COMMITTEE REPORT NO. 1302

Submitted by the Committee on Labor and Employment on October 31, 2021
Re: House Bill No. 10432
Recommending its approval in substitution of House Bill No. 7619
Sponsors: Representatives Enrico A. Pineda and Stella Luz A. Quimbo

Mr. Speaker:

The Committee on Labor and Employment, to which was referred House Bill No. 7619, introduced by Rep. Stella Luz A. Quimbo, entitled:

AN ACT
GRANTING EMPLOYEES IN THE PRIVATE SECTOR THE RIGHT TO DESIGNATE THE BANK ACCOUNT TO WHICH THEIR WAGES OR COMPENSATION MAY BE DEPOSITED AND AMENDING THE LABOR CODE OF THE PHILIPPINES FOR THAT PURPOSE

has considered the same and recommends that the attached House Bill No. 10432, entitled:

AN ACT
GRANTING THE EMPLOYEES IN THE PRIVATE SECTOR THE RIGHT TO DESIGNATE THE BANK ACCOUNT TO WHICH THEIR WAGES OR COMPENSATION MAY BE DEPOSITED, AND PROVIDING OTHER OPTIONS IN THE PAYMENT OF SALARIES, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

Respectfully submitted,

[Signature]
Chairperson
Committee on Labor and Employment

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY
AN ACT
GRANTING THE EMPLOYEES IN THE PRIVATE SECTOR THE RIGHT TO DESIGNATE THE BANK ACCOUNT TO WHICH THEIR WAGES OR COMPENSATION MAY BE DEPOSITED, AND PROVIDING OTHER OPTIONS IN THE PAYMENT OF SALARIES, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

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

SECTION 1. Article 102 of Presidential Decree No. 442, as amended, otherwise known as the “Labor Code of the Philippines”, is hereby amended to read as follows:

"ART. 102. Forms of Payment. – No employer shall pay the wages of an employee by means of promissory notes, vouchers, coupons, tokens, tickets, chits, or any object other than legal tender, even when expressly requested by the employee. AN EMPLOYEE SHALL HAVE THE RIGHT TO DESIGNATE THE BANK ACCOUNT TO WHICH THE EMPLOYEE’S WAGES SHALL BE DEPOSITED BASED ON A LIST OF AT LEAST FIVE (5) BANK OPTIONS TO BE
GIVEN BY THE EMPLOYER: *PROVIDED, THAT IF NONE OF THE BANK OPTIONS PRESENTED BY THE EMPLOYER IS FEASIBLE TO THE EMPLOYEE, THE EMPLOYER MAY PAY THE EMPLOYEE’S WAGES BY ISSUING A COMPANY CHEQUE, SENDING CASH ELECTRONICALLY, OR BY DISBURSING CASH TO THE EMPLOYEE.*

Payment of wages by check or money order shall be allowed when such manner of payment is customary on the date of effectivity of this Code, or is necessary because of special circumstances as specified in appropriate regulations to be issued by the Secretary of Labor AND EMPLOYMENT or as stipulated in a collective bargaining agreement.”

**SEC. 2.** The Department of Labor and Employment shall, within ninety (90) days from the effectivity of this Act, promulgate such rules and regulations as may be necessary for the effective implementation of this Act.

**SEC. 3.** If any provision of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

**SEC. 4.** All laws, decrees, executive orders, rules and regulations or parts thereof, which are inconsistent with this Act, are hereby repealed, amended or modified accordingly.

**SEC. 5.** This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

*Approved,*
AN ACT
GRANTING THE EMPLOYEES IN THE PRIVATE SECTOR THE RIGHT TO DESIGNATE THE BANK ACCOUNT TO WHICH THEIR WAGES OR COMPENSATION MAY BE DEPOSITED, AND PROVIDING OTHER OPTIONS IN THE PAYMENT OF SALARIES, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES


Committee Referral: COMMITTEE ON LABOR AND EMPLOYMENT
Committee Chairperson: REP. ENRICO A. PINEDA

OBJECTIVE:

- To provide ease and convenience to private sector employees through a wider range of payment methods of their salaries

KEY PROVISIONS:

- Amends Article 102 of P.D. No. 442, as amended, otherwise known as the “Labor Code of the Philippines” to grant employees the freedom to designate the bank account to which their wages shall be deposited from the list of at least five (5) bank options to be provided by their employers;

- Requires an employer to issue company checks, send electronic cash, or disburse cash to pay the wages of their employees if the bank options provided are not feasible to the employee.
RELATED LAW:

- Article 102 of P.D. 442, as amended, otherwise known as the “Labor Code of the Philippines”