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LABOR ADVISORY No. 14
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DISTRIBUTION OF COLLECTED SERVICE CHARGE IN RELATION TO NON-DIMINUTION OF BENEFITS


Pursuant to Article 5 of the Labor Code of the Philippines, as amended, Section 3 of Republic Act No. 11360, "An Act Providing that Service Charges Collected by Hotels, restaurants and Other Similar Establishments be Distributed in Full to All Covered Employees, Amending For the Purpose Presidential Decree No. 442, As Amended, Otherwise Known as the Labor Code of the Philippines," and consistent with the principle of non-diminution of benefits, the following is issued:

Section 1: Non-Diminution of Benefits. – Republic Act No. 11360 and its implementing rules and regulations shall not be construed to diminish existing benefits under existing laws, company policies and collective bargaining agreements.

Section 2. Distribution of Service Charge. – All employees who are already receiving service charge prior to, or at the time of the effectivity of Republic Act No. 11360 and its implementing rules and regulations, including the contractor's employees, shall continue to be entitled to the distribution of collected service charge.

Section 3. Enforcement and Arbitration. - Regional Directors and Labor Arbiters shall ensure the proper distribution of collected service charge to employees pursuant to Articles 128 and 217 of the Labor Code of the Philippines, as amended.

Be guided accordingly.


SILVESTRE H. BELLO III
Secretary

Dept. of Labor & Employment
Office of the Secretary



26 December 2019