

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 3367

Introduced by CIBAC Party-List Representatives
Eduardo "Bro. Eddie" C. Villanueva and Domingo C. Rivera

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

Out of the many issues that beset the Filipino laborers, one stands out the most in the current administration: contractualization. For understandable reasons: President Rodrigo Roa Duterte, during campaign period, promised to end it. On his 3rd State of the Nation Address (SONA), in August 2018, he even certified ending illegal contractualization a priority bill. Hence, it came much as a surprise when the Security of Tenure Bill, or End *Endo* Bill, hit a roadblock after being vetoed by the president on July 26, 2019.

In the Philippine context, contractualization is viewed both as an economic strategy and a tool for oppression. As an economic strategy, contractualization has been used from as early as the 1970s. It involves hiring laborers for a short, fixed amount of time to address a seasonal or emergency need. This practice proves to be an effective economic tool to aid the business sector on their varying workloads while also helping the unemployed in our country.

Yet, under the same guise, many companies have abused contractualization and now use it to the detriment of Filipino laborers. Widespread practice of endo,

a short term for "end of contract," exists in our country. It is the routine of hiring laborers who perform tasks that are directly necessary and related to the nature of one's business under contracts not reaching six (6) months – the required period for a worker to qualify as a regular employee – conveniently exempting the employers from providing benefits mandated by law to be accorded to regular employees.

This is not simply oppressive and unethical. It is also ILLEGAL. Article XIII, Section 3 of the 1987 Philippine Constitution expressly states that "the State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all." Furthermore, laborers are "entitled to security of tenure, humane conditions of work, and a living wage."

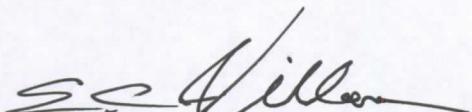
This bill seeks to protect laborers from labor-only contracting, that is defined herein as consisting of these conditions:

1. when the job contractor merely supplies workers to a contractee
2. when the workers supplied by the contractor perform jobs directly and necessary and related to the contractee's principal business
3. when the job contractor does not control the workers deployed to the contractee

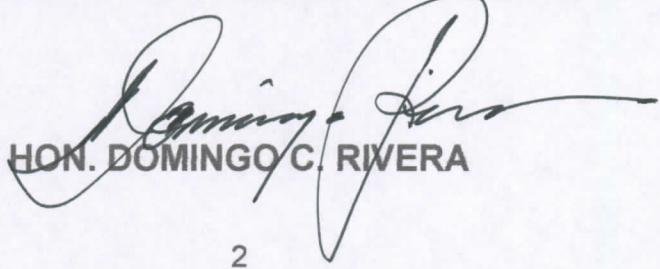
It further simplifies the classification of workers to only two: regular and probationary. Project and seasonal employees are to be classified as regular for the duration of their employment. All other forms of employment are strictly prohibited.

Finally, this bill, contrary as to how other people perceive it, is neither anti-employers nor anti-contractualization. It does not seek to end legal contractualization but instead simply aims to ensure that all parties involved in labor contracts are duly protected by law. Thus, this bill allows industry tripartite councils to determine the kind of jobs which are directly related to one's principal business. This will provide avenues for the labor sector to express their concerns about contracting certain jobs and the employers to present the realities of their businesses' operations, the output of which is an industry list of jobs that can be contracted, to which both parties will be legally bound.

In the name of fairness and order in our business and labor sectors, and most of all, for the sake of our Filipino laborers who have been constantly living in fear of finding not just a new job but new means to support their families once their [supposedly illegal] contract ends, the passage of this bill is earnestly sought.



HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA



HON. DOMINGO C. RIVERA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

3367
House Bill No. _____

Introduced by CIBAC Party-List Representatives
Eduardo 'Bro. Eddie' C. Villanueva and Domingo C. Rivera

1 AN ACT

2 STRENGTHENING WORKERS RIGHT TO SECURITY OF TENURE,
3 AMENDING FOR THE PURPOSE ARTICLES 106, 107, 108, AND 109
4 OF BOOK III, AND ARTICLES 294 [279], 295 [280], 296 [281], AND 297
5 [282] OF BOOK VI OF PRESIDENTIAL DECREE NO. 442, OTHERWISE
6 KNOWN AS THE LABOR CODE OF THE PHILIPPINES, AS AMENDED

7
8
9 *Be it enacted by the Senate and House of Representatives of the Philippines in*
10 *Congress assembled:*

11
12
13 **SECTION 1. Title.** – This Act shall be known as the “Security of Tenure and End of
14 Endo Act.”

15
16 **SECTION 2.** Article 106, Title II, Book III of the Labor Code, as amended, is hereby
17 amended to read as follows:

18
19 “**ARTICLE 106. [Contractor or Subcontractor] PROHIBITION ON LABOR-**
20 **ONLY CONTRACTING.** – [Whenever an employer enters into a contract with another
21 person for the performance of the former’s work, the employees of the contractor and
22 of the latter’s subcontractor, if any, shall be paid in accordance with the provisions of
23 this Code.]

24
25 “In the event that the contractor or subcontractor fails to pay the wages of his
26 employees in accordance with this Code, the employer shall be jointly and severally
27 liable with his contractor or subcontractor to such employees to the extent of the work

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

3
4 "The Secretary of Labor and Employment, may by appropriate regulations,
5 restrict or prohibit the contracting-out of labor to protect the rights of workers
6 established under this Code. In so prohibiting or restricting, he may make appropriate
7 distinctions between labor-only contracting and job contracting as well as
8 differentiations within these types of contracting and determine who among the parties
9 involved shall be considered the employer for the purposes of this Code, to prevent
10 any violation or circumvention of this Code.]

11
12 "LABOR-ONLY CONTRACTING IS PROHIBITED. There is "labor-only"
13 contracting where the [person supplying workers to an employer does not have] JOB
14 CONTRACTOR, WHETHER LICENSED OR NOT, MERELY RECRUITS AND
15 SUPPLIES OR PLACES WORKERS TO A CONTRACTEE REGARDLESS OF
16 WHETHER OR NOT HE/SHE HAS substantial capital or investment in the form of
17 tools, equipment, machineries, work premises, among others, [and] OR the workers
18 recruited and SUPPLIED OR placed by such person are performing activities which
19 are directly related to the principal business of such CONTRACTEE OR ARE UNDER
20 THE CONTROL AND SUPERVISION OF THE CONTRACTEE. In such cases, the
21 [person or intermediary] JOB CONTRACTOR shall be considered merely an agent
22 [of] AND the [employer who] CONTRACTEE shall be responsible to the workers in
23 the same manner and extent as if the latter were directly employed by him/HER.

24
25 FOR THE PURPOSES OF THIS ARTICLE, THE SPECIFIC JOB, WORK OR
26 SERVICE THAT ARE DEEMED DIRECTLY RELATED TO THE PRINCIPAL
27 BUSINESS OF A CONTRACTEE SHALL BE DETERMINED BY THE APPROPRIATE
28 INDUSTRY TRIPARTITE COUNCIL WHICH SHALL BE ISSUED THROUGH
29 REGULATIONS BY THE SECRETARY OF LABOR AND EMPLOYMENT. IN THE
30 ABSENCE OF A DETERMINATION BY THE APPROPRIATE INDUSTRY COUNCIL,
31 THE SECRETARY OF LABOR AND EMPLOYMENT SHALL DETERMINE THE
32 STANDARD CRITERIA AFTER CONSULTATION WITH THE NATIONAL
33 TRIPARTITE INDUSTRIAL PEACE COUNCIL.

34
35 "IN ALL CASES WHERE LABOR-ONLY CONTRACTING IS PRESENT, THE
36 WORKERS SHALL OUTRIGHT BE DEEMED REGULAR EMPLOYEES OF THE
37 CONTRACTEE IN ACCORDANCE WITH LAW, RETROACTIVE TO THE DATE
38 THEY WERE FIRST DEPLOYED TO SAID CONTRACTEE, WITHOUT PREJUDICE
39 TO ANY CRIMINAL, CIVIL, OR ADMINISTRATIVE CASE AGAINST THE LABOR-
40 ONLY CONTRACTOR AND THE CONTRACTEE.

41
42 "COMPLIANCE ORDERS AFFIRMED BY THE SECRETARY OF LABOR AND
43 EMPLOYMENT SHALL BE IMMEDIATELY EXECUTORY UNLESS RESTRAINED
44 BY AN APPROPRIATE COURT.

45
46 "IN CASE THE COMPLIANCE ORDER INVOLVES A DIRECTIVE TO
47 REGULARIZE WORKERS, THE EMPLOYMENT OF THE LATTER SHALL NOT BE
48 TERMINATED PENDING APPEAL OF SUCH ORDER EXCEPT FOR JUST OR
49 AUTHORIZED CAUSE. ANY TERMINATION OF WORKERS PENDING APPEAL

1 SHALL RENDER THE COMPLIANCE ORDER INVOLVING THE REGULARIZATION
2 OF WORKERS EXECUTORY.

3 "ADDITIONALLY, THE SECRETARY OF LABOR AND EMPLOYMENT SHALL
4 IMPOSE A FINE OF UP TO FIVE MILLION PESOS (PHP5,000,000.00) AGAINST
5 ANY LABOR-ONLY CONTRACTOR. THE SECRETARY OF LABOR AND
6 EMPLOYMENT SHALL ALSO HAVE THE POWER TO PREVENTIVELY OR
7 PERMANENTLY CLOSE THE OPERATIONS OF ANY LABOR-ONLY
8 CONTRACTOR."

9

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

12

13 **"ARTICLE 107. LICENSING OF JOB CONTRACTORS.** - IT SHALL BE
14 MANDATORY FOR ALL PERSONS OR ENTITIES ACTING AS JOB CONTRACTOR
15 TO OBTAIN A LICENSE FROM THE DOLE THROUGH ITS REGIONAL OFFICES.
16 FOR PURPOSES OF ARTICLES 106-109, "JOB CONTRACTOR" REFERS TO A
17 SOLE PROPRIETORSHIP, CORPORATION, ASSOCIATION, COOPERATIVE OR
18 OTHER ORGANIZATION THAT PERFORMS A SPECIFIC WORK, JOB OR
19 SERVICE TO A CONTRACTEE. "CONTRACTEE" REFERS TO THE PERSON OR
20 ENTITY, WHICH SHALL INCLUDE THE GOVERNMENT, THAT CONTRACTED OUT
21 A SPECIFIC WORK, JOB OR SERVICE.

22

23 "THE LICENSE SHALL BE ISSUED TO QUALIFIED JOB CONTRACTORS
24 UPON COMPLIANCE WITH THE FOLLOWING REQUIREMENTS:

- 25
- 26 (A) HAVE AN INDEPENDENT BUSINESS, SEPARATE AND DISTINCT
27 FROM THE CONTRACTEE;
- 28
- 29 (B) HAVE A PAID-UP CAPITAL OR NET WORTH OF AT LEAST FIVE
30 MILLION PESOS (PHP5,000,000.00), WHICH MAY BE INCREASED AS
31 DEEMED APPROPRIATE THROUGH TRIPARTITE CONSULTATION;
- 32
- 33 (C) BE AN EXPERT OR SPECIALIST IN THE JOB, WORK OR SERVICE
34 BEING CONTRACTED THAT SHALL NOT BE DIRECTLY RELATED TO
35 THE PRINCIPAL BUSINESS OF THE CONTRACTEE. FOR THIS
36 PURPOSE, EXPERTISE OR SPECIALIZATION SHALL BE
37 ESTABLISHED BY SHOWING, AMONG OTHERS, A CORE OF
38 COMPETENT PROFESSIONALS OR SKILLED WORKERS ESPECIALLY
39 TRAINED TO CARRY OUT THE JOB, WORK OR SERVICE OR TRACK
40 RECORD IN SUCH FIELD OF SPECIALIZATION;
- 41
- 42 (D) BE AN EMPLOYER WITH REGULAR EMPLOYEES AND HAVE
43 EQUIPMENT, MACHINERIES OR TOOLS NECESSARY TO PERFORM
44 OR COMPLETE THE JOB, WORK OR SERVICE CONTRACTED OUT;
- 45
- 46 (E) EXERCISE CONTROL OVER THE PERFORMANCE AND COMPLETION
47 OF THE JOB, WORK OR SERVICE CONTRACTED OUT;
- 48

1 (F) CERTIFICATION OF COMPLIANCE WITH LABOR AND SOCIAL
2 WELFARE LAWS INCLUDING PROOF OF PAYMENT OF SOCIAL
3 SECURITY, PHILIPPINE HEALTH INSURANCE CORPORATION, AND
4 HOME DEVELOPMENT MUTUAL FUND (PAG-IBIG) CONTRIBUTIONS;
5 AND

6
7 (G) PAYMENT OF LICENSE FEE, WHICH SHALL NOT BE LOWER THAN
8 ONE HUNDRED THOUSAND PESOS (PHP100,000.00).

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

15
16 “ANY LEGITIMATE LABOR ORGANIZATION SHALL HAVE ACCESS TO
17 COPIES OF LICENSES ISSUED TO JOB CONTRACTORS AND ANY AND ALL
18 SUBMISSIONS MADE IN CONNECTION WITH SUCH LICENSE.

19
20 “FOR THIS PURPOSE, THE SECRETARY OF LABOR AND EMPLOYMENT,
21 IN CONSULTATION WITH THE NATIONAL TRIPARTITE INDUSTRIAL PEACE
22 COUNCIL (NTIPC), SHALL ISSUE THE APPROPRIATE REGULATIONS FOR THE
23 LICENSING, RENEWAL, SUSPENSION, AND REVOCATION OF LICENSES OF
24 JOB CONTRACTORS, INCLUDING THE ACCOUNTABILITIES OF THE LICENSING
25 OFFICER IN CASE THE LICENSE IS ISSUED IN VIOLATION OF, OR IN
26 SIMULATION OF ANY OF THE REQUIREMENT FOR LICENSING UNDER
27 PARAGRAPHS (A) TO (G) ABOVE, OR UPON FINDING OF LABOR-ONLY
28 CONTRACTING COMMITTED BY A DULY-LICENSED JOB CONTRACTOR.

29
30 “IN NO CASE SHALL PRIVATE RECRUITMENT AND PLACEMENT
31 AGENCIES (PRPA) OR PRIVATE EMPLOYMENT AGENCIES (PEA) UNDER
32 ARTICLE 25 OF THE LABOR CODE, AS AMENDED, BE ALLOWED TO ENGAGE
33 IN JOB CONTRACTING AND/OR THE PROHIBITED LABOR-ONLY
34 CONTRACTING.”

35
36 **SECTION 4.** A new Article 107-A, Title II, Book III of the Labor Code, as amended, is
37 hereby provided to read as follows:

38
39 **“ARTICLE 107-A. RIGHTS OF EMPLOYEES OF JOB CONTRACTORS.** THE
40 TERMS AND CONDITIONS OF EMPLOYMENT OF THE EMPLOYEES OF JOB
41 CONTRACTORS SHALL NOT BE LOWER THAN THE MINIMUM STANDARDS SET
42 BY LAW AND REGULATIONS.”

43
44 **SECTION 5.** Article 108, Title II, Book III of the Labor Code, as amended, is hereby
45 amended to read as follows:

46
47 **“ARTICLE 108. Posting of Bond.** – [An employer or indirect employer] THE
48 CONTRACTEE may require the contractor to furnish a bond equal to the cost of labor
49 under contract, on condition that the bond will answer for the wages due the

1 employees should the contractor fail to pay the same."

2
3 **SECTION 6.** A new Article 108-A, Title II, Book III of the Labor Code, as amended, is
4 hereby provided to read as follows:

5
6 **"ARTICLE 108-A. TRANSITION SUPPORT PROGRAM (TSP) – A**
7 **TRANSITION SUPPORT PROGRAM FOR JOB CONTRACTING SHALL BE**
8 **ESTABLISHED BY THE DOLE WHICH:**

- 9
10 (A) **SHALL PROVIDE A THREE-MONTH FINANCIAL SUPPORT FOR**
11 **EMPLOYEES IN BETWEEN JOB PERIODS AND IS CONDITIONED ON**
12 **UNDERGOING SKILLS TRAINING OR UPGRADING UNDER TESDA OR**
13 **TESDA ACCREDITED TRAINING INSTITUTION DURING THE PERIOD**
14 **OF UNEMPLOYMENT, PROVIDED THAT THE FREQUENCY OF**
15 **AVAILMENT SHALL NOT BE MORE THAN ONCE A YEAR;**
- 16
17 (B) **THE AMOUNT OF FINANCIAL SUPPORT SHALL NOT BE LOWER THAN**
18 **THE APPROPRIATE MINIMUM WAGE AND SHALL BE RELEASED AT**
19 **THE END OF EVERY MONTH; AND**
- 20
21 (C) **SHALL BE MANAGED BY THE APPROPRIATE BUREAU OF THE**
22 **DEPARTMENT OF LABOR AND EMPLOYMENT, WHICH SHALL REPORT**
23 **TO THE NATIONAL TRIPARTITE INDUSTRIAL PEACE COUNCIL.**

24
25 **"THE FUNDS FOR THE IMPLEMENTATION OF THE PROGRAM SHALL BE**
26 **SOURCED FROM THE FOLLOWING:**

- 27
28 (A) **ONE HUNDRED PERCENT (100%) OF THE REGISTRATION/ RENEWAL**
29 **FEES PAID BY CONTRACTORS;**
- 30
31 (B) **ALL FINES COLLECTED UNDER ARTICLE 106 OF THIS CODE; AND**
- 32
33 (C) **FUNDS FROM THE ADJUSTMENT MEASURE PROGRAM OF THE**
34 **DEPARTMENT OF LABOR AND EMPLOYMENT."**

35
36 **SECTION 7.** Article 109, Title II, Book III of the Labor Code, as amended, is hereby
37 amended to read as follows:

38
39 **"ARTICLE 109. Solidary Liability.** – The provisions of existing laws to the
40 contrary notwithstanding, every [employer or indirect employer] CONTRACTEE shall
41 be held [responsible] SOLIDARILY LIABLE with [his] THE JOB contractor [or
42 subcontractor] for any violation of any provision of this Code. For purposes of
43 determining the extent of their civil liability under this Chapter, they shall be considered
44 as direct employers."

45
46 **SECTION 8.** Article 294 [279], Title I, Book VI of the Labor Code, as amended, is
47 hereby further amended to read as follows:

48
49 **"ARTICLE 294 [279]. Security of Tenure.** – [In case of regular employment,
50 the employer shall not terminate] [t]he services of an employee, IRRESPECTIVE OF

1 EMPLOYMENT STATUS OR POSITION, SHALL NOT BE TERMINATED except for
2 a just cause or when authorized by this Title. An employee who is unjustly dismissed
3 from work shall be entitled to reinstatement without loss of seniority rights and other
4 privileges and to his/HER full backwages, inclusive of allowances, and to his/HER
5 other benefits or their monetary equivalent computed from the time his/HER
6 compensation was withheld from him/HER up to the time of his/HER actual
7 reinstatement.

8
9 “THE EMPLOYER SHALL HAVE THE BURDEN OF PROVING THAT THE
10 TERMINATION IS WITH CAUSE AND DUE PROCESS.”

11
12 **SECTION 9.** Article 295 [280] Title I, Book VI of the Labor Code, as amended, is
13 hereby repealed, and in lieu thereof, a new Article 295 is provided to read as follows:

14
15 **“ARTICLE 295. STATUS OF EMPLOYMENT.** – ALL EMPLOYEES, EXCEPT
16 THOSE UNDER PROBATIONARY EMPLOYMENT, ARE DEEMED REGULAR,
17 INCLUDING PROJECT AND SEASONAL EMPLOYEES.

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

32
33 “ALL OTHER FORMS OF EMPLOYMENT ARE PROHIBITED AND
34 WORKERS UNDER SUCH ARRANGEMENTS ARE DEEMED REGULAR
35 EMPLOYEES RECKONED FROM THE FIRST DAY OF EMPLOYMENT.

36
37 “FOR THE AVOIDANCE OF DOUBT, AN EMPLOYER-EMPLOYEE
38 RELATIONSHIP EXISTS WHEN THE WORKER IS ENGAGED TO RENDER WORK
39 OR SERVICE UNDER THE CONTROL OF THE EMPLOYER, NOT ONLY AS TO
40 THE END TO BE ACHIEVED, BUT ALSO THE MANNER, MEANS AND METHOD IN
41 REACHING THE END.”

42
43 **SECTION 10.** Article 296 [281], Title I, Book VI of the Labor Code, as amended, is
44 hereby amended to read as follows:

45
46 **“ARTICLE 296 [281]. Probationary Employment.** – Probationary
47 employment shall not exceed six (6) months from the [date the employee started
48 working, unless it is covered by an apprenticeship agreement stipulating by a longer
49 period.] FIRST DAY OF SERVICE REGARDLESS OF THE NATURE OF WORK TO
50 BE PERFORMED. THE JOB DESCRIPTION AND QUALIFICATION STANDARDS

1 TO QUALIFY FOR REGULAR EMPLOYMENT SHALL BE MADE KNOWN BY THE
2 EMPLOYER TO THE EMPLOYEE AT THE TIME OF HIS/HER ENGAGEMENT.

3
4 "The services of [an] A PROBATIONARY employee [who has been engaged
5 on a probationary basis] may be terminated for [a] just OR AUTHORIZED causeS
6 UNDER ARTICLES 297 [282] AND 298 [283] OF THE LABOR CODE, AS AMENDED,
7 or when he/SHE fails to qualify as a regular employee [in accordance with reasonable
8 standards made known by the employer at the time of his engagement. An employee
9 who is allowed to work after a probationary period shall be considered a regular
10 employee]."

11
12 **SECTION 11.** Article 297 [282], Title I, Book VI of the Labor Code, as amended, is
13 hereby amended to read as follows:

14
15 **"ARTICLE 297 [282]. JUST CAUSES OF Termination [by employer].** - An
16 employer may terminate an employment for any of the following causes:

- 17
18 (a) Serious misconduct or willful disobedience by the employee of the lawful
19 orders of his/HER employer or representative in connection with his/HER
20 work;
- 21
22 (b) Gross and habitual neglect by the employee of his/HER duties;
23 (c) Fraud or willful breach by the employee of the trust reposed in him/HER by
24 his/HER employer or duly authorized representative;
- 25
26 (d) Commission of a crime or offense by the employee against the person of
27 his/HER employer or any immediate member of his/HER family or his/HER
28 duly authorized representatives; and
- 29
30 (e) [Other causes] ACT OR OMISSION analogous to the foregoing,
31 EXPRESSLY SPECIFIED AS GROUND FOR DISMISSAL IN THE
32 COMPANY RULES AND REGULATIONS FORMULATED IN
33 OBSERVANCE OF WORKERS RIGHT TO PARTICIPATE IN POLICY
34 AND DECISION-MAKING PROCESSES AFFECTING THEIR RIGHTS
35 AND BENEFITS, OR AS PROVIDED IN THE DULY REGISTERED
36 COLLECTIVE BARGAINING AGREEMENT."

37
38 **SECTION 12.** A new Article 298-A, Title I, Book VI of the Labor Code, as amended,
39 is hereby provided to read as follows:

40
41 **"ARTICLE 298-A. PROOF OF AUTHORIZED CAUSE AND PAYMENT OF
42 SEPARATION PAY.** – WITHIN THE PRESCRIBED ONE (1) MONTH PERIOD
43 REQUIRED UNDER ARTICLE 298, THE EMPLOYER SHALL SUBMIT TO THE
44 DOLE FOR VALIDATION PROOF AND UNDERTAKING ON THE EXISTENCE OF
45 THE AUTHORIZED CAUSE IN ACCORDANCE WITH THE RULES AND
46 REGULATIONS AS MAY BE SET BY THE SECRETARY OF LABOR AND
47 EMPLOYMENT.

1 **SECTION 13. *Implementing Rules and Regulations.*** - The Secretary of Labor and
2 Employment shall promulgate the necessary implementing rules and regulations
3 within one hundred and twenty (120) days from the effectivity of this Act.
4

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

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

14 **SECTION 16. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
15 publication in the Official Gazette or in at least two (2) newspapers of general
16 circulation.
17

18 *Approved,*