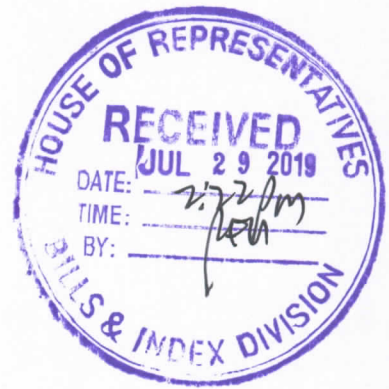




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City



**Eighteenth Congress**  
First Regular Session

**2972**

**HOUSE BILL NO. \_\_\_\_\_**

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Introduced by : **Cong. Manuel T. Sagarbarria**

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**EXPLANATORY NOTE**

An efficient, justly compensated, and well-incentivized civil service is the bedrock of a strong state and efficient government. It is observed, however, that the achievement of these goals are hindered by the exclusion of government employees as minimum wage earners under the coverage of Title II of Presidential Decree (PD) 442, as amended, otherwise known as the Labor Code of the Philippines. While public servants are differently situated from private employees, in that public service is imbued with public interest, it does not follow that there is no need to rationalize the fixing of minimum wage of government employees with Salary Grade 1 so that minimum standards of living are within a framework of national economic and social development program that addresses productivity, the demand for living wages, the needs of workers and their families, the fair return of the capital invested and capacity to pay of the government as employer, among others.

Thus, it is proposed that government employees with Salary Grade 1 should be considered minimum wage earners and that the pertinent existing agencies, i.e. the National Wages and Productivity Commission and the Regional Tripartite Wages and Productivity Boards, should include them as subjects of their respective mandates under the Labor Code.

**MANUEL T. SAGARBARRIA**  
Representative  
2<sup>nd</sup> District, Oriental Negros



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**AN ACT AMENDING ARTICLES 99, 121, and 122 OF PRESIDENTIAL DECREE No. 442, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES**

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

**Section 1. Declaration of Policy.** —For the purposes of this Act, it is hereby declared the policy of the state to rationalize the fixing of minimum wages and to promote productivity-improvement among employees of the government with Salary Grade 1, as defined under Republic Act 6758, as amended.

**Section 2. Amendment of Article 99 of the Labor Code.** – Article 99 of P.D. No. 442, as amended, otherwise known as the Labor Code of the Philippines is hereby amended to read as follows:

**"ART. 99. Regional Minimum Wages.** – The minimum wage rates for agricultural, non-agricultural, and government employees and workers in each and every region of the country shall be those prescribed by the Regional Tripartite Wages and Productivity Boards.

The minimum wage rates as determined by the Regional Tripartite Wages and Productivity Boards shall be the salaries of government employees with Salary Grade 1, who shall be considered as minimum-wage earners. The amounts provided for by R.A. 6758, as amended, to those with Salary



Grade 1 in the Compensation and Position Classification System are hereby repealed."

**Section 3.       Amendment of Article 121 of the Labor Code.** – The second paragraph of Article 121 of P.D. No. 442, as amended, otherwise known as the Labor Code of the Philippines is hereby amended to read as follows:

**"ART. 121. Powers and Functions of the Commission.** – x x x

The Commission shall be composed of the Secretary of Labor and Employment as ex-officio chairman, the Director-General of the National Economic and Development Authority (NEDA) as ex-officio vice-chairman, a commissioner of the Civil Service Commission, and two (2) members each from private employees, government employee, private employers, government employers sectors who shall be appointed by President of the Philippines upon recommendation of the Secretary of Labor and Employment to be made on the basis of the list of nominees submitted by said sectors, and who shall serve for a term of five (5) years. The Executive Director of the Commission shall also be a member of the Commission.

x x x"

**Section 4.       Amendment of Article 122 of the Labor Code.** – The third and fourth paragraphs of Article 122 of P.D. No. 442, as amended, otherwise known as the Labor Code of the Philippines is hereby amended to read as follows:

**"ART. 122. Creation of Regional Tripartite Wages and Productivity Boards.** – x x x

Implementation of the plans, programs, and projects of the Regional Boards referred to in the second paragraph, letter (a) of this Article, shall be through the respective regional offices of the Department of Labor and Employment, in the case of private employees, and the respective regional offices of the Civil Service Commission, in the case of government employees, within their territorial jurisdiction; Provided, however, that the Regional Boards shall have technical supervision over the regional office of the Department of Labor and Employment and the Civil Service

Commission with respect to the implementation of said plans, programs and projects.

Each Regional Board shall be composed of the Regional Director of the Department of Labor and Employment as chairman, the Regional Directors of the National Economic and Development Authority and the Department of Trade and Industry as vice-chairmen and two (2) members each from private workers' private employers, and government workers sectors who shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Labor and Employment, to be made on the basis of the list of nominees submitted by the workers' and employers' sectors, respectively, and who shall serve for a term of five (5) years; Provided, however, that on matters relating to the minimum wage of government employees, the Regional Director of the Department of Trade and Industry shall not sit on the board, while the Regional Director of the Civil Service Commission shall serve as chairman, the Regional Directors of the National Economic and Development Authority and the Department of Labor and Employment shall serve as vice-chairmen. x x x"

**Section 5.        *Implementation.*** – Upon the effectivity of this Act, the National Wages and Productivity Commission and the Regional Tripartite Wages and Productivity Boards, as constituted by this act, shall immediately promulgate implementing guidelines of this act and conduct the necessary studies towards the issuance, within one (1) year of the effectivity of this act, of wage orders that shall set the various minimum wages of government employees with Salary Grade 1 across the regions.

**Section 6.        *Repealing Clause.*** – All existing provisions of law, rules, regulations, guidelines, and other issuances inconsistent with this Act are deemed repealed.

**Section 7.        *Separability Clause.*** – If any provisions of this Act or the application thereof to any person or circumstance is held invalid, the remaining provisions of this Act and the application of such provisions to other persons or circumstances shall not be affected thereby.

**Section 8.        *Effectivity.*** – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette and in a newspaper of general circulation.