

PROVIDING FOR ADDITIONAL MANDATORY EMERGENCY LIVING ALLOWANCE FOR WAGE EARNERS

PRESIDENTIAL DECREE NO. 1634, August 21, 1979

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WHEREAS, representatives of workers, employers and the Government met at a National Tripartite Conference at Puerto Azul, Ternate, Cavite, on August 16 and 17, 1979, for the purpose of considering measures for the protection of wages, promotion of employment and industrial peace, ensuring economic viability and growth in the face of the global energy crisis;

WHEREAS, the Conference recommended immediate restoration of the purchasing power of the effective minimum wage as of April 1979, with provision for exemption from or deferment of compliance in the case of temporarily distressed enterprises;

WHEREAS, in addition to the current efforts of the Government to hold, down prices, especially those of prime commodities, it is urgently necessary to act immediately on the recommendation of the Conference in order to provide timely and adequate relief for the working masses in the face of rising costs of living;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President and Prime Minister, by virtue of the powers vested in me by the Constitution of the Republic of the Philippines, do hereby order and decree:

SECTION 1. All private employers shall pay their employees whose wage or salary is not more than P1,500.00 a month, a monthly additional mandatory emergency living allowance of P60.00 effective September 1, 1979 and another P30.00 a month effective January 1, 1980, except those engaged in the following:

- Cottage industries, handicrafts, and shellcrafts;
- Small and medium scale enterprises established after the promulgation of this Decree shall be exempt for a period of two years from start-up operations;
- Retail and service enterprises outside Metropolitan Manila and cities with a population of not more than 150,000; in the case of retail and service enterprises in Metropolitan Manila and cities with a population of more than 150,000, those employing not more than 15 workers;
- Non-plantation agriculture and plantations or agricultural enterprises with an area of not more than 24 hectares in a locality or employing not more than 20 workers; with respect to the sugar industry, LOI 829 shall be maintained until further action by the President.
- Labor-intensive and export-oriented enterprises engaged in the manufacture of garments, footwear, furniture, as well as leather and electronics products, until December 31, 1979; provided employers who have the ability to pay as determined by the Minister of Labor shall pay.
- Private hospitals outside Metropolitan Manila and in the case of private hospitals in Metropolitan Manila, those with a bed capacity of not more than 100;
- Private educational institutions until allowed to adjust tuition fees; and

- Employers who have given increases in wages and/or allowances of at least P60.00 a month on or after August 1, 1979, whether granted unilaterally or under collective agreement. Those who have given less than P60.00 shall pay the difference.

SEC. 2. Where a construction contract entered into prior to the promulgation of this Decree, is based on payment to workers employed to carry out the contract, for wages and/or allowances lower than the amounts provided in this Decree, the owner or principal or client to the contract shall be responsible to compensate the contractor such difference for labor cost in the remaining work on the contract by a corresponding negotiated adjustment in value of the unaccomplished portion of the contract.

SEC. 3. For purposes of compliance with this Decree, fifty per cent of the credited tips and/or service charges may be included in the computation of the minimum wage and/or allowances in the hotel and restaurant industry.

SEC. 4. The Minister of Labor shall issue rules to implement this Decree. In the case of temporarily distressed or dislocated enterprises or new enterprises full or fifty per cent exemption from or deferment of compliance may be granted by the Minister of Labor upon recommendation of the Ministries concerned. The Minister of Labor shall create a tripartite advisory committee as may be needed to assist him in implementing pertinent provisions of this Decree.

SEC. 5. The Standing Cabinet Committee shall monitor the implementation of this Decree and in the performance of its assigned functions, shall receive and act on any grievance, complaints on any adverse effects encountered by industry, labor or management groups, which may be referred to them, subject to guidelines issued by the President (Prime Minister) after consultation with the ministries concerned.

SEC. 6. Violation of this Decree and of the implementing rules promulgated by the Minister of Labor shall be punished under the applicable provisions of the Labor Code pertaining to the non-payment of wages and other benefits.

Done in the City of Manila, this 21st day of August, in the year of Our Lord, nineteen hundred and seventy-nine.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

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