

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

20th CONGRESS
First Regular Session

HOUSE BILL NO. 4496



Introduced by REP. JUAN CARLOS "ARJO" C. ATAYDE

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

EXPLANATORY NOTE

The 1987 Constitution states in Article XIII Section 3 that the government must provide protection to workers by guaranteeing job security and fair working conditions with a wage. Nevertheless this objective is still a dream, for Filipino workers stuck in unstable job arrangements, like labor contracting or "ENDO" systems where contracts end abruptly.

The Labor Code bans labor contracting but loopholes and unclear laws have enabled this practice to continue existing over time. Corporations find ways around making employees permanent by sending tasks to contractors or cycling workers through agreements. This leads to a section of the workforce in industries, like retail and manufacturing lacking job stability and proper work benefits.

According to the Department of Labor and Employment (DOLE), as of 2017, nearly 1.9 million contractual workers were reported in the country, although labor groups argue the real number is significantly higher due to underreporting and informal arrangements. A 2020 study by the Philippine Institute for Development Studies (PIDS) noted that "contractual employment continues to be widespread in

sectors critical to the economy," and that many workers are left "with limited protection and virtually no path to regularization" (PIDS Policy Note 2020-13).

A particularly alarming consequence of contractualization is the erosion of labor rights. Contractual workers are less likely to form or join unions, and are often denied basic benefits such as paid leave, health insurance, or retirement contributions. As noted by Albert and Vizmanos (2018) in a PIDS study, "non-regular workers are systematically disadvantaged in terms of wages and benefits compared to their regular counterparts."

The persistence of ENDO has also had broader economic consequences. A 2021 ILO study concluded that job insecurity undermines productivity and consumer confidence, with workers unable to plan long-term or invest in their skills. The report added:

"Precarious employment arrangements may contribute to a race to the bottom in labor standards, with firms competing on cost by avoiding employer obligations."

Several real-life cases highlight the urgency of legislative action. In 2018, Jollibee Foods Corporation was ordered by DOLE to regularize over 6,000 workers deployed via third-party agencies. Despite being assigned full-time schedules and wearing company uniforms, these workers were not considered regular employees and received lower wages and fewer benefits.

Similarly, the 2019 DOLE inspection of major malls and fast-food chains uncovered widespread labor-only contracting, including for core functions such as cashiering and kitchen operations – tasks that clearly do not qualify as project-based or seasonal work.

This bill seeks to close the legal and regulatory loopholes that allow these practices to continue. It proposes the following key reforms:

1. **Defining and Prohibiting Labor-Only Contracting** – The bill refines the legal test to clearly identify labor-only contracting, prohibiting arrangements where the contractor lacks control or capital and merely supplies workers.

2. Classification of Employment — Only project-based and seasonal work will be allowed as non-regular, and workers shall be deemed regular if the work they perform is necessary or desirable to the usual business of the employer.
3. Enhanced Enforcement — The creation of a Tripartite Regulatory and Enforcement Unit under DOLE to monitor compliance, inspect establishments, and act swiftly on violations.
4. Due Process in Termination — The bill reinforces workers' rights by requiring employers to observe due process, including DOLE validation for dismissals based on authorized causes.
5. Fund for Adjustment Measures — Collected fines and contractor registration fees will be used to fund retraining, reintegration, or legal assistance for displaced workers.

The call to end ENDO is not merely a labor issue—it is a moral and constitutional imperative. By passing this bill, Congress affirms the principle that decent work is a right, not a privilege, and that job security is the bedrock of a just and inclusive economy.

As former Labor Secretary Rosalinda Baldoz once said, “Security of tenure gives workers the confidence to invest in their skills and in the future. Without it, we rob them of hope.”

In view of the foregoing, the urgent passage of this measure is earnestly sought.

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

3 **SECTION 1. Title.** – This Act shall be known as the "*Security of Tenure and End*
4 *of Endo Act of 2025*"

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

7 "ARTICLE 106. [Contractor or Subcontractor] **PROHIBITION ON LABOR-**
8 **ONLY CONTRACTING.** – [Whenever an employer enters into a contract
9 with another person for the performance of the former's work, the employees
10 of the contractor and of the latter's subcontractor, if any, shall be paid in
11 accordance with the provisions of this Code.

12 In the event that the contractor or subcontractor fails to pay the wages of his
13 employees in accordance with this Code, the employer shall be jointly and
14 severally liable with his contractor or subcontractor to such employees to the

1 extent of the work
2 performed under the contract, in the same manner and extent that he is liable
3 to employees directly employed by him.

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

12 **LABOR-ONLY CONTRACTING IS PROHIBITED.** There is "labor-
13 only" contracting where the [person supplying workers to an employer does
14 not have] **JOB CONTRACTOR, WHETHER LICENSED OR NOT, MERELY**
15 **RECRUITS AND SUPPLIES OR PLACES WORKERS TO A CONTRACTEE**
16 **REGARDLESS OF WHETHER OR NOT HE/SHE HAS** substantial capital or
17 investment in the form of tools, equipment, machineries, work premises,
18 among others, [and] **OR** the workers recruited and **SUPPLIED OR** placed by
19 such person are performing activities which are directly related to the principal
20 business of such **CONTRACTEE OR ARE UNDER THE CONTROL AND**
21 **SUPERVISION OF THE CONTRACTEE.** In such cases, the [person or
22 intermediary] **JOB CONTRACTOR** shall be considered merely an agent [of]
23 **AND** the [employer who] **CONTRACTEE** shall be responsible to the workers
24 in the same manner and extent as if the latter were directly employed by
25 him/HER.

26 **FOR THE PURPOSES OF THIS ARTICLE, THE SPECIFIC JOB,**
27 **WORK OR SERVICE THAT ARE DEEMED DIRECTLY RELATED TO THE**
28 **PRINCIPAL BUSINESS OF A CONTRACTEE SHALL BE DETERMINED**
29 **BY THE APPROPRIATE INDUSTRY TRIPARTITE COUNCIL WHICH**
30 **SHALL BE ISSUED THROUGH REGULATIONS BY THE SECRETARY OF**

1 LABOR AND EMPLOYMENT. IN THE ABSENCE OF A
2 DETERMINATION BY THE APPROPRIATE INDUSTRY COUNCIL, THE
3 SECRETARY OF LABOR AND EMPLOYMENT SHALL DETERMINE THE
4 STANDARD CRITERIA AFTER CONSULTATION WITH THE
5 NATIONAL TRIPARTITE INDUSTRIAL PEACE COUNCIL.

6 IN ALL CASES WHERE LABOR-ONLY CONTRACTING IS
7 PRESENT, THE WORKERS SHALL OUTRIGHT BE DEEMED REGULAR
8 EMPLOYEES OF THE CONTRACTEE IN ACCORDANCE WITH LAW,
9 RETROACTIVE TO THE DATE THEY WERE FIRST DEPLOYED TO SAID
10 CONTRACTEE, WITHOUT PREJUDICE TO ANY CRIMINAL, CIVIL, OR
11 ADMINISTRATIVE CASE AGAINST THE LABOR-ONLY CONTRACTOR
12 AND THE CONTRACTEE.

13 COMPLIANCE ORDERS AFFIRMED BY THE SECRETARY OF
14 LABOR AND EMPLOYMENT SHALL BE IMMEDIATELY EXECUTORY
15 UNLESS RESTRAINED BY AN APPROPRIATE COURT.

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

23 ADDITIONALLY, THE SECRETARY OF LABOR AND
24 EMPLOYMENT SHALL IMPOSE A FINE OF UP TO FIVE MILLION PESOS
25 (PHP5,000,000.00) AGAINST ANY LABOR-ONLY CONTRACTOR. THE
26 SECRETARY OF LABOR AND EMPLOYMENT SHALL ALSO HAVE THE
27 POWER TO PREVENTIVELY OR PERMANENTLY CLOSE THE
28 OPERATIONS OF ANY LABOR-ONLY CONTRACTOR."

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

3 **"ARTICLE 107. LICENSING OF JOB CONTRACTORS. – IT SHALL**
4 **BE MANDATORY FOR ALL PERSONS OR ENTITIES ACTING AS JOB**
5 **CONTRACTOR TO OBTAIN A LICENSE FROM THE DOLE THROUGH**
6 **ITS REGIONAL OFFICES. FOR PURPOSES OF ARTICLES 106-109, "JOB**
7 **CONTRACTOR" REFERS TO A SOLE PROPRIETORSHIP,**
8 **CORPORATION, ASSOCIATION, COOPERATIVE OR OTHER**
9 **ORGANIZATION THAT PERFORMS A SPECIFIC WORK, JOB OR**
10 **SERVICE TO A CONTRACTEE. "CONTRACTEE" REFERS TO THE**
11 **PERSON OR ENTITY, WHICH SHALL INCLUDE THE GOVERNMENT,**
12 **THAT CONTRACTED OUT A SPECIFIC WORK, JOB OR SERVICE.**

13 **THE LICENSE SHALL BE ISSUED TO QUALIFIED JOB**
14 **CONTRACTORS UPON COMPLIANCE WITH THE FOLLOWING**
15 **REQUIREMENTS:**

16 **(A) HAVE AN INDEPENDENT BUSINESS, SEPARATE AND**
17 **DISTINCT FROM THE CONTRACTEE;**

18 **(B) HAVE A PAID-UP CAPITAL OR NET WORTH OF AT LEAST**
19 **FIVE MILLION PESOS (PHP5,000,000.00), WHICH MAY BE INCREASED**
20 **AS DEEMED APPROPRIATE THROUGH TRIPARTITE**
21 **CONSULTATION;**

22 **(C) BE AN EXPERT OR SPECIALIST IN THE JOB, WORK OR**
23 **SERVICE BEING CONTRACTED THAT SHALL NOT BE DIRECTLY**
24 **RELATED TO THE PRINCIPAL BUSINESS OF THE CONTRACTEE. FOR**
25 **THIS PURPOSE, EXPERTISE OR SPECIALIZATION SHALL BE**
26 **ESTABLISHED BY SHOWING, AMONG OTHERS, A CORE OF**
27 **COMPETENT PROFESSIONALS OR SKILLED WORKERS ESPECIALLY**
28 **TRAINED TO CARRY OUT THE JOB, WORK OR SERVICE OR TRACK**
29 **RECORD IN SUCH FIELD OF SPECIALIZATION;**

1 (D) BE AN EMPLOYER WITH REGULAR EMPLOYEES AND HAVE
2 EQUIPMENT, MACHINERIES OR TOOLS NECESSARY TO PERFORM
3 OR COMPLETE THE JOB, WORK OR SERVICE CONTRACTED OUT;

4 (E) EXERCISE CONTROL OVER THE PERFORMANCE AND
5 COMPLETION OF THE JOB, WORK OR SERVICE CONTRACTED OUT;

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

11 (G) PAYMENT OF LICENSE FEE, WHICH SHALL NOT BE LOWER
12 THAN ONE HUNDRED THOUSAND PESOS (PHP100,000.00).

13
14 THE LICENSE SHALL BE VALID FOR A PERIOD OF THREE (3)
15 YEARS AND MAY BE RENEWED UPON COMPLIANCE WITH THE
16 REQUIREMENTS PRESCRIBED BY THE DOLE. IN ALL CASES, THE JOB
17 CONTRACTOR SHALL DEMONSTRATE THAT IT HAS FINANCIAL
18 CAPACITY TO CARRY ON ITS BUSINESS BASED ON FACTORS SUCH
19 AS, BUT NOT LIMITED, TO THE NUMBER OF ITS EMPLOYEES AND
20 THE NATURE OF ITS BUSINESS.

21
22 ANY LEGITIMATE LABOR ORGANIZATION SHALL HAVE
23 ACCESS TO COPIES OF LICENSES ISSUED TO JOB CONTRACTORS
24 AND ANY AND ALL SUBMISSIONS MADE IN CONNECTION WITH
25 SUCH LICENSE.

26
27 FOR THIS PURPOSE, THE SECRETARY OF LABOR AND
28 EMPLOYMENT, IN CONSULTATION WITH THE NATIONAL
29 TRIPARTITE INDUSTRIAL PEACE COUNCIL (NTIPC), SHALL ISSUE
30 THE APPROPRIATE REGULATIONS FOR THE LICENSING, RENEWAL,
31 SUSPENSION, AND REVOCATION OF LICENSES OF JOB
32 CONTRACTORS, INCLUDING THE ACCOUNTABILITIES OF THE

1 LICENSING OFFICER IN CASE THE LICENSE IS ISSUED IN VIOLATION
2 OF, OR IN SIMULATION OF ANY OF THE REQUIREMENT FOR
3 LICENSING UNDER PARAGRAPHS (A) TO (G) ABOVE, OR UPON
4 FINDING OF LABOR-ONLY CONTRACTING COMMITTED BY A DULY-
5 LICENSED JOB CONTRACTOR.

6
7 IN NO CASE SHALL PRIVATE RECRUITMENT AND PLACEMENT
8 AGENCIES (PRPA) OR PRIVATE EMPLOYMENT AGENCIES (PEA)
9 UNDER ARTICLE 25 OF THE LABOR CODE, AS AMENDED, BE
10 ALLOWED TO ENGAGE IN JOB CONTRACTING AND/OR THE
11 PROHIBITED LABOR-ONLY CONTRACTING."

12 SEC. 4. A new Article 107-A, Title II, Book of the Labor Code, as amended, is
13 hereby provided to read as follows:

14 "ARTICLE 107-A. RIGHTS OF EMPLOYEES OF JOB
15 CONTRACTORS. – THE TERMS AND CONDITIONS OF
16 EMPLOYMENT OF THE EMPLOYEES OF JOB CONTRACTORS SHALL
17 NOT BE LOWER THAN THE MINIMUM STANDARDS SET BY LAW AND
18 REGULATIONS."

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

21 "ARTICLE 108. Posting of Bond. – [An employer or indirect employer]
22 THE CONTRACTEE may require the contractor to furnish a bond equal to the
23 cost of labor under contract, on condition that the bond will answer for the
24 wages due the employees should the contractor fail to pay the same."

25 SEC. 6. A new Article 108-A, Title II, Book III of the Labor Code, as amended,
26 is hereby provided to read as follows:

27 "ARTICLE 108-A. TRANSITION SUPPORT PROGRAM (TSP). – A
28 TRANSITION SUPPORT PROGRAM FOR JOB CONTRACTING SHALL
29 BE ESTABLISHED BY THE DOLE WHICH:

1 (A) SHALL PROVIDE A THREE-MONTH FINANCIAL SUPPORT
2 FOR EMPLOYEES IN BETWEEN JOB PERIODS AND IS CONDITIONED
3 ON UNDERGOING SKILLS TRAINING OR UPGRADING UNDER
4 TESDA OR TESDA ACCREDITED TRAINING INSTITUTION DURING
5 THE PERIOD OF UNEMPLOYMENT, PROVIDED THAT THE
6 FREQUENCY OF AVAILMENT SHALL NOT BE MORE THAN ONCE A
7 YEAR;

8 (B) THE AMOUNT OF FINANCIAL SUPPORT SHALL NOT BE
9 LOWER THAN THE APPROPRIATE MINIMUM WAGE AND SHALL BE
10 RELEASED AT THE END OF EVERY MONTH; AND

11 (C) SHALL BE MANAGED BY THE APPROPRIATE BUREAU OF
12 THE DEPARTMENT OF LABOR AND EMPLOYMENT, WHICH SHALL
13 REPORT TO THE NATIONAL TRIPARTITE INDUSTRIAL PEACE
14 COUNCIL.

15 THE FUNDS FOR THE IMPLEMENTATION OF THE PROGRAM
16 SHALL BE SOURCED FROM THE FOLLOWING:

17 (A) ONE HUNDRED PERCENT (100%) OF THE REGISTRATION OR
18 RENEWAL FEES PAID BY CONTRACTORS;

19 (B) ALL FINES COLLECTED UNDER ARTICLE 106 OF THIS CODE;

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

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

24 "ARTICLE 109. Solidary Liability. – The provisions of existing laws to
25 the contrary notwithstanding, every [employer or indirect employer]
26 CONTRACTEE shall be held [responsible] SOLIDARILY LIABLE with [his]
27 THE JOB contractor [or subcontractor] for any violation of any provision of

1 this Code. For purposes of determining the extent of their civil liability under
2 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, is
4 hereby further amended to read as follows:

5 “ARTICLE 294 [279]. Security of Tenure. – [In case of regular
6 employment, the employer shall not terminate] [t]The services of an employee,
7 **IRRESPECTIVE OF EMPLOYMENT STATUS OR POSITION, SHALL NOT**
8 **BE TERMINATED** except for a just cause or when authorized by this Title. An
9 employee who is unjustly dismissed from work shall be entitled to
10 reinstatement without loss of seniority rights and other privileges and to
11 his/HER full backwages, inclusive of allowances, and to his/HER other benefits
12 or their monetary equivalent computed from the time his/HER compensation
13 was withheld from him/HER up to the time of his/HER actual reinstatement.

14 **THE EMPLOYER SHALL HAVE THE BURDEN OF PROVING THAT**
15 **THE TERMINATION IS WITH CAUSE AND DUE**
16 **PROCESS.”**

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

19 “ARTICLE 295. STATUS OF EMPLOYMENT. – ALL EMPLOYEES,
20 EXCEPT THOSE UNDER PROBATIONARY EMPLOYMENT, ARE
21 DEEMED REGULAR, INCLUDING PROJECT AND SEASONAL
22 EMPLOYEES.

23 **PROJECT AND SEASONAL EMPLOYEES ARE REGULAR FOR THE**
24 **DURATION OF THE PROJECT OR SEASON, AS THE CASE MAY BE. FOR**
25 **THIS PURPOSE, PROJECT EMPLOYMENT IS EMPLOYMENT IN AN**
26 **EXISTING PROJECT OR UNDERTAKING THE COMPLETION OR**
27 **TERMINATION OF WHICH HAS BEEN DETERMINED AND MADE**
28 **KNOWN TO THE EMPLOYEE AT THE TIME OF THE ENGAGEMENT**
29 **WHILE SEASONAL IS AN EMPLOYMENT BASED ON THE EXISTENCE**

1 OF A SEASON IN AGRICULTURAL WORK OR ESTABLISHED PERIODS
2 OF INCREASED WORK DEMANDS AND/OR INHERENT INDUSTRY
3 FLUCTUATIONS. IN PROJECT AND SEASONAL EMPLOYMENT,
4 WORKERS ARE CALLED TO WORK FROM TIME TO TIME AND
5 TEMPORARILY LAID-OFF DURING THE COMPLETION OF THE
6 PROJECT OR OFF-SEASON BUT ARE IN THE WORK POOL ON LEAVE
7 WITH OR WITHOUT PAY STATUS IN BETWEEN PROJECTS OR
8 SEASONS.

9 ALL OTHER FORMS OF EMPLOYMENT ARE PROHIBITED AND
10 WORKERS UNDER SUCH ARRANGEMENTS ARE DEEMED REGULAR
11 EMPLOYEES RECKONED FROM THE FIRST DAY OF EMPLOYMENT.

12 FOR THE AVOIDANCE OF DOUBT, AN EMPLOYER-EMPLOYEE
13 RELATIONSHIP EXISTS WHEN THE WORKER IS ENGAGED TO
14 RENDER WORK OR SERVICE UNDER THE CONTROL OF THE
15 EMPLOYER, NOT ONLY AS TO THE END TO BE ACHIEVED, BUT ALSO
16 THE MANNER, MEANS AND METHOD IN REACHING THE END."

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

19 "ARTICLE 296 [281]. Probationary Employment. — Probationary
20 employment shall not exceed six (6) months from the [date the employee
21 started working, unless it is covered by an apprenticeship agreement
22 stipulating a longer period.] FIRST DAY OF SERVICE REGARDLESS OF
23 THE NATURE OF WORK TO BE PERFORMED. THE JOB DESCRIPTION
24 AND QUALIFICATION STANDARDS TO QUALIFY FOR REGULAR
25 EMPLOYMENT SHALL BE MADE KNOWN BY THE EMPLOYER TO THE
26 EMPLOYEE AT THE TIME OF HIS/HER ENGAGEMENT.

27 The services of [an] A PROBATIONARY employee [who has been
28 engaged on a probationary basis] may be terminated for [a] just OR
29 AUTHORIZED causeS UNDER ARTICLES 297 [282] AND 298 [283] OF THE

1 LABOR CODE, AS AMENDED, or when he/SHE fails to qualify as a regular
2 employee [in accordance with reasonable standards made known by the
3 employer at the time of his engagement. An employee who is allowed to work
4 after a probationary period shall be considered a regular employee].”

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

7 “ARTICLE 297 [282]. **JUST CAUSES OF Termination** [by employer]. –
8 An employer may terminate an employment for any of the following causes:
9 (a) Serious misconduct or willful disobedience by the employee of the lawful
10 orders of his/HER employer or representative in connection with his/HER
11 work;
12 (b) Gross and habitual neglect by the employee of his/HER duties;
13 (c) Fraud or willful breach by the employee of the trust reposed in him/HER
14 by his/HER employer or duly authorized representative;
15 (d) Commission of a crime or offense by the employee against the person of
16 his/HER employer or any immediate member of his/HER family or his/HER
17 duly authorized representatives; and
18 (e) [Other causes] **ACT OR OMISSION analogous to the foregoing,**
19 **EXPRESSLY SPECIFIED AS GROUND FOR DISMISSAL IN THE**
20 **COMPANY RULES AND REGULATIONS FORMULATED IN**
21 **OBSERVANCE OF WORKERS' RIGHT TO PARTICIPATE IN POLICY**
22 **AND DECISION-MAKING PROCESSES AFFECTING THEIR RIGHTS**
23 **AND BENEFITS, OR AS PROVIDED IN THE DULY REGISTERED**
24 **COLLECTIVE BARGAINING AGREEMENT.”**

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

27 “ARTICLE 298-A. **PROOF OF AUTHORIZED CAUSE AND**
28 **PAYMENT OF SEPARATION PAY. – WITHIN THE PRESCRIBED ONE (1)**
29 **MONTH PERIOD REQUIRED UNDER ARTICLE 298, THE EMPLOYER**
30 **SHALL SUBMIT TO THE DOLE FOR VALIDATION PROOF AND**

1 UNDERTAKING ON THE EXISTENCE OF THE AUTHORIZED CAUSE IN
2 ACCORDANCE WITH THE RULES AND REGULATIONS AS MAY BE
3 SET BY THE SECRETARY OF LABOR AND EMPLOYMENT.

4 **SEC. 13. *Implementing Rules and Regulations.*** — The Secretary of Labor and
5 Employment shall promulgate the necessary implementing rules and regulations
6 within one hundred and twenty (120) days from the effectivity of this Act.

7 **SEC. 14. *Separability Clause.*** — If any provision of this law or the application
8 thereof to any person or circumstance, is held invalid, the remainder of this law, or
9 the application of such provision or part to other persons or circumstances, shall not
10 be affected thereby.

11 **SEC. 15. *Repealing Clause.*** — All laws, decrees, rules, and regulations or parts
12 thereof, which are contrary to or inconsistent with this Act are hereby repealed or
13 modified accordingly.

14 **SEC. 16. *Effectivity Clause.*** — This Act shall take effect fifteen (15) days after
15 its publication in the Official Gazette or in at least two (2) newspapers of general
16 circulation.

17 *Approved,*