



HOUSE OF REPRESENTATIVES

H. No. 5015

BY REPRESENTATIVES DADIVAS, BADELLES, DUMARPA, VELARDE, BARINAGA,
CARI, DE GUZMAN, CHUNGALAO, MARCOS, SEÑERES, LAGBAS,
DOMOGAN AND ESPINOSA (E.T.), PER COMMITTEE REPORT NO 1306

AN ACT TO RATIONALIZE THE COMPOSITION AND FUNCTIONS OF
THE NATIONAL LABOR RELATIONS COMMISSION,
AMENDING FOR THIS PURPOSE ARTICLES 213, 214, 215 AND
216 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. Article 213 of Presidential Decree No. 442, as amended,
2 otherwise known as the Labor Code of the Philippines, is hereby amended to
3 read as follows:

4 “ART 213. *National Labor Relations Commission.* –

5 There shall be a National Labor Relations Commission which
6 shall be attached to the Department of Labor and Employment
7 SOLELY for program and policy coordination only, composed

1 of a [C]Chairman and [fourteen (14)] **TWENTY-THREE (23)**
2 **[M]Members.**

3 “**[Five (5)] EIGHT (8)** members each shall be chosen
4 **ONLY** from among the nominees of the workers and employers
5 organizations, respectively. The Chairman and the **[four (4)]**
6 **SEVEN (7)** remaining members shall come from the public sector,
7 with the latter to be chosen **PREFERABLY** from among the
8 **INCUMBENT LABOR ARBITERS AS** recommendees of the
9 Secretary of Labor and Employment.

10 “Upon assumption into office, the members nominated by
11 the workers and employers organizations shall divest themselves
12 of any affiliation with or interest in the federation or association
13 to which they belong.

14 “The Commission may sit en banc or in **[five (5)] EIGHT**
15 **(8)** divisions, each composed of three (3) members. **[Subject to**
16 the penultimate sentence of this paragraph, **t]**The Commission
17 shall sit en banc only for purposes of promulgating rules and
18 regulations governing the hearing and disposition of cases before
19 any of its divisions and regional branches and formulating
20 policies affecting its administration and operations. The

Commission shall exercise its adjudicatory and all other powers, functions and duties through its divisions. Of the [five (5)] **EIGHT (8)** divisions, the first, second, [and] third, **FOURTH, FIFTH AND SIXTH** divisions shall handle cases coming from the National Capital Region and other parts of Luzon; and the [fourth and fifth] **SEVENTH AND EIGHTH** divisions, cases from [the] 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

1 Chairman shall designate such number of additional
2 Commissioners from the other divisions as may be necessary.

3 "The conclusions of a division on any case submitted to it
4 for decision shall be reached in consultation before the case is
5 assigned to a member for the writing of the opinion. It shall be
6 mandatory for the division to meet for purposes of the
7 consultation ordained herein. A certification to this effect signed
8 by the Presiding Commissioner of the division shall be issued,
9 and a copy thereof attached to the record of the case and served
10 upon the parties.

11 "The Chairman shall be the Presiding Commissioner of
12 the first division, and the [four (4)] SEVEN (7) other members
13 from the public sector shall be the Presiding Commissioners of
14 the second, third, fourth, [and] fifth, SIXTH, SEVENTH AND
15 EIGHTH divisions, respectively. In case of the effective absence
16 or incapacity of the Chairman, the Presiding Commissioner of
17 the second division shall be the Acting Chairman.

18 "The Chairman, aided by the Executive Clerk of the
19 Commission, shall have EXCLUSIVE administrative supervision
20 over the Commission and its regional branches and all its

1 personnel, including the [Executive Labor Arbiters and] Labor
2 Arbiters.

3 "The Commission, when sitting en banc, shall be assisted
4 by the same Executive Clerk, and, when acting thru its
5 [D]Divisions, by said Executive Clerk for its first division and
6 [four (4)] SEVEN (7) other Deputy Executive Clerks for the
7 second, third, fourth, [and] fifth, SIXTH, SEVENTH AND EIGHTH
8 [D]Divisions, respectively, in the performance of such similar or
9 equivalent functions and duties as are discharged by the Clerk of
10 Court and Deputy Clerks of Court of the Court of Appeals.

11 "THE COMMISSION AND ITS EIGHT (8) DIVISIONS SHALL
12 BE ASSISTED BY THE COMMISSION ATTORNEYS IN ITS
13 APPELLATE AND ADJUDICATORY FUNCTIONS WHOSE TERM
14 SHALL BE COTERMINOUS WITH THE COMMISSIONERS WITH
15 WHOM THEY ARE ASSIGNED. THE COMMISSION ATTORNEYS
16 SHALL BE MEMBERS OF THE PHILIPPINE BAR WITH AT LEAST
17 ONE (1) YEAR EXPERIENCE OR EXPOSURE IN THE FIELD OF
18 LABOR-MANAGEMENT RELATIONS. THEY SHALL RECEIVE
19 ANNUAL SALARIES AND SHALL BE ENTITLED TO THE SAME
20 ALLOWANCES AND BENEFITS AS THOSE FALLING UNDER
21 SALARY GRADE TWENTY-SIX (SG 26). THERE SHALL BE AS

1 MANY COMMISSION ATTORNEYS AS MAY BE NECESSARY FOR
2 THE EFFECTIVE AND EFFICIENT OPERATION OF THE
3 COMMISSION - BUT IN NO CASE MORE THAN THREE (3)
4 ASSIGNED TO THE OFFICE OF THE CHAIRMAN AND EACH
5 COMMISSIONER.”

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

8 “Art. 214. *Headquarters, Branches and Provincial*
9 *Extension Units.*— The Commission and its first, second, [and]
10 third, **FOURTH, FIFTH AND SIXTH** divisions shall have their main
11 offices in Metropolitan Manila, and the [fourth and fifth]
12 **SEVENTH AND EIGHTH** divisions in the Cities of Cebu and
13 Cagayan de Oro, respectively. The Commission shall establish as
14 many regional branches as there are regional offices of the
15 Department of Labor and Employment, sub-regional branches or
16 provincial extension units. There shall be as many Labor Arbiters
17 as may be necessary for the effective and efficient operation of
18 the Commission. [Each regional branch shall be headed by an
19 Executive Labor Arbiter.]”

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

1 “Art. 215. *Appointment and Qualifications.* – The
2 Chairman and other Commissioners shall be members of the
3 *Philippine Bar and must have been engaged in the practice of*
4 *law in the Philippines for at least fifteen (15) years, with at least*
5 *five (5) years experience or exposure in [handling] THE FIELD*
6 *OF labor-management relations, and shall preferably be residents*
7 *of the region where they [are to] SHALL hold office. The*
8 *[Executive Labor Arbiters and] Labor Arbiters shall likewise be*
9 *members of the Philippine Bar and must have been engaged in*
10 *the practice of law in the Philippines for at least [seven (7)] TEN*
11 *(10) years, with at least [three (3)] FIVE (5) years experience or*
12 *exposure in [handling] THE FIELD OF labor-management*
13 *relations[: Provided, however, That incumbent Executive Labor*
14 *Arbiters and Labor Arbiters who have been engaged in the*
15 *practice of law for at least five (5) years may be considered as*
16 *already qualified for purposes of reappointment as such under*
17 *this Act].*

18 “The Chairman, [and] the other Commissioners[,] AND the
19 [Executive Labor Arbiters and] Labor Arbiters shall hold office

1 during good behavior until they reach the age of [sixty-five (65)]
2 SEVENTY (70) years, unless sooner removed for cause as
3 provided by law or become incapacitated to discharge the duties
4 of their office.

5 "The Chairman, the Division Presiding Commissioners and
6 other Commissioners shall all be appointed by the President[,
7 subject to confirmation by the Commission on Appointments].

8 Appointment to any vacancy IN A SPECIFIC DIVISION shall come
9 ONLY from the nominees of the sector which nominated the
10 predecessor. The [Executive Labor Arbiters and] Labor Arbiters
11 shall also be appointed by the President, upon recommendation
12 of the Secretary of Labor and Employment, TO A SPECIFIC
13 ARBITRATION BRANCH, PREFERABLY IN THE REGION WHERE
14 THEY ARE RESIDENTS, and shall be subject to the Civil Service
15 Law, rules and regulations: *PROVIDED, THAT THE LABOR*
16 *ARBITERS WHO ARE PRESENTLY HOLDING OFFICE IN THE*
17 *REGION WHERE THEY ARE RESIDENTS SHALL BE DEEMED*
18 *APPOINTED THEREAT.*

19 "The Secretary of Labor and Employment shall, in
20 consultation with the Chairman of the Commission, appoint the
21 staff and employees of the Commission and its regional branches

1 as the needs of the service may require, subject to the Civil
2 Service Law, rules and regulations, and upgrade their current
3 salaries, benefits and other emoluments in accordance with law.”

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

6 “ART. 216. *Salaries, Benefits and [Other] Emoluments.*

7 – The Chairman and members of the Commission shall HAVE
8 THE SAME RANK, receive an annual salary [at least] equivalent
9 to, and be entitled to the same allowances, RETIREMENT and
10 benefits as[,] those of the Presiding Justice and Associates
11 [Justices] of the Court of Appeals, respectively. [The Executive
12 Labor Arbiters shall receive an annual salary at least equivalent
13 to that of an Assistant Regional Director of the Department of
14 Labor and Employment and shall be entitled to the same
15 allowances and benefits as that of a Regional Director of said
16 Department. The] Labor Arbiters shall HAVE THE SAME RANK,
17 receive an annual salary [at least] equivalent to[,] and be
18 entitled to the same [allowances] RETIREMENT and OTHER
19 benefits AND PRIVILEGES as[, that of an Assistant Regional

1 Director of the Department of Labor and Employment.] **THOSE**
2 **OF THE JUDGES OF THE REGIONAL TRIAL COURTS.** [In no
3 case, however, shall the provision of this Article result in the
4 diminution of the existing salaries, allowances and benefits of the
5 aforementioned officials.]”

6 **SEC. 5. *Implementation.*** – The creation of the additional divisions shall
7 be implemented for a period of not more than six years.

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

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

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

Approved,