



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

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. **8744**

Introduced by **DIWA Party-list Representative Pepito M. Pico**

EXPLANATORY NOTE

A speedy disposition of cases is not only a constitutional guarantee, it is an essential element of both justice and peaceful relations. This is particularly true in the realm of labor and employment, where the ability of a worker to bring home enough income to feed his or her family, or the sustainability of an employer's business endeavor, can hinge on a final resolution to a labor dispute.

While there are many factors that may be considered to expedite such proceedings, rendering the decisions of Labor Arbiters directly appealable to the Court of Appeals, rather than the National Labor Relations Commission, is one method that would engender immediate results.

This bill, a re-filing of House Bill No. 1861 filed by former DIWA Party-list Representative Emmeline Villar, reduces by one the layers of appellate review that a labor dispute may go through, while providing for a smooth transition to the new procedural regime.


PEPITO M. PICO
Representative, DIWA Party-list



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**AN ACT ESTABLISHING THE REGIONAL COURTS OF LABOR
RELATIONS (RCLR) UNDER THE SUPERVISION OF THE
SUPREME COURT, THEREBY ABOLISHING THE NATIONAL
LABOR RELATIONS COMMISSION (NLRC)**

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

SECTION 1. Establishing the Regional Court of Labor Relations; Abolishing the National Labor Relations Commission. - There is hereby established the Regional Courts of Labor Relations (RCLR) under the supervision of the Supreme Court, thereby abolishing the National Labor Relations Commission (NLRC). All unexpended funds, properties, equipment, and records of the NLRC and such of its personnel as may be necessary are hereby transferred to the Regional Courts of Labor Relations under the administrative and fiscal supervision of the Supreme Court; *provided*, that no Regional Courts of Labor Relations or Local Branches as defined herein, shall be in operation until the end of the Qualification Period found in Section 3.

SECTION 2. Incumbent Labor Arbiters; Preference and Qualification. -The incumbent Labor Arbiters shall be given special consideration should they apply as Judges of the Regional Court of Labor Relations in the regions where they are residing and holding office at the date of the effectivity of this Act, provided, that they shall have duly completed the necessary courses of the Philippine Judicial Academy to qualify as judges under Republic Act No. 8557 by the end of the Qualification Period; *provided further*, that the Philippine Judicial Academy shall create a special batch/es and/or curriculum to ensure that all interested incumbent labor arbiters

have the chance to complete the necessary courses before the end of the Qualification Period; *provided further*, that Labor Arbiters who are unable to qualify within the Qualification Period shall be deemed to have accepted retirement or separation pay under Section 6 of this Act.

SECTION 3. Qualification Period. - This period shall be defined as twelve months from the effectivity of this Act.

SECTION 4. Existing Regional Arbitration Branches converted to Regional Courts of Labor Relations Local Branches. - The existing Regional Arbitration Branches nationwide shall be converted to Local Branches of the Regional Courts of Labor Relations without increasing the approved plantilla for Labor Arbiters nationwide. The number of seats for the Judges of the Regional Courts of Labor Relations in each Local Branch shall correspond to the number of plantilla positions for Labor Arbiters there immediately preceding the implementation of this Act. Each Local Branch shall be headed by an Executive Judge of the Regional Courts of Labor Relations.

SECTION 5. Retirement or Separation of NLRC Commissioners. - Consequent to the abolition of the NLRC, incumbent Commissioners who have attained sixty (60) years of age and have rendered at least twenty (20) years in government service, the last five (5) years of which shall have been continuously rendered as Commissioner, shall be deemed compulsorily retired with full retirement gratuity and pension pursuant to applicable laws. Those who lack any of the above qualifications shall receive a separation pay equivalent to two (2) months' salary for every year of service in government.

SECTION 6. Optional Retirement or Severance Pay for an Incumbent Labor Arbiter. - Incumbent Labor Arbiters who have attained the age of sixty (60) years and have rendered at least twenty (20) years in government service, the last five (5) years of which shall have been continuously rendered as Labor Arbiter, shall be qualified for optional retirement. Those who lack any of the above qualifications and/or have no intention to assume the position as Judges of the Regional Courts of Labor Relations pursuant to Section 2 hereof, shall be entitled to a severance pay equivalent to two (2) months' salary for every year of government service. The choice for severance pay must be exercised within a period of sixty (60) calendar days after the effectivity of this Act; otherwise, said option shall be deemed waived.

SECTION 7. Retirement Gratuity and Pension of Qualified Commissioners and Labor Arbiters. - Commissioners who are qualified for compulsory retirement and incumbent Labor Arbiters who are qualified for optional retirement pursuant to Section 3 and Section 4 of this Act shall, respectively, be entitled to the full retirement gratuity and pension provided for under applicable laws.

SECTION 8. Subsequent Appointments to the Regional Courts of Labor Relations. - Subject to Sections 2 and 4 of this Act, the President shall appoint Judges to the Regional Courts of Labor Relations from a list of at least three (3) nominees prepared by the Judicial and Bar Council

for every vacant position; *provided*, that said nominees shall meet the qualifications as those of the Judges of the Regional Trial Courts. Such appointments need no confirmation.

SECTION 9. Parity in Rank, Salaries, Benefits, Other Emoluments, and Retirement Gratuity. - Judges of the Regional Courts of Labor Relations shall have the same rank, receive an annual salary equivalent to, and be entitled to the same allowances, retirement gratuity, and other benefits and privileges as those of the Judges of the Regional Trial Courts pursuant to applicable laws. They shall hold office during good behavior until they reach the age or seventy (70) years, unless sooner removed for cause as provided for by law or become incapacitated to discharge the duties of their office.

SECTION 10. Jurisdiction of the Regional Courts of Labor Relations. - The Regional Courts of Labor Relations shall have original and exclusive jurisdiction over all cases enumerated under Article 217 of the Labor Code, as amended, including complaints of Overseas Filipino Workers pursuant to Republic Act No. 8042, otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995. Other provisions of the Labor Code not inconsistent with this Act shall continue to be applied.

SECTION 11. Nature of Proceedings Before the Regional Courts of Labor Relations. - Technical rules of procedure shall not be strictly applied to proceedings before the Regional Courts of Labor Relations.

SECTION 12. Applicability of the Alternative Dispute Resolution System Law (ADR) in Labor Cases. -Any provision of law to the contrary notwithstanding, pertinent provisions of the Alternative Dispute Resolution System (ADR) through the use of voluntary arbitration, mediation, and conciliation process established under Republic Act No. 9285 and other applicable laws currently being implemented in the Regional Trial Courts shall likewise be applied in the resolution of labor cases before the Regional Courts of Labor Relations.

SECTION 14. Appeal from the Regional Courts of Labor Relations. -An appeal may be taken from a judgment or final order that completely disposes of the case, rendered by a Judge of the Regional Courts of Labor Relations, to the Court of Appeals pursuant to the Rules of Court; *provided*, however, that the Supreme Court may promulgate rules, and regulations specifically suited to the proceedings before the Regional Courts of Labor Relations as a court with specialized jurisdiction.

SECTION 15. Personnel Retention or Movement; Position and Salary Grade Reclassification. - Personnel assigned in the office of the Labor Arbiters shall be retained and their position classification, salary grade, level, and benefits shall correspondingly be adjusted to conform with the staffing pattern of the Regional Courts of Labor Relations. Subject to the personnel guidelines to be issued by the Supreme Court, personnel in the NLRC with permanent appointments shall either be transferred to the office of the Judges of the Regional Courts of Labor Relations to augment their support staff or to the administrative offices in the Local Branches.

Those for whom the transfer would require a transfer of residence and for this reason decide against retention shall be entitled to separation pay in an amount to be determined by the Department of Labor and Employment within ninety (90) days from the approval of this Act.

SECTION 16. Personnel Separated from Service. -Personnel separated from the service as a result of the implementation of this Act shall enjoy the rights and protection provided them under existing laws and such other pertinent rules and regulations. In any case, no lay-offs shall be effected until funds to cover the gratuity and/or retirement benefits of those laid off are duly certified as available.

SECTION 17. Transitory Provision; Disposition of Pending Cases During Winding-Up Period -All pending cases before the incumbent Labor Arbiters and the Divisions of the NLRC shall be disposed of by them within the winding-up period of not more than one hundred eighty (180) days. Thereafter, for cases before the Divisions of the NLRC, all unresolved cases shall be deemed appealed to the Court of Appeals pursuant to the Rules of Court and Records thereof shall be forwarded by the Commission to the Court of Appeals. For unresolved cases of the incumbent Labor Arbiters, their records shall be forwarded to the Interim Regional Courts of Labor Relations under Section 18.

SECTION 18. Transitory Provision; Disposition of Subsequent Cases Before the Establishment of the Regional Courts of Labor Relations -Pending the establishment and operation of the Regional Courts of Labor Relations, and the appointment of designated judges, the Supreme Court shall designate Interim Regional Courts of Labor Relations from among the branches of the Regional Trial Court; *provided*, that at least sixteen such courts shall be designated in Luzon, two in the Visayas, and two in Mindanao, with the selection of the locations of the courts taking into account continuity of the services previously provided by the NLRC, as well as geographic accessibility, case load of the RTC, and the major concentrations of labor cases; *provided finally*, that after the initial designation of Interim Regional Courts of Labor, the Supreme Court may designate additional Interim Regional Courts of Labor as the need arises.

SECTION 19. Appropriations; Funding Source. - The amount necessary for the initial implementation of this Act shall be taken from the unexpended funds as a result of the abolition of the NLRC. The fees collected and interests on deposits by the Regional Courts of Labor Relations shall accrue to the funds provided for under Republic Act No. 9227, as part of the funding source for special allowance of the Judges of the Regional Courts of Labor Relations similar to that of that of the Judges of the Regional Trial Courts. Any deficiency shall be sourced out of any funds in the National Treasury not otherwise appropriated. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the budget of the Supreme Court for the succeeding General Appropriations Acts.

SECTION 20. Issuance of Implementing Guidelines. - The Supreme Court, the Department of Labor and Employment, and the Secretary of Budget and Management, shall issue

the necessary guidelines for the proper implementation of this Act within ninety (90) days from approval hereof.

SECTION 21. Separability Clause. - If any provision, or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision/s not otherwise affected shall remain valid and subsisting.

SECTION 22. Repealing Clause. -Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

SECTION 23. Effectivity Clause.- This Act shall take effect thirty(30) days after its publication in the Official Gazette or at least two (2) newspapers of general circulation.

Approved,