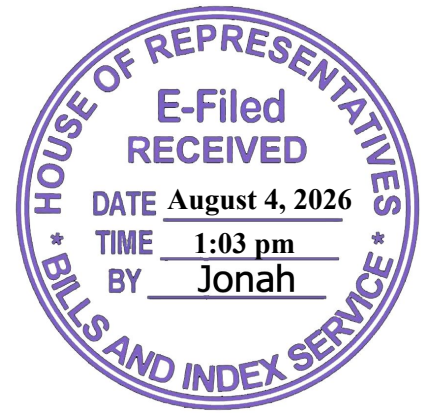


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 10567



INTRODUCED BY REP. PATRICK MICHAEL “PM” D. VARGAS

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

The State affirms labor as a primary social and economic force and is committed to promoting full, productive, and freely chosen employment. Central to long-term development planning is the national vision articulated in *AmBisyon Natin 2040*, which reflects the aspirations of Filipinos for a stable, comfortable and stable life, including access to quality employment opportunities within the country.

Despite sustained economic recovery in recent years, structural challenges in the labor market persist. Data from the Philippine Statistics Authority (PSA) show that as of April 2026, the unemployment rate stood at approximately 4.3%, equivalent to around 2.2 million unemployed Filipinos. Meanwhile, underemployment—defined as employed persons seeking additional hours of work or better employment – remained elevated at about 11.7%, indicating continued job quality concerns¹.

A critical issue underlying these figures is the persistent mismatch between available jobs and the skills of the workforce. Employers continue to report difficulty in filling positions due to gaps in technical competencies, digital

¹ Philippine Statistics Authority, Labor Force Survey. April 2026

skills, and job readiness, while many jobseekers face prolonged periods of unemployment or precarious employment. This mismatch disproportionately affects young workers, displaced employees, and those transitioning between jobs.

To address these gaps, this bill proposes the establishment of a Labor Employment Assistance Program, a targeted intervention designed to support workers during periods of job transition. The program aims to : (1) provide temporary income support to displaced or transitioning workers at a level not lower than the applicable minimum wage ; (2) offer skills upgrading, retooling, and job-matching services aligned with industry demand; and (3) facilitate faster reintegration of workers into the labor market through coordinated public employment services.

By institutionalizing a responsive and integrated support mechanism, the proposed measure seeks to reduce frictional unemployment, improve job matching efficiency, and enhance the overall employability of Filipino workers. Ultimately, it strengthens the country's human capital and ensures that economic growth translates into meaningful and inclusive employment opportunities.

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



REP. PATRICK MICHAEL "PM" D. VARGAS
Fifth District, Quezon City

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 10567

INTRODUCED BY REP. PATRICK MICHAEL “PM” D. VARGAS

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

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

SECTION 1. *Short Title.* – This Act shall be known as the “Labor Empowerment Assistance Program (LEAP) Act.”

SECTION 2. *Amendment.* – A new Article 107-A of the Labor Code of the Philippines, as amended, is hereby provided to read as follows:

“ARTICLE 107-A. LABOR EMPOWERMENT ASSISTANCE PROGRAM. – WITH CONTRIBUTORY FUNDING FROM THE REGISTRATION OF CONTRACTORS OR SUBCONTRACTORS, TEN PERCENT (10%) OF THE GROSS CONTRACT COST LEVY FROM THE PRINCIPAL EMPLOYER FOR EVERY OUTSOURCING CONTRACT ENTERED INTO, AND BUDGET ALLOCATION FROM THE GENERAL APPROPRIATIONS ACT (GAA), A LABOR EMPOWERMENT ASSISTANCE PROGRAM (LEAP) SHALL BE CREATED. THE LEAP SHALL:

- (A) SERVE AS A THREE-MONTH BRIDGING PROGRAM FOR WORKERS IN BETWEEN JOB PERIODS AND IS LINKED TO TESDA SKILLS TRAINING OR UPGRADING DURING THE UNEMPLOYMENT PERIOD;
- (B) THE AMOUNT OF FINANCIAL SUPPORT SHALL NOT BE LOWER THAN THE APPROPRIATE MINIMUM WAGE IN THE FORM OF A MONTHLY

CASH CARD OR STORED VALUE CARD FOR BASIC NECESSITIES LIKE RICE, INFANT FORMULA, MEDICINES, ELECTRICITY AND WATER UTILITIES; AND

(C) LABOR ORGANIZATIONS IN THE NATIONAL TRIPARTITE INDUSTRIAL PEACE COUNCIL (NTIPC) SHALL CO-ADMINISTER THE DISTRIBUTION OF THE CARDS AND MONITORING OF COMPLIANCE BY THEIR BENEFICIARY-MEMBERS WITH THE REQUIRED TESDA SKILLS TRAINING OR UPGRADING.”

SECTION 3. *Implementing Rules and Regulations.* – The Secretary of Labor and Employment shall promulgate the necessary implementing rules and regulations within thirty (30) days from the effectivity of this Act.

SECTION 4. *Repealing Clause.* – All laws, decrees, rules, and regulations or parts thereof, which are contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 5. *Separability Clause.* – If any provision of this law or the application thereof to any person or circumstance, is held invalid, the remainder of this law, or the application of such provision or part to other persons or circumstances, shall not be affected thereby.

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

Approved,