

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 7057

EXPLANATORY NOTE

The National Labor Relations Commission (NLRC) is a quasi-judicial agency attached to the Department of Labor and Employment (DOLE). It is mandated to adjudicate labor and management disputes involving both local and overseas workers through compulsory arbitration and alternative modes of dispute resolution.

According to the 2021 Performance Report of the NLRC, they were able to maintain a high level of disposition of cases, and posted gains in reducing the number of pending cases. The NLRC posted an overall output of 32,433 cases for compulsory arbitration comprising of 24,262 as original cases from the Regional Arbitration Branches (RABs), and 8,171 as appealed cases from the Commission Proper. In terms of inflow versus outflow of cases, 27,037 original cases were received for 2021, 24,262 or 90% of which were disposed of by the Regional Arbitration Branches (RABs). On the other hand, of the 8,031 appealed cases received for the current year, 8,171 or 102% were disposed of by the Commission Proper.

While the NLRC is performing well, it cannot be denied that the number of cases in the NLRC are increasing and having only 8 divisions means that they are over full-capacity.

In view of the foregoing, and to help the NLRC dispose of its cases in a faster manner, immediate approval of this measure is earnestly requested.


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

CREATING FOUR (4) ADDITIONAL DIVISIONS AND CLARIFYING THE COMPOSITIONS, QUALIFICATIONS AND BENEFITS OF COMMISSIONERS, LABOR ARBITERS, CLERKS OF COURT, AND EMPLOYEES OF THE NATIONAL LABOR RELATIONS COMMISSION AMENDING FOR THIS PURPOSE ARTICLES 220, 221, 222, AND 223 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE “LABOR CODE OF THE PHILIPPINES”

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

SECTION 1. Article 220 of Presidential Decree No. 442, as amended, otherwise known as the “Labor Code of the Philippines”, is hereby further amended to read as follows:

“Article 220. National Labor Relations Commission. – There shall be a National Labor Relations Commission which shall be attached to the Department of Labor and Employment solely for program and policy coordination, composed of a Chairperson and **thirty-six (36)** members.

Twelve (12) members each shall be chosen only from among the nominees of the workers and employers’ organizations, respectively. The Chairperson and the **eleven (11)** remaining members shall come from the public sector, with the latter to be chosen preferably from among the incumbent labor arbiters.

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

The Commission may sit en banc or in **twelve (12)** divisions, each composed of three (3) members. The Commission shall sit en banc only for purposes of promulgating rules and regulations governing the hearing and disposition of cases before any of its divisions and regional branches and formulating policies affecting its administration and operations. The Commission shall exercise its adjudicatory and all other powers, functions and duties through its divisions. **Of the twelve (12) divisions, the first, second, third, fourth, fifth, sixth, seventh and eight divisions shall handle cases from the National Capital Region and other parts of Luzon; the ninth and tenth divisions cases from the Visayas; and eleventh and twelfth divisions cases from the Mindanao.** Provided, That the Commission sitting *en banc* may, on temporary or emergency basis, allow cases within the jurisdiction of any

division to be heard and decided by any other division whose docket allows the additional workload and such transfer will not expose litigants to unnecessary additional expenses. The divisions of the Commission shall have exclusive appellate jurisdiction over cases within their respective territorial jurisdiction.

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

The conclusions of a division on any case submitted to it for decision shall be reached in consultation before the case is assigned to a member for the writing of the opinion. It shall be mandatory for the division to meet for purposes of the consultation ordained therein. A certification to this effect signed by the Presiding Commissioner of the division shall be issued, and a copy thereof attached to the record of the case and served upon the parties.

The Chairman shall be the Presiding Commissioner of the first division, and the **eleven (11)** other members from the public sector shall be the Presiding Commissioners of the second, third, fourth, fifth, sixth, seventh, eighth, **ninth, tenth, eleventh and twelfth** divisions, respectively. In case of the effective absence or incapacity of the Chairman, the Presiding Commissioner of the second division shall be the Acting Chairman.

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

The Commission, when sitting en banc, shall be assisted by the same Executive Clerk, and, when acting thru its Divisions, by said Executive Clerk for its first division and **eleven (11)** other Deputy Executive Clerks for the second, third, fourth fifth, sixth, seventh, eighth, **ninth, tenth, eleventh and twelfth** Divisions, respectively, in the performance of such similar or equivalent functions and duties as are discharged by the Clerk of Court and Deputy Clerks of Court of the Court of Appeals.

The Commission and its **eleven (11)** divisions shall be assisted by the Commission Attorneys in its appellate and adjudicatory functions whose term shall be coterminous with the Commissioners with whom they are assigned. The Commission Attorneys shall be members of the Philippine Bar with at least one (1) year experience or exposure in the field of labor-management relations. They shall receive annual salaries and shall be entitled to the same allowances and benefits as those falling under Salary Grade twenty-six (SG 26). There shall be as many Commission Attorneys as may be necessary for the effective and efficient operation of the Commission but in no case more than five (5) assigned to the Office of the Chairman and each Commissioner.”

SEC. 2. Article 221 of the Labor Code of the Philippines, as amended, is hereby further amended to read as follows:

“ARTICLE 221. Headquarters, Branches and Provincial Extension Units. – The Commission and its first, second, third, fourth, fifth, sixth, **seventh and eight** divisions shall have their main offices in Metropolitan Manila; **the ninth and tenth divisions in the cities of Cebu and Iloilo, respectively; and eleventh and twelfth divisions in the cities of Cagayan de Oro and Davao, respectively.** The Commission shall establish regional branches as there are regional offices of the Department of Labor and Employment, sub-regional branches or provincial extension units, **or as determined by the Commission En Banc. The regional arbitration branches shall, not less than fifteen (15) branches, composed of an Executive Labor Arbiter and** as many Labor Arbiters as may be necessary for the effective and efficient operation of the Commission.

SEC. 3. Article 222 of the Labor Code of the Philippines, as amended, is hereby further amended to read as follows:

“ARTICLE 222. Appointment and Qualifications. – The Chairman and other Commissioners shall be members of the Philippine Bar and must have been engaged in the practice of law in the Philippines for at least fifteen (15) years, with at least five (5) years experience or exposure in the field of labor-management relations, and shall preferably be residents of the region where they shall hold office. The Labor Arbiters shall likewise be members of the Philippine Bar and must have been engaged in the practice of law in the Philippines for at least ten (10) years, with at least five (5) years experience or exposure in the field of labor-management relations. **The Executive Clerk of Court and Deputy Executive Clerk of Courts shall likewise be members of the Philippine Bar and must have been engaged in the practice of law in the Philippines for at least three (3) years.**

The Chairman, and the other Commissioners and the Labor Arbiters shall hold office during good behavior until they reach the age of sixty-five (65) years, unless sooner removed for cause as provided by law or become incapacitated to discharge the duties of their office. *Provided, however,* That the President of the Republic of the Philippines may extend the services of the Commissioners and Labor Arbiters up to the maximum age of seventy (70) years upon the recommendation of the Commission *en banc*.

The Chairman, the Division Presiding Commissioners and other Commissioners shall all be appointed by the President. Appointment to any vacancy in a specific division shall come only from the nominees of the sector which nominated the predecessor. The Labor Arbiters shall also be appointed by the President, upon recommendation of the Commission *en banc*, and shall be subject to the Civil Service Law, rules and regulations.

The Chairman and the Commission, shall appoint the staff and employees of the Commission, and its regional arbitration branches, subject to the Civil Service Law, rules and regulations. **However, each Labor Arbiter of the Regional Arbitration Branches shall be assisted by not more than three (3) staff, as determined by the Commission. The Commission may upgrade the positions, current salaries, benefits and other emoluments in accordance with law.**

SEC. 4. Article 223 of the Labor Code of the Philippines, as amended, is hereby further amended to read as follows:

“ARTICLE 223. *Salaries, Benefits and Other Emoluments.* – The Chairman and members of the Commission shall have the same rank, receive an annual salary equivalent to, and be entitled to the same allowances, retirement, **survivorship**, benefits, and **privileges** as those of the Presiding Justice and Associate Justices of the Court of Appeals, respectively. Labor Arbiters shall have the same rank, receive an annual salary equivalent to and be entitled to the same allowances, retirement, **survivorship, benefits** and privileges as those of the judges of the regional trial courts. **Executive Clerk and Deputy Executive Clerks of Court shall have the same rank, receive an annual salary equivalent to, and be entitled to the benefits as those of the Clerk of Court and Deputy Clerks of Court of the Court of Appeals.** In no case, however, shall the provision of this Article result in the diminution of the existing salaries, allowances and benefits of the aforementioned officials.”

SECTION 5. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SECTION 6. *Repealing Clause.* – Presidential Decree No. 442, as amended, otherwise known as the “Labor Code of the Philippines”, and all other laws, decrees, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 7. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation.

Approved,