

Republic of the Philippines
Congress of the Philippines
Metro Manila

Thirteenth Congress

Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-fifth day of July, two thousand five.

[REPUBLIC ACT No. **9347**]

AN ACT RATIONALIZING THE COMPOSITION AND FUNCTIONS OF THE NATIONAL LABOR RELATIONS COMMISSION, AMENDING FOR THIS PURPOSE ARTICLES 213, 214, 215 AND 216 OF P. D. NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

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

SECTION 1. Article 213 of P. D. No. 442, as amended, otherwise known as the Labor Code of the Philippines, is hereby further amended to read as follows:

“Art. 213. *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 Chairman and twenty-three (23) members.

“Eight (8) members each shall be chosen only from among the nominees of the workers and employers organizations, respectively. The Chairman and the seven (7) 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 eight (8) 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 eight (8) divisions, the first, second, third, fourth, fifth and sixth divisions shall handle cases coming from the National Capital Region and other parts of Luzon, and the seventh and eighth divisions, cases from Visayas and Mindanao, respectively: *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 expense. 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 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 herein. 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 seven (7) other members from the public sector shall be the Presiding Commissioners of the second, third, fourth, fifth, sixth, seventh and eighth 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 seven (7) other Deputy Executive

Clerks for the second, third, fourth, fifth, sixth, seventh and eighth 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 eight (8) 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 three (3) assigned to the Office of the Chairman and each Commissioner.

"No Labor Arbiter shall be assigned to perform the functions of the Commission Attorney nor detailed to the office of any Commissioner."

SEC. 2. Article 214 of the Labor Code is hereby amended to read as follows:

"Art. 214. *Headquarters, Branches and Provincial Extension Units.* - The Commission and its first, second, third, fourth, fifth and sixth divisions shall have their main offices in Metropolitan Manila, and the seventh and eighth divisions in the cities of Cebu and Cagayan de Oro, respectively. The Commission shall establish as many regional branches as there are regional offices of the Department of Labor and Employment, sub-regional branches or provincial extension units. There shall be as many Labor Arbiters as may be necessary for the effective and efficient operation of the Commission."

SEC. 3. Article 215 of the Labor Code is hereby amended to read as follows:

"Art. 215. *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 Chairman, 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* to a specific arbitration branch preferably in the region where they are residents, and shall be subject to the Civil Service Law, rules and regulations: *Provided,* That the Labor Arbiters who are presently holding office in the region where they are residents shall be deemed appointed thereat.

"The Chairman of the Commission shall appoint the staff and employees of the Commission and its regional branches as the needs of the service may require, subject to the Civil Service Law, rules and regulations, and upgrade their current salaries, benefits and other emoluments in accordance with law."

SEC. 4. Article 216, as amended, is hereby further amended to read as follows:

"Art. 216. *Salaries, Benefits and 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 and benefits 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 and other benefits and privileges as those of the Judges of the Regional Trial Courts. 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."

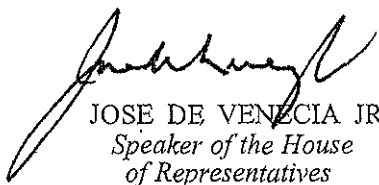
SEC. 5. *Implementation.* - The creation of the additional divisions shall be implemented for a period of not more than three (3) years.

SEC. 6. *Separability Clause.* - If any part, section or provision of this Act shall be held invalid or unconstitutional, the other provisions shall not be affected thereby.

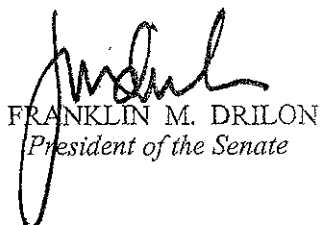
SEC. 7. *Repealing Clause.* - Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, and all other acts, laws, executive orders, presidential issuances, rules and regulations or any part thereof which are inconsistent herewith are hereby deemed repealed or modified accordingly.

SEC. 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved,

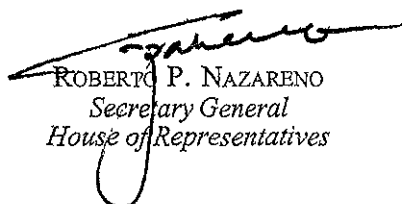


JOSE DE VENECIA JR.
*Speaker of the House
of Representatives*

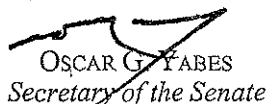


FRANKLIN M. DRILON
President of the Senate

This Act which is a consolidation of Senate Bill No. 2035 and House Bill No. 5015 was finally passed by the Senate and the House of Representatives on June 1, 2006 and May 31, 2006, respectively.



ROBERTO P. NAZARENO
*Secretary General
House of Representatives*



OSCAR G. YABES
Secretary of the Senate

Approved:

GLORIA MACAPAGAL-ARROYO
President of the Philippines

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JUL 27 2006

Lapsed into law on
without the signature of the Presi
dent, in accordance with Article VI,
Section 27, (1), of the Constitution.