Senate
Office of the Secretary

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

26 NOV -4 P3:44

RECEIVED BY:

SENATE

S. No. 2585

AN ACT AMENDING ARTICLE 86 OF PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, INCREASING THE NIGHT SHIFT DIFFERENTIAL AND FOR OTHER PURPOSES

Introduced by Senator Loren Legarda

EXPLANATORY NOTE

Article 86 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, provides that employees shall receive a night shift differential rate of no less than ten percent (10%) of their regular wage. This statutory floor has stood completely unmodified for over five decades since its enactment on May 1, 1974.

In 2022, Congress passed Republic Act No. 11701, which granted covered government employees a night shift differential premium reaching up to twenty percent (20%). This enhanced rate for state workers signifies legislative recognition of the profound personal sacrifices, health hazards, and financial burdens associated with working during nighttime hours.

No substantial distinctions exist between government employees and private sector workers who render services during identical nighttime hours, as both encounter equal physical strain. Maintaining such a classification fails to satisfy the standard of reasonableness mandated by the Equal Protection Clause of the Constitution.

This disparity has grown increasingly acute amidst the ongoing national energy emergency declared in March 2026, which arose from Middle Eastern conflicts disrupting oil routes in the Strait of Hormuz. Local fuel expenditures surged sharply, driving Philippine overall inflation to accelerate to 7.2% in September from 6.1% in

Scanned with CamScanner

August, matching the peak rate recorded in April and snapping four consecutive months of easing.[1]

While economic pressures further burden the workforce, the case for revisiting the decades-old 10% night shift differential is also rooted in workers' health and well-being. The IT-BPM sector, including BPO services, which generated more than USD 40 billion in export revenues and employed about 1.9 million workers in 2025,[2] relies heavily on overnight work across time zones. Prolonged night work can disrupt circadian rhythms and increase health risks associated with sustained sleep-wake misalignment.

Indeed, the International Agency for Research on Cancer (IARC) of the World Health Organization classifies night shift work as a probable carcinogen, linking it directly to cardiovascular disease, metabolic syndrome, and type 2 diabetes.[3] Thus, night shift differential pay is not a discretionary bonus for minor inconvenience, but a crucial form of occupational health indemnity.

Comparative international labor standards further underscore the basis for this amendment. Under Japan's Labor Standards Act, employees who work between 10:00 p.m. and 5:00 a.m. are entitled to a wage premium of at least 25% for such night work.[4] South Korea's Labor Standards Act likewise requires covered employers to pay employees at least an additional 50% of their ordinary wages for night work performed between 10:00 p.m. and 6:00 a.m.[5] Vietnam similarly requires an additional payment of at least 30% of the normal wage for night work.[6]

The 10% rate fails to address the biological toll of night work. Raising the floor to 20% aligns private sector standards with RA 11701 and global benchmarks while honoring night workers' sacrifices.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

LOREN LEGARDA

---

[1]https://psa.gov.ph/content/summary-inflation-report-consumer-price-index-2018100-september-2026

[2]http://abs-cbn.com/news/business/2026/1/28/it-bpm-sector-hits-historic-high-of-over-40b-in-revenues-in-2025-1838

[3]https://www.iarc.who.int/news-events/iarc-monographs-volume-124-night-shift-work/

[4]https://www.japaneselawtranslation.go.jp/en/laws/view/4913/en

[5]https://www.atlashxm.com/resources/navigating-night-and-shift-work-regulations-in-south-korea-essential-guidelines-for-employers

[6]https://aslgate.com/regulations-in-vietnamese-law-regarding-overtime-wages-for-night-work/

Scanned with CamScanner

Senate
Office of the Secretary

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

26 NOV -4 P3 :44

RECEIVED BY:

SENATE

S. No. 2585

AN ACT AMENDING ARTICLE 86 OF PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, INCREASING THE NIGHT SHIFT DIFFERENTIAL AND FOR OTHER PURPOSES

Introduced by Senator Loren Legarda

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

Section 1. *Amendment of Article 86 of the Labor Code.* – Article 86 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, is hereby amended to read as follows:

"ART. 86. Night-Shift Differential. — Every employee shall be paid a night shift differential of not less than ~~ten percent (10%)~~ **TWENTY PERCENT (20%)** of ~~his~~ **THE EMPLOYEE'S** regular wage for each hour of work performed between ten o'clock in the evening and six o'clock in the morning **OF THE FOLLOWING DAY.**

PROVIDED, THAT NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO DIMINISH ANY HIGHER NIGHT SHIFT DIFFERENTIAL GRANTED UNDER A COLLECTIVE BARGAINING AGREEMENT, EMPLOYMENT CONTRACT,

Scanned with CamScanner

COMPANY POLICY OR PRACTICE, OR OTHER LAWFUL AGREEMENT OR ARRANGEMENT."

Section 2. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in force and effect.

Section 3. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, and other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

Section 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,

Scanned with CamScanner