

1
2 Republic of the Philippines
3 **HOUSE OF REPRESENTATIVES**
4 Quezon City

5 **EIGHTEENTH CONGRESS**
6 Second Regular Session

7
8 **HOUSE BILL No. 9262**
9



10 **Introduced by**
11 **BAYAN MUNA Representatives FERDINAND R. GAITE,**
12 **CARLOS ISAGANI T. ZARATE, and EUFEMIA C. CULLAMAT,**
13 **ACT TEACHERS Party-List Representative FRANCE L. CASTRO,**
14 **GABRIELA Women's Party Representative ARLENE D. BROSAS**
15 **and KABATAAN Party-List Representative SARAH JANE I. ELAGO**
16

17 **AN ACT**
18 **PROVIDING A P100 DAILY WAGE SUBSIDY IN DAILY MINIMUM WAGES OF**
19 **WORKERS IN THE PRIVATE SECTOR AND FOR OTHER PURPOSES**
20

21 **EXPLANATORY NOTE**
22

23 The Philippine economy plunged into its lowest point since 1946, suffering its first recession in 29
24 years. The country's unemployment rate rose to 8.8% in February, higher than the 8.7% last
25 January, reflecting the scars in the labor market brought about by the coronavirus pandemic. The
26 figure in the labor force survey (LFS) is equivalent to 4.2 million jobless Filipinos in February,
27 higher than the 4 million unemployed in January. The underemployment rate or the percentage of
28 the population with jobs but are looking for more work stood at 18.2%, equivalent to 7.9 million
29 individuals. This is higher than the 16% in January, which is translated to 6.6 million people.
30

31 While those who still have work witness the real value of their wages crumble in the face of
32 inflation rates driven up by the high prices of basic commodities and services that include food,
33 transportation, electricity and water. Clothing, shelter, education and healthcare – all of which
34 should be basic necessities seem to have become a luxury for the poor and a privilege of a few.
35

36 It has been three decades since the approval of Republic Act No. 6727 or the Wage Rationalization
37 Act of 1989. Hundreds of Wage Orders have been issued by the Regional Tripartite Wages and
38 Productivity Boards (RTWPBs) yet not a single one granted any real wage that is sufficient to cover
39 the basic needs of workers and their families.
40

41 The P537.00 minimum wage in the metro is now practically worth only P434.00, or a loss of about
42 P100.00 in real-value, making it the lowest real wage in over eight-in-a-half years or 103 months.
43 This amount becomes even more incongruous if compared to the estimated decent family daily
44 living wage which is pegged at Php1,057.00.
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46 In February 2021, low-income families or the bottom 30 percent of Filipino households
47 experienced a 5.5 percent inflation rate, worse than the 4.7 percent that affected the general

1 population.

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3 Amidst this economic crunch, government assistance for the poor is wanting.

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5 While still in the middle of the pandemic, the Duterte government has refused to allot enough
6 money to continue its cash assistance programs. This mistake in prioritization has been exposed
7 as key cities were put back into lockdown in March. Cash assistance was a meager P1,000.00
8 equivalent to P71/day which was clearly insufficient to tide families over the two-week strict
9 lockdown and a week of the less stringent modified lockdown. The low amount was worsened
10 further by low distribution rates, with only 8 percent of beneficiaries receiving the money after
11 more than 2 weeks.

12
13 The rise in cost of commodities, the ongoing health crisis, and the overall economic hardships as
14 a result of the pandemic-induced recession would continue to make life for minimum wage earners
15 and their families extra difficult. While adding a P100 daily wage subsidy presented by this measure
16 (just to recover the amounts lost due to inflation) is nowhere near the family living wage, it is by
17 all means a necessary step to alleviate hardships on the part of both workers and micro, small,
18 medium-sized enterprises (MSMEs) hit hard by successive lockdowns and the decline in people's
19 purchasing power. With a view of pushing for substantial wage increase in the mid-term, this P100
20 daily wage subsidy bill seeks to provide relief in the interim by enforcing a law that would allow
21 the government to subsidize P100 worker's daily wages for three (3) consecutive months. Such an
22 increase will boost consumer demand and stimulate commercial activity especially among MSMEs
23 which in turn will allow them to continue the wage increase on a more permanent basis moving
24 forward.

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26 Without aid and meaningful wage increase our labor force faces a bleak future ahead of them.

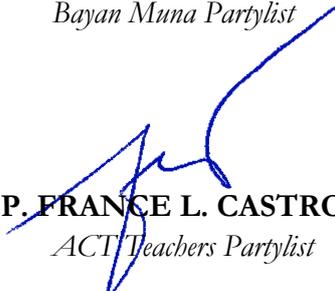
27
28 In view of the foregoing, the immediate passage of this bill is earnestly sought.

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31 *Approved,*

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37 **REP. FERDINAND R. GAITE**
38 *Bayan Muna Partylist*

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41 **REP. CARLOS ISAGANI T. ZARATE**
42 *Bayan Muna Partylist*

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45 **REP. EUFEMIA C. CULLAMAT**
46 *Bayan Muna Partylist*

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49 **REP. FRANCE L. CASTRO**
50 *ACT Teachers Partylist*

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53 **REP. ARLENE D. BROSAS**
54 *GABRIELA Women's Party*

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REP. SARAH JANE I. ELAGO
Kabataan Partylist

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17 **AN ACT**
18 **PROVIDING A P100 DAILY WAGE SUBSIDY IN DAILY MINIMUM WAGES OF**
19 **WORKERS IN THE PRIVATE SECTOR AND FOR OTHER PURPOSES**
20

21 *Be it enacted by the Senate and House of Representatives of the Republic of the Philippines in Congress assembled:*
22

23 **SECTION 1. Title.** This Act shall be known as the “P100 Daily Wage Subsidy Act.”
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25 **SECTION 2. Declaration of Policy.** It is hereby declared the policy of the State to “...protect
26 and enhance the right of all people to human dignity, reduce...political inequalities, and remove
27 cultural inequities by equitably diffusing wealth and political power for the common good (Section
28 1, Article XIII, 1987 Philippine Constitution). Workers shall be “...entitled to...a living
29 wage...(Section 3, *ibid.*).”
30

31 Pursuant thereto the government shall address the massive joblessness and the sharp decline in
32 real wages caused by rising inflation, business closures, and persistent lockdowns in Metro Manila
33 and other urban centers across the country.
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35 **SECTION 3. Definition of terms**—For the purposes of this act, the term:
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- 37 a. **Daily Minimum Wage** shall refer to the statutory minimum wage paid to workers on a
38 daily basis in the private sector regardless of employment status, position, industry,
39 enterprise size, mode of payment and region.
40
41 b. **Living Wage** shall refer to the acceptable standard of wages by which “workers and their
42 families should be able to afford a basic, but decent lifestyle that is considered acceptable
43 by society at its current level of economic development. Workers and their families should
44 be able to live above the poverty line and be able to participate in social and cultural life,”
45 as defined by the International Labour Organization.
46

47 **SECTION 4. Coverage.** –The wage subsidy prescribed in this Act shall apply to all workers and
48 employees in the private sector in their respective regions regardless of their position, designation
49 or status, and irrespective of the method by which their wages are being paid.
50

51 While not at par with what is considered “living wage”, the P100 daily wage subsidy is meant to

1 compensate for the decline in real wages and address the worsening poverty and widening social
2 inequalities including the uneven development between regions of the country taking into
3 consideration the impact of pandemic-induced lockdowns particularly among micro, small,
4 medium-sized enterprises (MSMEs). The nationwide daily wage subsidy will also improve the
5 quality of life of all workers while contributing to economic pump-priming as the purchasing
6 power of workers are enhanced.

7
8 The sum of **Ninety Three Bilion Six Hundred Million Pesos (Php 93,600,000,000.00)** shall
9 be allotted for this purpose to cover twelve (12) million private workers.

10
11 **SECTION 5. *Increase in the Daily Minimum Wage.*** —The government through the
12 Department of Labor and Employment (DOLE) shall provide for the P100 daily wage subsidies
13 in the private sector for three (3) months upon enactment of this law.

14
15 **SECTION 6. *No Reduction of the Daily Minimum Wage***—In no case shall the amount of the
16 Minimum Wage be reduced to the updating thereof pursuant to this law.

17
18 **SECTION 7. *No Diminution of Benefits***—Nothing in this Act shall be construed to reduce any
19 existing allowances and benefits of any form under existing laws, decrees, issuances, executive
20 orders, and/or under any contract or agreement between workers and employers.

21
22 **SECTION 8. *Penalties***—Any person, corporation, trust, firm, partnership, association or entity
23 which refuses or fails to pay any of the prescribed daily wage subsidies or adjustments in the wage
24 rates made in accordance with this Act shall be punished by a fine not less than Five Hundred
25 Thousand Pesos (P500,000.00) and/or imprisonment of not less than one (1) year nor more than
26 two (2) years.

27
28 **SECTION 9. *Sources of funding***— The amount necessary for the effective implementation of
29 this Act shall be sourced from the funds of the National Task Force to End Local Communist
30 Armed Conflict upon its realignment in accordance with the pertinent provisions of the 2021
31 General Appropriations Act (GAA), and from unobligated and unreleased funds from the FY
32 2020 and FY 2021 budget of the Department of Social Welfare and Development (DSWD), and
33 from the Contingent Fund of the 2021 GAA.

34
35 **SECTION 10. *Separability Clause***—If any provisions of this Act is declared invalid or
36 unconstitutional, other provisions hereof which are not affected thereby shall continue to be in
37 full force and effect.

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39 **SECTION 11. *Repealing Clause***—All laws, orders, issuances, rules and regulations or part
40 thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified
41 accordingly.

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43 **SECTION 12. *Effectivity Clause***—This Act shall take effect within fifteen (15) days after its
44 publication in the Official Gazette or in at least two (2) newspapers of general circulation,
45 whichever comes earlier.

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47 *Approved,*