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**Republic of the Philippines**  
**Congress of the Philippines**  
Metro Manila

**Eighth Congress**

**Republic Act No. 6982**      **May 1, 1991**

**AN ACT STRENGTHENING THE SOCIAL AMELIORATION PROGRAM IN  
THE SUGAR INDUSTRY, PROVIDING THE MECHANICS FOR ITS  
IMPLEMENTATION, AND FOR OTHER PURPOSES**

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

**Section 1. Policy.** – It is the policy of the State to further strengthen the rights of workers in the sugar industry to their just share in the fruits of production by augmenting their income and, among other schemes, institutionalizing the mechanism among the partners in the sugar industry to enable the workers and their families to enjoy a decent living.

In pursuance of this policy, the State shall consider the demand for living wages, the needs of the workers and their families, improvement in their standards of living, the seasonal nature of the work in the sugar industry, incentives for productivity, the interest of the consumers, the viability of the sugar industry, the fair return of the capital invested, and the equitable distribution of income and wealth along the imperatives of economic and social development.

**Section 2. National Tripartite Council in the Sugar Industry.** – To effectively implement the social and economic programs for workers in the sugar industry pursuant to the provisions of this Act, a National Tripartite Council in the Sugar Industry, hereinafter referred to as the Sugar Tripartite Council, is hereby created as the advisory body to the Department of Labor and Employment (DOLE) as regards such programs.

**Section 3. Composition.** – The Sugar Tripartite Council shall consist of ten (10) members composed of the Secretary of Labor and Employment or his duly authorized representative as ex officio chairman; one (1) representative from the Sugar Regulation Administration, who shall likewise sit in an ex officio capacity; two (2) representatives from the millers sector; two (2)

representatives from the mill workers sector; and two (2) representatives from the workers sector, as members.

The representatives from the planters, millers and workers sectors shall be appointed by the Secretary of Labor and Employment from among the nominees of the planters, millers and workers organizations, respectively.

**Section 4. Term.** – The representatives from the planters, millers and workers sectors shall serve for a term of three (3) years unless sooner recalled by the nominating organization. In case of vacancy, the successor shall serve the unexpired portion of the term of his predecessor. The successor shall come from the nominees of the sector which nominated the predecessor.

**Section 5. Regular and Special Meetings.** – a) The Sugar Tripartite Council shall meet its regular meeting once every three (3) months. It may conduct special meetings upon call by the Chairman or upon written request of at least three (3) of its members.

b) The Chairman or his authorized representative and the members of the Sugar Tripartite Council shall be entitled to reimbursement of reasonable travelling expenses. The representatives from the planters, millers and workers sectors shall, in addition, be entitled to per diem for meetings attended by them.

The travelling expenses and per diem herein mentioned shall be paid out from the funds of the DOLE.

**Section 6. District Tripartite Councils.** – a) Whenever necessary, the Secretary of Labor and Employment shall, upon recommendation of the Sugar Tripartite Council, create a District Tripartite Council in each milling district in the Philippines to ensure greater participation by planters, millers and workers in the social and economic programs and policy determination under this Act. The District Tripartite Council shall consist of seven (7) members composed of the Regional Director of the DOLE as ex officio Chairman; two (2) representatives from the planters sector; one representative from the millers sector; two (2) representatives from the field workers sector; and one (1) representative from the mill worker, sector, as member.

b) The representatives from the planters, millers and workers sectors shall be appointed by the Secretary of Labor and Employment from among the nominees of the planters, millers and workers organizations, respectively, for a term of three (3) years.

**Section 7. Lien; Distribution; Collection and Remittance.** –

a) Effective on sugar crop year 1991-1992 a lien of Five pesos (P5.00) per picul of sugar shall be imposed on the gross production of sugar to primarily augment the income of sugar workers, and to finance social and economic programs to improve their livelihood and well-being: provided, that there shall be an automatic additional lien of One peso (P1.00) for every two (2) years for the succeeding ten (10) years from the effectivity of this Act: provided, further, that the Secretary of Labor and Employment may, upon the recommendation

of the Sugar Tripartite Council, suspend or reduce the amount of the automatic additional lien herein authorized whenever circumstances occur adversely affecting or causing undue increases in the cost of producing sugar, taking into consideration the declared policy of this Act.

The amounts herein imposed shall be borne by the sugar planters and millers in proportion to their corresponding milling share and said amounts shall constitute a lien on their sugar quedans and/or warehouse receipts.

b) Eighty percent (80%) of the lien, including any and all incomes or interests derived therefrom, shall be distributed as cash bonus to each worker in the sugar farm or mill based on the proportion of work rendered by him. The cash bonus share of the worker shall be collected by the sugar mills and released to planters associations in the case of affiliated planters, or directly to unaffiliated planters, for distribution to their respective workers. The cash bonus share of the mill workers shall be held in trust by the mills for distribution to the workers.

The remaining twenty percent (20%) of the lien shall be collected by the sugar mills and to be remitted to the DOLE and utilized pursuant to Section 10 hereof.

c) The collection of the lien shall be made upon the withdrawal or release of the sugar from the mill warehouse but in no case beyond one hundred eighty (180) days from the date of the issuance of the corresponding sugar quedans or warehouse receipts: provided, that, after said one hundred eighty (180) days, the miller shall advance whatever amount is necessary to pay such lien and charge the holder of said sugar quedans or warehouse receipts the amount so paid and such reasonable rate of interest as may be prevailing in the banking community.

d) It shall be the duty of every sugar mill to remit the lien collected within one (1) month from the date of collection thereof; otherwise, a penalty of ten percent (10%) per month on the unremitted collection shall be imposed upon the violator.

The cash bonus portion of the lien shall, in turn, be distributed to sugar workers concerned within one (1) month from the date of remittance; otherwise, a penalty of ten percent (10%) per month on the undistributed cash bonus shall be imposed upon the violator.

All penalties for non-remittance of lien collected shall accrue to the social and economic programs for the sugar workers. Such penalties for non-distribution of the cash bonus shall accrue to the sugar workers concerned.

**Section 8. Prohibition Against Deduction.** – No deduction upon the lien shall be allowed directly or indirectly.

**Section 9. Undisputed Cash Bonus.** – Any undistributed amount due the workers shall, within three (3) months, be remitted to and held in trust by the DOLE for a period of three (3) years from the date of remittance, after which it shall be deemed forfeited in favor of the socioeconomic programs for sugar workers.

It shall be the duty of the Secretary of Labor and Employment to make at least three publications before the end of said three (3) year period and to make the corresponding radio announcements in radio stations operating in the area to inform the beneficiaries concerned regarding their unclaimed cash bonus. The said publications shall be made through local newspapers and by posting in conspicuous public places in the area where the concerned beneficiaries reside.

The forfeited amount, including its interests, shall be utilized for projects or programs in favor of the sugar workers as recommended by the Sugar Tripartite Council.

**Section 10. Socioeconomic Plans and Programs; Operation of Councils.** – On recommendation of the Sugar Tripartite Council, the Secretary of Labor and Employment shall use twenty percent (20%) share herein allocated for socio-economic programs, and any and all incomes or interests thereon, for the following:

- a) Five percent (5%) for sugar workers death benefit program;
- b) Nine percent (9%) for socioeconomic projects for the sugar workers undertaken by the Bureau of Rural Workers, planters/millers organizations, workers organizations and/or the Sugar Industry Foundation, Inc.;
- c) Three percent (3%) for maternity benefits for the women sugar workers in addition to existing benefits granted by law or collective bargaining agreements: provided, that maternity benefits provided herein shall be paid only for the first four (4) deliveries; and
- d) Three percent (3%) for administrative expenses of the Sugar Tripartite Council the District Tripartite Councils and the Bureau of Rural Workers of the Department of Labor and Employment in implementing this Act.

**Section 11. Implementing Agency.** – Subject to the provisions of this Act, the Secretary of Labor and Employment shall implement the sharing scheme as provided herein and, upon consultation with the Sugar Tripartite Council, promulgate such rules and regulations as may be necessary to carry out the provisions of this Act, including those for the efficient collection, monitoring and equitable distribution of the lien and such benefits as are provided for or allowed herein.

The Bureau of Rural Workers of the Department of Labor and Employment created under Presidential Decree No. 1365, as amended, shall assist the Secretary of Labor and Employment in carrying out the provisions of this Act and such rules and regulations promulgated pursuant thereto.

**Section 12. Benefits under Republic Act No. 809 and P.D. 621, as amended.** – All liens and other forms of production sharing in favor of the workers in the sugar industry under Republic Act No. 809 and Presidential Decree No. 621, as amended, are hereby substituted by the benefits under this Act: provided, that cases arising from such laws pending in the courts or administrative bodies at the time of the effectivity of this Act shall not be

affected thereby.

**Section 13. Penal Sanctions.** – Any person who intentionally violates Sections 7, 8, 9, 10, and 14 of this Act, and any of the rules promulgated under Section 11 hereof, shall be penalized with imprisonment of not less than six (6) months but not more than one (1) year or a fine of not less than Five thousand pesos (P5,000.00) but not more than Twenty thousand pesos (P20,000.00) or both.

If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty shall be imposed upon the entity's responsible officers, including, but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner.

**Section 14. Non-diminution of Benefits.** – The provisions of Section 12 hereof notwithstanding, nothing in this Act shall be construed to reduce any benefit, interest, right or participation enjoyed by the workers at the time of the enactment of this Act, and no amount received by any beneficiary under this Act shall be subject to any form of taxation.

**Section 15. Auditing of Funds.** – All funds remitted to and held in trust by the Department of Labor and Employment pursuant to the provisions of this Act shall be audited by the Commission on Audit, and all disbursements shall be made in accordance with existing auditing rules and regulations.

**Section 16. Repealing Clause.** – All laws, decrees, executive orders and rules and regulations or part or parts thereof inconsistent with any provision of this Act are hereby repealed, modified, superseded or amended accordingly.

**Section 17. Separability Clause.** – If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

**Section 18. Effectivity.** – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved: **May 1, 1991.**

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