



HOUSE OF REPRESENTATIVES

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BY REPRESENTATIVES CRUZ-GONZALES, ABELLANOSA, REVILLA, AGLIPAY,
NOGRALES, QUIMBO, TAMBUNING, PAQUIZ, SEÑERES, GERON,
MANALO AND VILLAR, PER COMMITTEE REPORT NO. 525

AN ACT PROVIDING FOR A REVISED APPRENTICESHIP PROGRAM,
REPEALING FOR THE PURPOSE CHAPTERS I AND II OF TITLE
II OF PRESIDENTIAL DECREE 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:*

1 SECTION 1. *Short Title.* – This Act shall be known as the “Revised
2 Apprenticeship Program Act”.

3 SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the
4 State to establish a reformed apprenticeship program that will ensure the
5 availability of qualified manpower in the field of critical and in-demand
6 technical skills through the active participation of all workers, enterprises,
7 government agencies, and nongovernmental organizations concerned.

8 SEC. 3. *Statement of Objectives.* – This Act aims to:

- 9 (a) Help meet the demand of the economy for trained human resource;
10 (b) Have a national apprenticeship program that includes on- and
11 off-the-job training components with tripartite involvement;
12 (c) Promote the engagement of young workers through training and
13 development;

1 (d) Enhance existing standards for the training and development of
2 apprentices;

3 (e) Recognize the indispensable role of private enterprises in the
4 training and development of human resource;

5 (f) Strengthen the advocacy on the apprenticeship training program to
6 encourage the participation of enterprises and young workers;

7 (g) Increase productivity and competitiveness of enterprises by
8 ensuring the availability of skilled human resource; and

9 (h) Harness corporate social responsibility towards the development of
10 skilled manpower to meet the requirements of industries.

11 SEC. 4. *Definition of Terms.* – As used in this Act:

12 (a) *Apprentice* refers to a person undergoing training for an approved
13 apprenticeable occupation during an established period governed by an
14 apprenticeship contract;

15 (b) *Apprenticeship* refers to a training within an enterprise involving a
16 contract between an apprentice and an enterprise on an approved
17 apprenticeable occupation;

18 (c) *Apprenticeable occupation* refers to an occupation officially
19 endorsed by a tripartite body and approved for apprenticeship by the Technical
20 Education and Skills Development Authority (TESDA);

21 (d) *Apprenticeship contract* refers to an agreement wherein an
22 enterprise binds itself to train the apprentice who in turn accepts the terms of
23 training for the recognized apprenticeable occupation. It also contains the
24 rights, duties and responsibilities of each party;

25 (e) *Bipartite plant apprenticeship committee* refers to a group
26 established by the enterprise composed of representatives of labor and
27 management responsible for monitoring program implementation, settling

1 differences between management and apprentices, and recommending
2 measures for effective program implementation;

3 (f) *Certificate of Competency* refers to a document issued by the
4 TESDA to individuals who are assessed as competent in a cluster of related
5 competencies;

6 (g) *Certificate of Technical-Vocational Education and Training*
7 *(TVET) Program Registration* refers to a document issued by the TESDA
8 granting an authority to an enterprise to offer a program in an apprenticeable
9 occupation;

10 (h) *Cluster of competencies* refers to a group of related competencies
11 that, while it does not satisfy the requirements of a full qualification, still
12 constitutes an employable package and can be awarded a Certificate of
13 Competency;

14 (i) *Competency assessment* refers to the process of gathering and
15 judging evidence in order to decide whether a person has achieved a standard
16 of competency;

17 (j) *Competency standard* refers to a written specification of the
18 knowledge, skills, attitude and values required for the performance of a job,
19 occupation or trade and the corresponding standard of performance required in
20 the workplace;

21 (k) *Dual Training System* refers to a delivery system of quality
22 technical and vocational education which requires training to be carried out
23 alternately in two (2) venues: in school and in the production plant. In-school
24 training provides the trainee the theoretical foundation, basic training, guidance
25 and human formation, while in-plant training develops the trainee's skills and
26 proficiency in actual work conditions as it continues to inculcate personal
27 discipline and work values;

1 (l) *Enterprise* refers to a participating establishment that directly
2 engages an apprentice based on an approved apprenticeship program;

3 (m) *Qualification* refers to a package of competencies describing a
4 particular function or job role existing in an economic sector covering the work
5 activities required to undertake a particular job;

6 (n) *Training plan* refers to the specification for the apprenticeship
7 program of an enterprise which describes all the learning experience a student
8 undergoes generally including the competencies to be acquired within the
9 program, the underpinning knowledge, theories and principles, and the
10 assessment arrangement; and

11 (o) *Unit of Competency* refers to an activity that comprises a
12 manageable component of work described in terms of elements, performance
13 criteria, range of variables and evidence guide.

14 SEC. 5. *Qualifications of an Apprentice.* – To qualify as an
15 apprentice, a person must:

16 (a) Be at least fifteen (15) years of age;

17 (b) Possess good moral character, vocational aptitude and capacity for
18 apprenticeship as determined by the enterprise; and

19 (c) Have the ability to comprehend and follow oral and written
20 instructions.

21 Trade, industry and labor organizations may recommend to the TESDA
22 appropriate educational requirements for different occupations.

23 SEC. 6. *Aptitude Testing of Applicants.* – Consistent with the
24 minimum qualifications of an apprentice under Section 5 hereof, the bipartite
25 plant apprenticeship committees shall have the primary responsibility of
26 providing appropriate aptitude examinations in the selection of apprentices.

1 SEC. 7. *Training of Apprentices.* – Only enterprises with programs
2 registered with the TESDA may enter into apprenticeship contracts and train
3 apprentices in approved apprenticeable occupations.

4 SEC. 8. *Apprenticeship Training Program Content and Delivery.* –
5 All qualifications with training regulations promulgated by the TESDA Board
6 are automatically classified as apprenticeable. To meet the immediate
7 requirements of enterprises for skilled workers, the TESDA Board must
8 approve new apprenticeable occupations endorsed by the appropriate Regional
9 Technical Education and Skills Development Committee upon consultation
10 with workers' groups and industry representatives.

11 The apprenticeship program shall emphasize the need for theoretical
12 instruction. The enterprise may seek partnership with a TVET institution in its
13 design and delivery.

14 SEC. 9. *Apprenticeship Period.* – The apprenticeship period shall be
15 based on the duration of training required in the training plan and on the
16 complexity of the skills to be learned by the apprentices.

17 SEC. 10. *Apprenticeship Program Registration.* – The registration of
18 an apprenticeship program can be for a qualification, a cluster of
19 competencies, or bundled qualifications as contained in the training
20 regulations. A letter of application stating the intention, the certificate of
21 undertaking, and the training plan shall be submitted to the TESDA for
22 approval. A Certificate of TVET Program Registration shall be issued to the
23 enterprise to signify authorization for specific qualification or competency
24 clusters.

25 An apprenticeship program may be approved on a no-training
26 regulations basis provided that the applicant enterprise can show proof of the
27 demand for such skill.

1 The TESDA shall provide technical assistance to applying and
2 implementing enterprises to be able to comply with the provisions of this
3 section.

4 SEC. 11. *Contents of the Apprenticeship Contract.* – The
5 apprenticeship contract must conform with the rules issued by the TESDA and
6 shall include the following:

- 7 (a) Nature, syllabus, timetable, and purpose of training;
8 (b) Period of training, depending on the approved training regulations;
9 (c) Training allowances prescribed by industry subsectors through
10 tripartite consultations which in no case shall start below seventy-five percent
11 (75%) of the applicable minimum wage: *Provided, however,* That
12 contributions to the training allowance by government agencies and/or
13 nongovernmental organizations shall be considered in computing the
14 seventy-five percent (75%);
15 (d) Schedule of training allowance payment;
16 (e) Training hours;
17 (f) Process for the termination of apprenticeship; and
18 (g) General rights and obligations of both parties.

19 SEC. 12. *Signing of the Apprenticeship Contract.* – Every
20 apprenticeship contract shall be signed by the apprentice and the enterprise,
21 recognized organization, association or group or their authorized
22 representatives.

23 An apprenticeship contract with a person under eighteen (18) years of
24 age shall be signed by the parent or guardian of said person or, if the latter is
25 not available, by an authorized representative. The contract shall be binding
26 during its lifetime, subject to the right of the apprentice to terminate the same
27 after a month's notice.

1 Every apprenticeship contract entered into under this Act shall be
2 approved by the bipartite plant apprenticeship committee involving the firm
3 owner and representatives of the firm workers. Copies of the apprenticeship
4 contract shall be furnished the firm owner and the apprentice.

5 SEC. 13. *Apprenticeship Models.* – Enterprises with approved
6 apprenticeship programs may choose from any of the following apprenticeship
7 models which may use the Dual Training System approach:

8 (a) Apprenticeship involving a company and an identified training
9 institution;

10 (b) Apprenticeship involving a group of companies and a training
11 institution;

12 (c) Apprenticeship involving an industry training center and a company
13 or a group of companies; or

14 (d) Other schemes to be established by the TESDA in consultation with
15 enterprise owners, labor and training institutions subject to the approval of the
16 TESDA Board.

17 SEC. 14. *Apprenticeship Administration.* – The TESDA Board shall
18 be responsible for setting up the overall apprenticeship policy and standards.
19 The TESDA Secretariat shall be responsible for apprenticeship administration,
20 monitoring and evaluation of on- and off-the-job training.

21 SEC. 15. *Investigation of Violation of Apprenticeship Contract.* – The
22 Bipartite Plant Apprenticeship Committee, *motu proprio* or upon complaint of
23 any interested party, shall have initial responsibility for settling differences
24 arising out of apprenticeship contracts. In case it is not able to settle such
25 differences, the TESDA Provincial Director shall investigate and submit a
26 recommendation to the TESDA Regional Director who shall render a decision
27 pursuant to pertinent rules and regulations as may be prescribed by the TESDA
28 Board.

1 SEC. 16. *Appeal to the TESDA Director General.* – The decision of
2 the TESDA Regional Director may be appealed by any aggrieved person to the
3 TESDA Director General within five (5) days from receipt of the decision. The
4 decision of the TESDA Director General shall be final and executory.

5 SEC. 17. *Termination of Apprenticeship.* – Valid causes to terminate
6 the apprenticeship contract:

7 (a) By the Enterprise:

8 (1) Habitual absenteeism in on-the-job training and related
9 theoretical instructions activities;

10 (2) Willful disobedience of company rules or insubordination of
11 lawful order of a superior;

12 (3) Poor physical condition, prolonged illness, or permanent disability
13 which incapacitates the apprentice from working;

14 (4) Theft or malicious destruction of company property or equipment;

15 (5) Inefficiency, or poor performance on the job or in the classroom for
16 a prolonged period despite warnings duly given to the apprentice; and

17 (6) Engaging in violence or other forms of misconduct inside the
18 enterprise's premises.

19 (b) By the Apprentice:

20 (1) Substandard or harmful working condition within the enterprise's
21 premises;

22 (2) Repeated violations by the enterprise of the terms of the
23 apprenticeship agreement;

24 (3) Cruel and inhumane treatment;

25 (4) Personal problem which in the opinion of the apprentice shall
26 prevent the satisfactory performance of the job by the apprentice; and

27 (5) Bad health and continuing illness.

1 SEC. 18. *Rules and Procedures on the Termination of the*
2 *Apprenticeship.* –

3 (a) Apprenticeship Committee Level:

4 (1) The enterprise or apprentice interested in terminating the contract
5 may do so by notifying first the Bipartite Plant Apprenticeship Committee;

6 (2) The Committee confers with both parties and mediates the
7 differences between them; and

8 (3) If mediation or settlement is not possible, the Committee advises
9 the complainants to apply for the termination at the Regional Office concerned.

10 (b) Regional Level:

11 (1) The complainant verbally presents the case to the TESDA Regional
12 Office. If the complaint merits consideration, the complainant is made to duly
13 accomplish an Application for Termination of Apprenticeship form;

14 (2) The concerned unit or division of the TESDA Regional Office
15 verifies the veracity and validity of the claim within five (5) days from its
16 receipt by:

17 (i) Calling both the enterprise and the apprentice for a conference; or

18 (ii) Sending a representative to the enterprise for that purpose.

19 (3) In case a ground for approval exists:

20 (i) The investigating officer (field representative) shall initiate the
21 application for termination;

22 (ii) The chief of the concerned unit or division of the TESDA Regional
23 Office shall verify the same;

24 (iii) The application for termination shall immediately be forwarded to
25 the Regional Director for appropriate action, after which a copy of the acted

1 upon application shall be furnished the applicant and the second party. This
2 process shall be completed within three (3) days from receipt of the document
3 by the office of the concerned Regional Director; and

4 (iv) A copy of each approved application shall be furnished the
5 concerned office of the TESDA.

6 (c) Agency Level:

7 If either of the parties is not satisfied with the decision of the Regional
8 Director, the case may be appealed within the reglementary period of five (5)
9 days from receipt of the document to the TESDA Director General, whose
10 decision shall be final and unappealable.

11 SEC. 19. *Competency Assessment and Certification.* – The
12 apprentices shall, within the apprenticeship period, undergo competency
13 assessment for qualifications to the training regulations. A national certificate
14 shall be issued to all those who demonstrated achievement of the competency
15 standards.

16 SEC. 20. *Training Certificate.* – A training certificate shall be issued
17 by the authorized enterprise to signify completion of the apprenticeship
18 program in accordance with the approved training design. The certificate shall
19 contain a list of the units of competency acquired and shall be comparable to
20 completion of a training program in a TVET institution.

21 SEC. 21. *Compulsory Apprenticeship.* – When the national security or
22 particular requirements of economic development so demand, the President of
23 the Republic of the Philippines shall require compulsory training of
24 apprentices in certain trades, occupations, jobs or employment levels where
25 shortage of trained manpower is deemed critical as determined by the TESDA
26 Board.

1 SEC. 22. *Incentives.* -- An additional deduction from the gross income
2 of one-half (1/2) of the labor training expenses incurred from developing the
3 productivity and efficiency of apprentices shall be granted to the person or
4 enterprise organizing an apprenticeship program: *Provided,* That the employer
5 shall be exempt from the payment of the apprenticeship fee and that such
6 program shall be recognized by the TESDA: *Provided, further,* That such
7 deduction shall not exceed ten percent (10%) of the training allowance of the
8 apprentices: *Provided, finally,* That the enterprise that wishes to avail of this
9 incentive shall pay its apprentices the minimum wage. Micro-cottage and small
10 enterprises with less than one hundred (100) employees shall be exempt from
11 paying the apprenticeship fee.

12 SEC. 23. *System of Equivalency.* -- Apprenticeship graduates shall be
13 awarded equivalent unit credits in the formal system of education that can be
14 used in pursuing tertiary degree courses subject to the integrated policies and
15 guidelines on equivalency and Adult Education Acceleration Program of the
16 TESDA, the Commission on Higher Education (CHED) and the Department of
17 Education (DepED).

18 SEC. 24. *Insurance for Apprentices.* -- Every participating enterprise,
19 group or association, industry, organization, government institution or civic
20 group undertaking training in accordance with the provisions of this Act shall
21 provide a disability or accident insurance policy in favor of the trainee or
22 apprentice during the apprenticeship period.

23 SEC. 25. *Penalty Clause.* -- Enterprises found offering unregistered
24 apprenticeship programs shall be subjected to program closure proceedings
25 without prejudice to the filing of administrative, criminal, or civil liabilities.

26 The TESDA Board may file the necessary civil or criminal case as may
27 be deemed reasonable and appropriate and after the deliberation of the TESDA
28 Board pursuant to this Act for any of the following causes:

1 (a) Fraud or deceit committed in connection with the application for
2 the opening of apprenticeship programs; and

3 (b) Failure to comply with conditions or obligations prescribed under
4 this Act or its implementing rules and regulations.

5 Any violation of the provisions of this Act or its implementing rules and
6 regulations shall be punished with a fine of not less than one thousand pesos
7 (P1,000.00) nor more than ten thousand pesos (P10,000.00), or imprisonment
8 of not less than three (3) months nor more than three (3) years, or both such
9 fine and imprisonment, at the discretion of the court.

10 SEC. 26. *Transitory Provision.* – All existing apprenticeship programs
11 and training regulations shall be valid until after the TESDA has conducted an
12 assessment and revalidation for consistency with the provisions of this Act and
13 its implementing rules and regulations.

14 SEC. 27. *Abolition of the Learnership Program.* – To rationalize and
15 ensure the effective implementation of the Reformed Apprenticeship Program,
16 the Learnership Program is hereby abolished.

17 SEC. 28. *Implementing Rules and Regulations.* – The TESDA Board
18 shall issue the implementing rules and regulations within ninety (90) days after
19 the effectivity of this Act.

20 SEC. 29. *Repealing Clause.* – Chapters I and II of Title II of
21 Presidential Decree No. 442, as amended, otherwise known as the Labor Code
22 of the Philippines, are hereby repealed. Executive Order No. 111, series of
23 1986, Republic Act No. 7796 or the “TESDA Act of 1994” and all other laws,
24 presidential decrees, issuances, executive orders, letters of instruction, and
25 rules and regulations contrary to or inconsistent with the provisions of this Act
26 are hereby amended accordingly.

1 SEC. 30. *Separability Clause.* – If any provision of this Act is held
2 invalid or unconstitutional, the same shall not affect the validity and effectivity
3 of the other provisions hereof.

4 SEC. 31. *Effectivity.* – This Act shall take effect fifteen (15) days after
5 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

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