



Senate
Office of the Secretary

SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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SENATE

Senate Bill No. 1381

INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

AN ACT

INCREASING THE PENALTIES FOR NON COMPLIANCE OF THE
PRESCRIBED INCREASES AND ADJUSTMENTS IN THE WAGE
RATES OF WORKERS, AMENDING FOR THE PURPOSE OF
REPUBLIC ACT NO. 6727, OTHERWISE KNOWN AS THE "WAGE
RATIONALIZATION ACT", AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Labor is a primary social economic force and as mandated by the Constitution, the State shall protect the rights of the workers and promote their welfare.

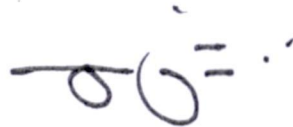
Article XIII of the Constitution dealing with Social Justice and Human Rights provisions mandates the States to afford full protection to labor and guarantees that workers shall be entitled not only to security of tenure and humane conditions to work but also a living wage and participation in policy and decision-making process affecting their rights and benefits as many provided by law.

The Constitution requires the State to implement a living wage which is defined as one that ensures a "decent standard of human existence beyond mere subsistence level" in contrast to a minimum wage which is the basic pay or daily wage plus cost of living allowance received by worker, falling under the exemptions as provided under the Wage Rationalization Act.

Certainly, the minimum wage fixed by law is lower than the ideal living wage. Still, compliance by corporations and other work establishments has remained a persistent problem and it is very

disturbing to say the very least. With enhanced monitoring by the DOLE and the new teeth that is being proposed in this measure, it is expected that the mantle of protection we can stretch for our workers will be much assured.

It is in this light that the approval of this bill is earnestly requested.

A handwritten signature in black ink, appearing to read 'J. Ejercito', with a horizontal line extending to the left.

JOSEPH VICTOR G. EJERCITO

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REPUBLIC ACT NO. 6727, OTHERWISE KNOWN AS THE "WAGE
RATINALIZATION ACT", AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives.

1 SECTION 1. Section 12 of the Republic Act 6727, as further amended by
2 2 Republic Act 8188, is hereby amended to read as follows:

3
4 "Section 12. Any person, corporation, trust, firm, partnership,
5 association or entity which refuses or fails to pay any of the
6 prescribed increases or adjustments in the wage rage made in
7 accordance with this Act shall be punished by a fine [not less than
8 Twenty-Five thousand pesos (25,000) nor more than one hundred
9 thousand pesos (100,000.00) NOT LESS THAN ONE HUNDRED
10 THOUSAND PESOS (100,000.00) PLUS MORAL DAMAGES NOT
11 EXCEEDING THIRTY THOUSAND PESOS (30,000.00) FOR EACH
12 AFFECTED WORKER AND THE COSTS OF LITIGATION
13 INCLUDING ATTORNEY'S FEE or imprisonment of not less than
14 two (2) years nor more than four (4) years, or both such fine
15 imprisonment at the discretion of the court: Provided, That any
16 person convicted under this Act shall not be entitled to the benefits
17 provided under the Probation Law.

18
19 "The employer concerned shall be ordered to pay an amount
20 equivalent to double the unpaid benefits owing the employees:
21 Provided, the payment of indemnity shall not absolve the employer
22 from the criminal liability imposable under this Act.

1
2 "If the violation is committed by a corporation, trust of firm,
3 partnership, association or any other entity the penalty of
4 imprisonment shall be imposed upon the entity responsible officers,
5 including, but not limited to, the president, vice president, chief
6 executive officer, general manager, managing partner."

7
8 IN CASES WHERE A FINE IS DECREED BY THE NATIONAL
9 RELATIONS COMMISSION (NLRC) AGAINST
10 PERSON/PERSONS WHO VIOLATED THE PROVISIONS OF THIS
11 ACT AND CANNOT BE IMMEDIATELY SATISFIED BECAUSE OF
12 THE REFUSAL TO PAY, OR IN CASE OF THE UNAVAILABILITY
13 OR INADEQUACY OF FUNDS, THE BANK DEPOSITS,
14 FINANCIAL INTERESTS AND OTHER PERSON PROPERTY NOT
15 CAPABLE OF MANUAL DELIVERY IN THE POSSESSION OR
16 CONTROL OF THE THIRD PARTIES OF THE OWNER IN CASE OF
17 SOLE PROPRIETORSHIP OR THE ASSETS OF THE
18 CORPORATION ASSOCIATIONS OR ANY OTHER ENTITY,
19 SHALL BE AUTOMATICALLY GARNISHED. IF SUCH PROPERTY
20 ARE NOT ENOUGH, MOVABLE AND IMMOVABLE PROPERTIES
21 MAYBE LEVIED TO SATISFY FULLY THE IMPOSED FINES.
22
23

24 **SECTION 2.** The penalties under this Act shall also applicable in cases
25 involving workers hired by contractors undertaking infrastructure
26 project under R.A 6685 and in relation with DOLE Order No. 19, with
27 respect to any violation in the payment of the wages or its appropriate
28 wage increases.
29

30 **SECTION 3. Separability Clause.** - If any provisions of this Act shall be
31 declared unconstitutional, any other provisions not affected thereby shall
32 remain in full force effect.
33

34 **SECTION 4. Repealing Clause.** - All laws, decrees, orders, rules and
35 regulations or parts thereof, which are inconsistent with any provisions
36 of this Act are hereby repealed, amended or modified accordingly.
37

38 **SECTION 5. Effectivity.** - This act will take effect (15) days after its
39 publication in at least (2) national newspaper of general circulation.
40
41

42 *Approved,*
43