

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City



TWENTIETH CONGRESS
First Regular Session

House Bill No. 79

Introduced by **HONORABLE RAMON JOLO B. REVILLA III,**
HONORABLE LANI MERCADO-REVILLA, and
HONORABLE BRYAN B. REVILLA

EXPLANATORY NOTE

This legislative measure seeks to amend and preprend several provisions in Presidential Decree No. 442, otherwise known as the “Labor Code of the Philippines,” as amended, to succinctly prohibit labor-only contracting of employees. It shall also mandate job contractors to obtain a license from the Department of Labor and Employment (DOLE) to prove it has substantial capital and classified as an independent business which complies with labor laws and adhere to payment of social security benefits of its employees. Moreover, where labor-only contracting is currently present, the worker shall outright be deemed as regular employees in accordance with existing laws and shall apply retroactively.

No less than the Constitution provides for the guiding principles of labor and affirms it as a primary social economic force.¹ It shall promote a just and

¹ Section 18, Article II of the 1987 Constitution

dynamic social order that promote full employment, a rising standard of living, and an improved quality of life for all.²

While our fundamental law enshrines the cornerstone in guaranteeing a stable job and secured employment for everyone, most Filipinos are aware that it is far from reality. The prevalent practice of businesses in hiring employees under a fixed-term contract – mostly for a span of five months at a time, also known in colloquial terms as “endo”, short for “end-of-contract,” still hounds various job industries. After such period of contract, employers rehire employees for another fixed-term, and the abusive labor cycle continues.

Under Article 296 of the Labor Code, as amended, employees who continue to work after a six-month probationary period must be regularized, and as such, given benefits like medical insurance, paid leaves, and security of tenure. Such protection was meant to protect workers, but companies learned to circumvent the law to save money and resources, usually by outsourcing contract workers from an agency. It is a cause of concern, especially for the plight of low-income Filipino workers.

According to the 2025 Global Rights Index³ by the International Trade Union Confederation (ITUC), the country remains one of the 10 worst places in the world for workers. It marks the 9th consecutive year that the Philippines has been given a rating of 5 in the list which indicates as “no guarantee of rights” for workers.⁴

² Section 9, Article II of the 1987 Constitution

³ The Global Rights Index evaluates labor conditions in 151 countries using 97 indicators based on International Labour Organization (ILO) conventions

⁴ International Trade Union Confederation. Philippines. Information retrieved from <https://www.ituc-csi.org/philippines>. Dated June 2025

Echoing the *Credo* of the late President Ramon Magsaysay “That those who have less in life should have more in law,” this legislative measure will give our labor sector the opportunity to collectively voice out their concerns in presenting our dire reality from achieving a just society.

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


RAMON JOLO B. REVILLA III


LANI MERCADO-REVILLA


BRYAN B. REVILLA

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 79

Introduced by **HONORABLE RAMON JOLO B. REVILLA III,**
HONORABLE LANI MERCADO-REVILLA, and
HONORABLE BRYAN B. REVILLA

**AN ACT STRENGTHENING WORKERS RIGHT TO SECURITY OF
TENURE, AMENDING FOR THE PURPOSE ARTICLES 106, 107, 108,
AND 109 OF BOOK III, AND ARTICLES 294 [279], 295 [280], 296 [281],
AND 297 [282] OF BOOK VI OF PRESIDENTIAL DECREE NO. 442,
OTHERWISE KNOWN AS THE “LABOR CODE OF THE
PHILIPPINES,” AS AMENDED**

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

1 **SECTION 1. *Title.*** – This Act shall be known as the “Security of Tenure
2 Act”.

3
4 **SEC. 2.** Article 106, Title II, Book III of the Labor Code, as amended, is
5 hereby amended to read as follows:

6 **“ARTICLE 106. [~~Contractor or Subcontractor.~~] PROHIBITION ON**
7 **LABOR-ONLY CONTRACTING.** – [~~Whenever an employer enters a~~
8 **~~contract with another person for the performance of the former’s work, the~~**

1 ~~employees of the contractor and of the latter's subcontractor, if any, shall~~
2 ~~be paid in accordance with the provisions of this Code.~~

3 ~~If the contractor or subcontractor fails to pay the wages of his employees~~
4 ~~in accordance with this Code, the employer shall be jointly and severally~~
5 ~~liable with his contractor or subcontractor to such employees to the extent~~
6 ~~of the work performed under the contract, in the same manner and extent~~
7 ~~that he is liable to employees directly employed by him.~~

8
9 ~~The Secretary of Labor and Employment may, by appropriate regulations,~~
10 ~~restrict or prohibit the contracting out of labor to protect the rights of~~
11 ~~workers established under this Code. In so prohibiting or restricting, he~~
12 ~~may make appropriate distinctions between labor only contracting and job~~
13 ~~contracting as well as differentiations within these types of contracting and~~
14 ~~determine who among the parties involved shall be considered the~~
15 ~~employer for purposes of this Code, to prevent any violation or~~
16 ~~circumvention of any provision of this Code.]~~

17
18 **LABOR-ONLY CONTRACTING IS PROHIBITED.** There is "labor-
19 only" contracting where the [~~person supplying workers to an employer~~
20 ~~does not have]~~ **JOB CONTRACTOR, WHETHER LICENSED OR**
21 **NOT, MERELY RECRUITS AND SUPPLIES OR PLACES**
22 **WORKERS TO A CONTRACTEE AND SUPPLIES OR PLACES**
23 **WORKERS TO A CONTRACTEE REGARDLESS OF WHETHER**
24 **OR NOT HE/SHE HAS** substantial capital or investment in the form of
25 tools, equipment, machineries, work premises, among others, [~~and]~~ **OR** the
26 workers recruited and **SUPPLIED OR** placed by such person are
27 performing activities which are directly related to the principal business of
28 such [~~employer]~~ **CONTRACTEE OR ARE UNDER THE CONTROL**

1 **AND SUPERVISION OF THE CONTRACTEE.** In such cases, the
2 ~~[person or intermediary]~~ **JOB CONTRACTOR** shall be considered
3 merely as an agent ~~[of]~~ **AND** the ~~[employer who]~~ **CONTRACTEE** shall
4 be responsible to the workers in the same manner and extent as if the latter
5 were directly employed by him~~[-]~~/HER.

6
7 ***FURTHER, THAT FOR THE PURPOSES OF THIS ARTICLE,***
8 **THE SPECIFIC JOB, WORK OR SERVICE THAT ARE DEEMED**
9 **DIRECTLY RELATED TO THE PRINCIPAL BUSINESS OF A**
10 **CONTRACTEE SHALL BE DETERMINED BY THE**
11 **APPROPRIATE INDUSTRY TRIPARTITE COUNCIL WHICH**
12 **SHALL BE ISSUED THROUGH REGULATIONS BY THE**
13 **SECRETARY OF LABOR AND EMPLOYMENT. IN THE**
14 **ABSENCE OF A DETERMINATION BY THE APPROPRIATE**
15 **COUNCIL, THE SECRETARY OF LABOR AND EMPLOYMENT**
16 **SHALL DETERMINE THE STANDARD CRITERIA AFTER**
17 **CONSULTATION WITH THE NATIONAL TRIPARTITE**
18 **INDUSTRIAL PEACE COUNCIL.**

19
20 **IN ALL CASES WHERE LABOR-ONLY CONTRACTING IS**
21 **PRESENT, THE WORKERS SHALL OUTRIGHT BE DEEMED**
22 **REGULAR EMPLOYEES OF THE CONTRACTEE IN**
23 **ACCORDANCE WITH LAW, RETROACTIVE TO THE DATE**
24 **THEY WERE FIRST DEPLOYED TO SAID CONTRACTEE,**
25 **WITHOUT PREJUDICE TO ANY CRIMINAL, CIVIL, OR**
26 **ADMINISTRATIVE CASE AGAINST THE LABOR-ONLY**
27 **CONTRACTOR AND THE CONTRACTEE.**

1 **COMPLIANCE ORDERS AFFIRMED BY THE SECRETARY**
2 **OF LABOR AND EMPLOYMENT SHALL BE IMMEDIATELY**
3 **EXECUTORY UNLESS RESTRAINED BY AN APPROPRIATE**
4 **COURT.**

5
6 **IN CASE THE COMPLIANCE ORDER INVOLVES A**
7 **DIRECTIVE TO REGULARIZE WORKERS, THE**
8 **EMPLOYMENT OF THE LATTER SHALL NOT BE**
9 **TERMINATED PENDING APPEAL OF SUCH ORDER EXCEPT**
10 **FOR JUST OR AUTHORIZED CAUSE. ANY TERMINATION OF**
11 **WORKERS PENDING APPEAL SHALL RENDER THE**
12 **COMPLIANCE ORDER INVOLVING THE REGULARIZATION**
13 **OF WORKERS EXECUTORY.**

14
15 **IN CASE THE COMPLIANCE ORDER INVOLVES A**
16 **DIRECTIVE TO REGULARIZE WORKERS, THE**
17 **EMPLOYMENT OF THE LATTER SHALL NOT BE**
18 **TERMINATED PENDING APPEAL OF SUCH ORDER EXCEPT**
19 **FOR JUST OR AUTHORIZED CAUSE. ANY TERMINATION OF**
20 **WORKERS PENDING APPEAL SHALL RENDER THE**
21 **COMPLIANCE ORDER INVOLVING THE REGULARIZATION**
22 **OF WORKERS EXECUTORY.**

23
24 **ADDITIONALLY, THE SECRETARY OF LABOR AND**
25 **EMPLOYMENT SHALL IMPOSE A FINE UP TO FIVE MILLION**
26 **PESOS (P5,000,000.00) AGAINST ANY LABOR-ONLY**
27 **CONTRACTOR. THE SECRETARY OF LABOR AND**
28 **EMPLOYMENT SHALL ALSO HAVE THE POWER TO**

1 **PREVENTIVELY OR PERMANENTLY CLOSE THE**
2 **OPERATIONS OF ANY LABOR-ONLY CONTRACTOR.”**

3
4 **SEC. 3.** Article 107, Title II, Book III, of the Labor Code, as amended, is
5 hereby repealed, and in lieu thereof, a new Article 107 is inserted to read as
6 follows:

7
8 ~~[Article 107. Indirect employer. The provisions of the immediately~~
9 ~~preceding article shall likewise apply to any person, partnership,~~
10 ~~association or corporation which, not being an employer, contracts with an~~
11 ~~independent contractor for the performance of any work, task, job or~~
12 ~~project.]~~

13
14 **“ARTICLE 107. *LICENSING OF JOB CONTRACTORS.* IT**
15 **SHALL BE MANDATORY FOR ALL PERSONS OR ENTITIES**
16 **ACTING AS JOB CONTRACTOR TO OBTAIN A LICENSE FROM**
17 **THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE)**
18 **THROUGH ITS REGIONAL OFFICES.**

19
20 **FOR PURPSOES OF ARTICLES 106-109, “JOB**
21 **CONTRACTOR” REFERS TO A SOLE PROPRIETORSHIP,**
22 **CORPORATION, ASSOCIATION, COOPERATIVE OR OTHER**
23 **ORGANIZATION THAT PERFORMS A SPECIFIC WORK, JOB,**
24 **OR SERVICE TO A CONTRACTEE. “CONTRACTEE” REFERS**
25 **TO THE PERSON OR ENTITY, WHICH SHALL INCLUDE THE**
26 **GOVERNMENT, THAT CONTRACTED OUT A SPECIFIC WORK,**
27 **JOB, OR SERVICE.**

1 **FURTHER, THAT THE LICENSE SHALL BE ISSUED TO**
2 **QUALIFIED TO A JOB CONTRACTOR UPON COMPLIANCE**
3 **WITH THE REQUIREMENTS AS FOLLOWS:**

4
5 **(A) HAS AN INDEPENDENT BUSINESS, SEPARATE, AND**
6 **DISTINCT FROM THE CONTRACTEE;**

7
8 **(B) HAS A PAID-UP CAPITAL OR NET WORTH OF AT LEAST**
9 **FIVE MILLION PESOS (P5,000,000.00), WHICH MAY BE**
10 **INCREASED AS DEEMED APPROPRIATE THROUGH**
11 **TRIPARTITE CONSULTATION;**

12
13 **(C) AN EXPERT OR SPECIALIST IN THE JOB, WORK, OR**
14 **SERVICE BEING CONTRACTED THAT SHALL NOT BE**
15 **DIRECTLY RELATED TO THE PRINCIPAL BUSINESS OF**
16 **THE CONTRACTEE FOR. FOR THIS PURPOSE,**
17 **EXPERTISE OR SPECIALIZATION SHALL BE**
18 **ESTABLISHED BY SHOWING, AMONG OTHERS, A CORE**
19 **OF COMPETENT PROFESSIONALS, OR SKILLED**
20 **WORKERS, ESPECIALLY TRAINED TO CARRY OUT THE**
21 **JOB, WORK, OR SERVICE OR POSSESS A TRACK**
22 **RECORD IN SUCH FIELD OF SPECIALIZATION;**

23 **(D) AN EMPLOYER WITH REGULAR EMPLOYEES AND**
24 **HAVE EQUIPMENT, MACHINERIES, OR TOOLS**
25 **NECESSARY TO PERFORM OR COMPLETE THE JOB,**
26 **WORK, OR SERVICE CONTRACTED OUT;**

1 **(E) EXERCISE CONTROL OVER THE PERFORMANCE AND**
2 **COMPLETION OF THE JOB, WORK, OR SERVICE**
3 **CONTRACTED OUT;**

4
5 **(F) CERTIFICATION OF COMPLIANCE WITH LABOR AND**
6 **SOCIAL WELFARE LAWS, INCLUDING PROOF OF**
7 **PAYMENT OF SOCIAL SECURITY (SSS), PHILIPPINE**
8 **HEALTH INSURANCE CORPORATION (PHILHEALTH),**
9 **AND HOME DEVELOPMENT MUTUAL FUND (PAG-IBIG)**
10 **CONTRIBUTIONS; AND**

11
12 **(G) PAYMENT OF LICENSE FEE, WHICH SHALL NOT BE**
13 **LOWER THAN ONE HUNDRED THOUSAND PESOS**
14 **(P100,000.00).**

15
16 **THE LICENSE SHALL BE VALID FOR A PERIOD OF**
17 **THREE (3) YEARS AND MAY BE RENEWED UPON**
18 **COMPLIANCE WITH THE REQUIREMENTS PRESCRIBED BY**
19 **THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE).**
20 **IN ALL CASES, THE JOB CONTRACTOR SHALL**
21 **DEMONSTRATE THAT IT HAS FINANCIAL CAPACITY TO**
22 **CARRY ON ITS BUSINESS BASED ON FACTORS SUCH AS, BUT**
23 **NOT LIMITED, TO THE NUMBER OF ITS EMPLOYEES AND**
24 **THE NATURE OF ITS BUSINESS.**

25 ***FURTHER,* THAT ANY LEGITIMATE LABOR**
26 **ORGANIZATION SHALL HAVE ACCESS TO COPIES OF**
27 **LICENSES ISSUED TO JOB CONTRACTORS AND ALL**
28 **SUBMISSIONS MADE IN CONNECTION WITH SUCH LICENSE.**

1 **FOR THIS PURPOSE, THE SECRETARY OF LABOR AND**
2 **EMPLOYMENT, IN CONSULTATION WITH THE NATIONAL**
3 **TRIPARTITE INDUSTRIAL PEACE COUNCIL (NTIPC), SHALL**
4 **ISSUE THE APPROPRIATE REGULATIONS FOR THE**
5 **LICENSING, RENEWAL, SUSPENSION, AND REVOCATION OF**
6 **LICENSES OF JOB CONTRACTORS, INCLUDING THE**
7 **ACCOUNTABILITIES OF THE LICENSING OFFICER IN CASE**
8 **THE LICENSE IS ISSUED IN VIOLATION OF, OR IN**
9 **SIMULATION OF ANY OF THE REQUIREMENT FOR**
10 **LICENSING UNDER PARAGRAPHS (A) TO (G) ABOVE, OR**
11 **UPON FINDING OF LABOR-ONLY CONTRACTING**
12 **COMMITTED BY A DULY-LICENSED JOB CONTRACTOR.**

13
14 **IN NO CASE SHALL PRIVATE RECRUITMENT AND**
15 **PLACEMENT AGENCIES (PRPA) OR PRIVATE EMPLOYMENT**
16 **AGENCIES (PEA) UNDER ARTICLE 25 OF THE LABOR CODE,**
17 **AS AMENDED, BE ALLOWED TO ENGAGE IN JOB**
18 **CONTRACTING AND/OR THE PROHIBITED LABOR-ONLY**
19 **CONTRACTING.”**

20
21 **SEC. 4.** A new Article 107-A, Title II, Book III of the Labor Code, as
22 amended, is hereby provided to read as follows:

23 **“ARTICLE 107-A. *RIGHTS OF EMPLOYEES OF JOB***
24 ***CONTRACTORS.* THE TERMS AND CONDITIONS OF**
25 **EMPLOYMENT OF THE EMPLOYEES OF JOB CONTRACTORS**
26 **SHALL NOT BE LOWER THAN THE MINIMUM STANDARDS**
27 **SET BY LAW AND REGULATIONS.”**

1 **SEC 5.** Article 108, Title II, Book III of the Labor Code, as amended, is
2 hereby amended to read as follows:

3
4 “**Article 108. Posting of bond.** [~~An employer or indirect employer~~]
5 **THE CONTRACTEE** may require the contractor or subcontractor to
6 furnish a bond equal to the cost of labor under contract, on condition that
7 the bond will answer for the wages due the employees should the contractor
8 or subcontractor, as the case may be, fail to pay the same.

9
10 **SEC 6.** A new article 108-A, Title II, Book III of the Labor Code, as
11 amended, is hereby provided to read as follows:

12
13 “**ARTICLE 108-A. TRANSITION SUPPORT PROGRAM**
14 **(TSP) - A TRANSITION SUPPORT PROGRAM FOR JOB**
15 **CONTRACTING SHALL BE ESTABLISHED BY THE DOLE**
16 **WHICH:**

17
18 **(A) SHALL PROVIDE A THREE-MONTH FINANCIAL**
19 **SUPPORT FOR EMPLOYEES IN BETWEEN JOB**
20 **PERIODS AND IS CONDITIONED ON UNDERGOING**
21 **SKILLS TRAINING OR UPGRADING UNDER TESDA**
22 **OR TESDA ACCREDITED TRAINING INSTITUTION**
23 **DURING THE PERIOD OF UNEMPLOYMENT,**
24 **PROVIDED THAT THE FREQUENCY OF**
25 **AVAILMENT SHALL NOT BE MORE THAN ONCE A**
26 **YEAR;**

27
28 **(B) THE AMOUNT OF FINANCIAL SUPPORT SHALL**
29 **NOT BE LOWER THAN THE APPROPRIATE**

1 MINIMUM WAGE AND SHALL BE RELEASED AT
2 THE END OF EVERY MONTH; AND

3 (C) SHALL BE MANAGED BY THE APPROPRIATE
4 BUREAU OF THE DEPARTMENT OF LABOR AND
5 EMPLOYMENT, WHICH SHALL REPORT TO THE
6 NATIONAL TRIPARTITE INDUSTRIAL PEACE
7 COUNCIL.

8
9 *FURTHER, THAT THE FUNDS FOR THE*
10 *IMPLEMENTATION OF THE PROGRAM SHALL BE SOURCED*
11 *FROM THE FOLLOWING:*

12
13 (A) ONE HUNDRED PERCENT (100%) OF THE
14 REGISTRATION/ RENEWAL FEES PAID BY
15 CONTRACTORS;

16
17 (B) ALL FINES COLLECTED UNDER ARTICLE 106 OF
18 THIS CODE; AND

19
20 (C) FUNDS FROM THE ADJUSTMENT MEASURE
21 PROGRAM OF THE DEPARTMENT OF LABOR AND
22 EMPLOYMENT.”

23 SEC 7. Article 109, Title II, Book III of the Labor Code, as amended, is
24 hereby amended to read as follows:

25
26 “**Article 109. Solidary liability.** The provisions of existing laws to
27 the contrary notwithstanding, [~~every employer or indirect employer~~]
28 **CONTRACTEE** shall be held [~~responsible~~] **SOLIDARILY LIABLE**
29 with [~~his~~] **THE JOB** contractor [~~or subcontractor~~] for any violation of any

1 provision of this Code. For purposes of determining the extent of their civil
2 liability under this Chapter, they shall be considered as direct employers.

3 **SEC 8.** Article 294 [279], Title I, Book VI of the Labor Code, as amended,
4 is hereby further amended to read as follows:

5
6 “Article [279]. *Security of tenure.* - ~~[In case of regular employment,~~
7 ~~the employer shall not terminate]~~ [t]The services of an employee,
8 **IRRESPECTIVE OF EMPLOYMENT STATUS OR POSITION,**
9 **SHALL NOT BE TERMINATED** except for a just cause or when
10 authorized by this Title. An employee who is unjustly dismissed from work
11 shall be entitled to reinstatement without loss of seniority rights and other
12 privileges and to his/**HER** full backwages, inclusive of allowances, and to
13 his/**HER** other benefits or their monetary equivalent computed from the
14 time his/**HER** compensation was withheld from him/**HER** up to the time
15 of his/**HER** actual reinstatement.

16
17 **THE EMPLOYER SHALL HAVE THE BURDEN OF**
18 **PROVING THAT THE TERMINATION IS WITH CAUSE AND**
19 **DUE PROCESS.”**

20 **SEC 9.** Article 295 [280], Title I, Book VI of the Labor Code, as amended,
21 is hereby repealed, and in lieu thereof, a new Article 295 is provided to read as
22 follows:

23
24 ~~[Article 280. *Regular and casual employment.* The provisions of~~
25 ~~written agreement to the contrary notwithstanding and regardless of the~~
26 ~~oral agreement of the parties, an employment shall be deemed to be regular~~
27 ~~where the employee has been engaged to perform activities which are~~
28 ~~usually necessary or desirable in the usual business or trade of the~~
29 ~~employer, except where the employment has been fixed for a specific~~

1 ~~project or undertaking the completion or termination of which has been~~
2 ~~determined at the time of the engagement of the employee or where the~~
3 ~~work or service to be performed is seasonal in nature and the employment~~
4 ~~is for the duration of the season.]~~

5
6 **“ARTICLE 295. STATUS OF EMPLOYMENT. ALL**
7 **EMPLOYEES, EXCEPT THOSE UNDER PROBATIONARY**
8 **EMPLOYMENT, ARE DEEMED REGULAR, INCLUDING**
9 **PROJECT AND SEASONAL EMPLOYEES.**

10
11 **PROJECT AND SEASONAL EMPLOYEES ARE REGULAR FOR**
12 **THE DURATION OF THE PROJECT OR SEASON, AS THE CASE**
13 **MAY BE. FOR THIS PURPOSE, PROJECT EMPLOYMENT IS**
14 **EMPLOYMENT IN AN EXISTING PROJECT OR UNDERTAKING**
15 **THE COMPLETION OR TERMINATION OF WHICH HAS BEEN**
16 **DETERMINED AND MADE KNOWN TO THE EMPLOYEE AT**
17 **THE TIME OF THE ENGAGEMENT WHILE SEASONAL IS AN**
18 **EMPLOYMENT BASED ON THE EXISTENCE OF A SEASON IN**
19 **AGRICULTURAL WORK OR ESTABLISHED PERIODS OF**
20 **INCREASED WORK DEMANDS AND/OR INHERENT INDUSTRY**
21 **FLUCTUATIONS. IN PROJECT AND SEASONAL**
22 **EMPLOYMENT, WORKERS ARE CALLED TO WORK FROM**
23 **TIME TO TIME AND TEMPORARILY LAID-OFF DURING THE**
24 **COMPLETION OF THE PROJECT OR OFF SEASON BUT ARE IN**
25 **THE WORK POOL ON LEAVE WITH OR WITHOUT PAY STATUS**
26 **IN BETWEEN PROJECTS OR SEASONS.**

27 **ALL OTHER FORMS OF EMPLOYMENT ARE PROHIBITED**
28 **AND WORKERS UNDER SUCH ARRANGEMENTS ARE**

1 **DEEMED REGULAR EMPLOYEES RECKONED FROM THE**
2 **FIRST DAY OF EMPLOYMENT.**

3
4 **FOR THE AVOIDANCE OF DOUBT, AN EMPLOYER-**
5 **EMPLOYEE RELATIONSHIP EXISTS WHEN THE WORKER IS**
6 **ENGAGED TO RENDER WORK OR SERVICE UNDER THE**
7 **CONTROL OF THE EMPLOYER, NOT ONLY AS TO THE END TO**
8 **BE ACHIEVED, BUT ALSO THE MANNER, MEANS AND**
9 **METHOD IN REACHING THE END.”**

10
11 **SEC 10.** Article 296 [281], Title I, Book VI of the Labor Code, as amended,
12 is hereby amended to read as follows:

13
14 “Article 296 [281]. Probationary *employment*. Probationary
15 employment shall not exceed six (6) months from the [~~date the employee~~
16 ~~started working, unless it is covered by an apprenticeship agreement~~
17 ~~stipulating by a longer period.~~] **FIRST DAY OF SERVICE**
18 **REGARDLESS OF THE NATURE OF WORK TO BE**
19 **PERFORMED. THE JOB DESCRIPTION AND QUALIFICATION**
20 **STANDARDS TO QUALIFY FOR REGULAR EMPLOYMENT**
21 **SHALL BE MADE KNOWN BY THE EMPLOYER TO THE**
22 **EMPLOYEE AT THE TIME OF HIS/HER ENGAGEMENT.**

23
24 **SEC 11.** Article 297 [282], Title I, Book VI of the Labor Code, as amended,
25 is hereby amended to read as follows:

26 “**ARTICLE 297 [282]. JUST CAUSES OF** Termination [~~by~~
27 ~~employer~~]. An employer may terminate an employment for any of the
28 following causes:

- 1 (a) Serious misconduct or willful disobedience by the employee
2 of the lawful orders of his/HER employer or representative in
3 connection with his/HER work;
- 4
5 (b) Gross and habitual neglect by the employee of his/HER
6 duties;
- 7
8 (c) Fraud or willful breach by the employee of the trust reposed
9 in him/HER by his/HER employer or duly authorized
10 representative;
- 11
12 (d) Commission of a crime or offense by the employee against
13 the person of his/HER employer or any immediate member
14 of his/HER family or his/HER duly authorized
15 representatives; and
- 16
17 (e) (e) [~~Other causes~~] **ACT OR OMISSION** analogous to the
18 foregoing, **EXPRESSLY SPECIFIED AS GROUND FOR**
19 **DISMISSAL IN THE COMPANY RULES AND**
20 **REGULATIONS FORMULATED IN OBSERVANCE OF**
21 **WORKERS RIGHT TO PARTICIPATE IN POLICY**
22 **AND DECISION-MAKING PROCESSES AFFECTING**
23 **THEIR RIGHTS AND BENEFITS, OR AS PROVIDED**
24 **IN THE DULY REGISTERED COLLECTIVE**
25 **BARGAINING AGREEMENT.”**
- 26

27 **SEC 12.** A new Article 298-A, Title I, Book VI of the Labor Code, as
28 amended, is hereby provided to read as follows:
29

1 **“ARTICLE 298-A. *PROOF OF AUTHORIZED CAUSE AND***
2 ***PAYMENT OF SEPARATION PAY.* WITHIN THE PRESCRIBED**
3 **ONE (1) MONTH PERIOD REQUIRED UNDER ARTICLE 298,**
4 **THE EMPLOYER SHALL SUBMIT TO THE DOLE FOR**
5 **VALIDATION PROOF AND UNDERTAKING ON THE**
6 **EXISTENCE OF THE AUTHORIZED CAUSE IN ACCORDANCE**
7 **WITH THE RULES AND REGULATIONS AS MAY BE SET BY**
8 **THE SECRETARY OF LABOR AND EMPLOYMENT.”**

9
10 **SEC. 13. *Implementing Rules and Regulations.*** – The Secretary of Labor
11 and Employment shall promulgate the necessary implementing rules and
12 regulations within one hundred and twenty (120) days from the effectivity of this
13 Act.

14
15 **SEC. 14. *Separability Clause.*** – If any provision of this law or the
16 application thereof to any person or circumstance, is held invalid, the remainder
17 of this law, or the application of such provision or part to other persons of
18 circumstances, shall not be affected thereby.

19 **SEC. 15. *Repealing Clause.*** – All laws, decrees, rules, and regulations or
20 parts thereof, which are contrary to or inconsistent with this Act are hereby
21 repealed or modified accordingly.

22
23 **SEC. 16. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
24 publication in the Official Gazette or in a newspaper of general circulation.

Approved,