

## [ Commonwealth Act No. 303, June 09, 1938 ]

### **AN ACT PROVIDING FOR THE TIME OF PAYMENT OF SALARIES AND WAGES OF LABORERS AND EMPLOYEES; PROHIBITING THE FORCING, COMPELLING, OR OBLIGING OF ANY EMPLOYEE OR LABORER TO PURCHASE MERCHANDISE, COMMODITIES, OR ANY OTHER PERSONAL PROPERTY UNDER CERTAIN CONDITIONS, AND THE PAYMENT OF THE SALARY OR WAGES OF AN EMPLOYEE OR LABORER BY MEANS OF TOKENS OR OBJECTS OTHER THAN THE LEGAL TENDER CURRENCY OF THE PHILIPPINES; PRESCRIBING PENALTIES FOR VIOLATIONS HEREOF.**

*Be it enacted by the National Assembly of the Philippines:*

SECTION 1. Every employer, including the head of every government office, whether national, provincial or municipal, shall pay the salaries and wages of his employees and laborers at least once every two weeks or one-half month unless it be impossible to do so due to *force majeure* or to some other causes beyond his control, or unless he has been previously exempted by the Secretary of Labor from this requirement. Exemption may be granted by the Secretary of Labor only if, after proper inquiry, he becomes convinced that the conditions and exigencies of the business of an employer require less frequent payment of salaries and wages but no employer shall be authorized to make such payment with less frequency than once a month and unless he establishes a store within or near the business premises from which the employees and laborers can conveniently buy foodstuffs and other articles of prime necessity at cost and on credit, payable at the following pay day. ;

SEC. 2. Nothing in the preceding section shall be construed as authorizing any person, firm or corporation conducting any business or enterprise for profit or otherwise in the Philippines, in any manner to force, compel, or oblige any laborer or employee employed by him to purchase directly or indirectly merchandise, commodities or any other personal property of any kind or nature from such person, firm or corporation or from any other person, firm or corporation, or to pay or cause to be paid wholly ( or partly the salary or wages of an employee or laborer, before, during or after pay day by means of tokens, tickets, ' chits or objects other than the legal tender currency of the Philippines; or to negotiate directly or indirectly through any other person, firm or corporation with an employee or laborer by means of chits, tickets or other objects which may represent loans or sums of money paid in advance for salary or wages that are not yet due at the time of the issuance of such tokens, chits or tickets.

SEC. 3. Any contract, verbal or written, between employer and laborer which directly or indirectly defeats the purposes of this Act shall be null and void. '

SEC. 4. Failure of the employer to pay his employee or laborer as required by section one of this Act, shall *prima facie* be considered a fraud committed by such employer against his employee or laborer by means of false pretenses similar to those mentioned in article three hundred and fifteen, paragraph four, sub-paragraph two (a) of the Revised Penal Code and shall be punished in the same manner as therein provided.