

**[ REPUBLIC ACT NO. 602, April 06, 1951 ]**

**AN ACT TO ESTABLISH A MINIMUM WAGE LAW AND FOR OTHER PURPOSES**

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

SECTION 1. *Short title of Act* -This Act shall be known as the Minimum Wage Law.

SEC. 2. *Definitions*. -As used in this Act-

- a. "Person" means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.
- b. "Employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee and shall include the Government, and the government corporations.
- c. "Employee" includes any individual employed by an employer.
- d. "Agriculture" includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities, the raising of livestock or poultry, and any practices performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, but does not include the manufacturing or processing of sugar, coconuts, abaca, tobacco, pineapples or other farm products.
- e. "Industry" means a trade, business, industry or branch thereof, or group of industries, in which individuals are gainfully employed.
- f. "Employ" includes to suffer or permit to work.
- g. "Wage" paid to any employee shall mean the remuneration or earnings, however designated, capable of being expressed in terms of money, whether fixed or ascertained on a time, task, piece, commission basis, or other method of calculating the same, which is payable by an employer to an employee under a written or unwritten contract of employment for work done or to be done or for services rendered or to be rendered, and includes the fair and reasonable value, as determined by the Secretary of Labor, of board, lodging, or other facilities customarily furnished by the employer to the employee. "Fair and reasonable value" shall not include a profit to the employer or to any person affiliated with the employer which reduces the wage received by the employee below the minimum wage applicable to the employee under this Act, nor shall any transaction between an employer or any person affiliated with the employer and the employee of the employer include any profit to the employer or affiliated person which reduces the

employee's wage below the minimum wage applicable to the employee under this Act.

- h. "Facilities" shall include articles or services of benefit to the employee or his family, but shall not include tools of the trade or articles or services primarily for the benefit of the employer or necessary to the conduct of the employer's business.
- i. "Hired farm labor" includes the labor of any person employed on a farm, except the labor of the operator and that of his parents, spouse and children.
- j. "Farm enterprise" comprises all tracts of land, whether contiguous or not, under one management, located in a province and immediately adjacent provinces, on which any of the operations enumerated in section two (d) are carried on.

### SEC. 3. *Minimum wage.*-

- a. Every employer shall pay to each of his employees who is employed by an enterprise other than in agriculture wages at the rate of not less than-
  - 1. Four pesos a day on the effective date of this Act and thereafter, for employees of an establishment located in Manila or its environs;
  - 2. Three pesos a day on the effective date of this Act and for one year after the effective date and thereafter P4 a day, for employees of establishments located outside of Manila or its environs : Provided, That this Act shall not apply to any retail or service enterprise that regularly employs not more than five employees.
- b. Every employer who operates a farm enterprise comprising more than 12 hectares shall pay to each of his employees, who is engaged in agriculture, wages at the rate of not less than-
  - 1. On the effective date of this Act and for one year thereafter, P1.75 a day, and no allowances for board and lodging shall reduce this wage below P1.50 in cash during that year;
  - 2. One year after the effective date of this Act, P2 a day, and no allowances for board and lodging shall reduce this wage below P1.75 in cash; and
  - 3. One year thereafter, P2.50 a day and no allowances for board and lodging shall reduce this wage below P2.25 in cash.
- c. Effective on the first of July, nineteen hundred and fifty-two, the minimum wage rates for employees in the Government service shall be those provided in subsections (a) and (b) of this section.
- d. This Act shall not apply to farm tenancy or to domestic servants.
- e. The crew of vessels of Philippine Registry calling regularly at Manila shall be subject to the minimum wage for non-agricultural workers in Manila as provided for in this Act.
- f. Until and unless investigations by the Secretary of Labor on his initiative or on petition of any interested party result in a different determination of the fair and reasonable value, the furnishing of meals shall be valued at not more than thirty centavos per meal for agricultural employees, and not more than forty centavos for any other employees covered by this Act, and the furnishing of housing

shall be valued at not more than twenty centavos daily for agricultural workers and not more than forty centavos daily for other employees covered by this Act.

- g. If in a particular industry a Wage Board appointed by the Secretary of Labor within one year after the effective date of this Act recommends that a further extension of time before the application of the full statutory minimum is justified in such industry to avoid undue hardship to the industry, the board may recommend and the Secretary may approve an extension not to exceed six months and at a minimum wage not less than the rate provided to take effect on the effective date of this Act.
- h. With respect to piece-work or contract work, on petition of an interested party, the Secretary of Labor shall use all available devices of investigation to determine whether the work is being compensated in compliance with this Act, and shall issue findings and orders in connection therewith.

#### SEC. 4. *Wage investigation: Appointment of Wage Board.-*

- a. The Secretary of Labor shall have the power, and it shall be his duty upon petition of six or more employees in any industry, to cause an investigation to be made of the wages being paid to the employees in such industry and their living conditions, to ascertain if any substantial number of such employees are receiving wages which are less than sufficient to maintain them in health, efficiency and general well-being. If, after such investigation, the Secretary of Labor is of the opinion that any substantial number of such employees are receiving such wages, he shall appoint a Wage Board to fix a minimum wage for such industry.
- b. A minimum wage to be established under this Act shall be as nearly adequate as is economically feasible to maintain the minimum standard of living necessary for the health, efficiency, and general well-being of employees. In the determination of a minimum wage, the Secretary of Labor and a Wage Board shall, among other relevant factors, consider the following:
  - 1. The cost of living;
  - 2. The wages established for work of like or comparable character by collective agreements or arbitration awards;
  - 3. The wages paid for work of like or comparable character by employers who voluntarily maintain reasonable standard; and
  - 4. Fair return of the capital invested.
- c. The Secretary of Labor shall make rules and regulations governing the appointment of a Wage Board, its public hearings and mode of procedure, consonant with the requirements of due process of law.
- d. The appointment of Wage Board shall not preclude the Secretary of Labor from subsequently appointing a new Wage Board for the same industry.
- e. The Secretary may appoint a Wage Board for any industry, whether it is named in section three of this Act or not.

#### SEC. 5. *Wage Board; Powers and duties: Recommendations.-*

- a. A Wage Board appointed under the provisions of this Act shall be composed of a member representing the public who shall act as chairman of the Board, two representatives of employees in the industry, and two representatives of employers in the same industry. The representatives of the employees and employers shall be selected from nominations submitted by employees and employers, or organizations thereof, in such industry. Three members of a Wage Board shall constitute a *quorum* and its recommendations shall require a vote of not less than a majority of all its members. The members of a Wage Board shall not be entitled to compensations except to *per diems* not exceeding seven pesos for each day of actual attendance and shall be reimbursed for all necessary travelling expenses incurred in the performance of their duties. The chairman, if a government employee, shall not be entitled to any *per diem*.
- b. The Secretary of Labor shall present to a Wage Board all the evidence and information in his possession relating to the wages in the industry for which the Wage Board was appointed and all other information which he deems relevant to the establishment of a minimum wage for such industry and shall cause to be brought before the Board any witness when he deems material. A Wage Board may summon other witnesses or call upon the Secretary to furnish additional information to aid in its deliberations.
- c. Within thirty days of its organization, a Wage Board shall submit to the Secretary of Labor its recommendations as to a minimum wage to be paid by employers in the industry or for the various branches of the industry considered.

The Wage Board shall not recommend for any agricultural or non-agricultural industry a minimum wage of less than the prevailing wage obtaining on the effective date of this Act, and in no case less than the minimum wage rates set in section three of this Act. These wages may include minimum wages varying with localities, if in the judgment of the Board conditions make such local differentiation proper and necessary to effectuate the purpose of this Act and such differentiation does not give an undue competitive advantage to any locality; and may include terms and conditions relating to part-time employment and suitable treatment of other cases or classes of cases which, because of the nature and character of the employment, in the judgment of the Board, justify special treatment, including, in the case of persons employed as industrial homeworkers, the highest minimum rate which is economically feasible and which will not result in substantial curtailment of employment opportunities for such employees, and which shall not be less than seventy-five per cent of the minimum wage rates established in section three of this Act. Home industries covered by this Act shall include apparel, embroidery, other needle trades, shoes, weaving, basketry, and other handicrafts. The Secretary may add specific home industries to the coverage of this Act by regulation, when he deems it necessary to further the purposes of this Act. If the report of the Wage Board is not submitted within thirty days, the Secretary of Labor may appoint a new Wage Board.

#### SEC. 6. *Wage orders.* -

- a. Upon the filing of the Wage Board's report, the Secretary of Labor shall give notice to interested parties and conduct a public hearing thereon within fifteen days. On the basis of the Wage Board's report and recommendations and on the basis of the public hearing, the Secretary of Labor shall, within fifteen days after the termination of the hearing, approve or reject, but shall not modify, the minimum wages recommended by the Wage Board. If he rejects the minimum wages recommended by the Wage Board, he shall issue a statement of his reasons therefor, and shall submit the matter to the same Board which shall be convened within fifteen days, and such Board shall submit its report and recommendations within thirty days after it has been convened, and in case of further disagreement between the Secretary and the Board, the decision of the Secretary shall prevail. If he approves the recommendation of the Wage Board, he shall, on the date of approval, issue a wage order prescribing the minimum wages to be paid to the employees in the industry. Due notice of any hearing provided for in this section shall be given by publication in such newspapers of general circulation and by such other means as the Secretary of Labor deems reasonably calculated to give general notice to interested parties. The procedure at the public hearings before the Secretary shall be consonant with due process of law. The rules of evidence applied by the courts in proceedings at law shall not strictly apply in any proceeding conducted by or before a Wage Board.
- b. Orders issued under this section shall define the industry to which they shall apply and may include such administrative regulations as the Secretary of Labor finds necessary to carry out the purposes of this Act and of the orders. Except as provided in section nine the rates established by any minimum wage order shall apply alike to all employees regardless of age or sex.
- c. No such order shall take effect until fifteen days after due notice is given of the issuance thereof by publication in such newspapers of general circulation and by such other means as the Secretary of Labor deems reasonably calculated to give to interested parties general notice of such issuance. A certified copy of each of such order shall be filed in the office of the President of the Philippines.
- d. No employer shall, after the effective date of a minimum wage order, pay an employee who is within the scope of the wage order, employed by him, wages at less than the amount prescribed in this Act or in such order, as the case may be.

**SEC. 7. *Right of review.* -**

- a. Any person aggrieved by an order of the Secretary of Labor issued under this Act may obtain a review of such order in the Supreme Court by filing in such Court within fifteen days after the entry and publication of such order a written petition praying that the order of the Secretary of Labor be modified or set aside in whole or in part. The review by the Court shall be limited to questions of law, and findings of fact by the Secretary of Labor when supported by substantial evidence shall be conclusive. If the petitioner or appellant is an employee, wage earner, farmer, or laborer, he shall