

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Thirteenth Congress
First Regular Session

HOUSE BILL NO. 1505

Introduced by Rep. Roseller L. Barinaga

EXPLANATORY NOTE

The Philippine Constitution of 1987 significantly expands the orientation and coverage of its labor mandate through Article XIII, Section 3, which states that: "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 s 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 rights of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth. ~

With this mandate, it falls upon Congress to come up with policies that fully embody the true intent of the Constitution. It is in this light that the Congressional Commission on Labor

(LABORCOM), created by a joint resolution of the two houses of the Congress of the Philippines on February 9, 1998, reviewed and assessed the state of Philippine labor against the implementation of the Manila Action Plan of the Asia Pacific Economic Cooperation (APEC), subsequently recommending policy, institutional and infrastructural measures to ensure the protection of the rights and the promotion of the welfare of the workers. Later the body, converted into the Congressional Oversight Committee on Labor and Employment (COCLE) through a concurrent resolution of Congress on February 6, 2001, presented its recommendations to various concerned groups for validation, and finalized them into an integrated policy proposal now called the "New Labor Code."

In the latter part of the Twelfth Congress, the said "New Labor Code" was simultaneously filed in the Senate and the House of Representatives as a proposed measure. The House Committee on Labor and Employment was able to discuss the bill in part, concentrating mostly on Book Five (Labor Relations) which was one of the more contentious portions of the Code. Despite the time constraints, by the end of Congress the Committee managed to approve several perfecting amendments and introduce new provisions to the original measure filed.

With this background, we are re-filing the original LABORCOM/COCLE bill proposing a "New Labor Code," but containing the Twelfth Congress Committee amendments and other proposed amendments to the existing Labor Code which were earlier reported out to the House as individual bills. Although admittedly, the task of proposing a new labor code is gargantuan and almost formidable, it is high time to do so. For almost thirty years since the institutionalization of the Labor Code in May 1, 1974, changes in the socio-economic-political landscape have taken place, both in the domestic and international scenes, which altered the face of the world of work. Time and again, the government had to make policy shifts on labor and employment in order to cope, and Congress has enacted laws which modified, superseded, amended or simply rendered obsolete certain provisions in the Labor Code. Clearly, there is a need to come up with a labor code that is more responsive to the call of the times.

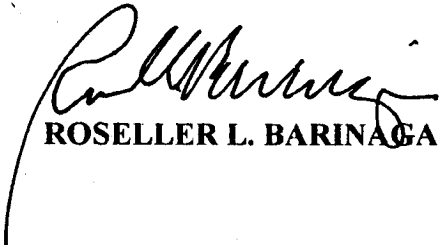
In re-filing this bill, it is hoped that we can come up with a new, re-invigorated and responsive labor code, guided by two basic elements. The first is that the new code must be amended in a way that will implement more fully the labor mandates expressed in our

fundamental law, the Philippine Constitution of 1987. It should fully protect the rights and promote the welfare of Filipino workers. Second, the new code should take into substantial account the International Labor Organization (ILO) Conventions and Recommendations, particularly those ratified by the Philippines. It should conform to international labor standards for the protection of workers.

Some of its salient points are:

1. It expressly declares labor only-contracting to be unlawful. It also provides certain conditions for the licensing of job contractors.
2. The right of a regular employee to security of tenure is more clearly defined.
3. It makes distinction between temporary employment and employment which is without a definite period.
4. It defines additional terms like "workers association" which has a bearing on how the informal sector can exercise the right to self-organization and industry-wide bargaining.
5. There are new provisions governing the cancellation of registration of a labor organization as well as grounds for such cancellation.
6. There are provisions aligning the right to strike with ILO standards and strengthening the early resolution of labor disputes.

In view of the foregoing, it is hoped that discussions on this bill could commence immediately, and that Congress can pass a new, and a more responsive and relevant Labor Code.



ROSELLER L. BARINAGA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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13th Congress
First Regular Session

HOUSE BILL NO. 1505

Introduced by Rep. Roseller L. Barinaga

**AN ACT
ESTABLISHING THE NEW LABOR CODE OF THE
PHILIPPINES AND FOR OTHER PURPOSES**

GENERAL PROVISIONS

1 **ARTICLE 1. Short Title.** – This Act shall be known as the “New Labor Code of
2 the Philippines.”

3 **ART. 2. Declaration of Policy.** - The State shall afford full protection to labor,
4 local and overseas, organized and unorganized. It shall promote full employment and
5 equality of employment opportunities for all. It shall guarantee the rights of all workers to
6 self-organization, collective bargaining and negotiations, and peaceful concerted
7 activities, including the right to strike in accordance with law. They shall be entitled
8 to security of tenure, humane conditions of work, and a living wage. The State shall
9 regulate the relations between workers and employers, recognizing the right of labor

NOTE: *This bill already contains the agreements made during the deliberation of various proposals on the Labor Code by the Committee on Labor and Employment during the 12th Congress. The said portions are indicated as follows:*

* *Approved in the deliberation of bills proposing a “New Labor Code.”*

** *Approved in the deliberation of bills seeking to only amend certain portions of the existing Labor Code (P.D. 442).*

1 to its just share in the fruits of production and right of enterprises to reasonable returns
2 on investments and to expansion and growth.

3 **ART. 3. *Construction in Favor of Labor.*** - All doubts in the implementation and
4 interpretation of the provisions of this Code, including its implementing rules and
5 regulations, shall be resolved in favor of labor.

6 **ART. 4. *Applicability.*** - All rights and benefits granted to workers under this
7 Code shall, except as may otherwise be provided herein, apply alike to all
8 workers, in the private sector. The terms and conditions of employment of all
9 government employees, including employees of government-owned and controlled
10 corporations with original charters shall be governed by the Civil Service Law, rules and
11 regulations.

BOOK ONE - PRE-EMPLOYMENT

Title I - RECRUITMENT AND PLACEMENT OF WORKERS

Chapter I GENERAL PROVISIONS

12 **ART. 5. *Statement of Objectives.*** - It is the policy of the State to:

13 (a) Promote and maintain a state of full employment through active industrial
14 policy, balanced agricultural development, unified human resources development and
15 enhanced employment facilitation assistance to job seekers;

16 (b) Protect every citizen desiring to work locally or overseas by securing for him
17 the best possible terms and conditions of employment;

1 (c) Facilitate a free choice of available employment by persons seeking work in
2 conformity with the national interest;

3 (d) Facilitate and regulate the movement of workers in conformity with the
4 national interest;

5 (e) Regulate the employment of aliens, including the establishment of a
6 registration and/or work permit system;

7 (f) Strengthen the network of public employment offices and rationalize the
8 participation of the private sector in the recruitment and placement of workers, locally
9 and overseas, to serve national development objectives;

10 (g) Insure careful selection of Filipino workers for overseas employment in
11 order to protect the good name of the Philippines abroad.

12 **ART. 6. Definitions.** - (a) "Workers" means any member of the labor force,
13 whether employed or unemployed.

14 (b) "Recruitment and placement" refers to any act of canvassing, enlisting,
15 contracting, transporting, utilizing, hiring or procuring workers, and includes referrals,
16 contract services, promising or advertising for employment, locally or abroad, whether
17 for profit or not: *Provided*, That any person or entity which, in any manner, offers or
18 promises for a fee employment to two or more persons shall be deemed engaged in
19 recruitment and placement.

20 (c) "Private employment agency" means any person or entity engaged in the
21 recruitment and placement of workers for a fee which is charged, directly or indirectly,
22 from the workers or employers or both.

23 (d) "Plan" means National Employment Plan.

1 (e) “Human resources development” means the development of the capacity of
2 the workers through technical and skills development.

3 (f) “Active industrial policy” means the promotion of rapid industrial growth for
4 job creation purposes.

5 **ART. 7. *Employment Promotion.*** - The Secretary of Labor and Employment, in
6 coordination with the Local Government units, shall have the power and authority to:

7 (a) Initiate, organize and maintain employment offices in addition to the existing
8 employment offices under the Department of Labor and Employment as the need arises;

9 (b) Organize and establish a nationwide job clearance and labor market
10 information system to inform applicants registering with a particular employment office
11 of job opportunities in other parts of the country as well as job opportunities abroad and
12 promote job and skills matching;

13 (c) Develop and organize a program that will facilitate occupational, industrial
14 and geographical mobility of labor and provide assistance in the relocation of workers
15 from one area to another;

16 (d) Require any person, establishment, organization or institution to submit such
17 employment information as may be prescribed by the Secretary of Labor and
18 Employment; and

19 (e) Formulate a National Employment Plan and recommend appropriate
20 employment policies, strategies and measures to maximize employment based on active
21 industrial policy, balanced agricultural development, unified human resource
22 development and enhanced employment facilitation assistance.

23 **ART. 8. *Bureau of Local Employment.*** -The Bureau of Local Employment
24 shall be primarily responsible for assisting the Secretary of Labor and Employment in

1 developing and monitoring a comprehensive national employment plan and its
2 implementing programs.

3 **ART. 9. *Private Recruitment.*** - Except as provided in Chapter II of this Title, no
4 person or entity, other than the public employment offices, shall engage in the
5 recruitment and placement of workers.

6 **ART. 10. *Philippine Overseas Employment Administration.*** - The Philippine
7 Overseas Employment Administration or POEA shall have the following powers and
8 functions:

9 1. To regulate private sector participation in the recruitment and overseas
10 placement of workers by setting up a licensing and registration system;

11 2. To formulate and implement, in coordination with appropriate entities
12 concerned, when necessary, a system for promoting and monitoring the overseas
13 employment of Filipino workers taking into consideration their welfare and the domestic
14 manpower requirements;

15 3. To protect the rights of Filipino workers for overseas employment to fair and
16 equitable recruitment and employment practices and ensure their welfare;

17 4. To exercise original and exclusive jurisdiction to hear and decide all claims
18 arising out of an employer-employee relationship or by virtue of any law or contract
19 involving Filipino workers for overseas employment including the disciplinary cases;
20 and all pre-employment cases which are administrative in character involving or arising
21 out of violation of requirement laws, rules and regulations, or violation of the conditions
22 for issuance of license or authority to recruit workers. All prohibited recruitment
23 activities and practices which are penal in character as enumerated and defined under and

1 by virtue of existing laws, shall be prosecuted in the regular courts in close coordination
2 with the appropriate departments and agencies concerned.

3 5. To maintain a registry of skills for overseas placements;

4 6. To recruit and place workers to service the requirement for trained and
5 competent Filipino workers by foreign governments and their instrumentalities and such
6 other employers as public interest may require consistent with Section 4 of Republic Act
7 No. 8042; *Provided*, That no Filipino worker shall be deployed to countries that have a
8 track record of violating the rights of migrant workers;

9 7. To promote the development of skills and careful selection of Filipino
10 workers for overseas employment;

11 8. To undertake overseas market development activities for placement of
12 Filipino workers;

13 9. To secure the best terms and conditions of employment of Filipino contract
14 workers and ensure compliance therewith;

15 10. To promote and protect the well-being of Filipino workers overseas;

16 11. To develop and implement programs for the effective monitoring of
17 returning contract workers, promoting their re-training and re-employment or their
18 smooth-re-integration into the mainstream of the national economy in coordination with
19 other government agencies;

20 12. To institute a system for ensuring fair and speedy disposition of cases
21 involving violation of recruitment rules and regulations as well as violation of terms and
22 conditions of overseas employment;

23 13. To establish a system for speedy and efficient enforcement of decisions laid
24 down through the exercise of its adjudicatory function;

1 14. To establish and maintain close relationship and enter into joint projects with
2 the Department of Foreign Affairs (DFA), Philippine Tourism Authority (PTA), Manila
3 International Airport Authority (MIAA), Department of Justice (DOJ), Department of
4 Budget and Management (DBM), and other relevant government entitles, in the pursuit
5 of its objectives. The administration shall also establish and maintain joint projects with
6 private organizations, domestic or foreign, in the furtherance of its objectives.

7 **ART. 11. *Ban on Direct-Hiring.*** - No employer may hire a Filipino worker for
8 overseas employment except through the boards and entities authorized by the Secretary
9 of Labor and Employment. Direct-hiring by members of the diplomatic corps,
10 international organizations and such other employers as may be allowed by the Secretary
11 of Labor is exempt from this provision.

12 **ART. 12. *National Seafarers Office.*** – A National Seafarers Office is hereby
13 created under the Philippine Overseas Employment Administration (POEA), which shall
14 have the following powers and functions:

15 1. To develop an integrated maritime manpower development and placement
16 program for Filipino seafarer here and overseas;

17 2. To develop, in coordination with other agencies involved in the maritime
18 industry, a one-stop shop for the licensing and deployment of Filipino seafarer.

19 **ART. 13. *Foreign Service Role and Participation.*** - To provide ample protection
20 to Filipino workers abroad, the labor attaches, the labor reporting officers duly designated
21 by the Secretary of Labor and Employment, and the Philippine diplomatic or consular
22 officials concerned shall, even without prior instruction or advice from the home office,
23 exercise the power and duty to:

- 1 (a) Provide all Filipino workers within their jurisdiction assistance on all matters
2 arising out of employment;
- 3 (b) Insure that Filipino workers are not exploited or discriminated against;
- 4 (c) Verify and certify as requisite to authentication that the terms and conditions
5 of employment in contracts involving Filipino workers are in accordance with the Labor
6 Code and rules and regulations of the POEA;
- 7 (d) Make continuing studies or researches and recommendations on the various
8 aspects of the employment market within their jurisdiction;
- 9 (e) Gather and analyze information on the employment situation and its probable
10 trends, and to make such information available; and
- 11 (f) Perform such other duties as may be required of them from time to time.

12 **ART. 14. *Mandatory Remittance of Foreign Exchange Earnings.*** - It shall be
13 mandatory for all Filipino workers abroad to remit a portion of their foreign exchange
14 earnings to their families, dependents and/or beneficiaries in the country in accordance
15 with rules and regulations prescribed by the Secretary of Labor and Employment.

16 **ART. 15. *Agencies to Issue Rules and Collect Fees.*** - The agencies involved in
17 the recruitment and placement of workers shall issue appropriate rules and regulations to
18 carry out their functions. They shall have the power to impose and collect fees from
19 employers concerned, which shall be deposited to the respective accounts of said
20 agencies and be used by them exclusively to promote their objectives.

Title I - RECRUITMENT AND PLACEMENT OF WORKERS

Chapter II REGULATION OF RECRUITMENT AND PLACEMENT ACTIVITIES

1 **ART. 16. Private Sector Participation in the Recruitment and Placement of**
2 **Workers.** - Pursuant to national development objectives and in order to harness and
3 maximize the use of private sector resources and initiative in the development and
4 implementation of a comprehensive employment program, the private employment sector
5 shall participate in the recruitment and placement of workers, locally and overseas, under
6 such guidelines, rules and regulations, as may be issued by the Secretary of Labor and
7 Employment.

8 **ART. 17. Travel Agencies Prohibited Recruiting.** - Travel agencies and sales
9 agencies of airline companies are prohibited from engaging in the business of recruitment
10 and placement of workers for overseas employment whether for profit or not.

11 **ART. 18. Citizenship Requirement.** - Only Filipino citizens or corporations,
12 partnerships or entities at least seventy-five percent (75%) of the authorized and voting
13 capital stock of which is owned and controlled by Filipino citizens shall be permitted to
14 participate in the recruitment and placement of workers, locally or overseas.

15 **ART. 19. Capitalization and Licensing.** - All applicants for authority to hire or
16 renewal of license to recruit are required to have such substantial capitalization and other
17 requirements as determined by the Secretary of Labor and Employment. No agency shall
18 be denied a license unless the said agency is unable to meet the required capitalization
19 and other conditions set by the Department of Labor and Employment (DOLE).

20 **ART. 20. Non-Transferability of License or Authority.** - No license or authority
21 shall be used directly or indirectly by any person other than the one in whose favor it was
22 issued at any place other than that stated in the license or authority, nor may such license
23 or authority be transferred, conveyed or assigned to any other person or entity. Any
24 transfer of business address, appointment or designation of any agent or representative

1 including the establishment of additional offices anywhere shall be subject to the prior
2 approval of the DOLE.

3 **ART. 21. *Registration Fees.*** - The Secretary of Labor and Employment shall
4 promulgate a schedule of fees for the registration of all applicants for license or authority.

5 **ART. 22. *Bonds.*** - All applicants for license or authority shall post such cash and
6 surety bonds as determined by the Secretary of Labor and Employment to guarantee
7 compliance with prescribed recruitment procedures, rules and regulations, and terms and
8 conditions of employment as may be appropriate.

9 **ART. 23. *Fees to be Paid by Workers.*** - Any person applying with a private fee
10 charging employment agency for employment assistance shall not be charged any fee
11 until he has obtained employment through his efforts or has actually commenced
12 employment. Such fee shall be always covered with appropriate receipt clearly showing
13 the amount paid. The Secretary of Labor and Employment shall promulgate a schedule of
14 allowable fees.

15 **ART. 24. *Reports on Employment Status.*** - Whenever the public interest so
16 requires, the Secretary of Labor may direct all persons or entities within the coverage of
17 this Title to submit a report on the status of employment, including job vacancies; details
18 of job requisitions, separation from jobs, wages, other terms and conditions, and other
19 employment data.

20 **ART. 25. *Prohibited Practices.*** - It shall be unlawful for any individual, entity,
21 licensee or holder of authority:

22 (a) To charge or accept directly or indirectly any amount greater than that
23 specified in the schedule of allowable fees prescribed by the Secretary of Labor and

1 Employment, or to make a worker pay any amount greater than that actually received by
2 him as a loan or advance;

3 (b) To furnish or publish any false notice or information or document in relation
4 to recruitment or employment;

5 (c) To give any false notice, testimony, information or document or commit any
6 act or misrepresentation for the purpose of securing a license or authority under this
7 Code;

8 (d) To induce or attempt to induce a worker already employed to quit his
9 employment in order to offer him to another unless the transfer is designed to liberate the
10 worker from oppressive terms and conditions of employment;

11 (e) To influence or to attempt to influence any person or entity not to employ any
12 worker who has not applied for employment through his agency;

13 (f) To engage in the recruitment or placement of workers in jobs harmful to public
14 health or morality or to the dignity of the Republic of the Philippines;

15 (g) To obstruct or attempt to obstruct inspection by the Secretary of Labor and
16 Employment or by his duly authorized representatives;

17 (h) To fail to file reports on the status of employment, placement vacancies,
18 remittance of foreign exchange earnings, separation from jobs, departures and such other
19 matters or information as may be required by the Secretary of Labor and Employment;

20 (i) To substitute or alter employment contracts approved and verified by the
21 Department of Labor and Employment from the time of actual signing thereof by the
22 parties up to and including the periods of expiration of the same without the approval of
23 the Secretary of Labor and Employment;

1 (j) To become an officer or member of the Board of any corporation engaged in
2 travel agency or to be engaged directly or indirectly in the management of a travel
3 agency;

4 (k) To withhold or deny travel documents from applicant workers before
5 departure for monetary or financial considerations other than those authorized under this
6 Code and its implementing rules and regulations

7 **ART. 26. *Suspension and/or Cancellation of License or Authority.*** - The
8 Secretary of Labor and Employment shall have the power to suspend or cancel and in
9 both instances impose a fine, any license or authority to recruit employees for overseas
10 employment for violation of rules and regulations issued by the Secretary of Labor and
11 Employment and the POEA or for violations of the provisions of this and other applicable
12 laws.

Title I - RECRUITMENT AND PLACEMENT OF WORKERS

Chapter III MISCELLANEOUS PROVISIONS

13 **ART. 27. *Regulatory Power.*** - The Secretary of Labor and Employment shall
14 have the power to restrict and regulate the recruitment and placement activities of all
15 agencies within the coverage of this Title and is hereby authorized to issue orders and
16 promulgate rules and regulations to carry out the objectives and implement the provisions
17 of this Title.

18 **ART. 28. *Visitorial Power.*** - The Secretary of Labor and Employment or his duly
19 authorized representatives may, at any time, inspect the premises, books of accounts and
20 records of any person or entity covered by this Title, require it to submit reports regularly
21 on prescribed forms, and act on violations of any provisions of this Title.

1 **ART. 29. *Illegal Recruitment.*** - (a) Any recruitment activities, including the
2 prohibited practices enumerated under Article 25 of this Code, to be undertaken by non-
3 licensees or non-holders of authority shall be deemed illegal and punishable under
4 Article 30 of this Code. The Department of Labor and Employment or any law
5 enforcement officer may initiate complaints under this Article.

6 (b) Illegal recruitment, when committed by a syndicate or in large scale shall
7 be considered an offense involving economic sabotage and shall be penalized in
8 accordance with Article 30 hereof. Illegal recruitment is deemed committed by a
9 syndicate if carried out by a group of three (3) or more persons conspiring and/or
10 confederating with one another in carrying out any unlawful or illegal transaction,
11 enterprises or scheme defined under the first paragraph hereof. Illegal recruitment is
12 deemed committed in large scale if committed against three (3) or more persons
13 individually or as a group.

14 (c) Victims of illegal recruitment shall automatically be covered by the
15 government's witness protection program.

16 (d) A criminal action arising from illegal recruitment as defined herein shall be
17 filed with the Regional Trial Court of the province or city where the offense was
18 committed or where the offended party actually resides at the time of the commission of
19 the offense: *Provided*, That the court where the criminal action is first filed shall acquire
20 jurisdiction to the exclusion of other courts: *Provided, however*, That the aforestated
21 provisions shall also apply to those criminal actions that have already been filed in court
22 at the time of the effectivity of this Act.

23 **ART. 30. *Penalties*** - (a) The penalty of life imprisonment and a fine of not less
24 than Two Hundred Thousand Pesos (₱200,000) nor more than Five Hundred Thousand

1 Pesos (P500,000) shall be imposed if illegal recruitment constitutes economic
2 sabotage as defined herein:

3 (b) Any license or holder of authority found violating or causing another to
4 violate any provision of this Title or its implementing rules and regulations shall, upon
5 conviction thereof, suffer the penalty of imprisonment of not less than two (2) years nor
6 more than five (5) years and a fine of not less than Twenty Thousand Pesos (₱20,000)
7 nor more than Two Hundred Thousand Pesos (₱200,000);

8 (c) Any person who is neither a licensee nor a holder of authority under this
9 Title found violating any provision thereof or its implementing rules and regulations
10 shall, upon conviction thereof, suffer the penalty of imprisonment of not less than four
11 (4) years nor more than eight (8) years and a fine of not less than Fifty Thousand
12 Pesos (₱50,000) nor more than Four Hundred Thousand Pesos (₱400,000);

13 (d) If the offender is a corporation, partnership, association or entity, the
14 penalty shall be imposed upon the officer or officers of the corporation,
15 partnership, association or entity responsible for violation; and if such officer is an
16 alien, he shall, in addition to the penalties herein prescribed, be deported without
17 further proceedings;

18 (e) In every case, conviction shall cause and carry the automatic revocation
19 of the license or authority and all the permits and privileges granted to such person or
20 entity under this Title, and the forfeiture of the cash and surety bonds in favor of the
21 DOLE which is authorized to use the same exclusively to promote its objectives.

Title II - EMPLOYMENT OF NON-RESIDENT ALIENS

1 **ART. 31. *Employment Permit of Non-Resident Aliens.*** - Any alien seeking
2 admission to the Philippines for employment purposes and any domestic or foreign
3 employer who desires to engage an alien for employment in the Philippines shall obtain
4 an employment permit from the DOLE. The employment permit may be issued to a non-
5 resident alien or to the applicant employer after a determination of the non-availability of
6 a person in the Philippines who is competent, able and willing at the time of application
7 to perform the services for which the alien is desired. For an enterprise registered in
8 preferred areas of investments, said employment permit may be issued upon
9 recommendation of the government agency charged with the supervision of said
10 registered enterprise.

11 **ART. 32. *Prohibition against Transfer of Employment.*** – (a) After the issuance
12 of employment permit, the alien shall not transfer to another job or change his employer
13 without prior approval of Secretary of Labor and Employment.

14 (b) Any non-resident alien who shall take up employment in violation of the
15 provision of this Title and its implementing rules and regulations shall be punished in
16 accordance with the provisions of Articles 306 and 307 of this Code. In addition, the
17 alien worker shall be subject to deportation after service of his sentence.

18 **ART. 33. *Submission of List.*** - Any employer employing non-resident foreign
19 nationals on the effective date of this Code shall submit a list of such nationals to the
20 Secretary of Labor and Employment within 30 days after such date indicating their
21 names, citizenship, foreign and local addresses, nature of employment and status of stay
22 in the country. The Secretary of Labor and Employment shall then determine if they are
23 entitled to an employment permit.

BOOK TWO
HUMAN RESOURCES DEVELOPMENT PROGRAM

Title I - TRAINING AND EMPLOYMENT OF SPECIAL WORKERS

Chapter I
APPRENTICES

1 **ART. 34. *Statement of Objectives.*** - This Title aims:

2 (1) To help meet the demand of the economy for trained manpower;

3 (2) To establish a national apprenticeship system that is competency- and
4 occupation-based, including an on- and off-the job training program through the
5 participation of employers, workers, and government;

6 (3) To establish apprenticeship standards for the protection of apprentices.

7 **ART. 35. *Definition of Terms*** – As used in this Title:

8 (a) “Apprenticeship” means enterprise-based practical training with compulsory
9 related theoretical instructions in or outside the enterprise involving a contract between
10 an apprentice and an enterprise on an approved apprenticeable occupation.

11 (b) An “apprentice” is a person undergoing training for an approved
12 apprenticeable occupation in an established period assured by an apprenticeship
13 agreement.

14 (d) “Apprenticeship agreement” is a contract wherein an enterprise binds itself to
15 train the apprentice who in turn accepts the terms of training for a recognized
16 apprenticeable occupation emphasizing the rights, duties and responsibilities of each
17 party.

18 (c) An “apprenticeable occupation” is an occupation promulgated by the TESDA
19 Board, with equal representation from firm owners, workers and training institutions, and

1 approved for apprenticeship by TESDA. The apprenticeable occupation requires a
2 minimum duration of four (4) months; *provided*, however, that the TESDA Board may
3 prescribe a longer training period depending on its approved occupational skills
4 standards.

5 (e) "Occupational Skills Standards" are written specifications setting out the
6 requirements of knowledge and skills with respect to a particular trade.

7 (f) "Occupational Skills Assessment" is a formal recognition of a worker's skills
8 qualification for a particular trade.

9 (g) "Apprenticeship fee" is a tax imposed on enterprises with the view in mind of
10 financing apprenticeship-training activities.

11 **ART. 36. *Qualifications of an Apprentice*** - To qualify as an apprentice, a person
12 shall:

13 (a) Be a high school graduate;

14 (b) Possess vocational aptitude and capacity for apprenticeship as established
15 through appropriate testing; and

16 (c) Possess the ability to comprehend and follow oral and written instructions.
17 Industry training boards, industry associations, and labor groups may recommend to the
18 TESDA appropriate educational requirements for different occupations.

19 **ART. 37. *Training of Apprentices*** - Registered enterprises may enter into
20 apprenticeship agreements or train apprentices in approved apprenticeable occupations.

21 **ART. 38. *Contents of Apprenticeship Agreements***. - Apprenticeship agreements
22 shall conform to the rules issued by the TESDA and shall include the following:

23 (a) Nature, and purpose of training;

24 (b) Curriculum and period of training;

1 (c) Prescribed training allowance which in no case shall start below 75% of the
2 applicable minimum wage;

3 (d) Schedule of training allowance payments;

4 (e) Training hours which shall not exceed the working hours of a regular
5 employee;

6 (f) Process of termination of apprenticeship; and

7 (g) General rights and obligations of both parties.

8 **ART. 39. *Signing of Apprenticeship Agreement*** – Every apprenticeship
9 agreement shall be signed by the employer or his agent, or by an authorized
10 representative of any of the recognized organizations, associations or groups and by the
11 apprentice. An apprenticeship agreement with a minor shall be signed in his behalf by his
12 parent or guardian or, if the latter is not available, by an authorized representative of the
13 DOLE, and the same shall be binding during its lifetime. Every apprenticeship agreement
14 entered into under this title shall be ratified by the Tripartite Apprenticeship Committee
15 which shall have equal representation consisting of two (2) from enterprise, two (2) from
16 workers, and one (1) from the government.

17 **ART. 40. *Apprenticeship Schemes*** – Registered enterprise, group or association,
18 industry organization or civic group wishing to organize the apprenticeship program, or a
19 would-be apprentice, may choose from any of the following apprenticeship schemes
20 which may use the dual training system approach:

21 (a) Apprenticeship involving a company and an identified training institution;

22 (b) Apprenticeship involving a group of companies and a training institution;

23 (c) Apprenticeship involving an industry training center and a company or a
24 group of companies;

1 (d) Other schemes to be established by the TESDA in consultation with industry
2 training boards, industry association and labor groups, and subject to the approval of the
3 TESDA Board.

4 **ART. 41. *Apprenticeship Administration*** - The overall policy for apprenticeship
5 shall be the function of the TESDA Board. The responsibility for apprenticeship
6 administration, monitoring and evaluation of on- and off-the-job training shall be the
7 concern of the TESDA secretariat, particularly the Office of Apprenticeship. The
8 identification and prioritization of apprenticeable occupations and the development of
9 standards and curricula shall be the responsibility of industry training boards, industry
10 associations and labor groups. The Tripartite Plant Apprenticeship Committees shall be
11 established in participating enterprises to ensure that program implementation is in
12 accordance with policies.

13 Any of the apprenticeship schemes recognized herein may be undertaken or
14 sponsored by an enterprise or by a group or association thereof, or by a civic
15 organization. Actual training of apprentices may be undertaken:

16 (a) In the premises of the sponsoring enterprise in the case of individual
17 apprenticeship programs;

18 (b) In the premises of one or several designated firms in the case of programs
19 sponsored by a group or association of enterprises or by civic organizations; or

20 (c) In a TESDA training center or other training institution.

21 **ART. 42. *Investigation of Violation of Apprenticeship Agreement*** - The
22 Tripartite Plant Apprenticeship Committee, upon complaint of any interested party or
23 *motu proprio*, shall have the initial responsibility for settling differences arising from
24 apprenticeship agreements. In case it is not able to settle such differences, the TESDA

1 Secretariat or its authorized representative shall investigate and render a decision
2 pursuant to pertinent rules and regulations.

3 **ART. 43. *Appeal to the TESDA Secretariat*** – The decision of the TESDA
4 Secretariat may be appealed by any aggrieved person to the TESDA Board within five (5)
5 days from receipt of the decision. The decision of the TESDA Board shall be final and
6 executory.

7 **ART. 44. *Exhaustion of Administrative Remedies***. - No person shall institute
8 any action for the enforcement of any apprenticeship agreement or damages for breach
9 of any such agreement, unless he has exhausted all available administrative remedies.

10 **ART. 45. *Aptitude Testing of Applicants*** – Consonant with the minimum
11 qualifications of the apprentice-applicants required under this Chapter, the employers or
12 entities with duly recognized apprenticeship programs shall have the primary
13 responsibility for providing appropriate aptitude tests in the selection of apprentices. If
14 they do not have adequate facilities for the purpose, the TESDA may perform the service
15 free of charge.

16 **ART. 46. *Responsibility for Theoretical Instruction***. – Supplementary
17 theoretical instruction to apprentices in cases where the program is undertaken in the
18 plant may be done by the employer. If the latter is not prepared to assume the
19 responsibility, the same may be delegated to an appropriate government agency.

20 **ART. 47. - *Voluntary Organization of Apprenticeship Program: Exemptions*** –

21 (a) The organization of apprenticeship programs shall be primarily a voluntary
22 undertaking of enterprises.

23 (b) When national security or particular requirements of economic development
24 so demand, the President of the Philippines may require compulsory training of

1 apprentices in certain trades, occupations, jobs or employment levels where shortage of
2 trained manpower is deemed critical as determined by the TESDA Board upon the
3 recommendation of its Secretariat.

4 (c) Where services of foreign technicians are utilized by private companies in
5 apprenticeable trades, such companies are required to set-up appropriate apprenticeship
6 programs.

7 **ART. 48. Apprenticeship Training Fund and Exemption.** -There shall be an
8 Apprenticeship-Training Fund which shall be derived from the apprenticeship fee paid by
9 every enterprise in industries employing apprenticeable trades. Workers who are
10 graduates of apprenticeship programs shall likewise pay a one-time apprenticeship fee
11 upon employment as contribution to the Apprenticeship Training Fund. The
12 apprenticeship fee rates and guidelines to be applied shall be approved by the TESDA
13 Board after a public hearing with the management and labor sectors. The fee shall be
14 collected and paid through the SSS and transferred to the Apprenticeship Training Fund
15 to be administered by the TESDA. The apprenticeship fee rate may be increased by the
16 TESDA Subject to the requirements of a public hearing.

17 The Apprenticeship Training Fund shall be deemed distinct and separate from the
18 TESDA Development Fund under Section 31 of Republic Act No. 7796 or the “TESDA
19 Law,” and as such, shall not be subject to its implementing rules and regulations. Such
20 Apprenticeship Fund may be used to defray expenses of the trainees in the institution or
21 training center as well as other expenses to be approved by the TESDA Board to improve
22 the implementation of the program.

1 An additional deduction from taxable income equivalent to fifty percent (50%) of
2 training expenses shall be granted to persons or enterprises organizing the program and
3 shall be exempted from:

4 (a) Paying the apprenticeship fee;

5 (b) Duty on all equipment dedicated to training; and

6 (c) VAT on locally purchased training equipment and materials.

7 *Provided.* That such program is duly recognized by the Department of Labor and
8 Employment: *Provided, further,* That such deduction shall not exceed ten percent (10%)
9 of direct labor wage. Micro-cottage and small enterprises or those with less than one
10 hundred (100) employees shall also be exempt from the payment of apprenticeship fee.

11 **ART. 49. *Exemption from Probationary Employment; System of Equivalency* -**

12 Certified apprenticeship graduates shall be exempted from probationary employment.
13 They shall be employed as regular workers if chosen to be retained by the Enterprise.
14 Apprenticeship graduates shall, likewise be awarded equivalent unit credits in the formal
15 system of education and that can be used in pursuing tertiary degree courses, subject to
16 the integrated policies and guidelines on equivalency and adult education acceleration
17 program of TESDA, Commission on Higher Education (CHED) and DepEd.

Title I - TRAINING AND EMPLOYMENT OF SPECIAL WORKERS

**Chapter II
LEARNERS**

18 **ART. 50. *Learners Defined.*** – Learners are persons hired as trainees in semi-
19 skilled and other industrial occupations which are non-apprenticeable. Learnership
20 programs must be approved by the TESDA.

1 **ART. 51. When Learners Maybe Hired.** - Learners may be employed when no
2 experienced workers are available, the employment of learners is necessary to prevent
3 curtailment of employment opportunities, provided, that the employment does not create
4 unfair competition in terms of labor costs or impair or lower working standards.
5 *Provided, further,* That the number of apprentices shall not exceed ten per cent (10%) of
6 the total workforce of the company.

7 **ART. 52. Learnership Agreement.** - Any employer/enterprise desiring to employ
8 learners shall enter into a learnership agreement with them, which agreement shall
9 include:

10 (a) The names and addresses of the learners;

11 (b) The duration of the learnership period, which shall not exceed three (3)
12 months;

13 (c) The training allowances of the learners which shall begin at not less than the
14 applicable minimum wage for a specific occupation and subject to tripartite consultation;

15 (d) A commitment to employ the learners, if they so desire, as regular employees
16 upon completion of the learnership. All learners who have been allowed or suffered to
17 work during the first two (2) months shall be deemed regular employees if training is
18 terminated by the employer before the end of the stipulated period through no fault of the
19 learner.

20 **ART. 53. Learners in Piece Work.** - Learners employed in piece or incentive
21 rate jobs during the training period shall be paid in full for the work done.

22 **ART. 54. Penalty Clause.** - Any violation of this Chapter or its implementing
23 rules and regulations shall be subject to the general penalty clause provided for in this
24 Code.

Title I - TRAINING AND EMPLOYMENT OF SPECIAL WORKERS

Chapter III HANDICAPPED WORKERS

1 **ART. 55. *Definition.*** - Handicapped workers are those whose earning capacity is
2 impaired by age or physical or mental deficiency or injury.

3 **ART. 56. *When Employable.*** – Handicapped workers may be employed when
4 their employment is necessary to prevent curtailment of employment opportunities and
5 when it does not create unfair competition in labor costs or impair or lower working
6 standards.

7 **ART. 57. *Employment Agreement.*** - Any employer who employs handicapped
8 workers shall enter into an employment agreement with them, which agreement shall
9 include:

- 10 (a) The names and addresses of the handicapped workers to be employed;
11 (b) The rate to be paid the handicapped workers which shall be not less than
12 seventy-five per cent (75%) of the applicable legal minimum wage;
13 (c) The duration of employment period; and
14 (d) The work to be performed by the handicapped workers.

15 The employment agreement shall be subject to inspection by the Secretary of
16 Labor and Employment or his duly authorized representatives.

17 **ART. 58. *Eligibility for Apprenticeship.*** Subject to the appropriate provisions of
18 this Code, handicapped workers may be hired as learners or undergo training as
19 apprentices if their handicap is not such as to effectively impede the performance of job
20 operations in the particular occupations for which they are hired.

Title I - TRAINING AND EMPLOYMENT OF SPECIAL WORKERS

Chapter IV OTHER TRAINING PROGRAMS

1 ****ART. 59. *Special Program for Employment of Students.*** – Any provision of
2 law to the contrary notwithstanding, any person or entity employing more than ten (10)
3 persons may employ poor but deserving students fifteen (15) years of age but not more
4 than twenty-five (25) years old, paying them a salary or wage not lower than the
5 minimum wage for private employers and the applicable hiring rate for the national and
6 local government agencies: *Provided, however,* That their employment shall not exceed
7 three (3) months. *Provided, further,* That students employed in activities related to their
8 course shall earn equivalent academic credits as may be determined by appropriate
9 government agencies.

10 For this purpose, poor but deserving students refers to those whose parents’
11 combined income, together with their own, if any, do not exceed the annual national
12 poverty threshold level for a family of six (6) for the preceding year as may be
13 determined by the National Statistics Coordination Board (NSCB). Employment
14 facilitation services for applicants to the program shall be done by the Public
15 Employment Service Office (PESO).

16 ****ART. 60. *Penalties.*** – Any person or entity who shall make any fraudulent or
17 fictitious claim under this Act, regardless of whether payment has been made, and any
18 person or entity who refuses to honor an education voucher, shall, upon conviction, be
19 punished with imprisonment of not less than six (6) months and not more than one (1)
20 year and a fine of not less than Ten Thousand Pesos (P10,000.00), without prejudice to

1 their prosecution and punishment for any other offense punishable under the Revised
2 Penal Code or any other penal statute.

BOOK THREE
CONDITIONS OF EMPLOYMENT

Title I - WORKING CONDITIONS AND REST PERIODS

Chapter I
HOURS OF WORK

3 **ART. 61. Coverage.** - The provision of this Title shall apply to employees,
4 whether regular or temporary as defined in Article 297, in all establishments and
5 undertakings, whether for profit or not, but not to government employees, managerial
6 employees, field personnel, immediate members of the family of the employer who are
7 dependent on him for support, domestic helpers, and persons in the personal service of
8 another.

9 As used herein, "managerial employees" refer to managers and supervisors as
10 defined in Article 227(w). "Field personnel" refer to non-agricultural employees who
11 regularly perform their duties away from the principal place of business or branch office
12 of the employer and whose actual hours of work in the field cannot be determined with
13 reasonable certainty. All employers, contractors and subcontractors, shall observe the
14 provisions of this book and are directly liable for their violations in accordance with Art.
15 92 of this Code.

16 **ART. 62. Normal Hours of Work.** - The normal hours of work of any employee
17 shall not exceed eight in a day. Health personnel in cities or municipalities with a

1 population of at least one million (1,000,000) or in hospitals or clinics with a bed
2 capacity of at least one hundred (100) shall hold regular office hours for eight (8) hours a
3 day, for five (5) days a week, exclusive of time for meals, except where the exigencies of
4 the service require that such personnel work for six (6) days or forty-eight (48) hours, in
5 which case they shall be entitled to an additional compensation of at least thirty (30%)
6 percent of their regular wage for work on the sixth day. For purposes of this Article,
7 "health personnel" shall include: resident physicians, nurses, nutritionists, dieticians,
8 pharmacists, social workers, laboratory technicians, paramedical technicians,
9 psychologists, midwives, attendants and all other hospital or clinic personnel.

10 **ART. 63. Hours Worked.** - Hours worked shall include (a) all time during which
11 an employee is required to be on duty or to be at a prescribed workplace; and (b) all time
12 during which an employee is suffered or permitted to work. Rest periods of short duration
13 during working hours shall be counted as hours worked.

14 **ART. 64. Meal Periods.** - Subject to such regulations as the Secretary of Labor
15 and Employment may prescribe, it shall be the duty of every employer to give his
16 employees not less than sixty minutes time-off for their regular meals.

17 **ART. 65. Night Shift Differential.** - Every employee shall be paid a night shift
18 differential of not less than ten percent (10%) of his regular wage for each hour of work
19 performed between ten o'clock in the evening and six o'clock in the morning.

20 **ART. 66. Overtime Work** - Work may be performed beyond eight (8) hours a day
21 provided that the employee is paid for the overtime work, an additional compensation
22 equivalent to his regular wage plus at least twenty-five percent (25%) thereof. Work
23 performed beyond eight hours on a holiday or rest day shall be paid an additional

1 compensation equivalent to the rate of the first eight hours on a holiday or rest day plus at
2 least thirty percent (30%) thereof.

3 **ART. 67. *Undertime not Offset by Overtime.*** - Uvertime work on any particular
4 day shall not be offset by overtime work on the same or any other day, except as
5 otherwise provided in a Collective Bargaining Agreement. Permission given to the
6 employee to go on leave on some other day of the week shall not exempt the employer
7 from paying the additional compensation required in this Chapter.

8 **ART. 68. *Emergency Overtime Work.*** - Any employee may be required by the
9 employer to perform overtime work in any of the following cases:

10 (a) When the country is at war or when any other national or local emergency has
11 been declared by Congress or the Chief Executive;

12 (b) When it is necessary to prevent loss of life or property or in case of imminent
13 danger to public safety due to an actual or impending emergency in the locality caused by
14 serious accidents, fire, flood, typhoon, earthquake, epidemic or other disaster or calamity;

15 (c) When there is urgent work to be performed on machines, installation or
16 equipment, in order to avoid serious loss or damage to the employer or some other cause
17 of similar nature;

18 (d) When the work is necessary to prevent loss or damage to perishable goods;

19 (e) Where the completion or continuation of the work started before the eight (8)
20 hour is necessary to prevent serious obstruction or prejudice to the business or operations
21 of the employer.

22 Any employee required to render overtime work under this Article shall be paid
23 the additional compensation required in this Chapter.

1 **ART. 69. *Computation of Additional Compensation.*** - For purposes of
2 computing overtime and other additional remuneration as required by this Chapter the
3 regular wage of an employee shall include the cash wage and the corresponding cash
4 equivalent of the facilities provided by the employer if the value of the same is deducted
5 from the salary of the employee or added to his salary as part of his regular wage.

Title I - WORKING CONDITIONS AND REST PERIODS

Chapter II WEEKLY REST PERIODS

6 **ART. 70. *Right to Weekly Rest Day.*** - (a) It shall be the duty of every employer,
7 whether operating for profit or not, to provide each of his employees a rest period of not
8 less than twenty-four consecutive hours after every six consecutive normal work days.

9 (b) The employer shall determine and schedule the weekly rest day of his
10 employees, subject to collective agreement and to such rules and regulations as the
11 Secretary of Labor and Employment may provide. However, the employer shall respect
12 the preference of employees as to their weekly rest day when such preference is based on
13 religious grounds.

14 **ART. 71. *When Employer May Require Work on a Rest Day.*** - The employer
15 may require his employees to work on any day:

16 (a) In case of actual or impending emergencies caused by serious accidents, fire,
17 flood, typhoon, earthquake, epidemic or other disaster or calamity to prevent loss of life
18 and property or imminent danger to public safety;

19 (b) In cases of urgent work to be performed on the machinery, equipment or
20 installation to avoid serious loss which the employer would otherwise suffer;

1 (c) In the event of abnormal pressure of work due to special circumstances, where
2 the employer cannot ordinarily be expected to resort to other measures;

3 (d) To prevent loss or damage to perishable goods;

4 (e) Where the nature of the work requires continuous operations and the stoppage
5 of work may result in irreparable injury or loss to the employer; and

6 (f) Under other circumstances analogous or similar to the foregoing as determined
7 by the Secretary of Labor and Employment.

8 **ART. 72. Compensation for Rest Day, Sunday or Holiday Work.** - (a) Where an
9 employee is made or permitted to work on his scheduled rest day, he shall be paid an
10 additional compensation of at least thirty percent (30%) of his regular wage. An
11 employee shall be entitled to such additional compensation for work performed on
12 Sunday only when it is his established rest day.

13 (b) When the nature of the work of the employee is such that he has no regular
14 workdays and no regular rest days can be scheduled, he shall be paid an additional
15 compensation of at least thirty percent (30%) of his regular wage for work performed on
16 Sundays and holidays.

17 (c) Work performed on any special holiday shall be paid an additional
18 compensation of at least thirty percent (30%) of the regular wage of the employee. Where
19 such holiday work falls on the employee's scheduled rest day, he shall be entitled to an
20 additional compensation of at least fifty percent (50%) of his regular wage.

21 (d) Where the collective bargaining agreement or other applicable employment
22 contract stipulates the payment of a higher premium pay than that prescribed under this
23 Article, the employer shall pay such higher rate.

Title I - WORKING CONDITIONS AND REST PERIODS

Chapter III HOLIDAYS, SERVICE INCENTIVE LEAVES AND SERVICE CHARGES

1 **ART. 73. *Right to Holiday.*** - (a) Every worker shall be paid his regular daily
2 wage during regular holidays, except in retail and service establishments regularly
3 employing less than (10) workers.

4 (b) The employer may require an employee to work on any holiday but such
5 employee shall be paid a compensation equivalent to twice his regular rate.

6 (c) As used in this Article, "holiday" includes: New Year's Day, Maundy
7 Thursday, Good Friday, the ninth of April, the first of May, the twelfth of June, the
8 last Sunday of August, the thirtieth of November, the twenty-fifth and the thirtieth of
9 December, and the day designated by law for holding a general election.

10 **ART. 74. *Right to 13th Month Pay.*** – (a) All employers are required to pay all
11 their rank and file employees regardless of the nature of the employment, a 13th-month
12 pay not later than December of every year. The provisions of Presidential Decree No.
13 851 shall apply.

14 (b) The provisions of Presidential Decree No. 1083 regarding payment of holiday
15 pay for days therein enumerated as Muslim holidays shall continue.

16 **ART. 75. *Right to Service Incentive Leave.*** – (a) Every employee who has
17 rendered at least one year of service shall be entitled to a yearly service incentive
18 leave of ten (10) days each with pay. Unused service incentive leave may be converted
19 to cash at the option of the employee.

20 (b) This provision shall not apply to those who are already enjoying the
21 benefit herein provided, those enjoying vacation leave with pay of at least ten (10)

1 days and those employed in establishments regularly employing less than ten (10)
2 employees or in establishments exempted from granting this benefit by the Secretary
3 of Labor and Employment after considering the viability or financial condition of such
4 establishment.

5 (c) The grant of benefit in excess of that provided herein shall not be
6 made a subject of arbitration or any court or administrative action.

7 **ART. 76. Right to Paternity Leave.** – Notwithstanding any law, rules and
8 regulations to the contrary, every married male employee in the private and public sectors
9 shall be entitled to a paternity leave of seven (7) days with full pay for the first four (4)
10 deliveries of the legitimate spouse with whom he is cohabiting. The male employee
11 applying for paternity leave shall notify his employer of the pregnancy of his legitimate
12 spouse and the expected date of such delivery. For purposes of this Act, delivery shall
13 include childbirth or any miscarriage.

14 ****ART. 77. Right to Family and Medical Leave** – (a) Any employee, regardless
15 of status, may apply for an unpaid family and medical leave of up to four (4) weeks when
16 his spouse, parent, or unmarried child suffers from serious illness: *Provided, however,*
17 That spouses working for the same employer when availing of this benefit shall only be
18 granted a combined total of four (4) weeks of unpaid leave. The employee may also apply
19 for the same if he himself is physically unable to perform his job due to serious illness.

20 (b) The leave application shall be accompanied by a notarized medical
21 certificate stating clearly the nature and extent of illness, and duly accomplished by a
22 licensed physician.

23 (c) The four-week leave may be availed of by the employee in parts but no
24 remainder thereof shall be carried over the succeeding year.

1 (d) Availment of this leave shall not diminish or affect whatever vested rights
2 and benefits the employee is already receiving under the law, collective bargaining
3 agreement or from the employer; *Provided*, That the employee who is already receiving a
4 similar unpaid leave benefit under the law or collective bargaining agreement shall only
5 be entitled to a maximum of four (4) weeks of unpaid leave benefit.

6 **ART. 78. Service charges.** - All service charges collected by hotels, restaurants
7 and similar establishments shall be distributed at the rate of eighty-five percent (85%) for
8 all covered employees and fifteen percent (15%) for management. The share of the
9 employees shall be equally distributed among them. In case the service charge is
10 abolished, the share of the covered employees shall be considered integrated into their
11 wages.

Title II - WAGES

Chapter I PRELIMINARY MATTERS

12 **ART 79. Definition.** - As used in this Title: (a) "Person" means an individual,
13 partnership, association, corporation, business trust, legal representative or any organized
14 group of persons.

15 (b) "Employer" includes any person acting directly or indirectly in the interest of
16 an employer in relation to an employee and shall include the Government and all its
17 branches, subdivisions and instrumentalities, all government-owned or controlled
18 corporations and institutions, as well as contractors and subcontractors and non-profit
19 private institutions or organizations.

20 (c) "Employee" includes any individual employed by an employer as defined in
21 the preceding paragraph.

1 (d) "Agriculture" includes farming in all its branches and among other things
2 includes the cultivation and tillage of soil, dairying, the production, cultivation, growing
3 and harvesting of any agricultural and horticultural commodities, the raising of livestock
4 or poultry, and any practices performed by a farmer on a farm as an incident to or in
5 conjunction with such farming operations, but does not include the manufacturing or
6 processing of sugar, coconuts, abaca, tobacco, pineapples or other farm products.

7 (e) "Employ" includes to suffer or permit to work.

8 (f) "Wage" paid to any employee shall mean the remuneration or earnings,
9 however designated, capable of being expressed in terms of money, whether fixed or
10 ascertained on a time, task, piece, or commission basis, or other method of calculating the
11 same, which is payable by an employer to an employee under a written or unwritten
12 contract of employment for work done or to be done or for services rendered or to be
13 rendered and includes the fair and reasonable value, as determined by the Secretary of
14 Labor, of board, lodging or other facilities customarily furnished by the employer to the
15 employee. "Fair and reasonable value" shall not include any profit to the employer or to
16 any person affiliated with the employer.

17 **ART. 80. *Application of Title.*** - This Title shall not apply to farm tenancy or
18 leasehold, domestic service and persons working in their respective homes in needlework
19 or in any cottage industry duly registered in accordance with law.

Title II - WAGES

Chapter II MINIMUM WAGE RATES

1 **ART. 81. *Regional Minimum Wages.*** - The minimum wage rates for agricultural
2 and non-agricultural employees and workers in each and every region of the country shall
3 be those prescribed by the Regional Tripartite Wages and Productivity Boards.

4 **ART. 82. *Prohibition against Elimination or Diminution of Benefits.*** - Nothing
5 in this Book shall be construed to eliminate or in any way diminish supplements, or other
6 employee benefits being enjoyed at the time of the promulgation of this Code.

7 **ART. 83. *Payment by Results.*** - The Secretary of Labor and Employment shall
8 regulate the payment of wages by results, including *pakyao*, piecework and other non-
9 time work, in order to ensure the payment of fair and reasonable wage rates, preferably
10 through time and motion studies or in consultation with representatives of workers' and
11 employers' organizations.

Title II – WAGES

Chapter III PAYMENT OF WAGES

12 **ART. 84. *Forms of Payment.*** - No employer shall pay the wages of an
13 employee by means of promissory notes, vouchers, coupons, tokens, tickets, chits or
14 any object other than legal tender, even when expressly requested by the employee.
15 Payment of wages by check or money order or through a bank, shall be allowed when
16 such manner of payment is customary or advisable, or is necessary because of special
17 circumstances as specified in appropriate regulations to be issued by the Secretary of
18 Labor and Employment or as stipulated in a collective bargaining agreement.

19 **ART. 85. *Time of Payment.*** - Wages shall be paid at least once every two (2)
20 weeks or twice a month at intervals not exceeding sixteen (16) days. If on account of
21 *force majeure* or circumstances beyond the employer's control, payment of wages on or

1 within the time herein provided cannot be made, the employer shall pay the wages
2 immediately after such *force majeure* or circumstances have ceased. No employer shall
3 make payment with less frequency than once a month.

4 The payment of wages of employees engaged to perform a task which cannot be
5 completed in two weeks shall be subject to the following conditions in the absence of a
6 collective bargaining agreement or arbitration award:

7 (1) That payments are made at intervals not exceeding sixteen days, in proportion
8 to the amount of work completed; and

9 (2) That final settlement is made upon completion of the work.

10 **ART. 86. Place of Payment.** - Payment of wages shall be made at or near the
11 place of undertaking, except as otherwise provided by such regulations as the Secretary
12 of Labor and Employment may prescribe under conditions to ensure greater protection of
13 wages.

14 **ART. 87. Direct Payment of Wages.** - Wages shall be paid directly to the workers
15 to whom they are due, except:

16 (a) In cases of *force majeure* rendering such payments impossible or under other
17 special circumstances to be determined by the Secretary of Labor and Employment in
18 appropriate regulations, in which case the worker may be paid through another person
19 under written authority given by the worker for the purpose; or

20 (b) Where the worker has died, in which case the employer may pay the wages of
21 the deceased worker to the heirs of the latter without the necessity of intestate
22 proceedings. The claimant, if they are all of age, shall execute an affidavit attesting to
23 their relationship to the deceased and the fact that they are his heirs, to the exclusion of
24 all other persons. If any of the heirs is a minor, the affidavit shall be executed on his

1 behalf by his natural guardian or next of kin. The affidavit shall be presented to the
2 employer who shall make payment through the Secretary of Labor and Employment or
3 his representative. The representative of the Secretary of Labor and Employment shall act
4 as referee in dividing the amount paid among the heirs. The payment of wages under this
5 Article shall absolve the employer of any further liability with respect to the amount paid.

6 **ART. 88. Contractor or Subcontractor.** - Whenever an employer enters into a
7 contract with another person for the performance of the former's work, the employees of
8 the contractor and of the latter's subcontractor, if any, shall be paid in accordance
9 with the provisions of this Code. In the event that the contractor or subcontractor fails
10 to pay the wages of his employees in accordance with this Code, the employer shall be
11 jointly and severally liable with his contractor or subcontractor to such employees to
12 the extent of the work performed under the contract, in the same manner and extent that
13 he is liable to employees directly employed by him.

14 "Labor-only" contracting is hereby declared unlawful. For this purpose, labor-
15 only contracting shall refer to an arrangement where the contractor or subcontractor
16 merely recruits, supplies or places workers to perform a job, work or service for a
17 principal, and any of the following elements are present:

18 (1) The contractor or subcontractor does not have substantial capital or investment
19 which relates to the job, work or service to be performed and the employees recruited,
20 supplied or placed by such contractor or subcontractor are performing activities which are
21 directly related to the main business of the principal: or

22 (2) The contractor does not exercise the right to control the performance of the
23 work of the contractual employee.

1 The foregoing provisions shall be without prejudice to the application of Article
2 264(c) of this Code.

3 “Substantial capital or investment” refers to capital stocks and subscribed
4 capitalization in the case of corporations, tools, equipment, implements, machineries and
5 work premises, actually and directly used by the contractor or subcontractor in the
6 performance or completion of the job, work or service contracted out. The “right to
7 control” shall refer to the right reserved to the person for whom the services of the
8 contractual workers are performed, to determine not only the end to be achieved, but also
9 the manner and means to be used in reaching that end.

10 **ART. 89. *Licensing of Job Contractors.*** - The Secretary of Labor and
11 Employment through the Regional Office shall issue qualified applicants the job
12 contractor's license in accordance with guidelines prescribed for the purpose. The
13 applicant must be a Filipino citizen or a corporation of which one hundred percent
14 (100%) of authorized and voting capital is owned and controlled by Filipino citizens, a
15 partnership, cooperative, craft union or any other entity. Such a contractor shall,
16 likewise, comply with the requirements of other government authorities.

17 **ART. 90. *Indirect Employer.*** - The provisions of the immediately preceding
18 Article shall likewise apply to any person, partnership, association or corporation which,
19 not being an employer, contracts with an independent contractor for the performance of
20 any work, task, job or project.

21 **ART. 91. *Posting of Bond.*** - An employer or indirect employer may require the
22 contractor or sub-contractor to furnish a bond equal to the cost of labor under contract, on
23 condition that the bond will answer for the wages due the employees should the
24 contractor or sub-contractor, as the case may be, fail to pay the same.

1 **ART. 92. *Solidary Liability.*** - The provisions of existing laws to the contrary
2 notwithstanding, every employer or indirect employer shall be held responsible with his
3 contractor or subcontractor for any violation of any provision of this Code.

4 For purposes of determining the extent of their civil liability under this Chapter,
5 they shall be considered as direct employers if the contractor or subcontractor is not
6 authorized by the Secretary of Labor and Employment or his duly authorized
7 representative to undertake contracting activities.

8 **ART. 93. *Worker Preference in Case of Closure.*** - In the event of
9 bankruptcy, liquidation, closure or cessation of operations of an employer's business, his
10 workers shall enjoy first and absolute preference as regards their wages and other
11 monetary claims, any provision of law to the contrary notwithstanding. Such unpaid
12 wages and monetary claims shall be paid in full before claims of the government and
13 other creditors may be paid.

14 **ART. 94. *Attorney's Fees.*** - (a) In cases of unlawful withholding of wages the
15 culpable party may be assessed attorney's fees equivalent to ten percent of the amount of
16 wages recovered.

17 (b) It shall be unlawful for any person to demand or accept, in any judicial or
18 administrative proceedings for the recovery of the wages, attorney's fees which exceed
19 ten percent of the amount of wages recovered.

Title II – WAGES

Chapter IV PROHIBITIONS REGARDING WAGES

20 **ART. 95. *Non-Interference in Disposal of Wages.*** - No employer shall limit or
21 otherwise interfere with the freedom of any employee to dispose of his wages. He shall

1 not in any manner force, compel or oblige his employees to purchase merchandise,
2 commodities or other property from the employer or from any other person or otherwise
3 make use of any store or services of such employer or any other person.

4 **ART. 96. *Wage Deduction.*** - No employer, in his own behalf or in behalf of any
5 person, shall make any deduction from the wages of his employees except:

6 (a) In cases where the worker is insured with his consent by the employer, and the
7 deduction is to recompense the employer for the amount paid by him as premium on the
8 insurance;

9 (b) For union dues, in cases where the right of the worker or his union to check
10 off has been recognized by the employer or authorized in writing by the individual
11 worker concerned; and

12 (c) In cases where the employer is authorized by law or regulations issued by the
13 Secretary of Labor and Employment.

14 **ART. 97. *Deposits for Loss or Damage.*** - No employer shall require his worker
15 to make deposits from which deduction shall be made, for the reimbursement of loss of or
16 damage to tools, materials or equipment supplied by the employer, except when the
17 employer is engaged in such trades, occupations or business where the practice of making
18 deductions or requiring deposits is a recognized one, or is necessary or desirable as
19 determined by the Secretary of Labor and Employment in appropriate rules and
20 regulations.

21 **ART. 98. *Limitations.*** - No deduction from the deposits of an employee for the
22 actual amount of the loss or damage shall be made unless the employee has been heard
23 thereon, and his responsibility has been clearly shown.

1 **ART. 99. *Withholding of Wages and Kickbacks Prohibited.*** - It shall be
2 unlawful for any person, directly or indirectly, to withhold any amount from the wages of
3 a worker or induce him to give up any part of his wages by force, stealth, intimidation,
4 threat or by any other means whatsoever without the worker's consent.

5 **ART. 100. *Deduction to Ensure Employment.*** - It shall be unlawful to make any
6 deduction from the wages of any employee for the benefit of the employer or his
7 representative or intermediary as consideration of a promise of employment or retention
8 in employment.

9 **ART. 101. *Retaliatory Measures.*** - It shall be unlawful for an employer to refuse
10 to pay or reduce the wages and benefits, discharge or in any manner discriminate against
11 any employee who has filed any complaint or instituted any proceeding under this Title
12 or has testified or is about to testify in such proceedings.

13 **ART. 102. *False Reporting.*** - It shall be unlawful for any person to make any
14 statement, report or record filed or kept pursuant to the provisions of this Code knowing
15 such statement, report or record to be false in any material respect.

Title II - WAGES

Chapter V WAGE STUDIES, WAGE AGREEMENTS AND WAGE DETERMINATION

16 **ART. 103. *Creation of the National Wages and Productivity Commission.*** –
17 There is hereby created a National Wages and Productivity Commission, hereinafter
18 referred to as the Commission, which shall be attached to the Department of
19 Labor and Employment for policy and program coordination. The Commission shall be
20 composed of three (3) representatives each from the government, the workers' and the

1 employers' sectors. The Secretary of Labor and Employment and the Director-General
2 of the National Economic and Development Authority (NEDA) shall serve as the ex-
3 officio Chairman and ex-officio Vice-Chairman respectively. The three (3)
4 representatives each from workers and employers sectors shall be appointed by the
5 President of the Philippines upon recommendation of the Secretary of Labor and
6 Employment on the basis of the list of nominees submitted by the workers and
7 employers sectors, respectively, and shall serve for a term of six (6) years. They
8 shall receive a per diem of not less than Five Hundred Pesos (₱500.00) for each meeting
9 actually attended, exclusive of actual, ordinary and necessary travel and representation
10 expenses.

11 The Commission shall be assisted by a secretariat to be headed by an Executive
12 Director and two (2) Deputy Directors, who shall be appointed by the President of the
13 Philippines, upon the recommendation of the Secretary of Labor and Employment. The
14 executive director shall have the same rank, salary, benefits and other emoluments as
15 that of a department assistant secretary, while the deputy directors shall have the same
16 rank, salary, benefits and other emoluments as that of a bureau director. The members
17 of the Commission representing labor and management shall have the same rank,
18 emoluments, allowances and other benefits as those prescribed by law for labor and
19 management representatives in the Employees' Protection and Rehabilitation
20 Commission.

21 **ART. 104. Powers and Functions of the Commission.** - The Commission shall
22 have the following powers and functions:

23 (a) To act as the national consultative and advisory body to the President of the
24 Philippines and Congress on matters relating to wages, incomes and productivity;

1 (b) To formulate policies and guidelines on wages, incomes and productivity
2 improvement at the enterprise, industry and national levels;

3 (c) To prescribe rules and guidelines for the determination of appropriate
4 minimum wage and productivity measures at the regional, provincial or industry levels;

5 (d) To review regional wage levels set by the Regional Tripartite Wages and
6 Productivity Boards to determine if these are in accordance with prescribed guidelines
7 and national development plans;

8 (e) To undertake studies, researches and surveys necessary for the attainment of
9 its functions and objectives, and to collect and compile data and periodically disseminate
10 information on wages and productivity and other related information, including, but not
11 limited to, employment, cost-of-living, labor costs, investments and returns;

12 (f) To review plans and programs of the Regional Tripartite Wages and
13 Productivity Boards to determine whether these are consistent with national development
14 plans;

15 (g) To exercise technical and administrative supervision over the Regional
16 Tripartite Wages and Productivity Boards;

17 (h) To call, from time to time, a national tripartite conference of representatives of
18 government, workers, and employers for the consideration of measures to promote wage
19 rationalization and productivity; and

20 (i) To exercise such powers and functions as may be necessary to implement this
21 Act.

22 **ART. 105. *Creation of Regional Tripartite Wages and Productivity Boards.* -**

23 There is hereby created Regional Tripartite Wages and Productivity Boards, hereinafter
24 referred to as Regional Boards in all regions, including autonomous regions as may be

1 established by law. The Commission shall determine the offices/headquarters of the
2 respective Regional Boards.

3 The Regional Boards shall have the following powers and functions in their
4 respective territorial jurisdiction:

5 (a) To develop plans, programs and projects relative to wages, incomes and
6 productivity improvement for their respective regions;

7 (b) To determine and fix minimum wage rates applicable in their respective
8 regions, provinces or industries therein and to issue the corresponding wage orders,
9 subject to guidelines issued by the Commission;

10 (c) To undertake studies, researches, and surveys necessary for the attainment of
11 their functions, objectives and programs and to collect and compile data on wages,
12 incomes, productivity and other related information and periodically disseminate the
13 same;

14 (d) To coordinate with the other Regional Boards as may be necessary to attain
15 the policy and intention of this Code;

16 (e) To receive, process and act on applications for exemption from prescribed
17 wage rates as may be provided by law or any wage order; and

18 (f) To exercise such other powers and functions as may be necessary to carry out
19 their mandate under this Code.

20 Implementation of the plans, programs and projects of the Regional Boards
21 referred to in the second paragraph, letter (a) of this Article, shall be through the
22 respective regional offices of the Department of Labor and Employment within their
23 territorial jurisdiction; *Provided, however,* That the Regional Boards shall have technical

1 supervision over the regional office of the DOLE with respect to the implementation of
2 said plans, programs and projects.

3 Each Regional Board shall be composed of the Regional Director of the
4 Department of Labor and Employment as Chairman, the Regional Directors of the
5 National Economic and Development Authority and Department of Trade and Industry as
6 Vice-Chairmen and three (3) members each from workers and employers sectors who
7 shall be appointed by the President of the Philippines, upon recommendation of the
8 Secretary of Labor and Employment, to be made on the basis of the list of nominees
9 submitted by the workers and employers sectors, respectively, and who shall serve for a
10 term of three (3) years. Each Regional Board to be headed by its Chairman shall be
11 assisted by a secretariat. The members of the Board shall receive a per diem of not less
12 than Five Hundred Pesos (₱500.00) for each meeting actually attended, exclusive of
13 actual, ordinary and necessary travel and representation expenses.

14 **ART. 106. Wage Order.** - Whenever conditions in the region so warrant, the
15 Regional Board at its own initiative or at the instance of the workers by a petition shall
16 investigate and study all pertinent facts; and based on the standards and criteria herein
17 prescribed, shall proceed to determine whether a wage order should be issued. Any
18 such minimum wage order shall take effect after fifteen (15) days from its complete
19 publication in at least one (1) newspaper of general circulation in the region.

20 In the performance of its wage-determining functions, the Regional Board shall
21 conduct public hearings/consultations, giving notices to employees' and employers'
22 groups, provincial, city and municipal officials and other interested parties. Any party
23 aggrieved by the Wage Order issued by the Regional Board may appeal such order to
24 the Commission within ten (10) calendar days from the publication of such order. It shall

1 be mandatory for the Commission to decide such appeal within sixty (60) calendar days
2 from the filing thereof.

3 The filing of the appeal does not stay the order unless the person appealing
4 such order shall file with the Commission an undertaking with a surety or sureties
5 satisfactory to the Commission for the payment to the employees affected by the
6 order of the corresponding increase, in the event such order is affirmed.

7 **ART. 107. Standards /Criteria for Minimum Wage Fixing.** - The regional
8 minimum wages to be established by the Regional Board shall be as nearly adequate as
9 is economically feasible to maintain the minimum standards of living necessary for
10 the health, efficiency and general well-being of the employees within the framework
11 of the national economic and social development program. In the determination of such
12 regional minimum wages, the Regional Board shall, among other relevant factors,
13 consider the following:

- 14 (a) The demand for living wages;
- 15 (b) Wage adjustment *vis-a-vis* the consumer price index;
- 16 (c) The cost of living and changes or increases therein;
- 17 (d) The needs of workers and their families;
- 18 (e) The need to induce industries to invest in the countryside;
- 19 (f) Improvements in standards of living;
- 20 (g) The prevailing wage levels;
- 21 (h) Fair return of the capital invested and capacity to pay of employers;
- 22 (i) Effects on employment generation and family income;
- 23 (j) The equitable distribution of income and wealth along the imperatives of
24 economic and social development; and

1 (k) Productivity

2 The wages prescribed in accordance with the provisions of this Title shall serve as
3 reference rate for wage bargaining in establishments in every region. These wages shall
4 include wages varying within industries, provinces or localities if in the judgment of the
5 Regional Board conditions make such local differentiation proper and necessary to
6 effectuate the purpose of this Title.

7 Any person, company, corporation, partnership or any other entity engaged in
8 business shall file and register annually with the appropriate Regional Board,
9 Commission and the National Statistics Office an itemized listing of their labor
10 component, specifying the names of their workers and employees below the
11 managerial level, including learners and disabled/ handicapped workers who were
12 hired under the terms prescribed in the employment contracts, and their corresponding
13 salaries and wages.

14 Where the application of any prescribed wage increase by virtue of a law or
15 Wage order issued by any Regional Board results in distortions of the wage structure
16 within an establishment, the employer and the union shall negotiate to correct the
17 distortions. Any dispute arising from wage distortions shall be resolved through the
18 grievance procedure under their collective bargaining agreement and, if it remains
19 unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in
20 writing, such dispute shall be decided by the voluntary arbitrator or panel of voluntary
21 arbitrators within ten (10) calendar days from the time said dispute was referred to
22 voluntary arbitration.

23 In cases where there are no collective agreements or recognized labor unions, the
24 employers and workers shall endeavor to correct such distortions. Any dispute arising

1 therefrom shall be settled through the National Conciliation and Mediation Board
2 and, if it remains unresolved after ten (10) calendar days of conciliation, shall be
3 referred to the appropriate branch of the National Labor Relations Commission
4 (NLRC).

5 It shall be mandatory for the NLRC to conduct continuous hearings and decide
6 the dispute within twenty (20) calendar days from the time said dispute is submitted for
7 compulsory arbitration. The pendency of a dispute arising from a wage distortion shall
8 not in any way delay the applicability of any increase in prescribed wage rates
9 pursuant to the provisions of law or Wage Order.

10 As used herein, a wage distortion shall mean a situation where an increase in
11 prescribed wage rates results in the elimination or severe contraction of intentional
12 quantitative differences in wage or salary rates between and among employee groups in
13 an establishment as to effectively obliterate the distinctions embodied in such wage
14 structure based on skills, length of service, or other logical bases of differentiation. All
15 workers paid by result, including those who are paid on piecework, takay, *pakyaw* or task
16 basis, shall receive the wage rates prescribed in an Order from the Department of Labor
17 and Employment approving the payment-by-result plan. In the absence of such approval,
18 the employee shall receive not less than the legal minimum wage per eight (8) hours of
19 work a day, or a proportion thereof for working less than eight (8) hours. All recognized
20 learnership and apprenticeship agreements shall be considered automatically modified
21 insofar as their wage clauses are concerned to reflect the prescribed wage rates.

22 **ART. 108. Freedom to Bargain.** - No wage order shall be construed to prevent
23 workers in particular firms or enterprises of industries from bargaining for higher wages
24 with their respective employer.

1 **ART. 109. *Prohibition against Injunction.*** - No preliminary or permanent
2 injunction or temporary restraining order may be issued by any court, tribunal or other
3 entity against any proceedings before the Commission or the Regional Boards.

4 **ART. 110. *Non-diminution of Benefits.*** - No wage order issued by any Regional
5 Board shall provide for wage rates lower than the statutory minimum wage rates
6 prescribed by Congress.

Title II - WAGES

Chapter VI ADMINISTRATION AND ENFORCEMENT

7 **ART. 111. *Visitorial and Enforcement Power.*** - (a) The Secretary of Labor and
8 Employment or his duly authorized representatives, including labor regulation
9 officers, shall have access to employers' records and premises at any time of the day or
10 night whenever work is being undertaken therein, and the right to copy therefrom, to
11 question any employee and investigate any fact, condition or matter which may be
12 necessary to determine violations or which may aid in the enforcement of this Code
13 and of any labor law, wage order or rules and regulations issued pursuant thereto.

14 (b) In cases where the relationship of employer-employee still exists, the
15 Secretary of Labor and Employment or his duly authorized representatives shall have
16 the power to issue compliance orders, after the parties are given the opportunity to
17 present their sides, to give effect to the labor standards provisions of this Code and other
18 labor legislations regardless of the amount involved based on the findings of labor
19 regulation officers or industrial safety engineers made in the course of inspection. The
20 Secretary or his duly authorized representatives shall issue writs of execution to the
21 appropriate authority for the enforcement of their orders, except in cases where the

1 employer contests the findings of the labor regulation officer and raises issues
2 supported by documentary proofs which were not considered in the course of inspection.

3 (c) The Secretary of Labor and Employment may likewise order stoppage of
4 work or suspension of operations of any unit or department of an establishment
5 when non-compliance with the law or implementing rules and regulations poses
6 grave and imminent danger to the health and safety of workers in the workplace.
7 Within twenty-four hours, a hearing shall be conducted to determine whether an
8 order for the stoppage of work or suspension of operations shall be lifted or not.
9 In case the violation is attributable to the fault of the employer, he shall pay the
10 employees concerned their salaries or wages during the period of such stoppage of
11 work or suspension of operation.

12 (d) It shall be unlawful for any person or entity to obstruct, impede, delay or
13 otherwise render ineffective the visitorial and enforcement powers or orders of the
14 Secretary of Labor or his duly authorized representatives issued pursuant to the
15 authority granted under this article, and no inferior court or entity shall issue temporary
16 or permanent injunction or restraining order or otherwise assume jurisdiction over any
17 case involving the enforcement orders issued in accordance with this article.

18 (e) Any government employee found guilty of violation of, or abuse of
19 authority, under this Article shall after appropriate administrative investigation, be
20 subject to summary dismissal from the service.

21 (f) The Secretary of Labor and Employment may, by appropriate regulations
22 require employers to keep and maintain such employment records as may be
23 necessary in aid of his visitorial and enforcement powers under this Code.

1 **ART. 112. Recovery of Wages, Simple Money Claims and Other Benefits. -**

2 Upon complaint of any interested party, the Regional Director of the DOLE or any of the
3 duly authorized hearing officers of the Department is empowered, through summary
4 proceeding and after due notice, to hear and decide any matter involving the recovery of
5 wages and other monetary claims and benefits, including legal interest, owing to an
6 employee or person employed in domestic or household service or househelper under this
7 Code, arising from employer-employee relations: *Provided*, That such complaint does not
8 include a claim for reinstatement: *Provided, further*, That the aggregate money claims of
9 each employee or househelper do not exceed Fifty Thousand Pesos (₱50,000).

10 The Regional Director or hearing officer shall decide or resolve the complaint
11 within thirty (30) calendar days from the date of the filing of the same. Any sum thus
12 recovered on behalf of any employee or househelper pursuant to this Article shall be held
13 in a special deposit account by, and shall be paid, on order of the Secretary of Labor and
14 Employment or the Regional Director directly to the employee or househelper concerned.
15 Any such sum not paid to the employee or househelper, because he cannot be located
16 after diligent and reasonable effort to locate him within a period of three (3) years, shall
17 be held as a special fund of the DOLE to be used exclusively for the amelioration and
18 benefit of workers.

19 Any decision or resolution of the Regional Director or hearing officer pursuant to
20 this provision may be appealed on the same grounds provided in Article 237 of this Code,
21 within five (5) calendar days from receipt of a copy of said decision or resolution, to the
22 National Labor Relations Commission which shall resolve the appeal within ten (10)
23 calendar days from the submission of the last pleading required or allowed under its
24 rules.

1 The Secretary of Labor and Employment or his duly authorized representative
2 may supervise the payment of unpaid wages and other monetary claims and benefits,
3 including legal interest, found owing to any employee or househelper under this Code.

Title III

CONTENTS OF PRODUCTIVITY AND PERFORMANCE INCENTIVES AND GAINSHARING PROGRAM

Chapter I

POLICY AND DEFINITION

4 ****ART. 113. *Policy*** – It is the declared policy of the state to encourage higher
5 levels of productivity, recognizing the complex challenges of globalization, in order that
6 Philippine products and services can meet global competition, maintain industrial peace
7 and harmony and promote the principles of partnership and shared responsibility in the
8 relations between workers and employers so as to strengthen the cooperation between
9 labor and capital, and further recognizing the right of labor to its share in the fruits of
10 production and the right of business enterprises to reasonable return on investment and to
11 expansion and growth, and accordingly to provide corresponding incentives to both labor
12 and capital for undertaking voluntary programs that ensure workers with a just share in
13 the fruits of their labor in relation to the profit yielded to the employer as a result of
14 increased productivity and, thus, enhance the quality of life of the workers and
15 employees.

16 ****ART. 114. *Definition of Terms*** – As used herein: (a) “Business Enterprise” –
17 refers to industrial, agricultural or agro-industrial establishments engaged in the
18 production, manufacturing, processing, repacking or assembly of goods, including
19 service-oriented enterprises that are established and operated for profit or gain.

1 (b)“Labor-Management Committee” – refers to a negotiating body in a business
2 enterprise composed of the representatives of labor and management created to establish
3 a productivity and performance incentives and gainsharing program, and to settle disputes
4 arising therefrom in accordance with section 9 hereof.

5 (c) “Productivity and Performance Incentives Program” - refers to a formal
6 agreement voluntary established by a joint labor-management committee or any existing
7 labor-management mechanism containing a productivity and performance improvement
8 program that will promote gainful employment, improve working conditions, attain and
9 maintain industrial peace and result in increased productivity and efficiency. Including
10 cost savings, as well as a gainsharing program whereby the employer and the workers
11 share in the positive results of business operation brought about by improvement in
12 productivity. The agreement shall be ratified by at least a majority of the employees who
13 have rendered at least six (6) months of continuous service. In case the joint labor-
14 management committee makes fundamental changes in the program, the employees shall
15 likewise ratify such changes.

16 (d) “Gainsharing” - refers to a reward system formulated to complement the
17 productivity and performance incentives program designed to improve the productivity
18 performance of the organization. The gainsharing system to be adopted by business
19 enterprises may take the form of profit sharing or other forms of gainsharing mechanisms
20 such as productivity bonus, performance bonus, production bonus, employee stock option
21 plan, among others.

Chapter II

COVERAGE

1 ****ART. 115. Coverage**– This title shall apply to all business enterprises with or
2 without existing and duly recognized collective bargaining representatives, including
3 government-owned and controlled corporations performing proprietary functions. It shall
4 cover all employees and workers regardless of their designation or status and irrespective
5 of the manner and mode by which their wages are paid.

Chapter III
CONTENTS OF PRODUCTIVITY AND PERFORMANCE INCENTIVES AND
GAINSHARING PROGRAM

6 ****ART. 116. Productivity and Performance Incentives and Gainsharing**
7 *Program* – (a) The productivity and performance incentives program shall contain
8 provisions for measuring productivity, performance and efficiency improvements, the
9 gainsharing or reward system adopted in sharing productivity bonuses, coverage,
10 percentage sharing, and forms of bonus payment in accordance with the terms and
11 conditions that may be agreed upon by labor and management: *Provided*, That the
12 productivity bonus shall be distributed at least once a year, or such frequency as may be
13 determine by the parties.

14 (b) Productivity agreements voluntarily reached by the parties as provided in this
15 title may supplement existing collective bargaining agreements.

16 ****ART. 117. Benefits and Tax Incentives.** – (a) Subject to the provisions of
17 section 6 hereof, a business enterprise which adopts a productivity and performance
18 incentives and gainsharing program, duly and mutually agreed upon by parties to the
19 labor-management committee, shall be granted a special deduction from the gross income
20 equivalent to fifty percent (50%) of the total productivity bonuses given to employees

1 under the program over and above the total allowable ordinary and necessary business
2 deductions for said bonuses under the national internal revenue code, as amended.

3 (b) Grants for manpower training and special studies given to rank-and-file
4 employees pursuant to a skills development, program prepared by the labor-management
5 committee under the productivity and performance incentives program shall also entitle
6 then business enterprises to a special deduction from gross income equivalent to fifty
7 percent (50%) of the total grants over and above the allowable ordinary and necessary
8 business deduction for said grants under the national internal revenue code, as amended.

9 (c) Bonuses provided for under the productivity and performance incentives and
10 gainsharing program shall be given to the employees in a manner determined by the
11 parties from the start of such program over and above existing bonuses granted by the
12 business enterprises and by law, provided, that the said bonuses shall not be deemed as
13 salary increases due the employees and workers.

14 (d) The special deductions from the gross income provided for herein shall be
15 allowed starting the next taxable year after the effectivity of this title.

16 ****ART. 118. Notification.** – A business enterprises which adopts a productivity
17 and performance incentives and gainsharing program shall submit copies of the same to
18 the appropriate regional tripartite wages and productivity board for evaluation and
19 certification. The board shall then forward the certifiable productivity incentives
20 program of business enterprises to the bureau of internal revenue for record purposes.

21 ****ART. 119. Non-diminution of Benefits.** – Nothing in this title shall be
22 construed to diminish or reduce any benefits and other privileges enjoyed by the workers
23 under existing laws, decrees, executive orders, company policy or practice, or any
24 agreement or contract between the employer and employees.

Chapter IV
FORMATION OF LABOR-MANAGEMENT COMMITTEE AND DISPUTES
AND GRIEVANCES

1 ****ART. 120. *Labor Management Committee.*** – (a) A business enterprise or its
2 employees, through their authorized representative, may initiate the formation of a labor-
3 management committee or any labor-management mechanism that shall be composed of
4 representatives from the management and from the rank-and-file employees which shall
5 establish and implement a productivity and performance incentives program and settle
6 disputes arising therefrom in accordance with Article 312 hereof: *Provided*, That both
7 management and labor shall have equal representation in said committee or mechanism:
8 *Provided, further*, That at the request of any party to the negotiation, the national wages
9 and productivity boards of the department of labor and employment shall provide the
10 necessary studies, technical information and assistance, and expert advice to enable the
11 parties to conclude productivity agreements. In case there is already an existing labor
12 mechanism in the enterprise, such mechanism may suffice; *Provided*, That it includes as
13 one of its objectives the development and implementation of a productivity and
14 performance incentives and gainsharing program.

15 (b) In business enterprises with duly recognized collective bargaining
16 representatives, the representatives of labor shall be those designated by the collective
17 bargaining agent of the bargaining unit.

18 (c) In business enterprises without duly recognized collective bargaining
19 representatives, the representatives of labor shall be elected by at least a majority of all
20 rank-and-file employees who have rendered at least six (6) months of continuous service.

1 ****ART. 121. *Disputes and Grievances.*** – Whenever disputes, grievances, or
2 other matters arise from the interpretation of implementation of the productivity and
3 performance incentives program, the Labor-Management committee shall meet to resolve
4 the dispute within fifteen (15) days and shall suspend the effectivity of the program
5 pending settlement of such dispute or grievance: *Provided, however,* That if within the
6 period the dispute remains unresolved, the committee may seek the assistance of a third
7 party such as the National Conciliation and Mediation Board of the Department of Labor
8 and Employment, the Regional Tripartite Wages and Productivity Boards or a facilitator
9 acceptable to both parties in resolving the conflict. The third party shall act only in an
10 advisory capacity for purposes of rendering interpretation and Clarification to facilitate
11 the adoption of a final resolution of the parties: *Provided,* That the business enterprises
12 shall not be deemed to have forfeited any tax incentives accrued prior to the date of
13 occurrence of such dispute or grievance, and the workers shall not be required to
14 reimburse the productivity bonuses already granted to them under the incentive program.

15 Likewise, bonuses that have already accrued before the dispute or grievance shall
16 be paid the workers within six (6) month from their accrual. Any dispute which remains
17 unresolved within thirty (30) days from the time of its submission to the labor
18 management committee shall be submitted voluntary arbitration in line with the pertinent
19 provisions of the labor code, as amended.

20 The productivity and performance incentives and gainsharing program shall
21 include the name of the voluntary arbitrator or panel of voluntary arbitrators previously
22 chosen and agreed upon by the parties.

23 ****ART. 122. *Penalty.*** - Any person who shall make any fraudulent claim under
24 this title, regardless of whether or not a tax benefit has been granted, shall upon convicted

1 be punished with imprisonment of not less than six (6) months but not more than one (1)
2 year or a fine of not less than Two Thousand Pesos (P6, 000.00), or both, at the discretion
3 of the court, without prejudice to prosecution for any other acts punishable under existing
4 laws.

5 In case of partnerships or corporations, the penalty shall be imposed upon the
6 officer or employee who knowingly approved, authorized or ratified the filing of the
7 fraudulent claim, and other persons responsible therefore.

Title IV - WORKING CONDITIONS FOR SPECIAL GROUPS OF EMPLOYEES

Chapter I EMPLOYMENT OF WOMEN

8 **ART. 123. *Night Work Prohibition.*** - No woman, regardless of age, shall be
9 employed or permitted or suffered to work, with or without compensation:

10 (a) In any industrial undertaking or branch thereof between ten o'clock at night
11 and six o'clock in the morning of the following day; or

12 (b) In any commercial or non-industrial undertaking or branch thereof, other than
13 agricultural, between midnight and six o'clock in the morning of the following day; or

14 (c) In any agricultural undertaking at night time unless she is given a period of
15 rest of not less than nine (9) consecutive hours.

16 **ART. 124. *Exceptions.*** - The prohibitions prescribed by the preceding Article
17 shall not apply in any of the following cases:

18 (a) In cases of actual or impending emergencies caused by serious accident, fire,
19 flood, typhoon, earthquake, epidemic or other disasters or calamity, to prevent loss of life
20 or property, or in cases of *force majeure* or imminent danger to public safety;

1 (b) In cases of urgent work to be performed on machineries, equipment or
2 installation, to avoid serious loss which the employer would otherwise suffer;

3 (c) Where the work is necessary to prevent serious loss of perishable goods;

4 (d) Where the woman employee holds a responsible position of managerial or
5 technical nature, or where the woman employee has been engaged to provide health and
6 welfare service;

7 (e) Where the women employees are immediate members of the family operating
8 the establishment or undertaking; and

9 (f) Under other analogous cases exempted by the Secretary of Labor and
10 Employment in appropriate regulations.

11 **ART. 125. *Facilities for Women.*** - The Secretary of Labor and Employment shall
12 establish standards that will insure the safety and health of women employees. In
13 appropriate cases, he shall by regulations require any employer to:

14 (a) Provide seats proper for women and permit them to use such seats when they
15 are free from work and during working hours, provided they can perform their duties in
16 this position without detriment to efficiency;

17 (b) To establish separate toilet rooms and lavatories for men and women and
18 provide at least a dressing room for women;

19 (c) To establish a nursery in a workplace for the benefit of the women employees
20 therein; and

21 (d) To determine appropriate minimum age and other standards for retirement or
22 termination in special occupations such as those of flight attendants and the like.

23 **ART. 126. *Maternity Leave Benefits.*** - ******(a) Every employer shall grant to any
24 pregnant woman employee, whether married or not and regardless of her employment

1 status, maternity leave of sixty (60) days for normal delivery and seventy-eight (78) days
2 in case of caesarean delivery. The employer may require from any woman employee
3 applying for maternity leave the production of a medical certificate stating that delivery
4 will probably take place within two weeks.

5 (b) The maternity leave shall be extended without pay on account of illness
6 medically certified to arise out of the pregnancy, delivery, abortion or miscarriage, which
7 renders the woman unfit for work, unless she has earned unused leave credits from which
8 such extended leave may be charged.

9 **(c) The maternity leave provided in this Article shall be paid by the employer
10 only for the first four deliveries or miscarriages by a woman employee.

11 **ART. 127. Family Planning Services; Incentives for Family Planning. –**

12 (a) Establishments which are required by law to maintain a clinic or infirmary shall
13 provide free family planning services to their employees who shall include, but not
14 limited to, the application or use of contraceptive pills and intra-uterine devices.

15 (b) In coordination with other agencies of the government engaged in the
16 promotion of family planning, the DOLE shall develop and prescribe incentive bonus
17 schemes to encourage family planning among female workers in any establishment or
18 enterprise.

19 **ART. 128. Discrimination Prohibited.** - It shall be unlawful for any employer to
20 discriminate against any woman employee with respect to terms and conditions of
21 employment solely on account of her sex.

22 The following are acts of discrimination:

23 **(a) Giving preference to a male applicant over a female applicant in the hiring
24 process, whether through notices, announcements or advertisements for employment or

1 apprenticeship or in the actual recruitment, hiring or employment of workers where the
2 particular job can be equally handled by a woman;

3 (b) Payment of a lesser compensation, including wage, salary or other form of
4 remuneration and fringe benefits, to a female employee as against a male employee, for
5 work of equal value;

6 (c) Favoring a male employee over a female employee with respect to promotion,
7 assignment, training opportunities, study and scholarship grant solely on account of their
8 sexes; and

9 ******(d) Favoring a male employee over a female employee with respect to dismissal
10 of personnel or the application of any retrenchment policy of the employer solely on
11 account of their sexes.

12 Criminal liability for the willful commission of any unlawful act as provided in
13 this article or any violation of the rules and regulations issued pursuant to Section 2 of
14 R.A. No. 6727 shall be penalized as provided in Articles 306 and 307 of this Code:
15 *Provided*, That the institution of any criminal action under this provision shall not bar the
16 aggrieved employee from filing an entirely separate and distinct action for money claims,
17 which may include claims for damages and other affirmative reliefs. The actions hereby
18 authorized shall proceed independently of each other.

19 **ART. 129. Stipulation against Marriage.** - It shall be unlawful for an employer
20 to require as a condition of employment or continuation of employment that a woman
21 employee shall not get married, or to stipulate expressly or tacitly that upon getting
22 married a woman employee shall be deemed resigned or separated or to actually dismiss,
23 discharge, discriminate or otherwise prejudice a woman employee merely by reason of
24 her marriage.

1 **ART. 130. *Prohibited Acts.*** - It shall be unlawful for any employer:

2 (a) To deny any woman employee the benefits provided for in this Chapter or to
3 discharge any woman employed by him for the purpose of preventing her from enjoying
4 any of the benefits provided under this Code;

5 (b) To discharge such woman on account of her pregnancy, or while on leave or
6 in confinement due to her pregnancy;

7 (c) To discharge or refuse the admission of such woman upon returning to her
8 work for fear that she may again be pregnant; or

9 **(d) To deny any woman the benefits of employment or other statutory benefits
10 under our laws by reason of her sex.

11 **ART. 131. *Classification of Certain Women Workers.*** - Any woman who is
12 permitted or suffered to work with or without compensation in any night club, cocktail
13 lounge, massage clinic, bar or similar establishment, under the effective control or
14 supervision of the employer for a substantial period of time as determined by the
15 Secretary of Labor and Employment, shall be considered as an employee of such
16 establishment for purposes of labor and social legislation.

Title III - WORKING CONDITIONS FOR SPECIAL GROUPS OF EMPLOYEES

*****Chapter II EMPLOYMENT OF MINORS**

17 **ART. 132. *Minimum Employable Age.*** - (a) Children below fifteen (15) years
18 of age shall not be employed, except:

1 (1) When a child works directly under the sole responsibility of his/her parents or
2 legal guardian and where only members of his/her family are employed, *Provided*,
3 *however*, That his/her employment neither endangers his/her life, safety, health and

**** The provisions of Chapter II (Articles 129-141), approved and reported out by the Committee on Labor and Employment during the 12th Congress, are already embodied in R.A. No. 923 ("Special Protection of Children against Child Abuse, Exploitation and Discrimination Act"), which was made into law last 28 July 2003.*

4 morals, nor impairs his/her normal development; *Provided, further*, That the parent or
5 legal guardian shall provide the said child with the prescribed primary and/or secondary
6 education; or

7 (2) Where a child's employment or participation in public entertainment or
8 information through cinema, theater, radio television or other forms of media is essential;
9 *Provided*, That the employment contract is concluded by the child's parents or legal
10 guardian, with the express agreement of the child concerned, if possible, and the approval
11 of the Department of Labor and Employment; *Provided, further*, That the following
12 requirements in all instances are strictly complied with:

13 (a) The employer shall ensure the protection, health, safety, morals and
14 normal development of the child;

15 (b) The employer shall institute measures to prevent the child's
16 exploitation or discrimination, taking into account the system and level of
17 remuneration, and the duration and arrangement of working time; and

18 (c) The employer shall formulate and implement, subject to the approval
19 and supervision of competent authorities, a continuous program for training and
20 skills acquisition of the child.

1 In the above exceptional cases where any such child may be employed, the
2 employer shall first secure, before engaging such child, a work permit from the
3 Department of Labor and Employment which shall ensure observance of the above
4 requirements.

5 For purposes of this Article, the term “child” shall apply to all persons under
6 eighteen (18) years of age.

7 **ART. 133. Hours of Work of a Working Child.** - Under the exceptions
8 provided in Art. 132 of this Act -

9 (1) A child below fifteen (15) years of age may be allowed to work for not more
10 than twenty (20) hours a week: *Provided*, That the work shall not be more than four (4)
11 hours at any given day, with sufficient time to rest;

12 (2) A child at least fifteen (15) years of age but below eighteen (18) shall
13 not be allowed to work for more than eight (8) hours a day, with sufficient time to rest
14 and in no case beyond forty (40) hours a week;

15 (3) No child below fifteen (15) years of age shall be allowed to work
16 between eight o'clock in the evening and six o'clock in the morning of the following day
17 and no child fifteen (15) years of age and above shall be allowed to work between ten
18 o'clock in the evening and six o'clock in the morning of the following day.

19 **ART. 134. Ownership, Usage and Administration of the Working Child's**
20 **Income.** – The wages, salaries, earnings and other income of the working child shall
21 belong to him/her in ownership and shall be set aside primarily for his/her support,
22 education or skills acquisition and secondarily to the collective needs of the family:
23 *Provided*, That not more than twenty percent (20%) of the child's income may be used
24 for the collective needs of the family.

1 The income of the working child and/or the property acquired through the work of
2 the child shall be administered by both parents. In the absence or incapacity of either of
3 the parents, the other parent shall administer the same. In case both parents are absent or
4 incapacitated, the order of preference on parental authority as provided for under the
5 Family Code shall apply.

6 **ART. 135. *Trust Fund to Preserve Part of the Working Child's Income.*** - The
7 parent or legal guardian of a working child below eighteen (18) years of age shall set up a
8 trust fund for at least thirty percent (30%) of the earnings of the child whose wages and
9 salaries from work and other income amount to at least Two Hundred Thousand Pesos
10 (P200, 000.00) annually, for which he/she shall render a semi-annual accounting of the
11 fund to the Department of Labor and Employment, in compliance with the provisions of
12 this Act. The child shall have full control over the trust fund upon reaching the age of
13 majority.

14 **ART. 136. *Prohibition Against Worst Forms of Child Labor*** - No child shall be
15 engaged in the worst forms of child labor. The phrase "worst forms of child labor" shall
16 refer to any of the following:

17 (1) All forms of slavery, as defined under the "Anti-trafficking in Persons Act of
18 2003", or practices similar to slavery such as the sale and trafficking of children, debt
19 bondage and serfdom and forced or compulsory labor, including recruitment of children
20 for use in armed conflict; or

21 (2) The use, procuring, offering or exposing of a child for prostitution, for
22 the production of pornography or for pornographic performances; or

- 1 (3) The use, procuring or offering of a child for illegal or illicit
2 activities, including the production and trafficking of dangerous drugs and volatile
3 substances prohibited under existing laws;
- 4 (4) Work which, by its nature or the circumstances in which it is carried out, is
5 Hazardous or likely to be harmful to the health, safety or morals of children, such that it:
- 6 (a) Debases, degrades or demeans the intrinsic worth and dignity of a
7 child as a human being; or
- 8 (b) Exposes the child to physical, emotional or sexual abuse, or is found
9 to be highly stressful psychologically or may prejudice morals; or
- 10 (c) Is performed underground, underwater or at dangerous heights; or
- 11 (d) Involves the use of dangerous machinery, equipment and tools
12 such as power-driven or explosive power-actuated tools; or
- 13 (e) Exposes the child to physical danger such as, but not limited
14 to the dangerous feats of balancing, physical strength or contortion, or which
15 requires the manual transport of heavy loads; or
- 16 (f) Is performed in an unhealthy environment exposing the child to
17 hazardous working conditions, elements, substances, co-agents or processes
18 involving ionizing radiation, fire, flammable substances, noxious components
19 and the like, or to extreme temperatures, noise levels, or vibrations; or
- 20 (g) Is performed under particularly difficult conditions; or
- 21 (h) Exposes the child to biological agents such as bacteria, fungi,
22 viruses, protozoan, nematodes and other parasites; or
- 23 (i) Involves the manufacture or handling of explosives and
24 other pyrotechnic products.

1 **ART. 137. *Access to Education and Training for Working Children*** – (a) No
2 child shall be deprived of formal or non-formal education. In all cases of employment
3 allowed in this Act, the employer shall provide a working child with access to at least
4 primary and secondary education.

5 (b) To ensure and guarantee the access of the working child to education and
6 training, the DepEd shall:

7 (1) Formulate, promulgate, and implement relevant and effective course
8 designs and educational programs;

9 (2) Conduct the necessary training for the implementation of the
10 appropriate curriculum for the purpose;

11 (3) Ensure the availability of the needed educational facilities and
12 materials; and

13 (4) Conduct continuing research and development program for the
14 necessary and relevant alternative education of the working child.

15 c) The DepEd shall promulgate a course design under its non-formal
16 education program aimed at promoting the intellectual, moral and vocational efficiency
17 of working children who have not undergone or finished elementary or secondary
18 education. Such course design shall integrate the learning process deemed most effective
19 under given circumstances.

20 **ART. 138. *Prohibition on the Employment of Children in Certain Advertisements.***

21 No child shall be employed as a model in any advertisement directly or indirectly
22 promoting alcoholic beverages, intoxicating drinks, tobacco and its byproducts, gambling
23 or any form of or violence.

1 **ART. 139.** Penalties – (a) Any employer who violates Articles 132, 133 and 138
2 of this Act shall be penalized by imprisonment of six (6) months and one (1) day to six
3 (6) years or a fine of not less than Fifty Thousand Pesos (P50,000.00) but not more than
4 Three Hundred Thousand Pesos (P300,000.00) or both at the discretion of the court.

5 (b) Any person who violates the provision of Article 136 of this Act or the
6 employer of the subcontractor who employs, or the one who facilitates the employment
7 of a child in hazardous work, shall suffer the penalty of a fine of not less than One
8 Hundred Thousand Pesos (P100,000.00) but not more than One Million Pesos
9 (P1, 000,000.00), or imprisonment of not less than twelve (12) years and one (1) day to
10 twenty (20) years, or both such fine and imprisonment at the discretion of the court.

11 (c) Any person who violates Article 136-(1) and 136-(2) shall be prosecuted
12 and penalized in accordance with the penalty provided for by R.A. 9208, otherwise
13 known as the “Anti-trafficking in Persons Act of 2003”: *Provided*, That such penalty
14 shall be imposed in its maximum period.

15 (d) Any person who violates Article 136- (3) shall be prosecuted and penalized
16 in accordance with R.A. 9165, otherwise known as the “Comprehensive Dangerous Act
17 of 2002”: *Provided*, That such penalty shall be imposed in its maximum period.

18 (e) If a corporation commits any of the violations aforecited, the board of
19 directors/trustees and officers, which include the president, treasurer and secretary of the
20 said corporation who participated in or knowingly allowed the violation, shall be
21 penalized accordingly as provided for under this section.

22 (f) Parents, biological or by legal fiction, and legal guardians found to be
23 violating Articles 132, 133, 134 and 135 of this Act shall pay a fine of not less than Ten
24 Thousand Pesos (P10, 000.00) but not more than One Hundred Thousand Pesos (P100,

000.00), or be required to render community service for not less than thirty (30) days but not more than one (1) year, or both such fine and community service at the discretion of the court: *Provided*, That the maximum length of community service shall be imposed on parents or legal guardians who have repeatedly violated the provisions of this Act three (3) times: *Provided, further*, That in addition to the community service, the penalty of imprisonment of thirty (30) days but not more than one (1) year or both at the discretion of the court, shall be imposed on the parents or legal guardians who have repeatedly violated the provisions of this Act more than three (3) times.

(g) The Secretary of Labor and Employment or his/her duly authorized representative may, after due notice and hearing, order the closure of any business firm or establishment found to have violated any of the provisions of this Act more than three (3) times. He/she shall likewise order the immediate closure of such firm or establishment if:

(1) The violation of any provision of this act has resulted in the death, insanity or serious physical injury of a child employed in such establishment; or

(2) Such firm or establishment is engaged or employed in prostitution or in obscene or lewd shows.

In case of such closure, the employer shall be required to pay his/her employee(s) their separation pay and other monetary benefits provided for by law.

ART. 140. Trust Fund from Fines and Penalties - The fine imposed by the court shall be treated as a trust fund, administered by the Department of Labor and Employment and disbursed exclusively for the needs, including the costs on rehabilitation and reintegration into mainstream society of the working children who are victims of the violations of this Act, and for the programs and projects that will prevent acts of child labor.

1 **ART. 141. Who May File a Complaint** – Complaints on cases of unlawful acts
2 committed against children as enumerated herein may be filed by the following:

- 3 a) Offended party;
- 4 b) Parents or guardians;
- 5 c) Ascendant or collateral relative within the third degree of consanguinity;
- 6 d) Officer, social worker or representative of a licensed child-caring institution;
- 7 e) Officer or social worker of the Department of Social Welfare and
8 Development;
- 9 f) *Barangay* chairman of the place where the violation occurred, where the child
10 is residing or employed; or
- 11 g) At least three (3) concerned, responsible citizens of the place where the
12 violation occurred.

13 **ART. 142. Jurisdiction** - The family courts shall have original jurisdiction over
14 all cases involving offenses punishable under this act: *Provided*, That in cities or
15 provinces where there are no family courts yet, the regional trial courts and the municipal
16 trial courts shall have concurrent jurisdiction depending on the penalties prescribed for
17 the offense charged.

18 The preliminary investigation of cases filed under this Act shall be terminated
19 within a period of thirty (30) days from the date of filing.

20 If the preliminary investigation establishes a *prima facie* case, then the
21 corresponding information shall be filed in court within forty-eight (48) hours from the
22 termination of the investigation.

1 Trial of cases under this Act shall be terminated by the court not later than ninety
2 (90) days from the date of filing of information. Decision on said cases shall be rendered
3 within a period of fifteen (15) days from the date of the submission of the case.

4 **ART. 143. *Exemptions from Filing Fees.*** – When the victim of child labor
5 institutes a separate civil action for the recovery of civil damages, he/she shall be exempt
6 from payment of filing fees.

7 **ART. 144. *Access to Immediate Legal, Medical and Psycho-social Services*** –
8 The working child shall have the right to free legal, medical and psycho-social services to
9 be provided by the State.

10 **ART. 145. *Prohibition against Child Discrimination.*** - No employer shall
11 discriminate against any person in respect to terms and conditions of employment on
12 account of his age.

Title III - WORKING CONDITIONS FOR SPECIAL GROUPS OF EMPLOYEES

Chapter III EMPLOYMENT OF HOUSEHELPERS

13 ****ART. 146. *Coverage.*** - This Chapter shall apply to all persons rendering
14 services in households for compensation.

15 "Domestic or household service" shall mean services in the employer's home
16 which is usually necessary or desirable for the maintenance and enjoyment thereof and
17 includes ministering to the personal comfort and convenience of the members of the
18 employer's household, including services of family drivers.

1 ****ART. 147. *Contract of Domestic Service.*** - The original contract of Domestic
2 service shall not last for more than two (2) years but it may be renewed for such periods
3 as may be agreed upon by the parties.

4 ****ART. 148. *Minimum Wage.*** – (a) Househelpers shall be paid the following
5 minimum wage rates:

6 (1) One Thousand Two Hundred Pesos (P1, 200.00) a month for househelpers in
7 the National Capital Region;

8 (2) One Thousand Pesos (P1, 000.00) a month for those in other chartered cities
9 and first-class municipalities; and

10 (3) Nine Hundred Pesos (P900.00) a month for those in other municipalities.

11 *Provided, That the employers shall review the employment contracts of their*
12 *househelpers every three (3) years with the end in view of improving the terms and*
13 *conditions thereof.*

14 ****ART. 149. *Minimum Cash Wage.*** - The minimum wage rates prescribed under
15 this Chapter shall be the basic cash wages which shall be paid to the househelper in
16 addition to lodging, food and medical attendance.

17 ****ART. 150. *Payment of Wages.*** - Payment of wages shall be made directly to
18 the househelper in cash, at least once every two (2) weeks or twice a month. No
19 deductions from said wages shall be made by the employer except those provided by law.
20 The express written consent of the househelper shall first be secured before any
21 deduction from his/her wages is made.

22 ****ART. 151. *Thirteenth (13th) Month Pay.*** - Revising for the purpose Guideline
23 No. 2 of the Revised Guidelines on the implementation of the Thirteenth Month Pay Law
24 (16 November 1987), all househelpers shall be entitled to a thirteenth (13th) month pay

1 provided in Memorandum No. 28. The said thirteenth (13th) month pay shall be paid to a
2 househelper not later than the 16th of December of every year.

3 ****ART. 152. *Membership in the Social Security System (SSS).*** -All
4 househelpers, regardless of age and compensation level, shall be covered by the Social
5 Security System (SSS) and be entitled to all the benefits provided under Republic Act
6 No. 1161, as amended. The employers of said househelpers shall pay for the employer's
7 share of the aforementioned SSS contribution without deducting the same from the
8 monthly compensation of the househelpers.

9 For this purpose, the Social Security System (SSS) is hereby required to
10 implement an outreach program that will facilitate the remittance of SSS contributions by
11 either the homeowners or the househelpers by whatever means deemed feasible. Said
12 outreach program should be conceptualized and initiated within a period of one (1) year
13 from the date of effectivity hereof.

14 ****ART. 153. *Membership in the Philippine Health Insurance Corporation***
15 ***(PHILHEALTH).*** - All househelpers, regardless of age and compensation levels, shall be
16 covered under the Philippine Health Insurance Corporation (Philhealth), and be entitled
17 to all the benefits provided for under the law. The employer of said househelper shall pay
18 for the employer's share of the aforementioned Philhealth, without deducting the same
19 from the monthly compensation of the househelper.

20 ****ART. 154. *Normal Hours of Work.*** - Cognizant of the peculiarities of the
21 relationship between the employer and the househelper, the normal hours of work of
22 *kasambahays* shall be set at ten (10) hours per day, exclusive of one (1) hour breaks each
23 for breakfast, lunch and dinner. Any work done by the house helper beyond the normal

1 hours of work per day shall be duly compensated by the employer. Furthermore, the
2 house helper shall be allowed at least eight (8) hours of continuous rest period per day.

3 ****ART. 155. *Regular Working Days.*** - No househelper shall render work for
4 more than six (6) days per week. While the specific day of the week set aside as rest day
5 for the house helper may be stipulated in the employment contract, the same may be
6 changed for another day of the week upon the mutual agreement of the employer and the
7 househelper as the exigencies of the household may dictate.

8 ****ART. 156. *Vacation Leaves.*** - All house helpers shall be entitled to a fourteen
9 (14) day vacation leave with pay, in addition to the one (1) day per week designated as
10 the rest day. Said leave may only commence at the end of the first year of employment,
11 and shall not cumulate from year to year.

12 ****ART. 157. *Maternity Benefits for Female Househelpers.*** – All female house
13 helpers shall be entitled to maternity benefits pursuant to Article 126 of is Code.

14 ****ART. 158. *Assignment to Non-Household Work.*** - No househelper shall be
15 assigned to work in a commercial, industrial or agricultural enterprise at a wage or salary
16 rate lower than that provided for agricultural or non-agricultural worker as prescribed
17 herein.

18 ****ART. 159. *Opportunity for Education.*** - If the househelper is under the age of
19 eighteen (18) years, the employer shall give him or her opportunity for at least
20 elementary education. The cost of such education shall be part of the househelper's
21 compensation, unless there is a stipulation to the contrary

22 ****ART. 160. *Treatment of House Helpers.*** - The employer shall treat the house
23 helper in a just and humane manner. In no case shall physical violence be used upon the
24 househelper.

1 ****ART. 161. *Board, Lodging and Medical Attendance.*** - The employer shall
2 furnish the househelper free of charge suitable and sanitary living quarters as well as
3 adequate food and medical attendance.

4 ****ART. 162. *Indemnity for Unjust Termination of Services.*** - If the period of
5 household service is fixed, neither the employer nor the househelper may terminate the
6 contract before the expiration of the term, except for a just cause. If the househelper is
7 unjustly dismissed, he or she shall be paid the compensation already earned plus that for
8 fifteen (15) days by way of indemnity. If the househelper leaves without justifiable
9 reason, he or she shall forfeit any unpaid salary due him or her not exceeding fifteen (15)
10 days.

11 ****ART. 163. *Service of Termination Notice.*** - If the duration of the household
12 service is not determined either in stipulation or by the nature of the service, the employer
13 or the househelper may give notice to put an end to the relationship five (5) days before
14 the intended termination of the service.

15 ****ART. 164. *Employment Certification.*** - Upon the severance of the household
16 service relation, the employer shall give the house helper a written statement of the nature
17 and duration of the service and his or her efficiency and conduct as house helper.

18 ****ART. 165. *Employment Records.*** - The employer may keep such records as he
19 may deem necessary to reflect the actual terms and conditions of employment of his
20 househelper which the latter shall authenticate by signature or thumb mark upon request
21 of the employer.

Title III - WORKING CONDITIONS FOR SPECIAL GROUPS OF EMPLOYEES

Chapter IV EMPLOYMENT OF HOMEWORKERS

1 **ART. 166. Regulation of Industrial Homeworkers.** - The employment of
2 industrial homeworkers and field personnel shall be regulated by the Government
3 through appropriate regulations issued by the Secretary of Labor to ensure the general
4 welfare and protection of homeworkers and field personnel and the industries employing
5 them.

6 **ART. 167. Regulations of Secretary of Labor and Employment.** - The
7 regulations or orders to be issued pursuant to this Chapter shall be designed to assure the
8 minimum terms and conditions of employment applicable to the industrial home workers
9 and field personnel involved.

10 **ART. 168. Homeworker's Contractor as the Employer.** - For purposes of this
11 Chapter, the "employer" of homeworkers shall be the homeworker's contractor who for
12 his account or benefit, or on behalf of any person, directly:

13 (1) Delivers any goods, articles or materials to be processed or fabricated in
14 or about a home and thereafter to be returned or to be disposed of or distributed in
15 accordance with his directions; or

16 (2) Sells any goods, articles or materials for the purpose of having the same
17 processed or fabricated in or about a home and then rebuys them after such processing
18 or fabrication.

19 For the purpose of this Chapter, the homeworker's contractor shall be solidarily
20 liable with any person for whom he may have engaged the services of the homeworkers.

BOOK FOUR
HEALTH, SAFETY AND SOCIAL WELFARE BENEFITS

Title I - MEDICAL, DENTAL AND OCCUPATIONAL SAFETY

Chapter I MEDICAL AND DENTAL SERVICES

1 **ART. 169. *First-Aid Treatment.*** - Every employer shall keep in his establishment
2 such first-aid medicines and equipment as the nature and conditions of work may require,
3 in accordance with such regulations as the DOLE shall prescribe. The employer shall take
4 steps for the training of a sufficient number of employees in first-aid treatment.

5 **ART. 170. *Emergency Medical and Dental Services.*** - It shall be the duty of
6 every employer to furnish his employees in any locality with free medical and dental
7 attendance and facilities consisting of:

8 (a) The services of a full-time registered nurse when the number of employees
9 exceeds fifty (50) but not more than two hundred (200) except when the employer does
10 not maintain hazardous work places, in which case the services of a graduate first-aider
11 shall be provided for the protection of the workers, where no registered nurse is available.
12 The Secretary of Labor and Employment shall provide by appropriate regulations the
13 services that shall be required where the number of employees does not exceed fifty (50)
14 and shall determine by appropriate order hazardous workplaces for purposes of this
15 Article;

16 b) The services of a full-time registered nurse, a part-time physician and dentist,
17 and an emergency clinic, when the number of employees exceeds two hundred (200) but
18 not more than three hundred (300) and;

19 (c) The services of a full-time physician, dentist and a full-time registered nurse as
20 well as a dental clinic, and an infirmary or emergency hospital with one bed capacity for

1 every one hundred (100) employees, when the number of employees exceeds three
2 hundred (300).

3 In cases of hazardous workplaces, no employer shall engage the services of a
4 physician or dentist who cannot stay in the premises of the establishment for at least two
5 (2) hours, in the case of those engaged on part-time basis, and not less than eight (8)
6 hours in the case of those employed on full-time basis. Where the undertaking is non-
7 hazardous in nature, the physician and dentist may be engaged on retained basis, subject
8 to such regulations as the Secretary of Labor and Employment may prescribe to insure
9 immediate availability of medical and dental treatment and attendance in case of
10 emergency.

11 **ART. 171. *When Emergency Hospital Not Required.*** - The requirement for an
12 emergency hospital or dental clinic shall not be applicable in case there is a hospital or
13 dental clinic which is accessible from the employer's establishment and he makes
14 arrangements for the reservation therein of the necessary beds and dental facilities for the
15 use of his employees.

16 **ART. 172. *Health Program.*** - The physician engaged by an employer shall, in
17 addition to his duties under this Chapter, develop and implement a comprehensive
18 occupational health program for the benefit of the employees of his employer.

19 **ART. 173. *Qualifications of Health Personnel.*** - The physicians, dentists and
20 nurses employed by employers pursuant to this Chapter shall have the necessary training
21 in industrial medicine and occupational safety and health. The Secretary of Labor and
22 Employment, in consultation with industrial, medical and occupational safety and health
23 associations, shall establish the qualifications, criteria and conditions of employment of
24 such health personnel.

1 **ART. 174. Assistance of Employer.** - It shall be the duty of any employer to
2 provide all the necessary assistance to ensure the adequate and immediate medical and
3 dental attendance and treatment to an injured or sick employee in case of emergency.

Title I - MEDICAL, DENTAL AND CCUPATIONAL SAFETY

Chapter II OCCUPATIONAL HEALTH AND SAFETY

4 **ART. 175. Safety and Health Standards.** - The Secretary of Labor and
5 Employment shall by appropriate orders set and enforce mandatory occupational safety
6 and health standards to eliminate or reduce occupational safety and health hazards in all
7 work places and institute new and update existing programs to ensure safe and healthful
8 working conditions in all places of employment.

9 **ART. 176. Research.** - It shall be the responsibility of the DOLE to conduct
10 continuing studies and researches to develop innovative methods, techniques and
11 approaches for dealing with occupational safety and health problems; to discover latent
12 diseases by establishing causal connections between diseases and work in environmental
13 conditions; and to develop medical criteria which will assure insofar as practicable that
14 no employee will suffer impairment or diminution in health, functional capacity or life
15 expectancy as a result of his work and working conditions.

16 **ART. 177. Training Programs.** - The DOLE shall develop and implement
17 training programs to increase the number and competence of personnel in the field of
18 occupational safety and industrial health.

19 **ART. 178. Administration of Safety and Health Laws.** - (a) The DOLE shall be
20 solely responsible for the administration and enforcement of occupational safety and

1 health laws, regulations and standards in all establishments and workplaces wherever
2 they may be located; however, chartered cities may be allowed to conduct industrial
3 safety inspections of establishments within their respective jurisdiction where they have
4 adequate facilities and competent personnel for the purpose as determined by the
5 Department of Labor and Employment and subject to national standards established by
6 the latter.

7 (b) The Secretary of Labor and Employment may, through appropriate
8 regulations, collect reasonable fees for the inspection of steam boilers, pressure vessels
9 and piping and electrical installations, the test and approval for safe use of materials,
10 equipment and other safety devices, and the approval of plans for such materials,
11 equipment and devices. The fees so collected shall be deposited in the national treasury to
12 the credit of the occupational safety and health fund and shall be expended exclusively
13 for the administration and enforcement of safety and other labor laws administered by the
14 Department of Labor and Employment.

15 (c) The DOLE shall be the principal agency in coordinating and monitoring the
16 activities of all laws to promote occupational safety and health. The Secretary of Labor
17 and Employment shall issue rules and regulations necessary to implement this provision
18 for purposes of this title. The term "Occupational Safety and Health" shall include any
19 matter that affects the safety and health of workers in all places of employment.

20 (d) In addition to the penalties provided for by existing laws, the DOLE may, by
21 appropriate regulations, prescribe administrative fines for violations of occupational
22 safety and health standards or regulations promulgated thereunder which in no case shall
23 be less than One Hundred Pesos (₱100.00) nor more than Ten Thousand Pesos
24 (₱10,000.00) a day, depending upon the gravity of the violation uncovered until the same

1 has been corrected by the offender. The fines shall accrue to the State Investment
2 Compensation Fund and shall be managed by the Employees Compensation Commission
3 which shall be used to implement programs and promote research and training in
4 occupational safety and health.

Title II - EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND

Chapter I POLICY AND DEFINITIONS

5 **ART. 179. *Policy.*** - The State shall promote and develop a tax-exempt
6 employees' compensation program whereby employees and their dependents, in the event
7 of work-connected disability or death, may promptly secure medical or related benefits
8 and lump-sum income benefits. It shall initiate policies and undertake programs on
9 rehabilitation.

10 **ART. 180. *Definition of Terms*** - As used in this Title, unless the context
11 indicates otherwise:

12 (a) "Code" means the Labor Code of the Philippines instituted under Presidential
13 Decree numbered four hundred forty-two, as amended.

14 (b) "Commission" means the Employees' Compensation Commission created
15 under this Title.

16 (c) "SSS" means the Social Security System created under Republic Act
17 numbered Eleven Hundred Sixty-One, as amended.

18 (d) "GSIS" means the Government Service Insurance System created under
19 Commonwealth Act Numbered One Hundred Eighty-Six, as amended.

1 (e) "System" means the SSS or GSIS, as the case may be.

2 (f) "Employer" means any person, natural or juridical, employing the services of
3 the employee.

4 (g) "Employee" means any person compulsorily covered by the GSIS under
5 Commonwealth Act No. 186, as amended, including members of the Armed Forces of the
6 Philippines, and any person employed as casual, emergency, temporary, substitute or
7 contractual; or any person compulsorily covered by the SSS under Republic Act No.
8 1161, as amended.

9 (h) "Person" means any individual, partnership, firm, association, trust,
10 corporation or legal representative thereof.

11 (I) "Dependent" (For SSS) - The dependents shall be the following:

12 (1) The legal spouse entitled by law to receive support from the member;

13 (2) The legitimate, legitimated or legally adopted, and illegitimate child who
14 is unmarried, not gainfully employed and has not reached twenty-one
15 years (21) of age, or if over twenty-one (21) years of age, he is
16 congenitally or while still a minor has been permanently incapacitated
17 and incapable of self-support, physically or mentally; and

18 (3) The parent who is receiving regular support from the member.

19 (For GSIS) - The dependents shall be the following:

20 (1) Legitimate spouse dependent for support upon the member or pensioner;

21 (2) The legitimate, legitimated, legally adopted child, including the
22 illegitimate child, who is unmarried, not gainfully employed, and has not
23 reached twenty-one years of age, or if over twenty-one years of age, he

1 is incapacitated and incapable of self-support due to a mental or
2 physical defect acquired prior to the age of twenty-one years; and

3 3. The parents dependent upon the member for support.

4 (j) "Beneficiaries" (For the SSS). - The dependent spouse until he or she
5 remarries, the dependent legitimate, legitimated or legally adopted, and illegitimate
6 children, who shall be the primary beneficiaries of the member: *Provided*, That the
7 dependent illegitimate children shall be entitled to fifty percent (50%) of the share of the
8 legitimate, legitimated or legally adopted children; *Provided, further*, That in the absence
9 of the dependent legitimate, legitimated or legally adopted children of the member,
10 his/her dependent illegitimate children shall be entitled to one hundred percent (100%)
11 of the benefits. In their absence, the dependent parents shall be the secondary
12 beneficiaries of the member.

13 (For the GSIS). – Primary beneficiaries as the legal dependent spouse until he/she
14 remarries and the dependent children, and secondary beneficiaries as the dependent
15 parents and subject to restrictions on dependent children, the legitimate dependants.

16 (k) "Injury" means any harmful change in the human organism from any accident
17 arising out of and in the course of employment.

18 (l) "Sickness" means any illness definitely accepted as an occupational disease
19 listed by the Commission, or any illness arising out of or aggravated by his employment.
20 Any illness, the etiology or cause of which is still undetermined or unknown, shall be
21 made compensable if acquired by the employee during his employment. For this
22 purpose, the Commission is empowered to determine and approve occupational diseases
23 and work-related illnesses that may be considered compensable based on peculiar hazards
24 of employment.

- 1 (m) "Death" means loss of life resulting from injury or sickness.
- 2 (n) "Disability" means loss or impairment of a physical or mental function
3 resulting from injury or sickness.
- 4 (o) "Compensation" means all payments made under this Title for income
5 benefits and medical or related benefits.
- 6 (p) "Income benefit" means all payments made under this Title to the employee
7 or his dependents.
- 8 (q) "Medical benefit" means all payments made under this Title to the providers
9 of medical care, rehabilitation services and hospital care.
- 10 (r) "Related benefit" means all payments made under this Title for appliances
11 and supplies.
- 12 (s) "Appliances" means crutches, artificial aids and other similar devices and
13 their replacement or repair except when the need for such replacement or repair arises
14 from the fault of the employee.
- 15 (t) "Supplies" means medicine and other medical, dental or surgical items.
- 16 (u) "Hospital" means any medical facility, government or private, authorized by
17 law, an active member of good standing of the Philippine Hospital Association and
18 accredited by the Commission.
- 19 (v) "Physician" means any doctor of medicine duly licensed to practice in the
20 Philippines, an active member in good standing of the Philippine Medical Association
21 and accredited by the Commission.
- 22 (w) "Wages" or "Salary" insofar as they refer to the computation of benefits, as
23 defined in Republic Act No. 1161, as amended, for SSS and Presidential Decree No.

1 1146, as amended, for GSIS, respectively, except that part in excess of Twelve Thousand
2 Pesos (₱12,000.00).

3 (x) "Monthly salary credit" means the wage or salary base for contributions as
4 provided in Republic Act No. 1161, as amended, or the wages or salary.

5 (For SSS) Average Monthly Salary Credit. - The result obtained by dividing the
6 sum of the last sixty (60) monthly salary credit immediately preceding the semester of
7 contingency by sixty (60), or the result obtained by dividing the sum of all the monthly
8 salary credit paid prior to the semester of contingency by the number of monthly
9 contributions paid in the same period, whichever is greater, *Provided*, that if the injury or
10 sickness caused the disability, it shall be deemed as permanent disability for the purpose
11 of computing the average monthly salary credit. In the case of the GSIS, current daily
12 compensation:

13 (aa) "Quarter" means a period of three (3) consecutive months ending on
14 the last day of March, June, September and December.

15 (bb) "Semester" means a period of two consecutive quarters ending in the
16 quarter of death, permanent disability, injury or sickness.

17 (cc) "Credited years of service". – For a member covered prior to January
18 nineteen hundred eighty five (1985) minus the calendar year of coverage plus the
19 number of calendar years in which six (6) or more contributions have been paid
20 from January nineteen hundred eighty five (1985) up to the calendar year
21 containing the semester prior to the contingency. For a member covered in or after
22 January nineteen hundred eighty five (1985), the number of calendar years in
23 which six (6) or more contributions have been paid from the year of coverage up
24 to the calendar year containing the semester prior to the contingency: *Provided*,

1 That the Commission may provide for a different number of contributions in a
2 calendar year for it to be considered as a credited year of service.

3 (dd) "Monthly Income Benefit" means the highest of the following
4 amounts:

5 (1) The sum of the following:

6 (i) three hundred pesos (₱300.00); plus

7 (ii) twenty per cent (20%) of the average monthly salary
8 credit; plus

9 (iii) two per cent (2%) of the average monthly salary credit
10 for each credited year of service in excess of ten (10)
11 years; or

12 (2) Forty percent (40%) of the average monthly salary credit; or

13 (3) One thousand pesos (₱1,000).

Title II - EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND

Chapter II COVERAGE AND LIABILITY

14 ****ART. 181. *Compulsory Coverage.*** - Coverage in the State Insurance Fund
15 shall be compulsory upon all employers and their employees not over seventy (70) years
16 of age: *Provided*, That an employee who is over sixty (60) years of age and paying
17 contributions to qualify for the retirement or life insurance benefit administered by the
18 System shall be subject to compulsory coverage.

1 **ART. 182. *Foreign Employment.*** - The Commission shall ensure adequate
2 coverage of Filipino employees employed abroad, subject to regulations as it may
3 prescribe.

4 **ART. 183. *Effective Date of Coverage.*** - Compulsory coverage of the employer
5 during the effectivity of this Title shall take effect on the first day of his operation, and
6 that of the employee on the date of his employment.

7 **ART. 184. *Registration.*** - Each employer and his employees shall register with
8 the System in accordance with its regulations.

9 **ART. 185. *Limitation of Liability.*** - The State Insurance Fund shall be liable for
10 compensation to the employee or his dependents, except when the disability or death was
11 occasioned by the employee's intoxication, willful intention to injure or kill himself or
12 another, notorious negligence, or otherwise provided under this Title.

13 **ART. 186. *Extent of Liability.*** – The employee or his heirs shall have the right to
14 avail themselves of the benefits under this Code, and to sue the employer in the regular
15 courts under the Civil Code for damages by reason of the employer's negligence. The
16 payment of compensation under this Title shall not bar the recovery of benefits as
17 provided for in the Administrative Code of 1987, Republic Act No. 8282, as amended by
18 Republic Act No. 8291, and other laws whose benefits are administered by the System or
19 by other agencies of the government.

20 **ART. 187. *Liability of Third Parties.*** - (a) When the disability or death is caused
21 by circumstances creating a legal liability against a third party, the disabled employee or
22 the dependents in case of his death shall be paid by the System under this Title. In case
23 benefit is paid under this Title, the System shall be subrogated to the rights of the

1 disabled employee or the dependents in case of his death, in accordance with the general
2 law.

3 (b) Where the System recovers from such third party damages in excess of those
4 paid or allowed under this Title, such excess shall be delivered to the disabled employee
5 or other persons entitled thereto, after deducting the cost of proceedings and expenses of
6 the System.

7 **ART. 188. *Deprivation of Benefits.*** - Except as otherwise provided under this
8 Title, no contract, regulation or device whatsoever shall operate to deprive the employee
9 or his dependents of any part of the income benefits and medical or related services
10 granted under this Title. Existing medical services being provided by the employer shall
11 be maintained and continued to be enjoyed by their employees.

Title II - EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND

Chapter III ADMINISTRATION

12 **ART. 189. *Employees' Compensation Commission.*** – (a) To initiate, rationalize,
13 and coordinate the policies of the employees' compensation program, the Employees'
14 Compensation Commission is hereby created to be composed of five *ex-officio* members,
15 namely: the Secretary of Labor and Employment as Chairman, the GSIS President and
16 General Manager, the SSS President, the Executive Director of the Occupational Safety
17 and Health Center, and the Executive Director of the ECC Secretariat, and six (6)
18 appointive members, two of whom shall represent the employees, two from the
19 employers, and the other two from the general public, to be appointed by the President of
20 the Philippines for a term of six years. The appointive member shall have at least five

1 years experience in workmen's compensation, social security or public health programs.

2 All vacancies shall be filled for the unexpired term only.

3 (b) The Vice Chairman of the Commission shall be alternated each year between
4 the GSIS President and General Manager and the SSS President. The presence of six (6)
5 members shall constitute a quorum. Each member shall receive a *per diem* of Two
6 Thousand Five Hundred Pesos (₱2, 500.00) for every meeting that is actually attended by
7 him, exclusive of actual, ordinary and necessary travel and representation expenses. In
8 his absence, any member may designate an official of the institution he serves on full-
9 time basis as his representative to act in his behalf.

10 (c) The general conduct of the operations and management functions of the GSIS
11 or SSS under this Title shall be vested in its respective chief executive officers, who shall
12 be immediately responsible for carrying out the policies of the Commission.

13 **ART. 190. Powers and Duties.** - The Commission shall have the following
14 powers and duties:

15 (a) To assess and fix a rate of contribution from all employers;

16 (b) To determine the rate of contribution payable by an employer whose records
17 show a high frequency of work accidents or occupational diseases due to failure by the
18 said employer to observe adequate safety measures;

19 (c) To approve rules and regulations governing the processing of claims and the
20 settlement of disputes arising therefrom as prescribed by the System;

21 (d) To initiate policies and programs toward adequate occupational health and
22 safety and accident prevention in the working environment, rehabilitation other than
23 those provided for under Article 199 hereof, and other related programs and activities,
24 and to appropriate funds therefor;

1 (e) To make the necessary actuarial studies and calculations concerning the grant
2 of constant help and income benefits for permanent disability or death, and the
3 rationalization of the benefits for permanent disability and death under the Title with
4 benefits payable by the System for similar contingencies: *Provided*, That the Commission
5 may upgrade benefits and add new ones, subject to approval of the President; and
6 *Provided, further*, That the actuarial stability of the State Insurance Fund shall be
7 guaranteed: *Provided, finally*, That such increases in benefits shall not require any
8 increases in contribution, except as provided for in paragraph (b) hereof;

9 (f) To appoint the personnel of its staff, subject to civil service law and rules, but
10 exempt from WAPCO law and regulations;

11 (g) To adopt annually a budget of expenditures of the Commission and its staff
12 chargeable against the State Insurance Funds: *Provided*, That the SSS and GSIS shall
13 advance on a quarterly basis the remittances of allotment of the loading fund for this
14 Commissions operational expenses based on its annual budget as duly approved by the
15 Department of the Budget and Management;

16 (h) To have the power to administer oath and affirmation, and to issue subpoena
17 and subpoena *duces tecum* in connection with any question or issue arising from appealed
18 cases under this Title;

19 (i) To sue and be sued in court;

20 (j) To acquire property, real or personal, which may be necessary or expedient for
21 the attainment of the purposes of this Title;

22 (k) To enter into agreements or contracts for such services and aid as may be
23 needed for the proper, efficient and stable administration of the program; and

1 (l) To perform such other acts as it may deem appropriate for the attainment of
2 the purposes of the Commission and proper enforcement of the provisions of this Title.

3 **ART. 191. *Management of Funds.*** - All revenues collected by the System under
4 this Title shall be deposited, invested, administered and disbursed in the same manner
5 and under the same conditions, requirements and safeguards as provided by Republic Act
6 No. 1161, as amended, and Commonwealth Act No. 186, as amended, with regard to
7 such other funds as are thereunder being paid to or collected by the SSS and GSIS,
8 respectively: *Provided*, That the Commission, SSS and GSIS may disburse each year not
9 more than twelve per cent (12%) of the contributions and investment earnings collected
10 for operational expenses, including occupational health and safety programs, incidental to
11 the carrying out of this Title.

12 **ART. 192. *Investment of Funds.*** - Provisions of existing laws to the contrary
13 notwithstanding, all revenues as are not needed to meet current operational expenses
14 under this Title shall be accumulated in a fund to be known as the State Insurance Fund,
15 which shall be used exclusively for payment of the benefits under this Title, and no
16 amount thereof shall be used for any other purpose. All amounts accruing to the State
17 Insurance Fund, which is hereby established in the SSS and the GSIS, respectively, shall
18 be deposited with any authorized depository bank approved by the Commission, or
19 invested with due and prudent regard for the liquidity needs of the System.

20 **ART. 193. *Settlement of Claims.*** - The System shall have original and exclusive
21 jurisdiction to settle any dispute arising from this Title with respect to coverage,
22 entitlement to benefits, collection and payment of contributions and penalties thereon, or
23 any other matter related thereto, subject to appeal to the Commission, which shall decide
24 appealed cases within twenty (20) working days from the submission of the evidence.

1 **ART. 194. *Review.*** - Decisions, orders or resolutions of the Commission may be
2 reviewed on certiorari by the Supreme Court only on questions of law upon petition of an
3 aggrieved party within ten (10) days from notice thereof.

4 **ART. 195. *Enforcement of Decisions.*** – (a) Any decision, order or resolution of
5 the Commission shall become final and executory if no appeal is taken therefrom within
6 ten (10) days from notice thereof. All awards granted by the Commission in cases
7 appealed from decisions of the System shall be effected within fifteen (15) days from
8 receipt of notice.

9 (b) In all other cases, decisions, orders and resolutions of the Commission which
10 have become final and executory shall be enforced and executed in the same manner as
11 decisions of the Regional Trial Court, and the Commission shall have the power to issue
12 to the city or provincial sheriff or to the sheriff whom it may appoint such writs of
13 execution as may be necessary for the enforcement of such decisions, orders or
14 resolutions, and any person who shall fail or refuse to comply therewith shall, upon
15 application by the Commission, be punished by the proper court for contempt.

Title II - EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND

Chapter IV CONTRIBUTIONS

16 **ART. 196. *Employer's Contributions.*** – (a) Under such regulations as the System
17 may prescribe, beginning as of the last day of the month when an employee's compulsory
18 coverage takes effect and every month thereafter during his employment, his employer
19 shall prepare to remit to the System a contribution equivalent to one percent of his
20 monthly salary credit.

1 (b) The rate of contribution shall be reviewed periodically and, subject to the
2 limitations herein provided, may be revised as the experience in risk, cost of
3 administration, and actual or anticipated as well as unexpected losses, may require.

4 (c) Contributions under this Title shall be paid in their entirety by the employer
5 and any contract or devise for the deduction of any portion thereof from the wages or
6 salaries of the employees shall be null and void.

7 (d) When a covered employee dies, becomes disabled or is separated from
8 employment, his obligation to pay the monthly contribution arising from the employment
9 shall cease at the end of the month of contingency and during such months that he is not
10 receiving wages or salary.

11 **ART. 197. *Government Guarantee.*** - The Republic of the Philippines guarantees
12 the benefits prescribed under this Title, and accepts general responsibility for the
13 solvency of the State Insurance Fund. In case of any deficiency, the same shall be
14 covered by supplemental appropriations from the national government.

Title II - EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND

Chapter V MEDICAL BENEFITS

15 **ART. 198. *Medical Services.*** -Immediately after an employee contracts sickness
16 or sustains an injury, he shall be provided by the System during the subsequent period of
17 his disability with such medical services and appliances as the nature of his sickness or
18 injury and progress of his recovery may require, subject to the expense limitation
19 prescribed by the Commission.

1 **ART. 199. *Liability.*** - The System shall have the authority to choose or order a
2 change of physician, hospital or rehabilitation facility for the employee, and shall not be
3 liable for compensation for any aggravation of the employee's injury or sickness resulting
4 from unauthorized changes by the employee of medical services, appliances, supplies,
5 hospitals, rehabilitation facilities or physicians.

6 **ART. 200. *Attending Physician.*** - Any physician attending an injured or sick
7 employee shall comply with all the regulations of the System and submit reports in
8 prescribed forms at such time as may be required concerning his condition or treatment.
9 All medical information relevant to the particular injury or sickness shall on demand be
10 made available to the employee or the System. No information developed in connection
11 with treatment or examination for which compensation sought shall be considered as
12 privileged communication.

13 **ART. 201. *Refusal of Examination or Treatment.*** - If the employee
14 unreasonably refuses to submit to medical examination or treatment the System shall stop
15 the payment of further compensation during such time as such refusal continues. What
16 constitutes an unreasonable refusal shall be determined by the System which may on its
17 own initiative determine the necessity, character, and sufficiency of any medical services
18 furnished or to be furnished.

19 **ART. 202. *Fees and Other Charges.*** - All fees and other charges for hospital
20 services, medical care and appliances, including professional fees, shall not be higher
21 than those prevailing in wards of hospitals for similar services to injured or sick persons
22 in general, and shall be subject to the regulations of the Commission. Professional fees
23 shall only be appreciably higher than those prescribed under Republic Act number sixty-

one hundred eleven, as amended, otherwise known as the “Philippine Medical Care Act of 1969”.

ART. 203. *Rehabilitation Services.* - (a) The System shall establish a continuing program for the rehabilitation of injured and handicapped employees, who shall be entitled to rehabilitation services, which shall consist of medical, surgical or hospital treatment, including appliances if he has been handicapped by the injury, to help him become physically independent.

(b) The System shall establish centers equipped and staffed to provide a balanced program of remedial treatment, vocational assessment and preparation designed to meet the individual needs of each handicapped employee to restore him to suitable employment, including assistance as may be within its resources to help each rehabilitee to develop his mental, vocational or social potential.

Title II - EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND

Chapter VI DISABILITY BENEFITS

ART. 204. *Temporary Total Disability.* – (a) Under such regulations as the Commission may approve, any employee under this Title who sustains an injury or contracts sickness resulting in temporary total disability shall, for each day of such disability or fraction thereof, be paid by the System an income benefit equivalent to ninety (90) percent of his average daily salary credit, subject to the following conditions: the daily income benefit shall not be less than One Hundred Pesos (₱100.00) nor more than Three Hundred Pesos (₱300.00), nor paid for a continuous period longer than two

1 hundred forty (240) days, except as otherwise provided for in the Rules, and the System
2 shall be notified of the injury or sickness.

3 (b) The payment of such income benefit shall be in accordance with the
4 regulations of the Commission.

5 **ART. 205. *Permanent Total Disability.*** – (a) Under such rules as the
6 Commission may approve, any employee under this Title who contracts sickness or
7 sustains an injury resulting in his permanent total disability shall be paid by the System a
8 lump sum amount equivalent to the monthly income benefit times sixty (60) but in no
9 case less than Sixty Thousand Pesos (₱60,000.00) nor more than Two Hundred Forty
10 Thousand Pesos (₱240,000.00), over and above whatever lump sum or pension benefits
11 he may have received under other applicable social security programs;

12 (b) The following disabilities shall be deemed total and permanent:

13 (1) Temporary total disability lasting continuously for more than two
14 hundred forty (240) days, except as otherwise provided for in the Rules;

15 (2) Complete loss of sight of both eyes;

16 (3) Loss of two (2) limbs at or above the ankle or wrist;

17 (4) Permanent complete paralysis of two (2) limbs;

18 (5) Brain injury resulting in incurable imbecility or insanity; and

19 (6) Such cases as determined by the Medical Director of the System and
20 approved by the Commission.

21 **ART. 206. *Permanent Partial Disability.*** - (a) Under such regulations as the
22 System may approve, any employee under this Title who contracts sickness or sustains an
23 injury resulting in permanent partial disability shall be paid by the System a lump-sum

1 amount equivalent to the percentage of the permanent loss times the lump-sum amount
2 for total permanent disability.

3 (b) The benefit shall be paid in accordance with the following schedule;

4	<u>Complete and permanent</u>	<u>Benefit</u>
5	<u>Loss of the use of:</u>	<u>(Percentage (%))</u>
6	One thumb	17%
7	One index finger	13
8	One middle finger	10
9	One ring finger	8
10	One little finger	5
11	One big toe	10
12	Any toe	5
13	One arm	83
14	One hand	65
15	One foot	52
16	One leg	77
17	One ear	17
18	Both ears	34
19	Hearing of one ear	17
20	Hearing of both ears	34
21	Sight of one eye	42
22	(c) A loss of a wrist shall be considered as loss of the hand, and a loss of an elbow	

23 shall be considered as a loss of the arm. A loss of an ankle shall be considered as a loss
24 of the foot, and a loss of a knee shall be considered as a loss of the leg. A loss of more
25 than one (1) joint shall be considered as a loss of the whole finger or toes, and a loss of
26 only the first joint shall be considered as loss of one-half (1/2) of the whole finger or toe:
27 *Provided*, That such a loss shall be either the functional loss of the use or physical loss of
28 the member.

29 (d) In cases of injuries or illnesses resulting in a permanent partial disability not
30 listed in the preceding schedule, the benefit shall be an income benefit equivalent to the
31 percentage of the permanent loss of the capacity to work times the lump sum amount for
32 permanent total disability.

Title II - EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND

Chapter VII - DEATH BENEFITS

1 **ART. 207. *Death*** - (a) Under such regulation as the Commission may approve,
2 the System shall pay to the primary beneficiaries upon the death of the covered employee
3 under this Title the lump sum benefit for permanent total disability as specified in Art.
4 200: *Provided, however,* That if he has no primary beneficiary, the System shall pay to
5 his secondary beneficiaries fifty percent (50%) of the lump sum benefit for permanent
6 total disability as specified in Art. 200.

7 (b) The lump-sum benefit provided herein shall be the new amount of the income
8 benefit for the surviving beneficiaries upon the approval of this Act.

9 (c) **Funeral Benefit.** - A funeral benefit in an amount as the System may approve,
10 but not less than Twenty Thousand Pesos (₱20, 000), shall be paid upon the death of a
11 covered employee or a permanently totally disabled pensioner.

Title II - EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND

Chapter VIII PROVISIONS COMMON TO INCOME BENEFITS

12 **ART. 208. *Relationship and Dependency.*** - All questions of relationship and
13 dependency shall be determined as of the time of death.

14 **ART. 209. *Delinquent Contributions.*** - (a) An employer who is delinquent in his
15 contributions shall be liable to the System for the benefits which may have been paid by
16 the System to his employees or their dependents and any benefit and expenses to which
17 such employer is liable shall constitute a lien on all his property, real or personal, which
18 is hereby declared to be preferred to any credit except taxes. The payment by the

1 employer of the lump sum equivalent of such liability shall absolve him from the
2 payment of the delinquent contribution and penalty thereon with respect to the employee
3 concerned.

4 (b) Failure or refusal of the employer to pay or remit the contributions herein
5 prescribed shall not prejudice the right of the employee or his dependents to the benefits
6 under this Title. If the sickness, injury, disability or death occurs before the System
7 receives any report of the name of his employee, the employer shall be liable to the
8 System for the lump sum equivalent of the benefits to which such employee or his
9 dependents may be entitled.

10 **ART. 210. *Second Injuries.*** - If any employee under permanent partial disability
11 suffers another injury which results in a compensable disability greater than the previous
12 injury, the State Insurance Fund shall be liable for the income benefit of the new
13 disability: *Provided*, That if the new disability is related to the previous disability, the
14 System shall be liable only for the difference in income benefits.

15 **ART. 211. *Assignment of Benefits.*** - No claim for compensation under this Title
16 is transferable, or liable to tax, attachment, garnishment, levy or seizure by or under any
17 legal process whatsoever, either before or after receipt by the person or persons entitled
18 thereto, except to pay any debt of the employee to the System.

19 **ART. 212. *Earned Benefits.*** - Income benefits shall, with respect to any period of
20 disability, be payable in accordance with this Title to an employee who is entitled to
21 receive wages, salaries or allowances for holidays, vacation or sick leaves, and any award
22 or benefit under a collective bargaining or other agreement.

23 **ART. 213. *Safety Devices.*** - In case the employee's injury or death was due to the
24 failure of the employer to comply with any law, or to install and maintain safety devices,

1 or take other precautions for the prevention of injury, said employer shall pay to the State
2 Insurance Fund a penalty of twenty-five per cent (25%) of the lump sum equivalent of the
3 income benefit payable by the System to the employee. All employers, especially those
4 who should have been paying a rate of contribution higher than that required of them
5 under this Title, are enjoined to undertake and strengthen measures for the occupational
6 health and safety of their employees.

7 **ART. 214. *Prescriptive Period.*** - No claim shall be given due course unless said
8 claim is filed with the System within ten (10) years from the time the cause of action
9 accrued.

10 **ART. 215. *Erroneous Payment.*** - (a) If the System in good faith pays income
11 benefit to a dependent who is inferior in right to another dependent or with whom another
12 dependent is entitled to share, such payments shall discharge the System from liability,
13 unless and until such other dependent notifies the System of his claim prior to the
14 payments.

15 (b) In case of doubt as to the respective rights of rival claimants, the System is
16 hereby empowered to determine as to whom payment should be made in accordance with
17 such regulations as the Commission may approve. If the money is payable to a minor or
18 incompetent, payment shall be made by the System to such person or persons as it may
19 consider to be best qualified to take care and dispose of the minor's or incompetent's
20 property for his benefit.

21 **ART. 216. *Prohibition.*** - No agent, attorney or other person pursuing or in charge
22 of the preparation or filing of any claim for benefit under this Title shall demand or
23 charge for his services any fee, and any stipulation to the contrary shall be null and void.
24 The retention or deduction of any amount from any benefit granted under this Title for

1 the payment of fees of such services is prohibited. Violation of any provision of this
2 Article shall be punished by a fine of not less than Five Hundred Pesos nor more than
3 Five Thousand Pesos, or imprisonment for not less than six (6) months nor more than one
4 year, or both, at the discretion of the court.

5 **ART. 217. *Exemption from Levy, Tax, Etc.*** - All laws to the contrary
6 notwithstanding, the State Insurance Fund and all its assets shall be exempt from any tax,
7 fee, charge, levy or customs or import duty, and no law hereafter enacted shall apply to
8 the State Insurance Fund unless it is provided therein that the same is applicable by
9 expressly stating its name.

Title II - EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND

Chapter IX RECORDS, REPORTS AND PENAL PROVISIONS

10 **ART. 218. *Records of Death or Disability.*** - (a) All employers shall keep a
11 logbook to record chronologically the sickness, injury or death of their employees, setting
12 forth therein their names, dates and places of the contingency, nature of the contingency
13 and absences. Entries in the logbook shall be made within five days from notice or
14 knowledge of the occurrence of the contingency. Within five days after the entry in the
15 logbook, the employer shall report to the System only those contingencies it deems to be
16 work connected.

17 (b) All entries in the employer's logbook shall be made by the employer or any of
18 his authorized officials after verification of the contingencies or the employee's absences
19 for a period of a day or more. Upon request by the System, the employer shall furnish the
20 necessary certificate regarding information about any contingency appearing in the

1 logbook, citing the entry number, page number and date. Such logbook shall be made
2 available for inspection to the duly authorized representative of the System.

3 (c) Should any employer fail to record in the logbook an actual sickness, injury or
4 death of any of his employees within the period prescribed herein, give false information
5 or withhold material information already in his possession, he shall be held liable for fifty
6 percent (50%) of the lump sum equivalent of the income benefit to which the employee
7 may be found to be entitled, the payment of which shall accrue to the State Insurance
8 Fund.

9 (d) In case of payment of benefits for any claim which is later determined to be
10 fraudulent and the employer is found to be a party to the fraud, such employer shall
11 reimburse the System the full amount of the compensation paid.

12 **ART. 219. Notice of Sickness, Injury or Death.** - Notice of sickness, injury or
13 death shall be given to the employer by the employee or by his dependents or anybody on
14 his behalf within five days from the occurrence of the contingency. No notice to the
15 employer shall be required if the contingency is known to the employer or his agents or
16 representatives.

17 **ART. 220. Penal Provisions.** - (a) The penal provisions of Republic Act No.
18 1161, as amended, and Commonwealth Act No. 186, as amended, with regard to the
19 funds as are thereunder being paid to, collected or disbursed by the System, shall be
20 applicable to the collection, administration and disbursement of the funds under this Title.
21 The penal provisions on coverage shall also be applicable.

22 (b) Any person, who for the purpose of securing entitlement to any benefit or
23 payment under this Title or the issuance of any certificate or document for any purpose
24 connected with this Title, whether for him or for some other person, commits fraud,

1 collusion, falsification, misrepresentation of facts or any other kind of anomaly shall be
2 punished with a fine of not less than Five Hundred Pesos nor more than Five Hundred
3 Thousand Pesos and an imprisonment for not less than six (6) months nor more than one
4 year, at the discretion of the court.

5 (c) If the act penalized by this Article is committed by any person who has been
6 or is employed by the Commission or System, or a recidivist, the imprisonment shall not
7 be less than one year; if committed by a lawyer, physician or other professional, he shall
8 in addition to the penalty prescribed herein be disqualified from the practice of his
9 profession; and if committed by any official, employee or personnel of the Commission,
10 System or any government agency, he shall in addition to the penalty prescribed herein
11 be dismissed with prejudice to reemployment in the government service.

12 **ART. 221. *Applicability.*** - Settlement of employees' compensation claims - All
13 employees' claims for medical and related benefits and for income benefits shall be
14 processed, determined and settled in accordance with such laws, rules and regulations
15 existing at the time their cause of action accrued.

16 **ART. 222. *Implementing Rules and Regulations.*** - The rules and regulations to
17 implement the provisions of this Title shall be adopted and promulgated by the
18 Commission not later than three (3) months after the approval of this Act.

Title III - PHILHEALTH

19 **ART. 223. *Medical Care.*** - The Philippine Medical Care Plan shall be
20 implemented as provided under Republic Act No. 6111, as amended.

Title IV - ADULT EDUCATION

1 **ART. 224. *Adult Education.*** - Every employer shall render assistance in the
2 establishment and operation of adult education programs for their workers and employees
3 as prescribed by regulations approved by the Technical Education and Skills
4 Development Authority (TESDA).

BOOK FIVE
LABOR RELATIONS

Title I - POLICY AND DEFINITIONS

Chapter I
POLICY

5 **ART. 225. *Declaration of Policy:*** (a) The State shall ensure the fullest possible
6 exercise of the rights of all workers to self-organization, collective bargaining and
7 negotiations, and peaceful concerted activities, including the right to strike in accordance
8 with law.

9 (b) All workers shall participate in policy and decision-making processes
10 affecting their rights and benefits as may be provided by law.

11 (c) The State shall promote the principle of shared responsibility between workers
12 and employers and the preferential use of voluntary modes in settling disputes, including
13 conciliation, and shall enforce their mutual compliance therewith to foster industrial
14 peace. No labor dispute arising from employer-employee relationship shall be under the
15 jurisdiction of the National Labor Relations Commission until all the efforts to resolve
16 such labor dispute at the work place by the grievance machinery or by conciliation in

1 accordance with the rules and regulations promulgated by the Secretary of Labor and
2 Employment have failed.

3 (d) To encourage a truly democratic method of regulating the relations between
4 the employers and employees by means of agreements freely entered into through
5 collective bargaining, no court or administrative agency or official shall have the power
6 to set or fix wages, rates of pay, hours of work or other terms and conditions of
7 employment, except as otherwise provided under this Code.

8 **ART. 226. *Tripartism and Tripartite Conferences*** - (a) Tripartism in labor
9 relations is hereby declared a State policy. Towards this end, workers and employers
10 shall, as far as practicable, be represented in decision and policy-making bodies of the
11 government.

12 (b) The Secretary of Labor and Employment or his duly authorized
13 representatives may from time to time call a national, regional, or industrial tripartite
14 conference of representatives of government, workers and employers for the
15 consideration and adoption of voluntary codes of principles designed to promote
16 industrial peace based on social justice or to align labor movement relations with
17 established priorities in economic and social development. In calling such conference, the
18 Secretary of Labor and Employment may consult with accredited representatives of
19 workers and employers.

Title I - POLICY AND DEFINITIONS

Chapter II DEFINITIONS

1 **ART. 227. Definitions.** –. (a) “Department” means the Department of Labor
2 and Employment. “Secretary” refers to the head of the Department.

3 (b) "Commission" means the National Labor Relations Commission or any of its
4 divisions.

5 (c) "Bureau" means the Bureau of Labor Relations and/or the Labor Relations
6 Divisions in the regional offices of the Department.

7 (d) "Board" means the National Conciliation and Mediation Board established
8 under Executive Order No. 126.

9 (e) "Council" means the Tripartite Voluntary Arbitration Advisory Council
10 established under Executive Order No. 126, as amended.

11 (f) “Code” means the New Labor Code of the Philippines.

12 (g) “Employer” includes any person acting in the interest of an employer,
13 directly or indirectly. The term shall not include any labor organization or any of its
14 officers or agents except when acting as employer.

15 (h) "Employee" includes any person in the employ of an employer. The term
16 shall not be limited to the employees of a particular employer, unless this Code so
17 explicitly states. It shall include any individual whose work has ceased as a result of or in
18 connection with any current labor dispute or because of any unfair labor practice if he has
19 not obtained any other substantially equivalent and regular employment.

20 (i) "Labor Organization" means any union or association of employees which
21 exists in whole or in part for the purpose of collective bargaining or for dealing with
22 employers concerning terms and conditions of employment.

23 (j) “Legitimate Labor Organization” means any labor organization defined under
24 letter (i) hereof which is duly registered with the Department. The term includes a

1 local/chapter directly chartered by a federation or national union which has been duly
2 reported to the Department.

3 (k) “Workers Association” means any association of workers organized for the
4 mutual aid and protection of its members or for any legitimate purpose other than
5 collective bargaining.

6 (l) “Independent Union” means any labor organization operating at the enterprise
7 level whose legal personality is derived through an independent action for registration
8 prescribed under Article 239 of the Code. An independent union may be affiliated with a
9 federation, national or industry union, in which case it may also be referred to as an
10 affiliate.

11 (m) “Local Union/Chapter” means any labor organization operating at the
12 enterprise level whose legal personality is derived through the issuance of a charter by a
13 duly registered federation or national union.

14 (n) “National Union/Federation” means any labor organization with locals/
15 chapters or affiliates each of which is a duly recognized or certified collective bargaining
16 agent.

17 (o) “Legitimate Workers’ Association” means any workers association defined
18 under letter (K) hereof which is duly registered with the Department.

19 (p) “Industry Union” means any group of legitimate labor organizations
20 operating within an identified industry organized for collective bargaining or for dealing
21 with employers concerning terms and conditions of employment within an industry, or
22 for participating in the formulation of social and employment policies, standards and
23 programs in such industry, which is duly registered with the Department.

1 (q) "Trade Union Center" means any group of registered national unions or
2 federations organized for the mutual aid and protection of its members, for assisting such
3 members in collective bargaining, or for participating in the formulation of social and
4 employment policies, standards and programs, which is duly registered with the
5 Department.

6 (r) "Company union" means any labor organization whose formation, function or
7 administration has been assisted by any act defined as unfair labor practice by this Code.

8 (s) "Bargaining Unit" refers to a group of employees sharing mutual interest
9 within a given employer unit, comprised of all or less than all of the entire body of
10 employees in the employer unit or any specific occupational or geographical grouping
11 within such employer unit.

12 (t) "Exclusive Bargaining Representative" means any legitimate labor
13 organization duly recognized or certified as the sole and exclusive bargaining agent of all
14 the employees in a bargaining unit.

15 (u) "Unfair labor practice" means any unfair labor practice as expressly defined by
16 this Code.

17 (v) "Labor or industrial dispute" includes any controversy or matter concerning
18 terms or conditions of employment or the association or representation of persons in
19 negotiating, fixing, maintaining, changing or arranging the terms and conditions of
20 employment, regardless of whether the disputants stand in the proximate relation of
21 employer and employee.

22 (w) "Managerial employee" is one who is vested with powers or prerogatives to
23 lay down and execute management policies and/or to hire, transfer, suspend, lay-off,
24 recall, discharge, assign or discipline employees. Supervisory employees are those who,

1 in the interest of the employer, effectively recommend such managerial actions if the
2 exercise of such authority is not merely routinary or clerical in nature but requires the use
3 of independent judgment. All employees not falling within any of the definitions of
4 managerial or supervisory employee are considered rank-and-file employees for purposes
5 of this Book.

6 (x) "Voluntary Arbitrator" means any person accredited by the Board as such, or
7 any person named or designated in the Collective Bargaining Agreement by the parties to
8 act as their Voluntary Arbitrator, or one chosen, with or without the assistance of the
9 Board, pursuant to a selection procedure agreed upon in the collective bargaining
10 agreement.

11 (y) "Strike" means any temporary stoppage of work by the concerted action of
12 employees as a result of an industrial or labor dispute.

13 (z) "Lockout" means the temporary refusal of an employer to furnish work as a
14 result of an industrial or labor dispute.

15 (aa) "Intra union dispute" refers to any conflict between and among union
16 members and includes all disputes or grievances arising from any violation of or
17 disagreement over any provision of the constitution and by-laws of a union,
18 including cases arising from chartering or affiliation of labor organizations or
19 from any violation of the rights and conditions of union membership provided for
20 in this Code.

21 (bb) "Inter-Union Dispute" refers to any conflict between and among
22 legitimate labor organizations involving questions of representation for purposes
23 of collective bargaining. It also includes all other conflicts which legitimate labor

1 organizations may have against each other based on any violations of their rights
2 as labor organizations.

3 (cc) "Strike breaker" means any person who obstructs, impedes, or
4 interferes with by force, violence, coercion, threats or intimidation any peaceful
5 picketing by employees during any labor controversy affecting wages, hours or
6 conditions of work or in the exercise of the right of self-organization or collective
7 bargaining.

8 (dd) "Strike area" means the establishment, warehouses, depots, plants or
9 offices, including the sites or premises used as run-away shops, of the employer
10 struck against, as well as the immediate vicinity actually used by picketing
11 strikers in moving to and fro before all points of entrance to and exit from said
12 establishment.

Title II - NATIONAL LABOR RELATIONS COMMISSION

Chapter I CREATION AND COMPOSITION

13 ****ART. 228. *National Labor Relations Commission.*** - There shall be a National
14 Labor Relations Commission which shall be attached to the Department of Labor and
15 Employment for program and policy coordination only, composed of a Chairman and
16 twenty three (23) members.

17 Eight (8) members each shall be chosen from among the nominees of the workers
18 and employers organizations, respectively. The Chairman and the seven (7) remaining
19 members shall come from the public sector, with the latter to be chosen preferably from
20 among the Labor Arbiters as recommended by the Secretary of Labor and Employment.

1 Upon assumption into office, the members nominated by the workers and
2 employers organizations shall divest themselves of any affiliation with or interest in the
3 federation or association to which they belong.

4 The Commission may sit *en banc* or in eight (8) divisions, each composed of
5 three (3) members. The Commission shall sit *en banc* only for purposes of promulgating
6 rules and regulations governing the hearing and disposition of cases before any of its
7 divisions and regional branches and formulating policies affecting its administration and
8 operations. The Commission shall exercise its adjudicatory and all other powers,
9 functions, and duties through its divisions. Of the eight (8) divisions, the first, second,
10 third, fourth, fifth and sixth divisions shall handle cases coming from the National Capital
11 Region and other parts of Luzon and the seventh and eighth divisions, cases from the
12 Visayas and Mindanao, respectively: *Provided*, That the Commission sitting *en banc*
13 may, on temporary and emergency basis, allow cases within the jurisdiction of any
14 division to be heard and decided by any other division whose docket allows the additional
15 workload and such transfer will not expose litigants to unnecessary additional expense.
16 The divisions of the Commission shall have exclusive appellate jurisdiction over cases
17 within their respective territorial jurisdiction.

18 The concurrence of two (2) Commissioners of a division shall be necessary for
19 the pronouncement of a judgment or resolution. Whenever the required membership in a
20 division is not complete and the concurrence of two (2) Commissioners to arrive at a
21 judgment or resolution cannot be obtained, the Chairman shall designate such number of
22 additional Commissioners from the other divisions as may be necessary.

23 The conclusions of a division on any case submitted to it for decision shall be
24 reached in consultation before the case is assigned to a member for the writing of the

1 opinion. It shall be mandatory for the division to meet for purposes of the consultation
2 ordained therein. A certification to this effect signed by the Presiding Commissioner of
3 the division shall be issued, and a copy thereof attached to the record of the case and
4 served upon the parties.

5 The Chairman shall be the Presiding Commissioner of the first division, and the
6 seven (7) other members from the public sector shall be the Presiding Commissioners of
7 the second, third, fourth, fifth, sixth, seventh and eighth divisions, respectively. In case of
8 the effective absence or incapacity of the Chairman, the Presiding Commissioner of the
9 second division shall be the Acting Chairman.

10 The Chairman, aided by the Executive Clerk of the Commission, shall have
11 administrative supervision over the Commission and its regional branches and all its
12 personnel, including the Labor Arbiters.

13 The Commission, when sitting *en banc*, shall be assisted by the same Executive
14 Clerk, and when acting thru its divisions, by said Executive Clerk for its first division and
15 seven (7) other Deputy Executive Clerks for the second, third, fourth, fifth, sixth, seventh
16 and eighth divisions, respectively, in the performance of such similar or equivalent
17 functions and duties as are discharged by the Clerk of Court and Deputy Clerks of Court
18 of the Court of Appeals.

19 The Commission and its eight (8) divisions shall be assisted by the Commission
20 Attorneys in its appellate and adjudicatory functions whose term shall be co-terminus
21 with the Commissioners with whom they are assigned. The Commission Attorneys shall
22 be members of the Philippine Bar with at least one (1) year experience or exposure in the
23 field of labor-management relations. They shall receive annual salaries and shall be
24 entitled to the same allowances and benefits as those falling under salary grade of twenty

1 six (SG 26). There shall be as many Labor Arbitration Officers as may be necessary for
2 the effective and efficient operation of the Commission but in no case less than two (2)
3 assigned to the Office of the Chairman and each Commissioner.

4 ****ART. 229. Headquarters, Branches and Provincial Extension Units.** - The
5 Commission and its first, second, third, fourth, fifth and sixth divisions shall have their
6 main offices in Metropolitan Manila and the seventh and eighth divisions in the cities of
7 Cebu and Cagayan de Oro, respectively. The Commission shall establish as many
8 regional branches as there are regional offices of the Department of Labor and
9 Employment, sub-regional branches or provincial extension units. There shall be as many
10 Labor Arbiters as may be necessary for the effective and efficient operation of the
11 Commission.

12 ****ART. 230. Appointment and Qualifications.** - The Chairman and other
13 Commissioners shall be members of the Philippine Bar and must have been engaged in
14 the practice of law in the Philippines for at least fifteen (15) years, with at least five (5)
15 years experience or exposure in the field of labor-management relations, and shall
16 preferably be residents of the region where they are to hold office. The Labor Arbiters
17 shall likewise be members of the Philippine Bar and must have been engaged in the
18 practice of law in the Philippines for at least ten (10) years, with at least three (3) years
19 experience or exposure in the field of labor-management relations: *Provided, however,*
20 That incumbent Labor Arbiters who have been engaged in the practice of law for at least
21 five (5) years may be considered as already qualified for purposes of reappointment as
22 such under this Act.

23 The Chairman, the other Commissioners, and the Labor Arbiters shall hold office
24 during good behavior until they reach the age of sixty-five (65) years, unless sooner

1 removed for cause as provided by law or become incapacitated to discharge the duties of
2 their office.

3 The Chairman, the Division Presiding Commissioners and other Commissioners
4 shall all be appointed by the President. Appointment to any vacancy shall come from the
5 nominees of the sector which nominated the predecessor. The Labor Arbiters shall also
6 be appointed by the President, upon recommendation of the Secretary of Labor and
7 Employment, to specific arbitration branches, preferably in the regions where they are
8 residing and shall be subject to the Civil Service Law, rules and regulations: *Provided,*
9 *however,* That the incumbent Labor Arbiters who are presently holding office in the
10 regions where they are residing shall be deemed appointed thereat.

11 The Secretary of Labor and Employment shall, in consultation with the Chairman
12 of the Commission, appoint the staff and employees of the Commission, and its regional
13 branches as the needs of the service may require, subject to the Civil Service Law, rules
14 and regulations, and upgrade their current salaries, benefits and other emoluments in
15 accordance with law.

16 ****ART. 231. Ranks, Salaries, Benefits and Other Emoluments.** – The Chairman
17 and members of the Commission shall have the same rank, receive an annual salary
18 equivalent to, and be entitled to the same allowances, retirement and other benefits and
19 privileges as those of the Presiding Justice and Associate Justices of the Court of
20 Appeals, respectively. The Labor Arbiters shall have the same rank, receive an annual
21 salary equivalent to and be entitled to the same allowances, retirement and other benefits
22 and privileges as that of the judges of the Regional Trial Courts. In no case, however,
23 shall the provisions of this Article result in the diminution of existing salaries, allowances
24 and benefits of the aforementioned officials.

Title II - NATIONAL LABOR RELATIONS COMMISSION

Chapter II POWERS AND DUTIES

- 1 **ART. 232. *Jurisdiction of Labor Arbiters and the Commission.*** – (a) Except as
2 otherwise provided under this Code, the Labor Arbiters shall have original and exclusive
3 jurisdiction to hear and decide, within thirty (30) calendar days after the submission of
4 the case by the parties for decision without extension, even in the absence of stenographic
5 notes, the following cases involving all workers, whether agricultural or non-agricultural:
- 6 (1) Unfair labor practice cases;
 - 7 (2) Termination disputes except those in organized establishments which
8 shall be subject to the grievance machinery and voluntary arbitration;
 - 9 (3) If accompanied with a claim for reinstatement, those cases that
10 workers may file involving wages, rate of pay, hours of work and other terms and
11 conditions of employment;
 - 12 (4) Claims for actual, moral, exemplary and other forms of damages
13 arising from the employer-employee relations;
 - 14 (5) Cases arising from any violation of Article 269 of this Code,
15 including questions involving the legality of strikes and lockouts;
 - 16 (6) Inter-union disputes; and
 - 17 (7) Except claims for Employees Compensation, Social Security,
18 Medicare and maternity benefits, all other claims arising from employer-
19 employee relations, including those of persons in domestic or household service,

1 involving an amount exceeding fifty thousand pesos (₱50,000.00), whether or not
2 accompanied with a claim for reinstatement.

3 (b) The Commission shall have exclusive appellate jurisdiction over all cases
4 decided by Labor Arbiters.

5 (c) Cases arising from the interpretation or implementation of collective
6 bargaining agreements and those arising from the interpretation or enforcement of
7 company personnel policies shall be disposed of by the Labor Arbiter by referring the
8 same to the grievance machinery and voluntary arbitration as may be provided in said
9 agreements.

10 **ART. 233. Powers of the Commission.** - The Commission shall have the power
11 and authority: (a) To promulgate rules and regulations governing the hearing and
12 disposition of cases before it and its regional branches, as well as those pertaining to its
13 internal functions and such rules and regulations as may be necessary to carry out the
14 purposes of this Code;

15 (b) To administer oaths, summon the parties to a controversy, issue subpoenas
16 requiring the attendance and testimony of witnesses or the production of such books,
17 papers, contracts, records, statements of accounts, agreements, and others as may be
18 material to a just determination of the matter under investigation, and to testify in any
19 investigation or hearing conducted in pursuance of this Code;

20 (c) To conduct investigation for the determination of a question, matter or
21 controversy within its jurisdiction, proceed to hear and determine the disputes in the
22 absence of any party thereto who has been summoned or served with notice to appear,
23 adjourn its hearings to any time and place, refer technical matters or accounts to an expert
24 and to accept his report as evidence after hearing of the parties upon due notice, direct

1 parties to be joined in or excluded from the proceedings, correct, amend, or waive any
2 error, defect or irregularity, whether in substance or in form, give all such directions as it
3 may deem necessary or expedient in the determination of the dispute before it, and
4 dismiss any matter or refrain from further hearing or from determining the dispute or
5 part thereof, where it is trivial or where further proceedings by the Commission are not
6 necessary or desirable; and

7 (d) To hold any person in contempt direct or indirectly and impose appropriate
8 penalties therefor in accordance with law.

9 A person guilty of misbehavior in the presence of or so near the Chairman or any
10 member of the Commission or any Labor Arbiter as to obstruct or interrupt the
11 proceedings before the same, including disrespect toward said officials, offensive
12 personalities toward others, or refusal to be sworn or to answer as a witness, or to
13 subscribe an affidavit or deposition when lawfully required to do so, may summarily
14 adjudged in direct contempt by said officials and punished by fine not exceeding five
15 hundred pesos (₱500) or imprisonment not exceeding five (5) days, or both if it be the
16 Commission or a member thereof, or by a fine not exceeding one hundred pesos (₱100)
17 or imprisonment not exceeding one (1) day, or both if it be a Labor Arbiter.

18 The person adjudged in direct contempt by a Labor Arbiter may appeal to the
19 Commission and the execution of the judgment shall be suspended pending the resolution
20 of the appeal upon the filing of subject person of a bond on condition that he will abide
21 by and perform the judgment of the Commission should the appeal be decided against
22 him. Judgment of the Commission on direct contempt is immediately executory and
23 unappealable. Indirect contempt shall be dealt with by the Commission or Labor Arbiter
24 in the manner prescribed under Rule 71 of the Revised Rules of Court.

1 ***ART. 234. Ocular Inspection.** - The Chairman, any Commissioner, Labor
2 Arbiter or their duly authorized representatives may at any time during working hours
3 conduct an ocular inspection on any establishment, building, ship or vessel, place or
4 premises, including any work, material, implement, machinery, appliance or any object
5 therein, and ask any employee, laborer or any person as the case may be for any
6 information or data concerning any matter or question relative to the object of the
7 investigation.

8 **ART. 235. Technical Rules Not Binding and Prior Resort to Amicable**
9 **Settlement.** - In any proceeding before the Commission or any of the Labor Arbiters, the
10 rules of evidence prevailing in courts of law or equity shall not be controlling, and it is
11 the spirit and intention of this Code that the Commission and its members and the Labor
12 Arbiters shall use every and all reasonable means to ascertain the facts in each case
13 speedily and objectively, without regard to technicalities of law or procedure, all in the
14 interest of due process. In any proceeding before the Commission or any Labor Arbiter,
15 the parties may be represented by legal counsel but it shall be the duty of the Chairman,
16 any Presiding Commissioner or Commissioner or any Labor Arbiter to exercise complete
17 control of the proceedings at all stages.

18 Any provision of law to the contrary notwithstanding, the Labor Arbiter shall
19 exert all efforts towards the amicable settlement of a labor dispute within his jurisdiction
20 on or before the first hearing. The same rule shall apply to the Commission in the
21 exercise of its original jurisdiction.

22 **ART. 236. Appearances and Fees.** - (a) Non-lawyers may appear before the
23 Commissioner or any Labor Arbiter only:

24 1. If they represent themselves; or

1 2. If they represent their organization or members thereof.

2 (b) No attorney's fees, negotiation fees or similar charges of any kind arising from
3 any collective bargaining negotiations or conclusion of the collective agreement shall be
4 imposed on any individual member of the contracting union: *Provided*, however, That
5 attorney's fees may be charged against union funds in an amount to be agreed upon by the
6 parties. Any contract, agreement or arrangement of any sort to the contrary shall be null
7 and void.

8 (c) No docket fee shall be assessed in labor standards disputes. In all other
9 disputes, docket fees may be assessed against the filing party, provided that in bargaining
10 deadlocks, such fees shall be shared equally by the negotiating parties.

Title II - NATIONAL LABOR RELATIONS COMMISSION

Chapter III APPEAL

11 ***ART. 237. *Appeal*.** - Decisions, awards, or orders of the Labor Arbiter are
12 final and executory unless appealed to the Commission by any or both parties within ten
13 (10) calendar days from receipt of such decisions, awards, or orders. Such appeal may be
14 entertained only on any of the following grounds:

15 (a) If there is prima facie evidence of abuse of discretion on the part of the Labor
16 Arbiter;

17 (b) If the decision, order or award was secured through fraud or coercion,
18 including graft and corruption;

19 (c) If made purely on questions of law; and

1 (d) If serious errors in the findings of facts are raised which would cause grave or
2 irreparable damage or injury to the appellant.

3 In case of a judgment involving a monetary award, an appeal by the employer
4 may be perfected only upon the posting of a cash or surety bond issued by a reputable
5 bonding company duly accredited by the Commission in the amount equivalent to the
6 monetary award in the judgment appealed from.

7 In any event, the decision of the Labor Arbiter reinstating a dismissed or
8 separated employee, insofar as the reinstatement aspect is concerned, shall immediately
9 be executory, even pending appeal. The employee shall either be admitted back to work
10 under the same terms and conditions prevailing prior to his dismissal or separation or, at
11 the option of the employer, merely reinstated in the payroll. **In case the employer shall
12 opt for payroll reinstatement, the dismissed employee shall be paid his/her salaries/wages
13 and other benefits during the pendency of the appeal in the Commission. The posting of a
14 bond by the employer shall not stay the execution for reinstatement provided herein.

15 To discourage frivolous or dilatory appeals, the Commission or the Labor Arbiter
16 shall impose reasonable penalty, including fines or censures, upon the erring parties.

17 In all cases, the appellant shall furnish a copy of the memorandum of appeal to the
18 other party who shall file an answer not later than ten (10) calendar days from receipt
19 thereof.

20 The Commission shall decide all cases within thirty (30) calendar days from
21 receipt of the answer of the appellee. The decision of the Commission shall be final and
22 executory after ten (10) calendar days from receipt thereof by the parties. **In case a
23 motion for reconsideration is filed, the decision shall be executory after ten (10) calendar
24 days from receipt of the resolution of such motion.

1 Any law enforcement agency may be deputized by the Secretary of Labor and
2 Employment or the Commission in the enforcement of decisions, awards, or orders. To
3 ensure speedy labor justice, the periods provided in this Code within which decisions or
4 resolutions of labor relations cases or matters should be rendered shall be mandatory. For
5 this purpose, a case or matter shall be deemed submitted for decision or resolution upon
6 the filing of the last pleading or memorandum required by the rules of the Commission or
7 by the Commission itself, or the Labor Arbiter or the Director of the Bureau of Labor
8 Relations or Med-Arbiter, or the Regional Director.

9 Upon expiration of the corresponding period, a certification stating why a
10 decision or resolution has not been rendered within the said period shall be issued
11 forthwith by the Chairman of the Commission, the Executive Labor Arbiter, or the
12 Director of the Bureau of Labor Relations or Med-Arbiter, or the Regional Director, as
13 the case may be, and a copy thereof served upon the parties. Despite the expiration of the
14 applicable mandatory period, the aforesaid officials shall, without prejudice to any
15 liability which may have been incurred as a consequence thereof, see to it that the case or
16 matter shall be decided or resolved without any further delay.

17 **ART. 238. Execution of Decisions, Orders, or Awards.** – ****(a)** Decisions,
18 resolutions or awards of the Commission, except those on certified cases, shall be
19 appealable only to the Supreme Court on *certiorari* under Rule 65 of the Rules of Court
20 solely on questions of law or jurisdiction.

21 **(b)** The Secretary of Labor and Employment, and the Chairman of the
22 Commission may designate special sheriffs and take any measure under existing laws to
23 ensure compliance with their decisions, orders or awards and those of Labor Arbiters and
24 voluntary arbitrators or panel of voluntary arbitrators, including the imposition of

1 administrative fines which shall not be less than Five Hundred Pesos (₱500.00) nor more
2 than Ten Thousand Pesos (₱10, 000.00).

3 (c) The Secretary of Labor and Employment or any Regional Director, the
4 Commission or any Labor Arbiter or the voluntary arbitrator or panel of voluntary
5 arbitrators may, *motu proprio* or on motion of any interested party, issue a writ of
6 execution on a judgment within five (5) years from the date it becomes final and
7 executory, requiring a sheriff or a duly deputized officer to execute or enforce final
8 decisions, orders or awards of the Secretary of Labor and Employment or Regional
9 Director, the Commission, or the Labor Arbiter or voluntary arbitrator or panel of
10 voluntary arbitrators. In any case, it shall be the duty of the responsible officer to
11 separately furnish immediately the counsel of record and the parties with copies of said
12 decisions, orders or awards. Failure to comply with the duty prescribed herein shall
13 subject such responsible officer to appropriate administrative sanctions.

14 **ART. 239. Contempt Powers of the Secretary of Labor and Employment.** - In
15 the exercise of his powers under this Code, the Secretary of Labor and Employment may
16 hold any person in direct or indirect contempt and impose the appropriate penalties
17 therefor.

Title III - BUREAU OF LABOR RELATIONS

18
19 **ART. 240. Bureau of Labor Relations.** - The Bureau of Labor Relations and the
20 Labor Relations Divisions in the regional offices of the Department of Labor and
21 Employment shall have original and exclusive authority to act, at their own initiative or
22 upon request of an interested party, on all intra-union conflicts. The Bureau shall have

1 fifteen (15) calendar days to act on labor cases before it, subject to extension by
2 agreement of the parties.

3 **ART. 241. Conciliation and Compromise Agreements.** – The National
4 Conciliation and Mediation Board shall implement the preferential use of voluntary
5 modes of settling labor disputes through conciliation in accordance with such rules and
6 regulations as the Secretary of Labor and Employment may promulgate. Any
7 compromise settlement, including those involving labor standard laws, voluntarily agreed
8 upon by the parties with the assistance of the Board and its Regional Branches, shall be
9 final and binding upon the parties. The National Labor Relations Commission or any
10 court shall not assume jurisdiction over issues involved therein except in case of non-
11 compliance thereof or if there is prima facie evidence that the settlement was obtained
12 through fraud, misrepresentation, or coercion.

13 **ART. 242. Issuance of Subpoenas.** - The Bureau shall have the power to require
14 the appearance of any person or the production of any paper, document or matter relevant
15 to a labor dispute under its jurisdiction either at the request of any interested party or at
16 its own initiative.

17 **ART. 243. Registry of Unions.** – The Bureau shall keep a registry of legitimate
18 labor organizations.

19 **ART. 244. Registry of Collective Bargaining Agreements** –The Board shall
20 maintain a registry of all collective bargaining agreements and other related agreements
21 and records of the compromise settlements of labor disputes, and copies of orders, and
22 decisions of voluntary arbitrators or panel or voluntary arbitrators.

23 The file shall be open and accessible to interested parties under conditions
24 prescribed by the Secretary of Labor and Employment: *Provided*, That no specific

1 information submitted in confidence shall be disclosed unless authorized by the
2 Secretary, or when it is at issue in any judicial litigation or when public interest or
3 national security so requires.

4 Within thirty (30) days from the execution of a collective bargaining agreement,
5 the parties shall submit copies of the same directly to the Board for registration
6 accompanied with verified proofs of its posting in two conspicuous places in the place of
7 work and ratification by the majority of all the workers in the bargaining unit. The Board
8 shall act upon the application for registration of such collective bargaining agreement
9 within five (5) calendar days from receipt thereof.

10 The Board shall assess the employer for every collective bargaining agreement a
11 registration fee of not less than Two Thousand Pesos (P2, 000.00) or in any other amount
12 as may be deemed appropriate and necessary by the Secretary of Labor and Employment
13 for the effective and efficient administration of the voluntary arbitration program. Any
14 amount collected under this provision shall accrue to the Special Voluntary Arbitration
15 Program.

16 **ART. 245. *Privileged Communication.*** - Information and statements made at
17 conciliation proceedings shall be treated as privileged communication and shall not be
18 used as evidence in the Commission. Conciliators and similar officials shall not testify in
19 any court or body regarding any matters taken up at conciliation proceedings conducted
20 by them.

Title IV - LABOR ORGANIZATIONS

Chapter I REGISTRATION AND CANCELLATION

1 ***/**ART. 246. *Types of Labor Organizations; Requirements of Registration.* –**

2 A labor organization may consist of workers employed by a particular employer or of
3 employees in an appropriate occupational grouping of workers organized for mutual aid
4 and protection. It includes an organization operating at the enterprise level or in an
5 appropriate bargaining unit within an enterprise, as well as a national or industry union,
6 federation, confederation or trade union center.

7 A federation, national union or industry or trade union center or an independent
8 union shall acquire legal personality and shall be entitled to the rights and privileges
9 granted by law to legitimate labor organizations upon issuance of the certificate of
10 registration based on the following requirements.

11 (a) The names of its officers, their addresses, the principal address of the labor
12 organization, the minutes of the organizational meeting and the list of the workers who
13 participated in such meetings;

14 (b) In case the applicant is an independent union, the names of all its members
15 comprising at least twenty percent (20%) of all the employees in the bargaining unit
16 where it seeks to operate,

17 (c) If the applicant union has been in existence for one or more years, copies of its
18 annual financial report;

19 (d) Four copies of the constitution and by-laws of the applicant union, minutes of
20 its adoption or ratification, and the list of the members who participated in it; and

21 (e) Payment of registration fee to be prescribed by the Secretary of Labor and
22 Employment from time to time, but which shall only be in an amount necessary to cover
23 the costs of processing and maintaining the documents submitted.

1 Upon submission of all the foregoing documents, the Bureau shall issue in favor
2 of the labor organization concerned a certificate of registration evidencing its inclusion in
3 the roster of legitimate labor organizations which shall be kept by the Bureau.

4 ***/**ART. 247. *Chartering and Creation of a Local Chapter.*** – A duly registered
5 federation or national union may directly create a local chapter by issuing a charter
6 certificate indicating the establishment of the local chapter. The chapter shall acquire
7 legal personality only for purposes of filing a request for certification election from the
8 date it was issued a charter certificate.

9 The chapter shall be entitled to all other rights and privileges of a legitimate labor
10 organization only upon the submission of the following documents in addition to its
11 charter certificate:

12 (a) The names of the chapter's officers, their addresses, and the principal office
13 of the chapter; and

14 (b) The chapter's constitution and by-laws: *Provided*, That where the chapter's
15 constitution and by-laws are the same as that of the federation or the national union, this
16 fact shall be indicated accordingly.

17 The additional supporting requirements shall be certified under oath by the
18 secretary or treasurer of the chapter and attested to by its President.

19 Any form of misrepresentation, false statement or fraud committed by individual
20 officers or members shall not be a ground for cancellation but shall subject the erring
21 officers or members to suspension, expulsion from membership, or any other appropriate
22 penalty.

23 **ART. 248. *Action on Application.*** - The Bureau shall act on all applications for
24 registration within ten (10) days from filing. If no action is taken by the Bureau within

1 that period after complete submission of the requirements, the labor organization is
2 deemed registered. All requisite documents and papers shall be certified under oath by
3 the secretary or the treasurer of the organization, as the case may be, and attested to by its
4 president.

5 **ART. 249. Denial of Registration; Appeal.** - The decision of the Labor Relations
6 Division in the regional office denying registration may be appealed by the applicant
7 union to the Bureau within ten days from receipt of notice thereof.

8 **ART. 250. Additional Requirements for Federations or National Unions.** - If
9 the applicant for registration is a federation or a national union, it shall, in addition to the
10 requirements of the preceding articles, submit the following:

11 (a) Proof of the affiliation of at least ten locals or chapters, each of which must be
12 a duly recognized collective bargaining agent supporting the registration of such
13 applicant federation or national union;

14 (b) The names and addresses of the companies where the locals or chapters
15 operate and the list of all the members in each company involved.

16 ***/**ART. 251. Cancellation of Registration.** - The certificate of registration of
17 any legitimate labor organization, whether national or local, may be cancelled by the
18 Bureau, after due hearing, only on the grounds specified in Article 249 hereof.

19 ***/**ART. 252. Effect of a Petition for Cancellation of Registration.** – A petition
20 for cancellation of union registration shall not suspend the proceedings for certification
21 election nor shall it prevent the filing of a petition for certification election.

22 In case of cancellation, nothing herein shall restrict the right of the union to seek
23 just and equitable remedies in the appropriate courts.

1 ***/**ART. 253. *Effect of Inclusion as Members of Employees outside the***
2 ***Bargaining Unit.*** – The inclusion as union members of employees outside the bargaining
3 unit shall not be a ground for the cancellation of the registration of the union. Said
4 employees are automatically deemed removed from the list of membership of said union.

5 ***/**ART. 254. *Grounds for Cancellation of Union Registration.*** – The following
6 may constitute grounds for cancellation of union registration:

- 7 a) Failure of the union to maintain the minimum membership requirement
8 prescribed in Article 246 (b) hereof;
9 b) Using the union as a guise to engage in any activity prohibited by the law; and
10 c) *De facto* or voluntary dissolution by the members.

11 In case of cancellation, nothing herein shall restrict the right of the organization to
12 seek redress in the appropriate courts.

13 ****ART 255. *Reportorial Requirements.*** – The following are documents required
14 to be submitted to the Bureau by the legitimate labor organization concerned:

- 15 (a) Its constitution and by-laws, or amendments thereto, the minutes of ratification,
16 and the list of members who took part in the ratification of the constitution and
17 by-laws within thirty (30) days from adoption or ratification of the constitution
18 and by-laws or amendments thereto;
19 (b) Its list of officers, minutes of the election of officers, and list of voters within
20 thirty (30) days from election;
21 (c) Its annual financial report within thirty (30) days after the close of every fiscal
22 year; and
23 (d) Its list of members at least once a year or whenever required by the Bureau.

1 Failure to comply with the above requirements shall not be a ground for
2 cancellation of union registration but shall subject the erring officers or members to
3 suspension, expulsion from membership, or any appropriate penalty.

Title IV - LABOR ORGANIZATIONS

Chapter II RIGHTS AND CONDITIONS OF MEMBERSHIP

4 **ART. 256.** *Rights and Conditions of Membership in a Labor Organization.* - The
5 following are the rights and conditions of membership in a labor organization:

6 *(a) No arbitrary or excessive initiation fees shall be required of the members of a
7 legitimate labor organization nor shall arbitrary, excessive or oppressive fine and
8 forfeiture be imposed;

9 *(b) The members shall be entitled to full and detailed reports from their officers
10 and representatives of all financial transactions as provided for in the constitution and by-
11 laws of the organization;

12 (c) The members shall elect their officers by secret ballot at intervals of not more
13 than three (3) years. The election shall be done directly unless circumstances otherwise
14 require and as provided for in the constitution and by-laws of the organization. No
15 qualification requirement for candidacy to any position shall be imposed other than
16 membership in good standing in subject labor organization. The secretary or any other
17 responsible union officer shall furnish the Secretary of Labor and Employment with a list
18 of the newly-elected officers, together with the appointive officers or agents who are
19 entrusted with the handling of funds within thirty (30) calendar days after the election of

1 officers or from the occurrence of any change in the list of officers of the labor
2 organization.

3 (d) The members shall determine by secret ballot, after due deliberation, any
4 question of major policy affecting the entire membership of the organization, unless the
5 nature of the organization or *force majeure* renders such secret balloting impractical, in
6 which case the board of directors of the organization may make the decision in behalf of
7 the general membership.

8 *(e) No person who has been convicted of a crime involving moral turpitude shall
9 be eligible for election as a union officer or for appointment to any position in the union;

10 *(f) No officer, agent or member of a labor organization shall collect any fees,
11 dues, or other contributions in its behalf or make any disbursement of its moneys or funds
12 unless he is duly authorized pursuant to its constitution and by-laws;

13 *(g) Every payment of fees, dues or other contributions by a member shall be
14 evidenced by a receipt signed by the officer or agent making the collection and entered
15 into the record of the organization to be kept and maintained for the purpose;

16 *(h) The funds of the organization shall not be applied for any purpose or object
17 other than those expressly provided by its constitution and by-laws or those expressly
18 authorized by written resolution adopted by the majority of the members at a general
19 meeting duly called for the purpose;

20 *(i) Every income or revenue of the organization shall be evidenced by a record
21 showing its source, and every expenditure of its funds shall be evidenced by a receipt
22 from the person to whom the payment is made, which shall state the date, place and
23 purpose of such payment. Such record or receipt shall form part of the financial records
24 of the organization. Any action involving the funds of the organization shall prescribe

1 three (3) years from the date of submission of the annual financial report to the DOLE or
2 from the date the same should have been submitted, whichever comes earlier.

3 *(j) The officers of any labor organization shall not be paid any compensation
4 other than the salaries and expenses due to their positions as specifically provided for in
5 its constitution and by-laws or in a written resolution duly authorized by a majority of all
6 the members at a general membership meeting duly called for the purpose. The minutes
7 of the meeting and the list of participants and ballots cast shall be subject to inspection by
8 the Secretary of Labor and Employment or his duly authorized representatives. Any
9 irregularities in the approval of the resolutions shall be a ground for impeachment or
10 expulsion from the organization;

11 (k) The treasurer of any labor organization and every officer thereof who is
12 responsible for the accounts of such organization or for the collection, management,
13 disbursement, custody or control of the funds, moneys and other properties of the
14 organization, shall render to the organization and to its members a true and correct
15 account of all moneys received and paid by him since he assumed office or since the last
16 date on which he rendered such account and of the balance remaining in his hands at the
17 time of rendering such account, and of all bonds, securities and other properties of the
18 organization entrusted to his custody or under his control. The rendering of such account
19 shall be made:

20 (1) At least once a year within thirty (30) days after the close of its fiscal
21 year;

22 (2) At such other times as may be required by a resolution of the majority
23 of the members of the organization; and

24 (3) Upon vacating his office.

1 The account shall be duly audited and verified by affidavit and a copy thereof
2 shall be furnished the Secretary of Labor and Employment;

3 *(l) The books of accounts and other records of the financial activities of any
4 labor organization shall be opened to inspection by any officer or member thereof during
5 office hours;

6 *(m) No special assessment or other extraordinary fees may be levied upon the
7 members of a labor organization unless authorized by a written resolution of a majority of
8 all the members at a general membership meeting duly called for the purpose. The
9 secretary of the organization shall record the minutes of the meeting including the list of
10 all members present, the votes cast, the purpose of the special assessment or fees and the
11 recipient of such assessment or fees. The record shall be attested to by the president;

12 *(n) Other than for mandatory activities under the Code, no special assessment,
13 attorney's fees, negotiation fees or any other extraordinary fees may be checked off from
14 any amount due an employee without an individual written authorization duly signed by
15 the employee. The authorization should specifically state the amount, purpose and
16 beneficiary of the deduction; and

17 (o) It shall be the duty of any labor organization and its officers to inform its
18 members on the provisions of its constitution and by-laws, collective bargaining
19 agreement, the prevailing labor relations system and all their rights and obligations under
20 existing labor laws. For this purpose, registered labor organizations may assess
21 reasonable dues to finance labor relations seminars and other labor education activities.

22 Any violation of the rights and conditions of membership shall be a ground for
23 subjecting the erring officer or member to suspension, expulsion or other, disciplinary
24 action in accordance with the organization's constitution and by-laws. A member may

1 file with the Bureau a complaint based on violations of the rights and conditions of
2 membership only if there is no appropriate internal administrative mechanism in the
3 organization's constitution and by-laws, or if such mechanism exists but the remedies
4 therein have been exhausted or rendered in availing to the member through no fault of his
5 or her own. In such case, the Bureau shall have the power to hear and decide any reported
6 violation and to mete the appropriate penalty: *Provided*, That the penalty of suspension or
7 expulsion may not be imposed unless approved by a majority vote of the membership.
8 Criminal and civil liabilities arising from violations of above rights and conditions of
9 membership shall continue to be under the jurisdiction of ordinary courts.

10 The Secretary of Labor and Employment or his duly authorized representative is
11 hereby empowered to inquire into the financial activities of legitimate labor organizations
12 upon the filing of a complainant under oath and duly supported by the written consent of
13 at least twenty percent (20%) of the total membership of the labor organization concerned
14 and to examine their books of accounts and other records to determine compliance or
15 non-compliance with the law and to prosecute any violations of the law and the union
16 constitution and by-laws: *Provided*, That such inquiry or examination shall not be
17 conducted during the sixty (60) day freedom period nor within thirty (30) days
18 immediately preceding the date of election of union officials.

Title IV - LABOR ORGANIZATIONS

Chapter III

RIGHTS OF LEGITIMATE LABOR ORGANIZATIONS

19 **ART. 257. *Rights of Legitimate Labor Organizations.*** - A legitimate labor
20 organization shall have the right:

1 *a) To act as the representative of its members for the purpose of collective
2 bargaining or for mutual aid and protection;

3 *b) To be certified as the exclusive representative of all the employees in an
4 appropriate collective bargaining unit for purposes of collective bargaining;

5 c) To be furnished by the employer, upon written request, with his annual audited
6 financial statements, including the balance sheet and the profit and loss statement, within
7 thirty (30) calendar days from the date of receipt of the request, after the union has been
8 duly recognized by the employer or certified as the sole and exclusive bargaining
9 representative of the employees in the bargaining unit, or within sixty (60) calendar days
10 before the expiration of the existing collective bargaining agreement, or during the
11 collective bargaining negotiation;

12 *(d) To own property, real or personal, for the use and benefit of the labor
13 organization and its members;

14 *(e) To sue and be sued in its registered name; and

15 *(f) To undertake all other activities designed to benefit the organization and its
16 members, including cooperative, housing welfare and other projects not contrary to law.

17 Notwithstanding any provision of a general or special law to the contrary, the income,
18 and the properties of legitimate labor organizations, including grants, endowments, gifts,
19 donations and contributions they may receive from fraternal and similar organizations,
20 local or foreign, which are actually, directly and exclusively used for their lawful
21 purposes, shall be free from taxes, duties, and other assessments. The exemptions
22 provided herein may be withdrawn only by a special law expressly repealing this
23 provision. All unions are authorized to collect reasonable membership fees, union dues,
24 assessments and fines and other contributions for labor education and research, mutual

1 death and hospitalization benefits, welfare fund, strike fund and credit and cooperative
2 undertakings.

Title V - COVERAGE RIGHT TO SELF-ORGANIZATION

3 ***ART. 258. *Coverage and Employees' Right to Self-Organization.*** - All
4 Employees shall have the right to self-organization and to form, join or assist labor
5 organizations of their own choosing for purposes of collective bargaining.

6 ***ART. 259. *Workers Associations.*** - Ambulant, intermittent and itinerant
7 workers, self-employed people, rural workers and those without any definite employers
8 may form workers associations for the purpose of enhancing and defending their interests
9 and for their mutual aid and protection. Any employee, whether employed for a definite
10 period or not, shall, beginning on his first day of service, be considered an employee for
11 purposes of membership in any labor union.

12 ***ART. 260. *Right of Employees of Government-owned and Controlled***
13 ***Corporations*** - Employees of government-owned and controlled corporations established
14 under the Corporation Code shall have the right to organize and to bargain collectively
15 with their respective employers. Under this Code the employees of all branches,
16 subdivisions, instrumentalities and agencies of the government, including government
17 owned and controlled corporation with original charters shall have the right to organize
18 and to have collective negotiation in accordance with civil service law, rules and
19 regulations.

20 ****ART. 261. *Ineligibility of Managerial Employees to Join Any Labor***
21 ***Organization; Right of Supervisory Employees.*** - Managerial employees are not eligible

1 to join, assist or form any labor organization. Supervisory employees shall not be eligible
2 for membership in collective bargaining units of the rank-and-file employees but may
3 join, assist or form separate collective bargaining units and/or legitimate labor
4 organizations of their own. The rank-and-file union and the supervisors' union may join
5 the same federation or national union.

6 **ART. 262. *Non-Abridgement of Right to Self-Organization.*** - It shall be
7 unlawful for any person to restrain, coerce, discriminate against or unduly interfere with
8 employees and workers in their exercise of the right to self-organization. Such right shall
9 include the right to form, join, or assist labor organizations for the purpose of collective
10 bargaining through representatives of their own choosing and to engage in lawful aid and
11 protection, subject to the provisions of this Code.

Title VI - UNFAIR LABOR PRACTICES

Chapter I

CONCEPT

12 **ART. 263. *Concept of Unfair Labor Practice and Procedure for Prosecution***
13 ***Thereof.*** - Unfair labor practices violate the constitutional right of workers and
14 employees to self-organization, are inimical to the legitimate interests of both labor and
15 management, including their right to bargain collectively and otherwise deal with each
16 other in an atmosphere of freedom and mutual respect, disrupt industrial peace and hinder
17 the promotion of healthy and stable labor-management relations.

18 Consequently, unfair labor practices are not only violations of the civil rights of
19 both labor and management but are also criminal offenses against the state which shall be
20 subject to prosecution and punishment as herein provided.

1 Subject to the exercise by the President or by the Secretary of Labor and
2 Employment of the powers vested in them by Articles 284 and 285 of this Code, the civil
3 aspects of all cases involving unfair labor practices, which may include claims for actual,
4 moral, exemplary and other forms of damages, attorney's fees and other affirmative relief,
5 shall be under the jurisdiction of the Labor Arbiters. The Labor Arbiters shall give utmost
6 priority to the hearing and resolution of all cases involving unfair labor practices. They
7 shall resolve such cases within thirty (30) calendar days from the time they are submitted
8 for decision.

9 Recovery of civil liability in the administrative proceedings shall bar recovery
10 under the Civil Code.

11 No criminal prosecution under this Title may be instituted without a final
12 judgment, finding that an unfair labor practice was committed, having been first obtained
13 in the administrative proceeding referred to in the preceding paragraph. During the
14 pendency of such administrative proceeding, the running of the period of prescription of
15 the criminal offense herein penalized shall be considered interrupted: *Provided, however,*
16 That the final judgment in the administrative proceedings shall not be binding in the
17 criminal case nor be considered as evidence of guilt but merely as proof of compliance
18 with the requirements herein set forth.

19 Notwithstanding the provision of the immediately preceding paragraph, any
20 employer, including any person acting in the interest of an employer who unjustly
21 dismisses union officers duly elected in accordance with the constitution and by-laws
22 which constitutes union busting where the existence of the union is threatened commits
23 not only an unfair labor practice but also a criminal offense which may be the subject of
24 an immediate criminal prosecution.

Title VI - UNFAIR LABOR PRACTICES
Chapter II
UNFAIR LABOR PRACTICES OF EMPLOYERS

- 1 ***ART. 264. *Unfair Labor Practices of Employers.*** - It shall be unlawful for an
2 employer to commit any of the following unfair labor practices:
- 3 a) To interfere with, restrain or coerce employees in the exercise of their right to
4 self-organization;
- 5 b) To require as a condition of employment that a person or an employee shall not
6 join a labor organization or shall withdraw from one to which he belongs;
- 7 c) To contract out services or functions being performed by union members when
8 such will interfere with, restrain or coerce employees in the exercise of their right to self-
9 organization;
- 10 d) To initiate, dominate, assist or otherwise interfere with the formation or
11 administration of any labor organization, including the giving of financial or other
12 support to it or its organizers or officers;
- 13 e) To discriminate in regard to wages, hours of work, and other terms and
14 conditions of employment in order to encourage or discourage membership in any labor
15 organization. Nothing in this Code or in any other law shall stop the parties from
16 requiring membership in a recognized collective bargaining agent as a condition for
17 employment, except of those employees who are already members of another union at the
18 time of the signing of the collective bargaining agreement. Employees of an appropriate
19 collective bargaining unit who are not members of the recognized collective bargaining
20 agent may be assessed a reasonable fee equivalent to the dues and other fees paid by

1 members of the recognized collective bargaining agent, if such non-union members
2 accept the benefits under the collective agreement.

3 f) To dismiss, discharge or otherwise prejudice or discriminate against an
4 employee for having given or being about to give testimony under this Code;

5 g) To violate the duty to bargain collectively as prescribed by this Code;

6 h) To pay negotiation or attorney's fees to the union or its officers or agents as
7 part of the settlement of any issue in collective bargaining or any other dispute; or

8 i) To violate a collective bargaining agreement.

9 The provision of the preceding paragraph notwithstanding, only the officers and
10 agents of corporations, associations, or partnerships who have actually participated in,
11 authorized or ratified unfair labor practices shall be held criminally liable.

Title VI - UNFAIR LABOR PRACTICES

Chapter III

UNFAIR LABOR PRACTICES OF LABOR ORGANIZATIONS

12 **ART. 265. *Unfair Labor Practices of Labor Organizations.*** - It shall be unfair
13 labor practice for a labor organization, its officers, agents, or representatives:

14 a) To restrain or coerce employees in the exercise of their right to self-
15 organization. However, a labor organization shall have the right to prescribe its own rules
16 with respect to the acquisition or retention of membership;

17 b) To cause or attempt to cause an employer to discriminate against an employee,
18 including discrimination against an employee with respect to whom membership in such
19 organization has been denied or to terminate an employee on any ground other than the

1 usual terms and conditions under which membership or continuation of membership is
2 made available to other members;

3 c) To violate the duty or refuse to bargain collectively with the employer,
4 provided that it is the representative of the employees;

5 d) To cause or attempt to cause an employer to pay or deliver or agree to pay or
6 deliver any money or other things of value, in the nature of an exaction, for services
7 which are not performed or not to be performed, including the demand for a fee for union
8 negotiations;

9 e) To ask for or accept negotiation or attorney's fees from employers as part of the
10 settlement of any issue in collective bargaining or any other dispute; or

11 f) To violate a collective bargaining agreement.

12 g) To violate the duty of fair representation, including entering into collective
13 bargaining agreements which provide terms and conditions of employment below
14 minimum standards established by law.

15 The provision of the preceding paragraph notwithstanding, only the officers,
16 members of governing boards, representatives or agents or members of labor associations
17 or organizations who have actually participated in, authorized or ratified unfair labor
18 practices shall be held criminally liable.

Title VII - COLLECTIVE BARGAINING AND ADMINISTRATION OF AGREEMENTS

19 **ART. 266. *Procedure in Collective Bargaining.*** - The following procedures
20 shall be observed in collective bargaining:

1 a) When a party desires to negotiate an agreement, it shall serve a written notice
2 upon the other party with a statement of its proposals. The other party shall make a reply
3 thereto not later than ten (10) calendar days from receipt of such notice;

4 b) Should differences arise on the basis of such notice and reply, either party may
5 request for a conference which shall begin not later than ten (10) calendar days from the
6 date of request;

7 c) If the dispute is not settled, the Board shall intervene upon request of either or
8 both parties or at its own initiative and immediately call the parties to conciliation
9 meetings. The Board shall have the power to issue subpoenas requiring the attendance of
10 the parties to such meetings. It shall be the duty of the parties to participate fully and
11 promptly in the conciliation meetings the Board may call;

12 d) During the conciliation proceedings in the Board, the parties are prohibited
13 from doing any act which may disrupt or impede the early settlement of the disputes; and

14 e) The Board shall exert all efforts to settle disputes amicably and encourage the
15 parties to submit their case to a voluntary arbitrator.

16 ***ART. 267. Duty to Bargain Collectively in the Absence of Collective**
17 **Bargaining Agreements.** - In the absence of an agreement or other voluntary
18 arrangement providing for a more expeditious manner of collective bargaining, it shall be
19 the duty of the employer and the representatives of the employees to bargain collectively
20 in accordance with the provisions of this Code.

21 **ART. 268. Meaning of Duty to Bargain Collectively.** - The duty to bargain
22 collectively means the performance of a mutual obligation to meet and convene promptly
23 and expeditiously in good faith for the purpose of negotiating an agreement with respect
24 to wages, hours of work and all other terms and conditions of employment including

1 proposals for adjusting any grievances or questions arising under such agreement and
2 executing a contract incorporating such agreements if requested by either party, but such
3 duty does not compel any party to agree to a proposal or to make any concession.

4 ***ART. 269. Duty to Bargain Collectively When There Exists a Collective**
5 **Bargaining Agreement.** - When there is a collective bargaining agreement, the duty to
6 bargain collectively shall also mean that neither party shall terminate or modify such
7 agreement during its lifetime. However, either party can serve a written notice to
8 terminate or modify the agreement at least sixty (60) days prior to its expiration date. It
9 shall be the duty of both parties to keep the status quo and to continue in full force and
10 effect the term and conditions of the existing agreement during the 60-day period and/or
11 until a new agreement is reached by the parties.

12 **ART. 270. Terms of a Collective Bargaining Agreement.** - Any collective
13 bargaining agreement that the parties may enter into shall be for a term of three (3) years.
14 The majority status of the incumbent bargaining agent shall not be questioned and no
15 certification election shall be conducted by the Bureau outside of the sixty-day period
16 immediately before the date of expiry of such three year term of the collective bargaining
17 agreement. Any subsequent collective bargaining agreement entered into by the parties
18 shall retroact to the date of expiration of the previous collective bargaining agreement.

19 ***ART. 271. Injunction Prohibited.** - No temporary or permanent injunction or
20 restraining order in any case involving or growing out of labor disputes shall be issued by
21 any court or other entity, except as otherwise provided in Articles 231 and 285 of this
22 Code.

23 **ART. 272. Exclusive Bargaining Representation and Workers' Participation in**
24 **Policy and Decision-Making.** - The labor organization designated or selected by the

1 majority of the employees in an appropriate collective bargaining unit shall be the
2 exclusive representative of the employee in such unit for the purpose of collective
3 bargaining. However, an individual employee or group of employees shall have the right
4 at any time to present grievances to their employer. Any provision of law to the contrary
5 notwithstanding, workers shall have the right, subject to such rules and regulations as the
6 Secretary of Labor and Employment may promulgate, to participate in policy and
7 decision-making processes of the establishment where they are employed insofar as said
8 processes will directly affect their rights, benefits and welfare. For this purpose, workers
9 and employers may form labor-management councils: *Provided*, That the representatives
10 of the workers in such labor-management councils shall be elected by at least the
11 majority of all employees in said establishment.

12 ****ART. 273. Representation Issue in Organized Establishments.** - In organized
13 establishments, when a request questioning the majority status of the incumbent
14 bargaining agent is filed by any legitimate labor organization, including a national union
15 or federation which has already issued a charter certificate to its local chapter
16 participating in the certification election or a local chapter which has been issued a
17 charter certificate by the national union or federation before the Department of Labor and
18 Employment within the sixty-day period before the expiration of the collective
19 bargaining agreement, the Med-Arbiter shall automatically order an election by secret
20 ballot when the request is supported by the written consent of at least twenty-five percent
21 (25%) of all the employees in the bargaining unit to ascertain the will of the employees in
22 the appropriate bargaining unit. To have a valid election, at least a majority of all eligible
23 voters in the unit must have cast their votes. The labor union receiving the majority of the
24 valid votes cast shall be certified as the exclusive bargaining agent of all the workers in

1 the unit. When an election which provided for three or more choices results in no choice
2 receiving a majority of the valid votes cast, a run-off election shall be conducted between
3 the labor unions receiving the two highest number of votes: *Provided*, That the total
4 number of votes for all contending unions is at least fifty percent (50%) of the number of
5 votes cast. In cases where the request was filed by a national union or federation, it shall
6 not be required to disclose the names of the local chapter's officers and members.

7 At the expiration of the freedom period, the employer shall continue to recognize
8 the majority status of the incumbent bargaining agent where no request by any legitimate
9 labor organization or a national union or federation for a certification election has been
10 duly made.

11 ***ART. 274. When an Employer may File Petition.** – When asked to bargain
12 collectively, an employer may request the Bureau for an election. If there is no existing
13 certified collective bargaining agreement in the unit, the Bureau shall, after hearing, order
14 a certification election.

15 All certification cases shall be decided within twenty (20) working days.

16 The Bureau shall conduct a certification election within twenty (20) days in
17 accordance with the rules and regulations prescribed by the Secretary of Labor and
18 Employment.

19 ***ART. 275. Representation Issue Where There is a Bargaining Agent but No**
20 **Collective Bargaining Agreement.** – Any legitimate labor organization, national union or
21 federation may question the status of a bargaining agent if there is still no collective
22 bargaining agreement after one year from the date the bargaining unit was recognized or
23 certified, in which case, the former may request the Bureau to conduct a certification

1 election as long as it is supported by the written consent of at least twenty-five percent
2 (25%) of all employees in the appropriate bargaining unit.

3 **ART. 276. *Action on Request for Certification Election.*** - After receipt of a
4 proper request the Bureau shall conduct the certification election within 15 days in
5 accordance with the rules and regulations prescribed by the Secretary of Labor and
6 Employment.

7 ***/**ART. 277. *Employer as By-stander.*** In all cases, whether the request for
8 certification election is filed by an employer or a legitimate labor organization, national
9 union or federation, the employer shall not be considered a party thereto with a
10 concomitant right to oppose a petition for certification election. The employer's
11 participation in such proceedings shall be limited to: (1) being notified or informed of
12 petitions of such nature, and (2) submitting the list of employees during the pre-election
13 conference should the med-arbiter act favorable on the request.

14 ***ART. 278. *Appeal of Certification Election Results*** - Any legitimate labor
15 organization which is a party to a certification election may appeal the results of the
16 election to the Bureau on the ground that the rules and regulations or parts thereof
17 established by the Secretary of Labor and Employment for the conduct of the election
18 have been violated. Such appeal shall be decided within fifteen (15) calendar days. The
19 decision of the Bureau shall be final and executory.

Title VII-A GRIEVANCE MACHINERY AND VOLUNTARY ARBITRATION

20 **ART. 279. *Grievance Machinery and Voluntary Arbitration.*** – The parties to a
21 collective bargaining agreement shall include therein provisions that will ensure the

1 mutual observance of its terms and conditions. They shall establish machinery for the
2 adjustment and resolution of grievances arising from the interpretation or implementation
3 of their collective bargaining agreement and those arising from the interpretation or
4 enforcement of company personnel policies.

5 All grievances submitted to the grievance machinery which are not settled within
6 seven (7) calendar days from the date of its submission shall automatically be referred to
7 voluntary arbitration prescribed in the collective bargaining agreement.

8 **For this purpose, parties to a collective bargaining agreement shall name and
9 designate in advance a voluntary arbitrator or panel of voluntary arbitrators, or include in
10 the agreement a procedure for the selection of such voluntary arbitrator or panel of
11 voluntary arbitrators, preferably from the listing of qualified Voluntary Arbitrators duly
12 accredited by the Board. In case the parties fail to name and designate a Voluntary
13 Arbitrator or panel of Voluntary Arbitrators, the Board shall, upon request by any of the
14 parties, designate the Voluntary Arbitrator or panel of Voluntary Arbitrators which shall
15 act with the same force and effect as if the voluntary arbitrator or panel of voluntary
16 arbitrators has been so named and designated.

17 ****ART. 280. Jurisdiction of Voluntary Arbitrators and Panel of Voluntary**
18 **Arbitrators.** - The Voluntary Arbitrator or panel of Voluntary Arbitrators shall have
19 original and exclusive jurisdiction to hear and decide all unresolved grievances arising
20 from the interpretation or implementation of the Collective Bargaining Agreement and
21 those arising from the interpretation or enforcement of company personnel policies
22 referred to in the immediately preceding Article, including cases of termination of
23 workers covered by collective bargaining agreements, productivity schemes or wage
24 increases. Accordingly, violations of a Collective Bargaining Agreement, except those

1 which are gross in character, shall no longer be treated as unfair labor practice and shall
2 be resolved as grievances under the Collective Bargaining Agreement. For purposes of
3 this Article, gross violations of a Collective Bargaining Agreement shall mean flagrant
4 and/or malicious refusal to comply with the economic provisions of such agreement.

5 The Commission, its Regional Offices and the Regional Directors of the
6 Department of Labor and Employment shall not entertain disputes, grievances or matters
7 under the exclusive and original jurisdiction of the Voluntary Arbitrator or panel of
8 Voluntary Arbitrators and shall immediately dispose and refer the same to the grievance
9 machinery or voluntary arbitration provided in the collective bargaining agreement.

10 **ART. 281. Jurisdiction Over Other Labor Disputes.** - The voluntary arbitrator or
11 panel of voluntary arbitrators, upon agreement of the parties, shall also hear and decide
12 all other labor disputes including unfair labor practices and bargaining deadlocks.

13 **ART. 282. Procedures.** - The voluntary arbitrator or panel of voluntary arbitrators
14 shall have the power to hold hearings, receive evidences and take whatever action is
15 necessary to resolve the issue or issues subject of the dispute, including efforts to effect a
16 voluntary settlement between parties.

17 All parties to the dispute shall be entitled to attend the arbitration proceedings.
18 The attendance of any third party or the exclusion of any witness from the proceedings
19 shall be determined by the voluntary arbitrator or panel of voluntary arbitrators. Hearings
20 may be adjourned for cause or upon agreement by the parties.

21 ****Unless the parties agree otherwise, it shall be mandatory for the voluntary**
22 **arbitrator or panel of voluntary arbitrators to render an award or decision within twenty**
23 **(20) calendar days from the date of submission of the dispute to voluntary arbitration.**
24 Failure on his/her or their part to render an award or decision within such prescribed

1 period shall be sufficient cause for the board to remove their names from the list of
2 accredited Voluntary Arbitrators and bar them from the practice of the profession;
3 moreover, in such cases, it shall be unlawful for the voluntary arbitrator or panel of
4 voluntary arbitrators to refuse or fail to turn over to the board the records of the case
5 within ten (10) calendar days after its demand for the same for further disposition in
6 accordance with the provisions of the preceding paragraph.

7 The award or decision of the Voluntary Arbitrator or panel of Voluntary
8 Arbitrators shall contain the facts and the law on which it is based. It shall be final and
9 executory after ten (10) calendar days from receipt of the copy of the award or decision
10 by the parties.

11 Upon motion of any interested party, the Voluntary Arbitrator or panel of
12 Voluntary Arbitrators or the Labor Arbiter in the region where the movant resides, in
13 case of the absence or incapacity of the Voluntary Arbitrator or panel of Voluntary
14 Arbitrators for any reason, may issue a writ of execution requiring either the sheriff of the
15 Commission or regular courts or any public official whom the parties may designate in
16 the submission agreement to execute the final decision, order or award.

17 ****ART. 283. Cost of Voluntary Arbitration and Voluntary Arbitrator's Fee. -**

18 The cost of Voluntary Arbitration including the Voluntary Arbitrator's fee shall be borne
19 by the Special Voluntary Arbitration Fund to be supplemented by the appropriations of
20 the budget of the Board, if necessary. The fixing of the fee of Voluntary Arbitrators or
21 panel of Voluntary Arbitrators shall be made in accordance with the guidelines issued by
22 the Board upon recommendation of the Council and approved by the Secretary of Labor
23 and Employment, and shall take into account the following factors:

24 (a) Nature of the case;

- 1 (b)Time consumed in hearing the case;
- 2 (c) Professional standing of the voluntary arbitrator; and
- 3 (d) Fees provided for in the Revised Rules of Court.

Title VIII
STRIKES AND LOCKOUTS AND FOREIGN INVOLVEMENT
IN TRADE UNION ACTIVITIES

Chapter I
STRIKES AND LOCKOUTS

4 **ART. 284. *Strikes, Picketing and Lockouts.*** - *(a) It is the policy of the State to
5 encourage free trade unionism and free collective bargaining.

6 *(b) Workers shall have the right to engage in concerted activities for purposes of
7 collective bargaining or for their mutual benefit and protection. The right of legitimate
8 labor organizations to strike and picket and of employers to lockout, consistent with the
9 national interest, shall continue to be recognized and respected. However, no labor union
10 may strike and no employer may declare a lockout on grounds involving inter-union and
11 intra-union disputes.

12 (c) In cases of bargaining deadlocks, the duly certified or recognized bargaining
13 agent may file a notice of strike or the employer may file a notice of lockout with the
14 Department at least thirty (30) days before the intended date thereof. In cases of unfair
15 labor practice, the period of notice shall be fifteen (15) days and in the absence of a duly
16 certified or recognized bargaining agent, the notice of strike may be filed by any
17 legitimate labor organization in behalf of its members. However, in case of dismissal
18 from employment of union officers duly elected in accordance with the union constitution
19 and by-laws, which may constitute union busting where the existence of the union is

1 threatened, the 15-day cooling-off period shall not apply and the union may take action
2 immediately.

3 *(d) The notice must be in accordance with such implementing rules and
4 regulations as the Secretary of Labor and Employment may promulgate.

5 *(e) During the cooling-off period, it shall be the duty of the Department to exert
6 all efforts at mediation and conciliation to effect a voluntary settlement. Should the
7 dispute remain unsettled until the lapse of the requisite number of days from the
8 mandatory filing of the notice, the labor union may strike or the employer may declare a
9 lockout.

10 (f) A decision to declare a strike must be approved by a majority of the total union
11 membership in the bargaining unit concerned, obtained by secret ballot in meetings or
12 referenda called for that purpose. A decision to declare a lockout must be approved by
13 majority of the board of directors of the corporation or association or of the partners in a
14 partnership, obtained by secret ballot in a meeting called for that purpose. The decision
15 shall be valid for the duration of the dispute based on substantially the same grounds
16 considered when the strike or lockout vote was taken. The Department may, at its own
17 initiative or upon the request of any affected party, supervise the conduct of the secret
18 balloting. In every case, the union or the employer shall furnish the Department the
19 results of the voting at least seven days before the intended strike or lockout, subject to
20 the cooling-off period herein provided.

21 (g) When there exists a labor dispute causing or likely to cause a strike or lockout
22 in an enterprise engaged in providing essential services such as, hospital, electrical
23 services, water supply and communication and transportation, the Secretary of Labor and
24 Employment may assume jurisdiction over the dispute and decide it or certify the same

1 to the Commission for compulsory arbitration. Such assumption or certification shall
2 have the effect of automatically enjoining the intended or impending strike or lockout as
3 specified in the assumption or certification order. If one has already taken place at the
4 time of assumption or certification, all striking or locked out employees shall
5 immediately return to work and the employer shall immediately resume operations and
6 readmit all workers under the same terms and conditions prevailing before the strike or
7 lockout. The Secretary of Labor and Employment or the Commission may seek the
8 assistance of law enforcement agencies to ensure compliance with this provision as well
9 as with such orders as he may issue to enforce the same.

10 In line with the national concern for and the highest respect accorded to the right
11 of patients to life and health, strikes and lockouts in hospitals, clinics and similar medical
12 institutions shall, to every extent possible, be avoided, and all serious efforts, not only by
13 labor and management but government as well, be exhausted to substantially minimize, if
14 not prevent, their adverse effects on such life and health, through the exercise, however
15 legitimate, by labor of its right to strike and by management to lockout. In labor disputes
16 adversely affecting the continued operation of such hospitals, clinics or medical
17 institutions, it shall be the duty of the striking union or locking-out employer to provide
18 and maintain an effective skeletal workforce of medical and other health personnel,
19 whose movement and services shall be unhampered and unrestricted, as are necessary to
20 insure the proper and adequate protection of the life and health of its patients, most
21 especially emergency cases, for the duration of the strike or lockout. In such cases,
22 therefore, the Secretary of Labor and Employment may immediately assume, within
23 twenty four (24) hours from knowledge of the occurrence of such a strike or lockout,
24 jurisdiction over the same or certify it to the Commission for compulsory arbitration. For

1 this purpose, the contending parties are strictly enjoined to comply with such orders,
2 prohibitions and/or injunctions as are issued by the Secretary of Labor and Employment
3 or the Commission, under pain of immediate disciplinary action, including dismissal or
4 loss of employment status or payment by the locking-out employer of backwages,
5 damages and other affirmative relief, even criminal prosecution against either or both of
6 them.

7 The foregoing notwithstanding, the President of the Philippines shall not be
8 precluded from determining the enterprises that, in his opinion, are engaged in providing
9 essential services and from intervening at any time and assuming jurisdiction over any
10 labor dispute in such enterprises in order to settle or terminate the same.

11 (h) Before or at any stage of the compulsory arbitration process, the parties may
12 opt to submit their dispute to voluntary arbitration. At the instance of a union or an
13 employer who has taken all the required steps for the declaration of a strike or a lockout
14 respectively, in lieu of said union actually going on strike or such employer actually
15 declaring a lockout, either party may request the Secretary of labor and Employment to
16 assume jurisdiction over the labor dispute.

17 (i) The Secretary of Labor and Employment, the Commission or the voluntary
18 arbitrator or panel of voluntary arbitrators shall decide or resolve the dispute within
19 thirty (30) calendar days from the date of the assumption of jurisdiction or the
20 certification or submission of the dispute, as the case may be. The decision of the
21 President, the Secretary of Labor and Employment, the Commission or the voluntary
22 arbitrator or panel of voluntary arbitrators shall be final and executory ten (10) calendar
23 days after receipt thereof by the parties.

1 **ART. 285. *Prohibited Activities.*** - *(a) No labor organization or employer shall
2 declare a strike or lockout without first having bargained collectively in accordance with
3 Title VII of this Book or without first having filed the notice required in the preceding
4 Article or without the necessary strike or lockout vote first having been obtained and
5 reported to the Department.

6 No strike or lockout shall be declared after assumption of jurisdiction by the
7 President or the Secretary or after certification or submission of the dispute to
8 compulsory or voluntary arbitration or during the pendency of cases involving the same
9 grounds for the strike or lockout.

10 Any worker whose employment has been terminated as a consequence of an
11 unlawful lockout shall be entitled to reinstatement with full back wages. Any union
12 officer who knowingly participates in an illegal strike and any worker or union officer
13 who knowingly participates in the commission of illegal acts during a strike may be
14 declared to have lost his employment right: Provided, That mere participation of a worker
15 in a lawful strike shall not constitute sufficient ground for termination of his employment,
16 even if a replacement had been hired by the employer during such lawful strike.

17 *(b) No person shall obstruct, impede or interfere with by force, violence,
18 coercion, threats or intimidation any peaceful picketing by employees during any labor
19 controversy or in the exercise of the right of self-organization or collective bargaining or
20 shall aid or abet such obstruction or interference.

21 (c) No employer shall use or employ any strike-breaker nor shall any person be
22 employed as a strike-breaker.

23 *(d) No public official or employee, including officers and personnel of the New
24 Armed Forces of the Philippines or the Integrated National Police, or armed persons,

1 shall bring in, introduce or escort in any manner, any individual who seeks to replace
2 strikers in entering or leaving the premises of a strike area, or work in place of the
3 strikers. The police force shall keep out of the picket lines unless actual violence or other
4 criminal acts occur therein: *Provided*, That nothing herein shall be interpreted to prevent
5 any public officers from taking any measure necessary to maintain peace and order,
6 protect life and property, and/or enforce the law and legal order.

7 *(e) No person engaged in picketing shall commit any act of violence, coercion or
8 intimidation or obstruct the free ingress to or egress from the employer's premises for
9 lawful purposes, or obstruct public thoroughfares: *Provided, however*, That the exercise
10 of free ingress to or egress from the employers' premises shall not be used to take out
11 company's products, machineries and equipments or to bring in new employees for the
12 operation of the company.

13 (f) The National Labor Relations Commission shall have the power to enjoin or
14 restrain any actual or threatened commission of any or all prohibited or unlawful acts or
15 to require the performance of a particular act in any labor dispute which, if not restrained
16 or performed forthwith, may cause grave or irreparable damage to any party: *Provided*,
17 That no temporary or permanent injunction in any case involving or growing out of a
18 labor dispute as defined in this Code shall be issued except after hearing the testimony of
19 witnesses, with opportunity for cross-examination, in support of the allegations of a
20 complaint made under oath, and testimony in opposition thereto, if offered, and only after
21 a finding of fact by the Commission, to the effect:

22 (1) That prohibited or unlawful acts have been threatened and will be
23 committed and will be continued unless restrained, or have been committed and
24 will be continued unless restrained, but no injunction or temporary restraining

1 order shall be issued on account of any threat, prohibited or unlawful act, except
2 against the person or persons, association or organization making the threat or
3 committing the prohibited or unlawful act or actually authorizing or ratifying the
4 same after actual knowledge thereof;

5 (2) That substantial and irreparable injury to complainant's property will
6 follow;

7 (3) That, as to each item of relief to be granted, greater injury will be
8 inflicted upon complainant by the denial of relief than will be inflicted upon
9 defendants by the granting of relief;

10 (4) That complainant has no adequate remedy at law; and

11 (5) That the public officers charged with the duty to protect complainant's
12 property are unable or unwilling to furnish adequate protection.

13 Such hearing shall be held after due and personal notice thereof has been served,
14 in such manner as the Commission shall direct, to all known persons against whom relief
15 is sought, and also to the Chief Executive and other public officials of the province or
16 city within which the unlawful acts have been threatened or committed charged with the
17 duty to protect complainant's property: *Provided, however,* That if a complainant shall
18 also allege that, unless a temporary restraining order shall be issued without notice, a
19 substantial and irreparable injury to complainant's property will be unavoidable, such a
20 temporary restraining order may be issued upon testimony under oath, sufficient, if
21 sustained, to justify the Commission in issuing a temporary injunction upon hearing after
22 notice. Such a temporary restraining order shall be effective for no longer than twenty
23 (20) days and shall become void at the expiration of said twenty (20) days. No such
24 temporary restraining order or temporary injunction shall be issued except on condition

1 that complainant shall first file an undertaking with adequate security in an amount to be
2 fixed by the Commission sufficient to recompense those enjoined for any loss, expense or
3 damage caused by the improvident or erroneous issuance of such order or injunction,
4 including all reasonable costs, together with a reasonable attorney's fee, and expense of
5 defense against the order or against the granting of any injunctive relief sought in the
6 same proceeding and subsequently denied by the Commission.

7 The undertaking herein mentioned shall be understood to constitute an agreement
8 entered into by the complainant and the surety upon which an order may be rendered in
9 the same suit or proceeding against said complainant and surety, upon a hearing to assess
10 damages, of which hearing complainant and surety shall have reasonable notice, the said
11 complainant and surety submitting themselves to the jurisdiction of the Commission for
12 that purpose. But nothing herein contained shall deprive any party having a claim or
13 cause of action under or upon such undertaking from electing to pursue his ordinary
14 remedy by suit at law or in equity: *Provided, further,* That the reception of evidence for
15 the application of a writ of injunction may be delegated by the Commission to any of its
16 Labor Arbiters who shall conduct such hearings in such places as he may determine to be
17 accessible to the parties and their witnesses and shall submit thereafter his
18 recommendation to the Commission.

19 **ART. 286. *Improved Offer Balloting.*** - In an effort to settle a strike, the
20 Department of Labor and Employment shall conduct a referendum by secret balloting on
21 the improved offer of the employer on or before the 15th day of the strike. When at least
22 a majority of the union members vote to accept the improved offer, the striking workers
23 shall immediately return to work and the employer shall thereupon readmit them upon the
24 signing of the agreement.

1 In case of a lockout, the Department of Labor and Employment shall also conduct
2 a referendum by secret balloting on the reduced offer of the union on or before the 30th
3 day of the lockout. When at least a majority of the board of directors or trustees or the
4 partners holding the controlling interest in the case of a partnership vote to accept the
5 reduced offer, the workers shall immediately return to work and the employer shall
6 thereupon readmit them upon the signing of the agreement.

Title VIII - STRIKES AND LOCKOUTS AND FOREIGN INVOLVEMENT IN TRADE UNION ACTIVITIES

Chapter II ASSISTANCE TO LABOR ORGANIZATIONS

7 **ART. 287. Assistance by the Department of Labor and Employment.** - The
8 Department of Labor and Employment, at the initiative of the Secretary of Labor and
9 Employment, shall extend special assistance to the organization for purposes of collective
10 bargaining of the most underprivileged workers who, for reasons of occupation,
11 organizational structure or insufficient incomes are not normally covered by major labor
12 organizations or federations.

13 **ART. 288. Assistance by the Institute for Labor and Manpower Studies.** - The
14 Institute for Labor and Manpower Studies shall render technical and other forms of
15 assistance to labor organizations and employer organizations in the field of labor
16 education, especially pertaining to collective bargaining, arbitration, labor standards and
17 the Labor Code of the Philippines in general.

Title VIII - STRIKES AND LOCKOUTS AND FOREIGN INVOLVEMENT IN TRADE UNION ACTIVITIES

Chapter III FOREIGN ACTIVITIES

1 **ART. 289. *Prohibition against Aliens; Exceptions.*** - All alien, natural or
2 juridical, as well as all foreign organizations are strictly prohibited from engaging
3 directly or indirectly in all forms of trade union activities without prejudice to normal
4 contacts between Philippine labor unions and recognized international labor centers:
5 *Provided, however,* That aliens working in the country with valid permits issued by the
6 Department of Labor and Employment may exercise the right to self-organization and
7 join or assist labor organizations of their own choosing for purposes of collective
8 bargaining: *Provided, further,* That said aliens are nationals of a country which grants the
9 same or similar rights to Filipino workers.

10 ***ART. 290. *Regulation of Foreign Assistance.*** - (a) No foreign individual,
11 organization or entity may give any donations, grants or other forms of assistance, in cash
12 or in kind, directly or indirectly, to any labor organization, group of workers or any
13 auxiliary thereof, such as cooperatives, credit unions and institutions engaged in research,
14 education or communication, in relation to trade union activities without prior permission
15 by the Secretary of Labor and Employment.

16 "Trade union activities" shall mean:

- 17 (1) Organization, formation and administration of labor organizations;
18 (2) Negotiation and administration of collective bargaining agreements;
19 (3) All forms of concerted union action;
20 (4) Organizing, managing or assisting union conventions, meetings,
21 rallies, referenda, teach-ins, seminars, conferences and institutes;

1 (5) Any form of participation or involvement in representation
2 proceedings, representation elections, consent elections, union elections; and

3 (6) Other activities or actions analogous to the foregoing.

4 (b) This prohibition shall equally apply to foreign donations, grants or other forms
5 of assistance, in cash or in kind, given directly or indirectly to any employer or
6 employer's organization to support any activity or activities affecting trade unions.

7 (c) The Secretary of Labor and Employment shall promulgate rules and
8 regulations to regulate and control the giving and receiving of such donations, grants, or
9 other forms of assistance, including the mandatory reporting of amounts of donations or
10 grants, the specific recipients thereof, the projects or activities proposed to be supported
11 and their duration.

12 **ART. 291. *Applicability to Farm Tenants and Rural Workers*** - The provisions
13 of this Title pertaining to foreign organizations and activities shall be deemed applicable
14 to all organizations of farm tenants, rural workers and the like, provided that in
15 appropriate cases the Secretary of Agrarian Reform shall exercise the powers and
16 responsibilities vested by this Title in the Secretary of Labor and Employment.

Title VIII - STRIKES AND LOCKOUTS AND FOREIGN INVOLVEMENT IN TRADE UNION ACTIVITIES

Chapter IV PENALTIES FOR VIOLATION

17 **ART. 292. *Penalties.*** - (a) Any person violating any of the provisions of Article
18 280 of this Code shall be punished by a fine of not less than Ten Thousand Pesos (₱10,
19 000.00) nor more than One Hundred Thousand Pesos (₱100, 000.00) and/or
20 imprisonment for not less than three (3) years nor more than six (6) years, or both such

1 fine and imprisonment, at the discretion of the court. Prosecution under this provision
2 shall preclude prosecution for the same act under the Revised Penal Code, and vice versa.

3 (b) Upon the recommendation of the Secretary of Labor and Employment and the
4 Secretary of National Defense, foreigners who violate the provisions of this Title shall be
5 subject to immediate and summary deportation by the Commission on Immigration and
6 Deportation and shall be permanently barred from re-entering the country without the
7 special permission of the President of the Philippines.

Title IX - SPECIAL PROVISIONS

8 **ART. 293. *Study of Labor-Management Relations.*** - The Secretary of Labor
9 and Employment shall have the power and it shall be his duty to inquire into:

10 (a) The existing relations between employers and employees in the Philippines;

11 (b) The growth of associations of employees and the effect of such associations
12 upon employer-employee relations;

13 (c) The extent and results of the methods of collective bargaining in the
14 determination of terms and conditions of employment;

15 (d) The methods which have been tried by employers and associations of
16 employees for maintaining mutually satisfactory relations;

17 (e) Desirable industrial practices which have been developed through collective
18 bargaining for settling differences;

19 (f) The possible ways of increasing the usefulness and efficiency of collective
20 bargaining for settling differences;

21 (g) The possibilities for the adoption of practical and effective methods of labor-
22 management cooperation;

1 (h) Any other aspects of employer-employee relations concerning the promotion
2 of harmony and understanding between the parties; and

3 (i) The relevance of labor laws and labor relations to national development.

4 The Secretary of Labor and Employment shall also inquire into the causes of
5 industrial unrest and take all the necessary steps within his powers as may be prescribed
6 by law to alleviate the same, and shall from time to time recommend the enactment of
7 such remedial legislation as in his judgment may be desirable for the maintenance and
8 promotion of industrial peace.

9 **ART. 294. *Miscellaneous Provisions.*** - (a) The Secretary of Labor and
10 Employment and the Secretary of the Budget shall cause to be created or reclassified in
11 accordance with law such positions as may be necessary to carry out the objectives of this
12 Code and cause the upgrading of the salaries of the personnel involved in the Labor
13 Relations System of the Department. Funds needed for this purpose shall be provided out
14 of the Special Activities Fund appropriated by *Batas Pambansa Blg. 80* and from annual
15 appropriation thereafter.

16 (b) A Special Voluntary Arbitration Fund is hereby established in the Board to
17 subsidize the cost of voluntary arbitration in cases involving the interpretation and
18 implementation of the Collective Bargaining Agreement, including the Arbitrator's fees,
19 and for such other related purposes to promote and develop voluntary arbitration. The
20 Board shall administer the Special Voluntary Arbitration Fund in accordance with the
21 guidelines it may adopt upon the recommendation of the Council, which guidelines shall
22 be subject to the approval of the Secretary of Labor and Employment. Continuing funds
23 needed for this purpose in the initial yearly amount of Fifteen Million Pesos (₱15,
24 000,000.00) shall be provided in the annual General Appropriations Act. The amount of

1 subsidy in appropriate cases shall be determined by the Board in accordance with
2 established guidelines issued by it upon the recommendation of the Council. The Fund
3 shall also be utilized for the operation of the Council, the training and education of
4 Voluntary Arbitrators, and the Voluntary Arbitration Program.

5 (c) The Department of Labor and Employment shall help promote and gradually
6 develop, with the agreement of labor organizations and employers, labor-management
7 cooperation programs at appropriate levels of the enterprise based on shared
8 responsibility and mutual respect in order to ensure industrial peace and improvement in
9 productivity, working conditions and the quality of working life.

10 (d) In establishments where no legitimate labor organization exists, labor-
11 management committees may be formed voluntarily by workers and employers for the
12 purpose of promoting industrial peace. The DOLE shall endeavor to enlighten and
13 educate the workers and employees on their rights and responsibilities through labor
14 education with emphasis on the policy thrusts of this Code.

BOOK SIX **POST EMPLOYMENT**

Title I - TERMINATION OF EMPLOYMENT

15 **ART. 295. Coverage.** - The provisions of this Title shall apply to all
16 establishments or undertakings, whether for profit or not.

17 **ART. 296. Security of Tenure.** - No employer shall terminate the services of an
18 employee except for a just cause or when authorized by this Title. A regular employee
19 who is dismissed from work without just or authorized cause shall be entitled to
20 reinstatement without loss of seniority rights and other privileges and to his full back

1 wages, inclusive of allowances, and to his other benefits or their monetary
2 equivalent computed from the time his compensation was withheld from him up
3 to the time of his actual reinstatement. If the employee illegally dismissed is temporary,
4 he shall be entitled to a full salary for the unexpired portion of the agreed period and
5 unpaid benefits. In every case of illegal dismissal or termination the employer is liable for
6 damages and litigation costs. The term "employer" includes a contractor or subcontractor.

7 **ART. 297. Regular and Temporary Employment.** - The provisions of written
8 agreement to the contrary notwithstanding and regardless of the oral agreement of the
9 parties, an employment shall be deemed to be regular or for an indefinite period
10 where the employee has been engaged to perform activities which are usually necessary
11 or desirable in the usual business or trade of the employer.

12 Employment is temporary or for a definite period and may be terminated at the
13 end of the period, where the employment has been fixed for a specific project or
14 undertaking the completion or termination of which has been determined at the time of
15 the engagement of the employee; where the work or services to be performed is
16 seasonal in nature and the employment is for the duration of the season; or where both
17 the employer and the employee freely and knowingly enter into a term employment
18 contract in view of the temporary nature of the task or job.

19 The requirements of law intended to protect security of tenure and the exercise of
20 the right to self-organization are applicable to regular as well as temporary employees for
21 the duration of their employment.

22 ****ART. 298. Probationary Employment.** - Regardless of the nature of the work
23 to be performed, probationary employment shall not exceed six (6) months from the first
24 day of service for all workers, including teachers in both the public and private schools.

1 Any stipulation to the contrary shall be void. The services of an employee who has been
2 engaged on a probationary basis may be terminated for a just cause or when he fails to
3 qualify as a regular employee in accordance with reasonable standards made known
4 by the employer to the employee at the time of his engagement. An employee who is
5 allowed to work after a probationary period whether broken or not shall be considered a
6 regular employee.

7 **ART. 299. Termination by Employer.** - An employer may terminate an
8 employment for any of the following causes:

9 (a) Serious misconduct or willful disobedience by the employee of the lawful
10 orders of his employer or representative in connection with his work;

11 (b) Gross and habitual neglect by the employee of his duties;

12 (c) Fraud or willful breach by the employee of the trust reposed in him by his
13 employer or duly authorized representative;

14 (d) Commission of a crime or offense by the employee against the person of
15 his employer or any immediate member of his family or his duly authorized
16 representative; and

17 (e) Other causes analogous to the foregoing.

18 Subject to the constitutional right of workers to security of tenure and their right
19 to be protected against dismissal except for a just and authorized cause and without
20 prejudice to the requirement of notice under Article 296 of this Code the employer
21 shall furnish the worker whose employment is sought to be terminated a written notice
22 containing a statement of the causes for termination and shall afford the latter ample
23 opportunity to be heard and to defend himself with the assistance of his representative
24 if he so desires in accordance with company rules and regulations promulgated

1 pursuant to guidelines set by the DOLE. Any decision taken by the employer shall be
2 without prejudice to the right of the worker to contest the validity or legality of his
3 dismissal by filing a complaint with the regional branch of the National Labor Relations
4 Commission. The burden of proving that the termination was for a valid or authorized
5 cause shall rest on the employer. The Secretary of Labor and Employment may suspend
6 the effects of the termination pending resolution of the dispute in the event of a prima
7 facie finding by the appropriate official of the DOLE before whom such dispute is
8 pending that the termination may cause a serious labor dispute or is in implementation of
9 a mass lay-off.

10 **ART. 300. Closure of Establishment and Reduction of Personnel.** – The
11 employer may also terminate the employment of any employee due to the installation of
12 labor saving devices, redundancy, retrenchment to prevent losses or the closing or
13 cessation of operation of the establishment or undertaking unless the closing is for the
14 purpose of circumventing the provisions of this Title, by serving a written notice on the
15 workers and the DOLE at least two (2) months before the intended date thereof. In any
16 of these cases, the worker affected thereby shall be entitled to a separation pay equivalent
17 to at least one (1) month pay or to at least one (1) month pay for every year of service,
18 whichever is higher. In case of retrenchment to prevent losses and in cases of closures or
19 cessation of operations of establishment or undertaking not due to serious business
20 losses or financial reverses, the separation pay shall be equivalent to a minimum of one
21 (1) month pay for every year of service. A fraction of at least six (6) months shall be
22 considered one (1) whole year. Retrenchment requires proof of actual losses or declining
23 revenues of substantial proportion.

1 **ART. 301. Disease as Ground for Termination.** – An employer may terminate
2 the services of an employee who has been found to be suffering from any disease and
3 whose continued employment is prohibited by law or is prejudicial to his health as well
4 as to the health of his co-employees, as certified to by the company physician or a
5 physician of the Employee's Compensation Commission or the Social Security System;
6 *Provided*, That he is paid separation pay equivalent to at least one (1) month salary or to
7 one-half (1/2) month salary for every year of service, whichever is greater, a fraction of at
8 least six (6) months being considered as one (1) whole year.

9 **ART. 302. Termination by Employee.**– (a) An employee may terminate without
10 just cause the employee-employer relationship by serving a written notice on the
11 employer at least one month in advance. The employer upon whom no such notice was
12 served may hold the employee liable for damages.

13 (b) An employee may put an end to the relationship without serving any notice on
14 the employer for any of the following just causes:

15 (1) Serious insult by the employer or his representative on the honor
16 and person of the employee;

17 (2) Inhuman and unbearable treatment accorded the employee by the
18 employer or his representative;

19 (3) Commission of a crime or offense by the employer or his
20 representative against the person of the employee or any of the immediate
21 members of his family; and

22 (4) Other causes analogous to any of the foregoing.

23 **ART. 303. When Employment Not Deemed Terminated.** - The bona fide
24 suspension of the operation of a business or undertaking for a period not exceeding six

1 months, or the fulfillment by the employee of a military or civic duty shall not terminate
2 employment. In all such cases, the employer shall reinstate the employee to his former
3 position without loss of seniority rights if he indicates his desire to resume his work not
4 later than one month from the resumption of operations of his employer or from his relief
5 from the military or civic duty.

6 **ART. 304. *Merger or Consolidation of Employer Corporations.*** - Where two
7 (2) or more corporations merge or consolidate into a single corporation, the surviving or
8 consolidated corporation shall be responsible for all the liabilities and obligations of each
9 of the constituent corporations in the same manner as if such surviving or consolidated
10 corporation had itself incurred such liabilities or obligations. Any pending claim, action
11 or proceeding brought by the employees against any of such constituent corporations may
12 be prosecuted against the surviving or consolidated corporation. The rights of employees,
13 including those arising from collective bargaining agreements, their security of tenure
14 and seniority rights, or any of such constituent corporations shall continue to be respected
15 by the surviving or consolidated corporation, and not be impaired by such merger or
16 consolidation.

17 In the case of a merger of corporations, each of which has an exclusive bargaining
18 agent, the exclusive bargaining agent of the surviving corporation shall be the exclusive
19 bargaining agent of all the employees of the merged bargaining units. In the case of a
20 consolidation of corporations, each of which has an exclusive bargaining agent, the
21 exclusive bargaining agent at the consolidated bargaining units shall be determined by
22 certification elections.

Title II - RETIREMENT FROM THE SERVICE

1 **ART. 305. Retirement.** - Any employee may be retired upon reaching the
2 retirement age established in the collective bargaining agreement or other applicable
3 employment contract. In case of retirement, the employee shall be entitled to receive such
4 retirement benefits as he may have earned under existing laws and any collective
5 bargaining or other agreements: *Provided, however,* That an employee's retirement
6 benefits under any collective bargaining and other agreements shall not be less than those
7 provided herein.

8 In the absence of a retirement plan or agreement providing for retirement benefits
9 of employees in the establishment, an employee upon reaching the age of sixty (60) years
10 or more, but not beyond sixty-five (65) years which is hereby declared the compulsory
11 retirement age, who has served at least five (5) years in the said establishment, may retire
12 and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary
13 for every year of service, a fraction of at least six (6) months being considered as one
14 whole year.

15 Unless the parties provide for broader inclusions, the term "one half (1/2) month"
16 salary shall mean fifteen (15) days plus one-twelfth (1/12) of the 13th month pay and the
17 cash equivalent of not more than five (5) days of service incentive leaves. Retail, service
18 and agricultural establishments or operations employing not more than ten (10)
19 employees or workers are exempted from the coverage of this provision.

20 Violation of this provision is hereby declared unlawful and subject to the penal
21 provisions under Article 301 of this Code.

BOOK SEVEN
TRANSITORY AND FINAL PROVISIONS

Title I - PENAL PROVISIONS AND LIABILITIES

1 **ART. 306. *Penalties.*** - Except as otherwise provided in this Code, or unless the
2 act complained of hinges on a question of interpretation or implementation of ambiguous
3 provisions of an existing collective bargaining agreement any violation of the provisions
4 of this Code declared to be unlawful or penal in nature shall be punished with a fine of
5 not less than One Thousand Pesos (₱1,000.00) nor more than Ten Thousand Pesos
6 (₱10,000.00), or imprisonment of not less than three (3) months nor more than three (3)
7 years, or both such fine and imprisonment at the discretion of the court. In addition to
8 such penalty, any alien found guilty shall be summarily deported upon completion of
9 service of sentence.

10 Any provision of law to the contrary notwithstanding, any criminal offense
11 punished in this Code shall be under the concurrent jurisdiction of the Municipal or
12 Regional Trial Court.

13 **ART. 307. *Who Are Liable When Committed by Other Than Natural Person.*** -
14 If the offense is committed by a corporation, trust, firm, partnership, association or any
15 other entity, the penalty shall be imposed upon the guilty officer or officers of such
16 corporation, trust, firm, partnership, association or entity.

Title II - PRESCRIPTION OF OFFENSES AND CLAIMS

17
18 **ART. 308. *Offenses.*** - Offenses penalized under this Code and the rules and
19 regulations issued pursuant thereto shall prescribe in three years. All unfair labor
20 practices arising from Book V shall be filed with the appropriate agency within one year
21 from accrual of such unfair labor practice; otherwise, they shall be forever barred.

1 **ART. 309. *Money Claims.*** - All money claims arising from employer-employee
2 relations shall be filed within five (5) years from the time the cause of action accrued,
3 otherwise they shall forever be barred. Employee dismissal actions prescribe in four (4)
4 years.

5 **ART. 310. *Institution of Money Claims.*** - Money claims specified in the
6 immediately preceding Article shall be filed before the appropriate entity independently
7 of the criminal action that may be instituted in the proper courts. Pending the final
8 determination of the merits of money claims filed with the appropriate entity, no civil
9 action arising from the same cause of action shall be filed with any court. This provision
10 shall not apply to employees' compensation cases which shall be processed and
11 determined strictly in accordance with the pertinent provisions of this Code.

Title III - TRANSITORY AND FINAL PROVISIONS

12 **ART. 311. *Application of Law Enacted Prior to this Code.*** - All actions or
13 claims accruing prior to the effectivity of this Code shall be determined in accordance
14 with the laws in force at the time of their accrual.

15 **ART. 312. *Rules and Regulations.*** - The Department of Labor and Employment
16 in consultation with other government agencies charged with the administration and
17 enforcement of this Code or any of its parts shall promulgate the necessary implementing
18 rules and regulations. Such rules and regulations shall become effective fifteen (15) days
19 after announcement of their adoption in newspapers of general circulation.

20 **ART. 313. *Separability Clause*** - If any provision or part thereof, or the
21 application thereof to any person or circumstances, is held invalid, the remainder, or the

1 application of such provision or part to other persons or circumstances, shall not be
2 affected thereby.

3 **ART. 314. *Repealing Clause*** - Presidential Decree No. 442, otherwise known as
4 the Labor Code of the Philippines, is hereby repealed. All provisions of existing laws,
5 executive orders, decrees, rules and regulations or any part thereof which are contrary to
6 or inconsistent with the provisions of this Code are hereby repealed, amended or
7 modified accordingly.

8 **ART. 315. *Date of Effectivity***. - This Code shall take effect fifteen (15) days
9 after its publication in the Official Gazette.

Approved.