

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

House Bill No. 1665



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Introduced by **MAGDALO Party-List Representative**  
**HON. MANUEL DG. CABOCHAN III**

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**EXPLANATORY NOTE**

Attached to the Department of Labor and Employment for program and policy coordination, the National Labor Relations Commission (NLRC) is a quasi-judicial body tasked to expeditiously resolve labor disputes thru the process of mediation, conciliation and compulsory arbitration. Just like the judiciary, NLRC also plays a vital role in the government's program of promoting and maintaining industrial peace through dispensation of labor justice and development of effective dispute settlement machinery.


Under R.A. 9347, the NLRC Chairman, Commissioners and the Labor Arbiters have been entitled to the same allowances, retirement and benefits as those of the Presiding Justice and Associate Justices of the Court of Appeals. However, even with the passage of this law, the Commission's Chairman and members had not been able to receive the said allowances and benefits due to them because of lack of funding.

This problem is no different from the difficulties some other agencies are experiencing. Yet, with the passage of laws establishing Special Funds for particular agencies in the country, such as the Granting of Special Allowances in Public Attorney's Office and Office of the Solicitor General under R.A. 9406 and R.A. 9417 respectively, problems brought about by funding are now gradually being resolved.

In this light, a similar law that will address the NLRC's predicament through authorizing them to administer fund for their additional compensation is positively needed.

Intending to implement the provision of Republic Act No. 9347 regarding salaries and other emoluments of the NLRC's Chairman and members, this measure seeks to establish a National Labor Relations Commission Fund to be sourced from the legal and service fees prescribed, imposed and collected by the NLRC.

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

  
**MANUEL DG. CABOCHAN III**  
*Representative*  
Magdalo Para sa Pilipino Party-List

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AN ACT  
ESTABLISHING THE NATIONAL LABOR RELATIONS COMMISSION  
DEVELOPMENT FUND AND FOR OTHER PURPOSES

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

1        **SECTION 1. Declaration of Policy.** - It is the policy of the State to maintain the  
2 independence of the National Labor Relations Commission (NLRC) as a quasi-judicial body  
3 tasked with the speedy and impartial administration of labor, and safeguard the integrity of its  
4 officers and personnel in the discharge of their functions and duties.

5  
6        **SEC. 2. National Labor Relations Commission Development Fund.** - There is  
7 hereby established the National Labor Relations Commission Development Fund, hereinafter  
8 referred to as the Fund, to provide the Chairman, Commissioners and the Labor Arbiters with  
9 incentives commensurate to their positions and functions, and help ensure and guarantee their  
10 independence and integrity. The fund shall be derived from the legal fees prescribed, imposed  
11 and collected by the NLRC as well as the increases in current fees and new fees which may  
12 be imposed. The Fund shall be used to finance the special allowances, benefits and  
13 emoluments granted to the NLRC Chairman, Commissioners and Labor Arbiters under  
14 Section 4 of Republic Act No. 9347 in relation to Sections 2 and 6 of Republic Act No. 9227,  
15 which grants special allowances to justices of the Court of Appeals and judges of the  
16 Regional Trial Courts.

17  
18        **SEC. 3. Administration of Fund.** - The NLRC Chairman shall administer and  
19 allocate the Fund and shall have the exclusive power and duty to approve the

1 disbursement and expenditure of the Fund in accordance with the implementing rules and  
2 regulations to be promulgated under Section 4 of this Act.

3 The amount accruing to the Fund shall be deposited in a special trust fund by the  
4 NLRC Chairman or his duly authorized representative in an authorized government  
5 depository bank or private bank owned or controlled by the Government, and the income or  
6 interest earned shall likewise form part of the Fund, and submit the appropriate report in  
7 writing to the Chairman of the Commission on Audit and to the chairman of the NLRC, copy  
8 furnished the members of the Commission En Banc.

9  
10 **SEC. 4. *Issuance of Implementing Guidelines.*** - The NLRC, together with the  
11 Department of Labor and Employment and the Department of Budget and Management shall  
12 issue the necessary rules and regulations for the effective implementation of this Act not later  
13 than ninety (90) days from approval thereof.

14  
15 **SEC. 5. *Separability Clause.*** - If any provision of this Act shall at any time be found  
16 to be unconstitutional or invalid, the remainder thereof not affected by such declaration  
17 shall remain in full force and effect.

18  
19 **SEC. 6. *Repealing Clause.*** - All laws, decrees, rules or regulations inconsistent with  
20 the provisions of this Act are hereby repealed or modified accordingly.

21  
22 **SEC. 7. *Effectivity Clause.*** - This Act shall take effect after fifteen (15) days  
23 following its complete publication in the Official Gazette or in at least two (2) newspapers of  
24 general circulation.

*Approved,*