

Roundtable Discussion for Publicly-Listed Companies (PLCs) on Proposed Sustainability Reporting Guidance for PLCs

Labor Compliance Indicators

Patrick P. Patriwirawan Jr., MIR
Institute for Labor Studies
Department of Labor and Employment

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Presentation Outline

- Functions of a System of Labor Inspection
- Legal Basis and Policy Sources
 - Constitutional Provision
 - Legislation
 - Regulation
 - International Commitments
- Inspection Framework
- Modes of Inspection
- Work Stoppage, Compliance Orders, and Appeal
- Penalties
- Applicable Labor Legislations and Regulations for Sustainability Reporting



System of Labor Inspection

- Labor inspection is a public function of the labor administration that ensures the application of labor legislation in workplaces.
- The functions of the system of labour inspection shall be:
 - a. to secure the enforcement of the legal provisions relating to conditions of work and the protection of workers while engaged in their work, such as provisions relating to hours, wages, safety, health and welfare, the employment of children and young persons, and other connected matters, in so far as such provisions are enforceable by labour inspectors;
 - b. to supply technical information and advice to employers and workers concerning the most effective means of complying with the legal provisions;
 - c. to bring to the notice of the competent authority defects or abuses not specifically covered by existing legal provisions.



Legal Basis and Policy Sources

- Legal Basis:
 - Constitutional Provision
 - Legislation
 - Regulation
 - International Commitments
- Policy Instruments:
 - Philippine Development Plan 2017-2022
 - 8-Point Labor and Employment Agenda
 - Sustainable Development Goals



Constitutional Provisions (Article XIII Section 3)

- The State shall afford **full protection to labor**, local and overseas, organized and unorganized, and **promote full employment and equality of employment opportunities** for all.
- It shall **guarantee the rights of all workers** to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be **entitled to security of tenure, humane conditions of work, and a living wage**. They shall also **participate in policy and decision-making processes affecting their rights and benefits** as may be provided by law.
- The State shall **promote the principle of shared responsibility between workers and employers** and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace.
- The State shall **regulate the relations between workers and employers**, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns to investments, and to expansion and growth.



Legislation on Labor Inspection (PD 442)

- Article 5 (Rules and Regulations)
- Article 128 (Visitorial and Enforcement Power)
- Article 129 (Recovery of Wages, Simple Money Claims and Other Benefits)
- Article 303 (Penalties)



Regulations on Labor Compliance

- Department Order No. 183, Series of 2017
 - This issuance seeks to further strengthen the implementation of the visitorial and enforcement powers under the Labor Code, towards securing a higher level of compliance with labor laws standards, and ensuring continuity and sustainability of compliance at workplaces.



International Commitments on Labor Compliance

- ILO Convention No. 81 (Labour Inspection in Industry and Commerce Convention)
 - Maintain a system of labour inspection in industrial workplaces.
- ILO Convention No. 129 (Labour Inspection in Agriculture)
 - maintain a system of labour inspection in agriculture.



Policy Instruments

- Philippine Development Plan 2017-2022
 - Chapter 10 (Accelerating Human Capital Development): Ensure safety and health in the workplace.
 - Chapter 11 (Reducing Vulnerability of Individuals and Families): Improve implementation of laws and policies on social protection.
- 8-Point Labor and Employment Agenda
 - Agenda No. 3: To ensure full respect of labor standards and the fundamental principles and rights at work. The Department is mandated to protect and respect all rights at work as a precondition for promoting decent work.
- Sustainable Development Goal (SDG)
 - SDG Goal No. 8: Decent work and economic growth



Modes of Inspection

- **Routine Inspection:** evaluation of compliance with labor laws and social legislation will be jointly undertaken by the Labor Inspector and representatives of the employer and employees using the prescribed Inspection Checklist
- **Complaint Inspection:** validation of compliance with labor laws and social legislation by the Secretary and/or his duly authorized representative arising from complaints against companies/establishments
- **Occupational Safety and Health Investigation:** the existence of imminent danger, dangerous occurrence, and accident resulting in disabling injury or other analogous circumstances within the workplace is determined based on report or information



Work Stoppage, Compliance Orders, and Appeal

- Work Stoppage Order
 - When non-compliance with OSH Standards poses imminent danger
 - Order Lifting the WSO – if imminent danger has been abated
- Compliance Order
 - to be issued within twenty (20) days from receipt of the Hearing Officer's recommendation for disposition of labor standards case
- Compliance Order To Regularize Workers
 - employment of workers ordered to be regularized shall not be terminated pending appeal
- Compliance Order appealable to the Office of the DOLE Secretary within 10 days from receipt



Penalties

- Fine of not less than P1,000 nor more than P10,000, or
- Imprisonment of not more than 3 months nor more than 3 years, or
- Both fine and imprisonment at the discretion of the court
- Refusal or failure to pay prescribed wage increase or adjustment:
 - Fine of not less than P25,000 nor more than P100,000, or
- Failure to comply with labor law, or to install, maintain or provide safety and health control measures, or take precautions for the prevention of injury, illness or death:
 - Penalty of 25% of the lump sum equivalent of the income benefit of employee payable to the State Insurance Fund



Applicable Labor Legislations and Regulations for Sustainability Reporting

- General Labor Standards
- Occupational Safety and Health Standards
- Other Labor and Social Legislations and Regulations

General Labor Standards

- Minimum Wage
- Meal Period
- Weekly Rest Periods
- Time of Payment of Wages
- Overtime Pay
- Regular Holiday Pay
- Premium Pay for Special Day
- Premium Pay for Rest Day
- Night Shift Differential pay
- Service Incentive Leave pay
- Service Charge
- Separation Pay
- Records Keeping
- 13th Month Pay (P.D. 851)
- Maternity Leave (R.A. 8282)
- Paternity Leave (R.A. 8187)
- Solo Parent Leave (R.A. 8972)
- Leave for Victims of Violence Against Women and their Children (R.A. 9262)
- Special Leave for Women (R.A. 9710)



General Labor Standards

- Retirement Pay (R.A. 7641/R.A. 8558)
- Social Security Act of 1997 (R.A. 8282)
- Home Development Mutual Fund Law of 2009 (R.A. 9679)
- National Health Insurance Act of 1995 (R.A. 7875/R.A. 9241)
- Expanded Breastfeeding Promotion Act of 2009 (R.A. 10028)
- Anti-Sexual Harassment Law (R.A. 7877)
- Implementation of Family Welfare Program (D.O. No. 56-03)
- Alien Employment Permit (D.O. No. 12, series of 2001)
- Anti-Child Labor Law (R. A. 9231)
- Contracting and Subcontracting
- Flexible Work Arrangements (D.A. No. 2, Series of 2009)
- Social Amelioration Program (R.A. 6982)
- Apprenticeship/Learnership Program
- PWD Program
- Provisions for Night Workers (R.A. 10151)



Occupational Safety and Health Standards

- Occupational Safety and Health Standards (OSHS, as amended)
- Guidelines for the Implementation of a Drug-Free Workplace Policies and Programs (D.O. No. 53-03)
- Guidelines for the Implementation of HIV and AIDS Prevention and Control in the Workplace Program (D.O. No. 102-10)
- Guidelines for the Implementation of a Workplace Policy and Program on Hepatitis B (Dept. Advisory No. 05, series of 2010)
- Guidelines for the Implementation of Policy and Program on Tuberculosis Prevention and Control in the Workplace (D.O. No. 73-05)
- Safety and Health Measures for Workers who, by the Nature of their Work, Have to Spend Long Hours Sitting (D.O. No. 184, s.2017)



Other Labor and Social Legislations and Regulations

- Guidelines Governing the Employment and Working Conditions of Health Personnel in the Private Healthcare Industry (D.O. No. 182, s.2017)
- Anti-Age Discrimination in Employment Act (R.A. 10911)
- Revised Guidelines Governing the Employment and Working Conditions of Security Guards and Other Private Security Personnel in the Private Security Industry (D.O. No. 150, s.2016)
- Implementing Rules of Book V of the Labor Code of the Philippines, as amended (D.O. No. 40-03)
- Rules and Regulations governing OFWs (both Land-based and Sea-based)



End of Presentation. Thank you.

Institute for Labor Studies

pppatriwirawan@ils.dole.gov.ph

(02) 527-3523

