

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4898



Introduced by Honorable Representatives
ARLENE D. BROSAS (Gabriela Women’s Party);
FRANCE L. CASTRO (ACT Teachers Party-list);
and **RAOUL DANNIEL A. MANUEL (Kabataan Party-list)**

**AN ACT ESTABLISHING A NATIONAL MINIMUM WAGE FOR
PRIVATE SECTOR WORKERS AND IMPOSING STIFFER PENALTIES FOR
VIOLATIONS THEREOF, AMENDING FOR THIS PURPOSE THE LABOR CODE OF THE
PHILIPPINES**

EXPLANATORY NOTE

When then-President Corazon Aquino signed into law Republic Act No. 6727 in 1989, the country abandoned the old practice of legislating national minimum wage and ushered in regionalized wage setting and wage increases via regional wage boards. The Aquino administration explained this set up as “wage rationalization”.

But its results were contrary to its avowed end. It created a wage system that is irrational in the sense that it is anti-worker, detached from evolving economic realities, unjust, inequitable, and operated against the formation of a decent minimum wage across the country and even in the regions. To start with, the wage boards were not really intended to rationalize wages. They have actually been weaponized to keep workers’ wages low as part of the “come on package” of the Aquino government to attract foreign investors in its foreign investments-led economic programs that dispersed industries in the regions, which later were expanded into “regional industrial centers”, “agriculture and fisheries development zones” and “growth areas” by succeeding governments.

This was the real “rationale” that animated the wage boards then and up until now. Despite being given a clear mandate, they conducted no independent in-depth studies that would have informed them and the workers of the minimum level of living wage that should go to the workers in light of soaring prices of goods and services. If they did any study at all, it was only for deciding particular petitions for wage increases per region. To this day, the wage boards are merely passive instruments for deciding wage increases. They are slow to react to movements in the market and to the periodic economic crisis that hit the country in 1998 and 2008.

Its irrationality became even more evident when the build-up of investment zoning of the regions for attracting foreign investments had so connected local markets to capital cities in the regions and the regions to Metro Manila that it dissolved significant differences in the price formation of goods and services among localities, among regions, and between the

regions and Metro Manila. In one important sense, the investment zoning of regions became the vehicle for monopolies and cartel-type commercial operations to penetrate the regions which enabled them to fix prices that affect not just a locality but all corners of the country. Consequently, workers across the country now buy from one big monopoly-dominated market where price differences across regions are minimal if not non-existent. One example is the price of rice which is an everyday staple for Filipinos, most especially ordinary wage-earners.

Since their creation, the 17 Regional Tripartite Wages and Productivity Boards have issued more than 350 wage orders since 1990. These total issuances had increased the wages of Filipino workers from the 1989 national minimum wage of P89.00/day to today's 17 different regional minimum wage scales, ranging from as high as P570.00/day in the National Capital Region, to as low as P341.00/day in the Bangsamoro Autonomous Region in Muslim Mindanao.

To point out the obvious, while the regional minimum wage rates increased by hesitant small steps as its formation has been occluded by the RTWPBs, the prices of basic goods and services increased by wild leaps and bounds across the country, unobstructed by any government intervention. This resulted in a widening gap between minimum wage and cost of living. The following are just a few examples of price increases of basic goods across the years:

| Basic needs item | 1989 price | 2018 price | 2022 price | % increase |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| Meat | P 60.00/kilo | P 210.00/kilo | P 380/ kilo | 533% |
| Fish (galunggong) | P 20.00/kilo | P 120.00/kilo | P 240.00 | 1,100% |
| Egg | P 1.50/kilo | P 6.00/piece | P 8.00/piece | 430% |
| Cooking Oil (per 350 mL bottle) | P 3.00 | P 22.00 | P 40.00 | 1,233% |

Source: Department of Trade and Industry

According to IBON Foundation, it now requires a living wage of P1,117.00/day to sustain the needs of a family of five (5) as of August 2022. Given the pace of wage increases through the thirty-three-year period of the regime of regionalized wages, this is a gap that no worker in the country can ever hope to close even if the reference is the highest regional minimum wage of P570.00/day (in NCR). The Philippine Statistics Authority (PSA) put the poverty threshold at P12,030/month for a family of five. If computed for a month, the highest regional minimum wage rate (i.e. in NCR) sits just above the threshold; the situation in regions, however, is more difficult. But the real question is: is having P12,030 really enough to ensure that the family can afford all the essential of life?

The reality on the ground is that the current level of wages per region no longer answers to the basic daily needs of workers' families. It's also not commensurate to the contribution of labor to the economy. Since 1991, labor productivity across all sectors has increased from P60,342 in 1991 to P423,408 in 2018, or a whopping 600% increase of labor productivity.

R.A. 6727 laid down ten (10) factors for RTWPBs to consider in setting the wage increases in their respective regions. But their wage orders lack the transparency as to how the boards

balanced or interplayed the factors in setting their wage increases. It is hard to appreciate the rationality of their wage orders in light of those ten factors.

Under R.A. 6727, the RTWPBs are allowed to issue wage increase orders once a year. But there were instances of two-year intervals that, without giving any reason, the RTWPBs across all regions did not issue any wage orders so that workers did not receive any wage increase during those intervals. In many instances in specific years, some RTWPBs issued wage orders while other RTWPBs did not. This must be because RTWPBs are generally petition-driven although the wage boards have the power to initiate *motu proprio* the process of deciding wage increases. When there were no petitions, there were no wage increases. In a case of extreme particularism, RTWPBs set differentiated wage increases for the provinces, cities, and major towns covered by its jurisdiction ostensibly to avert wage distortion.

In other instances, some RTWPBs issued wage orders that granted only cost-of-living allowances (COLAs), while others ordered wage increases. Some RTWPBs separated the COLAs, others ordered their integration to the daily wage and then suddenly removed the COLAs on their next wage order. Given these variances, it appears that RTWPBs do not have a unified understanding of the criteria the law had set for determining wage increases.

When Region IV-B was still part of Region IV, it used to enjoy the same minimum wage scale with Region IV-A. When it became a separate region, a succession of wage orders lowered its minimum wage scale through pittance increases until it finally lagged so far behind Region IV-A by P80 pesos (P329-P355/day in Region IV-B as against P334-P435/day in Region IV-A).

Summary of Current Regional Daily Minimum Wage Rates (as of September 2022)

| REGION | Wo No./Date of Issuance | DATE OF EFFECTIVITY | NON-AGRICULTURE | AGRICULTURE | |
|--------|-------------------------|---------------------|------------------|-----------------|-----------------|
| | | | | Plantation | Non-Plantation |
| NCR | WO 23/May 13, 2022 | June 04, 2022 | P533.00 - 570.00 | P533.00 | P533.00 |
| CAR | WO 21/May 23, 2022 | June 14, 2022 | 380.00 | 380.00 | 380.00 |
| I | WO 21/May 16, 2022 | June 06, 2022 | 312.00 - 370.00 | 325.00 | 312.00 |
| II | WO 21/May 17, 2022 | June 08, 2022 | 400.00 | 375.00 | 375.00 |
| III | WO 23/May 30, 2022 | June 20, 2022 | 399.00 - 450.00 | 384.00 - 420.00 | 372.00 - 404.00 |
| IV-A | WO 19/May 30, 2022 | June 30, 2022 | 334.00 - 435.00 | 327.00 - 401.00 | 327.00 - 401.00 |
| IV-B | WO 10/May 19, 2022 | June 10, 2022 | 329.00 - 355.00 | 329.00 - 355.00 | 329.00 - 355.00 |
| V | WO 20/May 19, 2022 | June 18, 2022 | 345.00 | 345.00 | 345.00 |
| VI | WO 26/May 13, 2022 | June 05, 2022 | 420.00 - 450.00 | 410.00 | 410.00 |
| VII | WO 23/May 24, 2022 | June 14, 2022 | 387.00-435.00 | 382.00-425.00 | 382.00-425.00 |
| VIII | WO 22/June 6, 2022 | June 27, 2022 | 350.00 | 320.00 | 320.00 |
| IX | WO 21/June 1, 2022 | June 25, 2022 | 351.00 | 323.00 | 323.00 |
| X | WO 21/May 27, 2022 | June 18, 2022 | 368.00 - 390.00 | 356.00 - 378.00 | 356.00 - 378.00 |
| XI | WO 21/May 31, 2022 | June 19, 2022 | 427.00 | 422.00 | 422.00 |
| XII | WO 22/May 18, 2022 | June 09, 2022 | 368.00 | 347.00 | 347.00 |
| CARAGA | WO17/May 17, 2022 | June 06, 2022 | 350.00 | 350.00 | 350.00 |
| BARMM | WO 02/May 31, 2022 | July 21, 2022 | 316.00-341.00 | 306.00-316.00 | 306.00-316.00 |

Source: National Wages and Productivity Commission

The irrationality of the regionalized minimum wage scheme is brought to focus if we note that the poorest regions in the country have the lowest levels of minimum wage. The fact that the prices of oil and other petroleum products generally get higher as the region gets farther from Metro Manila exposes the unfairness and inequity of the present regionalized wage regime. This is telling of the unjust theory behind the scheme: a worker living in dirt-poor BARMM is not entitled to the wages that workers earn in high-standard and well-off Metro Manila even though that worker has the same productivity skills as his counterparts in Metro Manila. This injustice feeds on another injustice: it preserves the economic inequality among regions and between the poor regions and Metro Manila and resultantly perpetuates the poverty of these poor regions and their workers.

Wages are supposed to represent the commodity price of labor power. But it is one of the injustices of our times that unlike other commodities whose prices automatically move up and down the baseline according to the swings in the market, workers have to fight for wage increases. It is thus the duty of the State and society to create that level playing field on which workers can fairly fight for their minimum wage and through which the real price of labor power can freely assume form according to the motions of prices. Instead of creating that level playing field, the wage rationalization scheme as embodied by regional wage boards destroyed it. It not only weakened the power of workers to fight for just wages as one whole organized mass but also closed the arena for the workers to take their fight fairly.

Filipino workers have weighed in on the regionalized wage scheme through its thirty-three-year history and found it a big failure. They are now demanding that it be scrapped and for the Philippines to return to the regime of a uniform national minimum wage that is based on the family living wage.

That demand assumes utmost urgency given the harsh impact of the Tax Reform for Acceleration and Inclusion (TRAIN) Law on wages. The surge in the prices of oil and other basic goods and services in the last several months likewise has devoured, according to some estimates, workers' wages by 25-30%. Workers are now groaning under the crushing effect of heavy taxes and high prices on their wages and income. Despite this, the Marcos Jr. administration is even planning to impose new regressive taxes under its Medium-Term Fiscal Framework.

It is therefore imperative for the State to ensure that what the Consitution guarantees--the workers' just share in the fruits of production and the workers' right to living wage--is fulfilled in pursuit of the equitable distribution of income and wealth towards economic and social development. The State must recognize its justness and necessity given the workers' contribution to society and the economy amidst all the hardships and challenges.

Finally, this bill also seeks to impose stiffer penalties for companies that do not follow the national minimum wage.

In view of the foregoing, the passage of this bill is earnestly sought.



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

Section 1. This Act shall be known as the "*National Minimum Wage Act of 2022.*"

Section 2. It is hereby declared the policy of the State to ensure workers' right to a living wage and to humane conditions of work.

In order to promote a living wage for the workers, the State adopts and hereby institutionalizes the legislation of a national minimum wage as the primary mode of setting wages for private sector workers in the country and to address regional wage disparities and to harmonize wage levels across regions with the national economic and social development plans. Legislated national wage increases should not be in prejudice of existing terms and conditions on wages as contained in collective bargaining agreements.

Section 3. Definition of terms. As used in this Act, the following terms shall mean:

- (a) worker – refers to any person in the employ of another, whether in the public sector or private sector, including ambulant, intermittent, self-employed, rural workers and those without definite employers, regardless of their employment status, tenure or nature of the agreements or contracts.
- (b) living wage – is the amount of family income needed to provide for the family's food and non-food expenditures with sufficient allowance for savings/investments for social security so as to enable the family to live and maintain a decent standard of human existence beyond mere subsistence level, taking into account all of the family's physiological, social and other needs.

- (c) wage distortion – shall mean a situation where an increase in prescribed wage results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service, or other logical bases of differentiation.

Section 4. In line with this declared policy, Article 99 of the Labor Code, as amended, is hereby amended to read as follows:

“ART. 99. [Regional] **NATIONAL minimum wage[s]**. - The **NATIONAL** minimum wage [rates] for agricultural and non-agricultural employees and workers across the country shall be [those] **THAT prescribed by THE NATIONAL WAGES AND PRODUCTIVITY BOARD (NWPB), AS ENACTED THROUGH A LAW OR APPROVED BY THE PRESIDENT BY VIRTUE OF AN EXECUTIVE ORDER.** [the Regional Tripartite Wages and Productivity Boards]

THE NATIONAL MINIMUM WAGE SHALL APPLY TO ALL ENTERPRISES, INCLUDING SPECIAL ECONOMIC ZONES (SEZs), REGARDLESS OF LOCATION, SIZE OR INDUSTRY CLASSIFICATION. LIKEWISE, IT SHALL APPLY TO WORKERS IN NON-REGULAR EMPLOYMENT.”

Section 5. Creation of the National Wages and Productivity Board. The National Wages and Productivity Commission shall be renamed as the National Wages Productivity Board (NWPB). Articles 120 and 121 of the Labor Code, as amended, is hereby amended, as follows:

“ART. 120. **Creation of the National Wages and Productivity [Commission] BOARD.** — There is hereby created a National Wages and Productivity [Commission] **BOARD**, hereinafter referred to as the [Commission] **BOARD**, which shall be attached to the Department of Labor and Employment (DOLE) for policy and program coordination.”

“ART. 121. **Powers and Functions of the [Commission] BOARD.** — The [Commission] **BOARD** shall have the following powers and functions:

“(a) To act as the national consultative and advisory body to the President of the Philippines and Congress on matters relating to wages, incomes and productivity;

“(b) To formulate policies and guidelines on wages, incomes and productivity improvement at the enterprise, industry and national levels;

“(c) To prescribe rules and guidelines for the determination of THE appropriate minimum wage and productivity measures at the [regional, provincial or industry] **NATIONAL** level[s];

“(D) TO DETERMINE AND PRESCRIBE ADJUSTMENTS TO THE NATIONAL MINIMUM WAGE;

“[(d) To review regional wage levels set by the Regional Tripartite Wages and Productivity Boards to determine if these are in accordance with prescribed guidelines and national development plans;]

“[(e)] **(E)** To undertake studies, researches and surveys necessary for the attainment of its functions and objectives, and to collect and compile data and periodically disseminate information on wages and productivity and other related information, including, but not limited to, employment, cost-of-living, labor costs, investments and returns;

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

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

“[(h)] **(F) To** [call, from time to time,] **CONVENE** a national tripartite conference of representatives of government, workers and employers for the consideration of measures to promote higher wages and improved standards of living. The national tripartite conference on wages shall be convened on an annual basis, or as the situation demands it;.

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

“The [Commission] **BOARD** 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, and two (2) members each from workers and employers sectors upon 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. The Executive Director of the [Commission] **BOARD** shall also be a member of the [Commission] **BOARD**.

“The [Commission] **BOARD** shall be assisted by a Secretariat to be headed by an Executive Director and two (2) Deputy Directors, who shall be appointed by the President of the Philippines, upon the recommendation of the Secretary of Labor and Employment.

“The Executive Director shall have the same rank, salary, benefits and other emoluments as that of a Department Assistant Secretary, while the Deputy Directors shall have the same rank, salary, benefits and other emoluments as that of a Bureau Director. The members of the [Commission] **BOARD** representing labor and management shall have the same rank, emoluments, allowances and other benefits as those prescribed by law for labor and management representatives in the Employees’ Compensation Commission.”

Section 6. Abolition of the Regional Tripartite Wages and Productivity Board. Articles 122 and 123 of the Labor Code, as amended, are hereby repealed. Hence, the Regional Tripartite Wages and Productivity Boards (RTWPBs) created under Republic Act No. 6727 are hereby abolished.

Section 7. Standards for national minimum wage fixing. Article 124 of the Labor Code is hereby amended and renumbered to read as follows:

“ART. [124] 122. - The [regional] **NATIONAL** minimum wage[s] to be established [by the Regional Board] shall be [as nearly adequate as is economically feasible to

maintain the minimum standards of living necessary for the health, efficiency and general well-being of the employees within the framework of the national economic and social development program.] **THAT WAGE NECESSARY FOR RAISING A FAMILY AND MAINTAINING ITS DECENT EXISTENCE. IT SHALL BE OF SUCH AMOUNT WHICH IS SUFFICIENT FOR A WORKER TO PROVIDE HIS/HER FAMILY THE BASIC AND NECESSARY EXPENDITURES THAT TAKE INTO CONSIDERATION ALL OF HIS/HER FAMILY'S PHYSIOLOGICAL, SOCIAL AND OTHER NEEDS, SO AS TO ENABLE THEM TO LIVE AND MAINTAIN A DECENT STANDARD OF LIVING BEYOND MERE SUBSISTENCE, WITH ADEQUATE ALLOWANCE FOR SOCIAL SECURITY.** In the determination of such [regional] **NATIONAL** minimum wage[s], [the Regional Board] the **NWPB AND CONGRESS** shall, among other relevant factors, consider the following:

- (a) The [demand for] **RIGHT TO** living wage;
- (b) **THE COST FOR PROVIDING THE FOOD, CLOTHING, SHELTER, EDUCATION, HEALTH MAINTENANCE AND OTHER NON-FOOD NECESSITIES FOR RAISING THE FAMILY OF A WORKER;**
- (c) [Wage adjustment vis-a-vis the consumer price index] **THE PHYSIOLOGICAL, SOCIAL AND OTHER RELATED NEEDS OF WORKERS AND THEIR FAMILIES;**
- (d) [The cost of living and changes or increases therein] **MOVEMENTS IN THE CONSUMER PRICE INDEX (CPI);**
- (e) The [needs of workers and their families] **COST OF LIVING AND CHANGES OR INCREASES IN THEM;**
- [(e) The need to induce industries to invest in the countryside;]
- [(f) (F) Improvements in standards of living;
- [(g) The prevailing wage levels;]
- [(h) Fair return of the capital invested and capacity to pay of employers;]
- [(F) Effects on employment generation and family income; and]
- [(G)] (G) 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 Wage Boards, Commission] **REGIONAL OFFICE OF THE DEPARTMENT OF LABOR AND EMPLOYMENT** and the [National Statistics Office] **PHILIPPINE STATISTICS**

AUTHORITY (PSA), 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

Section 8. Amount of National Minimum Wage (NMW). Upon effectivity of this Act, the daily statutory minimum wages of private sector workers in both agricultural and non-agricultural enterprises nationwide shall be increased to a uniform national minimum wage to be prescribed by the NWPB, the amount of which shall approximate if not equate the prevailing family living wage. Provided, that the wage increases arising from the new national minimum wage should not prejudice other wage increases through collective bargaining agreements.

Subsequent to the implementation of a uniform national minimum wage, the national minimum wage shall be adjusted on an annual basis, or when a supervening event arises such as extraordinary increase in prices of petroleum products and basic goods and services.

Section 9. Wage distortion. Where the application of any prescribed wage increase by virtue of enacting a national minimum wage 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.

In cases where there are no collective agreements or recognized labor unions, the employers and workers shall endeavor to correct such distortions. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board and, if it remains unresolved after ten (10) calendar days of conciliation, shall be referred to the Secretary of the Department of Labor And Employment. It shall be mandatory for the DOLE Secretary to conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

The pendency of a dispute arising from a wage distortion shall not in any way delay the applicability of any increase in prescribed wages pursuant to the provisions of the law.

Section 10. Implications on learners, apprentices, project employees, and workers paid by results. All workers paid by result, including those who are paid on piecework, takay, pakyaw or task basis, shall receive not less than the prescribed national minimum wage per eight (8) hours of work or a portion thereof for the hours worked or outputs produced.

All recognized learnership and apprenticeship agreements shall be considered automatically modified insofar as their wage clauses are concerned to reflect the prescribed national minimum wage.

Project employees and seasonal employees shall be entitled to the prescribed national minimum wage.

Section 11. Credible Wage Increase. No wage increase arising from collective bargaining agreements shall be credited as compliance with the minimum wage increases prescribed under the Act.

Section 12. Prohibition on layoffs and downsizing. It shall be unlawful for a company, corporation, partnership or any other entity engaged in business to lay off workers or resort to downsizing on the mere basis of complying to the payment of wage increases arising from the establishment of the national minimum wage.

Section 13. Terms of service of the secretariat of RTWPB. The terms of service of the members of the secretariat of each of the regional tripartite wages and productivity board (RTWPB) shall cease upon the effectivity of this Act. Provided, that the members of the secretariat shall be given preference for appointment to the new positions in government agencies and bureaus, in line with existing rules by the Civil Service Commission (CSC).

Section 14. Wage subsidies. Micro- and small- enterprises who may not be able to pay the new national minimum wage may apply for wage subsidies which shall be a fraction of the new national minimum wage, subject to the implementing rules and regulations (IRR) of this Act.

The amount necessary for the funding of wage subsidies shall be included in the annual appropriations of the Department of Labor and Employment (DOLE).

Section 15. Non-Diminution of Benefits. - Nothing in this Act shall be construed as to diminish or discontinue existing benefits currently enjoyed whether or not these are granted under collective bargaining agreements (CBA) or present laws.

Section 16. Penalties. Section 12 of Republic Act 6727, which was amended by Section 1 of Republic Act 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 [any of the prescribed] **THEIR WORKERS THE NATIONAL MINIMUM WAGE SET HEREIN AND ANY OF THE SUCCEEDING LEGISLATED WAGE** increases or adjustments [in the wage rates] made in accordance with this Act shall be punished by a fine [not less than Twenty-five thousand pesos (P25,000.00) nor more than One-hundred thousand pesos (P100,000.00)] **WHICH SHALL BE FIXED AT ONE HUNDRED PERCENT (100%) OF THE TOTAL AMOUNT OF THE WAGE INCREMENT DUE THE EMPLOYEES TO BE MULTIPLIED BY THE NUMBER OF WORKING DAYS THE WAGE INCREMENT HAS BEEN UNPAID TO THE EMPLOYEES** or imprisonment of not less than [two (2)] **THREE (3)** years nor more than [four (4)] **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 for under the Probation Law.

The employer concerned shall be ordered to **PAY THE EMPLOYEES MORAL DAMAGES OF FIFTY THOUSAND PESOS (P50,000.00) EACH EMPLOYEE PLUS** 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 ONE (1) MONTH TO THREE (3) YEARS FOR THE SECOND OFFENSE; FOR THIRD OFFENSE, THE BUSINESS PERMIT OF THE OFFENDER SHALL BE REVOKED.

If the violation is committed by a corporation, trust or firm, partnership, association or any other entity the penalty of imprisonment shall be imposed upon the entity's responsible officers, including, but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner.

THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL HAVE THE AUTHORITY TO IMPOSE SUCH OTHER ADMINISTRATIVE PENALTIES IT SEES FIT TO IMPOSE UNDER THE CIRCUMSTANCES OF EACH CASE OF VIOLATION.”

Section 17. Implementing Rules and Regulations. The Department of Labor and Employment (DOLE) and other agencies charged with carrying out the provisions of this Act shall, within sixty (60) days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

Section 18. Separability Clause. Should any provision of this Act be declared invalid or unconstitutional, the validity of the other provisions shall not be affected thereby.

Section 19. Repealing Clause. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of the Act are hereby repealed, amended or modified accordingly.

Section 20. Effectivity. This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,