, shall upon conviction be punished with imprisonment of not less than One **(1)** year but not more than Two **(2)** years or a fine of not less than Twenty thousand pesos **(P20,000.00)** but not more than Fifty thousand pesos **(P50,000.00)**, or both, at the discretion of the Court, without prejudice to prosecution for any other acts punishable under existing laws.



In case of partnerships or corporations, the penalty shall be imposed upon the officer(s) or employee(s) who knowingly approved, authorized or ratified the filing of the fraudulent claim, and other persons responsible there for.

**SECTION 2. MODERATION OF BENEFITS** - Nothing in this Act shall be construed to diminish or reduced 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.

**SECTION 3. SCOPE AND COVERAGE** - This Act shall apply to all business enterprises with or without existing and duly recognized or certified labor organizations, including government-owned and controlled corporations (GOCC) performing proprietary functions. It shall cover all employees and workers including casual, regular, supervisory and managerial employees.

**SECTION 4. REPEALING CLAUSE.** All laws, executive orders, issuances, rules and regulations inconsistent with this Act are hereby amended, repealed or modified accordingly.

**SECTION 5. SEPARABILITY CLAUSE.** If, for any reason or reasons, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

**SECTION 6. EFFECTIVITY CLAUSE.** This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,