

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SEVENTEENTH (17TH) CONGRESS
First Regular Session

House Bill No. 5482

Introduced by: Rep. Bernadette Herrera-Dy

“AN ACT ESTABLISHING A LABOR EMPOWERMENT ASSISTANCE PROGRAM, AMENDING PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES”

EXPLANATORY NOTE

In a survey conducted by the Philippine Statistics Authority, the Philippines has an employment rate of 94.6 percent as of July 2016, from ages fifteen (15) years old and above. 32 percent of this total percentage are part time workers while .05 percent are working at home. 17.4 percent of the total employed, however, are considered to fall within the underemployed bracket. The unemployment rate on the other hand was recorded at 5.4 percent or 2.3 million. Across educational groups, 28.2 percent of the total unemployed were high school graduates, 9.2 percent were post- secondary graduates, 14.3 percent were college undergraduates, and 22.1 percent were college graduates.¹

Given the aftermath of the government’s strict enforcement of anti-contractualization rules and the rising number of college graduates year on year, many find themselves without jobs and unable to find work. As a result, most workers accept employment opportunities that do not match their skills and skill sets. Hence, it is imperative to adopt a matching skills approach that will provide workers the necessary skills needed in the labor market.²

This bill introduces a matching skills approach to employment. It seeks to provide for a Labor Empowerment Assistance Program (LEAP) that is linked to TESDA skills training programs for employees who are in-between jobs. It ensures that financial assistance and training required to reduce the gap between knowledge in the educational system or previous employment, on one hand, and the actual demand of skills, on the other, are readily available and accessible to

¹ <https://psa.gov.ph/content/employment-situation-july-2016-final-results>

² http://www3.weforum.org/docs/GAC/2014/WEF_GAC_Employment_MatchingSkillsLabourMarket_Report_2014.pdf

interested workers. This approach will provide long term benefits on one's employability and adaptability.

This bill builds upon and borrows from Senate Bill No. 208 filed before the Senate of the Philippines in the 17th Congress.

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



BERNADETTE HERRERA-DY

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1 **AN ACT ESTABLISHING A LABOR EMPOWERMENT ASSISTANCE**
2 **PROGRAM, AMENDING PRESIDENTIAL DECREE NO. 442, AS AMENDED,**
3 **OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES,**
4 **APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

5
6 *Be it enacted by the Senate and House of Representatives of the Philippines, in*
7 *Congress assembled:*

8
9 **SECTION 1. Title** - This Act shall be known as the "*LEAP Act of 2016*."

10
11 **SECTION 2. LEAP** - A new Article 107-A of the Labor Code, as amended, is
12 hereby introduced to read as follows:

13 **"ARTICLE 107-A LABOR EMPOWERMENT ASSISTANCE**
14 **PROGRAM (LEAP)** - WITH CONTRIBUTORY FUNDING FROM THE
15 REGISTRATION OF CONTRACTORS OR SUBCONTRACTORS, TEN
16 PERCENT (10%) OF THE GROSS CONTRACT COST LEVY FROM
17 THE PRINCIPAL EMPLOYER FOR EVERY OUTSOURCING
18 CONTRACT ENTERED INTO AND BUDGET ALLOCATION FROM
19 THE GENERAL APPROPRIATIONS ACT (GAA), A LABOR
20 EMPOWERMENT ASSISTANCE PROGRAM (LEAP) SHALL BE
21 ESTABLISHED. THE LEAP SHALL:

1 (A) SERVE AS A THREE-MONTH BRIDGING PROGRAM FOR
2 WORKERS IN BETWEEN JOB PERIODS AND IS LINKED TO
3 TESDA SKILLS TRAINING OR UPGRADING DURING THE
4 UNEMPLOYMENT PERIOD;
5

6 (B) THE AMOUNT OF FINANCIAL SUPPORT SHALL NOT BE
7 LOWER THAN THE APPROPRIATE MINIMUM WAGE IN
8 THE FORM OF A MONTHLY CASH CARD OR STORED
9 VALUE CARD FOR BASIC NECESSITIES LIKE RICE, INFANT
10 FORMULA, MEDICINE, ELECTRICITY AND WATER
11 UTILITIES; AND
12

13 (C) LABOR ORGANIZATIONS IN THE NATIONAL TRIPARTITE
14 INDUSTRIAL PEACE COUNCIL (NTIPC) SHALL CO-
15 ADMINISTER THE DISTRIBUTION OF THE CARDS AND
16 MONITORING OF COMPLIANCE BY THEIR BENEFICIARY-
17 MEMBERS WITH THE REQUIRED TESDA SKILLS
18 TRAINING OR UPGRADING."
19

20 **SECTION 3. IMPLEMENTING RULES AND REGULATIONS** - The Secretary
21 of Labor and Employment shall promulgate the necessary implementing rules and regulations
22 within thirty (30) days from the effectivity of this Act.
23

24 **SECTION 4. REPEALING CLAUSE** - All laws, decrees, rules, and regulations or
25 parts thereof, which are contrary to or inconsistent with this Act are hereby repealed or
26 modified accordingly.
27

28 **SECTION 5. SEPARABILITY PROVISIONS** - If any provision of this law or the
29 application thereof to any person or circumstance, is held invalid, the remainder of this
30 law, or the application of such provision or part to other persons or circumstances,
31 shall not be affected thereby.
32

33 **SECTION 6. EFFECTIVITY CLAUSE** - This Act shall take effect fifteen (15)
34 days after its publication in the Official Gazette or in at least two (2) newspapers of general
35 circulation.
36

1 *Approved.*