



NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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RECEIVED BY: _____

SENATE

S.B. No. 130

Introduced by SENATOR JOEL VILLANUEVA

**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

“STOP ENDO” or “STOP CONTRACTUALIZATION” is the resounding call of workers nationwide. Indeed, being caught in the cycle of intermittent ENDO or CONTRACTUAL jobs with no prospect of permanency is very oppressive and derogates the Constitutionally guaranteed rights of workers to security of tenure, humane conditions of work, organize and collectively bargain, engage in peaceful concerted activities including strike in accordance with law, receive a living wage, and participate in decision-making processes affecting their rights and benefits (Section 3, Art. XIII of the 1987 Constitution).

Among others, this bill seeks to clarify when labor-only contracting exists:

- a) when the job contractor merely supplies workers to a contractee;
- b) when the workers supplied by the contractor are performing jobs which are directly related to the principal business of the contractee;
- c) when the job contractor does not control the workers deployed to the contractee.

The proposal to include the performance of “directly related tasks” as an indicator of the existence of labor-only contracting is meant to address a situation where all

functions or tasks are contracted out to a job contractor, which is clearly a circumvention of the Constitutional guarantee on the right to security of tenure.

This definition was favorably endorsed by the Department of Labor and Employment (DOLE), the primary agency in-charge of implementing the Labor Code, and who, we assume, knows the loopholes in the law that must be addressed by corrective legislation. According to DOLE, the amendment will simplify the interpretation, implementation and enforcement of the prohibition on labor-only contracting and curb practices that circumvent the prohibition. The Department also noted that most of the LOC cases pending on appeal is grounded on the argument that the contractors are not LOC because it has substantial capitalization citing Supreme Court cases.

This bill allows industry tripartite councils to determine the jobs that are directly related to the principal business of a contractee/principal. This is in recognition of the fact that what may be directly related to the business of a contractee today, may not be directly related tomorrow due to rapidly changing technologies.

This amendment will give the labor sector the opportunity to voice their concerns in the contracting out of certain jobs or services, and at the same time, give the employers the opportunity to present the realities of the operations of their businesses and give them appropriate flexibility to adjust to changes dictated by their businesses, especially in light of rapidly changing technologies. For example, now, we can see restaurants having electronic machines where you can place your order and make your payment. At toll roads in Metro Manila and surrounding provinces, we see an aggressive push for RFIDs or easy strips and less and less toll collectors during regular days. In light of similar developments in other industries, what should be considered "directly related" to the principal business of a contractee today will likely no longer be "directly related" in a year or two.

This will also provide stability. The listing of tasks or functions that may or may not be contracted out removes the wide latitude of discretion of DOLE inspectors and contractees on what is directly related or not, including that of the labor sector. Currently, the contractee makes a self-determination of what jobs/tasks are directly related to its business. Meanwhile, the DOLE inspectors also rely on their own judgment or understanding during inspection, on what jobs/tasks being contracted out are directly related, while the DOLE directors and the Secretary of Labor and Employment also have their own separate determination on whether the jobs/tasks contracted out are directly related to the principal business of the contractee. The justices of the Court of Appeals and the Supreme Court separately determine the relatedness of the task or functions to the principal business of the contractee.

Having an industry-determined listing will also remove the litigiousness of the process and dissatisfaction from the employers and the affected workers. What will be checked during inspection is the license and the subject of determination would just be the following:

- a) whether the contracted tasks or functions is included in the industry's positive or negative listings; or

- b) whether the job contractor is merely supplying workers; or
- c) whether the job contractor exercises direct control over the workers deployed to the contractee.

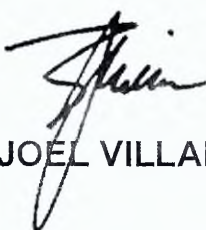
Compliance with substantial capital requirement or possession of tools or equipment reasonably necessary to the contracted tasks or functions will already be checked at the time of application for a license, being an administrative requirement for licensing. The license being an authority given to engage in job contracting, unlike registration, is a DOLE guarantee that the licensee has complied with the requirements set out in the proposed measure. Hence, any non-compliance determined with finality will make the issuing DOLE officer administratively liable for the issuance of the license along with the licensee for the fraudulent authority.

In addition, this bill also requires job contractors to obtain a license from DOLE, upon showing proof that it has substantial capital, has an independent business, an employer with regular employees, complies with labor laws and payment of social security benefits, such as SSS, PhilHealth and Pag-ibig premium payments, among others.

This bill also simplifies the classification of workers to regular and probationary employees. Project and seasonal employees are regular employees for the duration of the project or season, as the case may be. All other forms of employment are strictly prohibited.

Notably, the full text of this bill was earlier certified by former President Rodrigo Duterte in 2018, but was, however, eventually vetoed. Nevertheless, we believe that the immediate passage of this bill is still necessary, and even more urgent, as our workers and industries recover from the pandemic.

Thus, the immediate passage of this bill is earnestly sought.


SENATOR JOEL VILLANUEVA

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

10
11 "LABOR-ONLY CONTRACTING IS PROHIBITED. There is
12 "labor-only" contracting where the [person supplying workers to an
13 employer does not have] JOB CONTRACTOR, WHETHER
14 LICENSED OR NOT, MERELY RECRUITS AND SUPPLIES OR
15 PLACES WORKERS TO A CONTRACTEE REGARDLESS OF
16 WHETHER OR NOT HE/SHE HAS substantial capital or
17 investment in the form of tools, equipment, machineries, work
18 premises, among others, [and] OR the workers recruited and
19 SUPPLIED OR placed by such person are performing activities
20 which are directly related to the principal business of such
21 CONTRACTEE OR ARE UNDER THE CONTROL AND
22 SUPERVISION OF THE CONTRACTEE. In such cases, the
23 [person or intermediary] JOB CONTRACTOR shall be considered
24 merely an agent [of] AND the [employer who] CONTRACTEE
25 shall be responsible to the workers in the same manner and extent
26 as if the latter were directly employed by him/HER.

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

39
40 "IN ALL CASES WHERE LABOR-ONLY CONTRACTING IS
41 PRESENT, THE WORKERS SHALL OUTRIGHT BE DEEMED
42 REGULAR EMPLOYEES OF THE CONTRACTEE IN
43 ACCORDANCE WITH LAW, RETROACTIVE TO THE DATE
44 THEY WERE FIRST DEPLOYED TO SAID CONTRACTEE,
45 WITHOUT PREJUDICE TO ANY CRIMINAL, CIVIL, OR
46 ADMINISTRATIVE CASE AGAINST THE LABOR-ONLY
47 CONTRACTOR AND THE CONTRACTEE.

48
49 "COMPLIANCE ORDERS AFFIRMED BY THE SECRETARY
50 OF LABOR AND EMPLOYMENT SHALL BE IMMEDIATELY

1 EXECUTORY UNLESS RESTRAINED BY AN APPROPRIATE
2 COURT.

3
4 "IN CASE THE COMPLIANCE ORDER INVOLVES A
5 DIRECTIVE TO REGULARIZE WORKERS, THE EMPLOYMENT
6 OF THE LATTER SHALL NOT BE TERMINATED PENDING
7 APPEAL OF SUCH ORDER EXCEPT FOR JUST OR
8 AUTHORIZED CAUSE. ANY TERMINATION OF WORKERS
9 PENDING APPEAL SHALL RENDER THE COMPLIANCE
10 ORDER INVOLVING THE REGULARIZATION OF WORKERS
11 EXECUTORY.

12 "ADDITIONALLY, THE SECRETARY OF LABOR AND
13 EMPLOYMENT SHALL IMPOSE A FINE OF UP TO FIVE
14 MILLION PESOS (PHP5,000,000.00) AGAINST ANY LABOR-
15 ONLY CONTRACTOR. THE SECRETARY OF LABOR AND
16 EMPLOYMENT SHALL ALSO HAVE THE POWER TO
17 PREVENTIVELY OR PERMANENTLY CLOSE THE
18 OPERATIONS OF ANY LABOR-ONLY CONTRACTOR."
19

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

23
24 "ARTICLE 107. LICENSING OF JOB CONTRACTORS. - IT
25 SHALL BE MANDATORY FOR ALL PERSONS OR ENTITIES
26 ACTING AS JOB CONTRACTOR TO OBTAIN A LICENSE FROM
27 THE DOLE THROUGH ITS REGIONAL OFFICES. FOR
28 PURPOSES OF ARTICLES 106-109, "JOB CONTRACTOR"
29 REFERS TO A SOLE PROPRIETORSHIP, CORPORATION,
30 ASSOCIATION, COOPERATIVE OR OTHER ORGANIZATION
31 THAT PERFORMS A SPECIFIC WORK, JOB OR SERVICE TO A
32 CONTRACTEE. "CONTRACTEE" REFERS TO THE PERSON
33 OR ENTITY, WHICH SHALL INCLUDE THE GOVERNMENT,
34 THAT CONTRACTED OUT A SPECIFIC WORK, JOB OR
35 SERVICE.
36

37 "THE LICENSE SHALL BE ISSUED TO QUALIFIED JOB
38 CONTRACTORS UPON COMPLIANCE WITH THE FOLLOWING
39 REQUIREMENTS:

40
41 (A) HAVE AN INDEPENDENT BUSINESS,
42 SEPARATE AND DISTINCT FROM THE CONTRACTEE;

43
44 (B) HAVE A PAID-UP CAPITAL OR NET WORTH OF
45 AT LEAST FIVE MILLION PESOS (PHP5,000,000.00), WHICH
46 MAY BE INCREASED AS DEEMED APPROPRIATE THROUGH
47 TRIPARTITE CONSULTATION;

48
49 (C) BE AN EXPERT OR SPECIALIST IN THE JOB,

1 WORK OR SERVICE BEING CONTRACTED THAT SHALL NOT
2 BE DIRECTLY RELATED TO THE PRINCIPAL BUSINESS OF
3 THE CONTRACTEE. FOR THIS PURPOSE, EXPERTISE OR
4 SPECIALIZATION SHALL BE ESTABLISHED BY SHOWING,
5 AMONG OTHERS, A CORE OF COMPETENT
6 PROFESSIONALS OR SKILLED WORKERS ESPECIALLY
7 TRAINED TO CARRY OUT THE JOB, WORK OR SERVICE OR
8 TRACK RECORD IN SUCH FIELD OF SPECIALIZATION;
9

10 (D) BE AN EMPLOYER WITH REGULAR
11 EMPLOYEES AND HAVE EQUIPMENT, MACHINERIES OR
12 TOOLS NECESSARY TO PERFORM OR COMPLETE THE JOB,
13 WORK OR SERVICE CONTRACTED OUT;
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16 (E) EXERCISE CONTROL OVER THE
17 PERFORMANCE AND COMPLETION OF THE JOB, WORK OR
18 SERVICE CONTRACTED OUT;
19

20 (F) CERTIFICATION OF COMPLIANCE WITH LABOR
21 AND SOCIAL WELFARE LAWS INCLUDING PROOF OF
22 PAYMENT OF SOCIAL SECURITY, PHILIPPINE HEALTH
23 INSURANCE CORPORATION, AND HOME DEVELOPMENT
24 MUTUAL FUND (PAG-IBIG) CONTRIBUTIONS; AND
25

26 (G) PAYMENT OF LICENSE FEE, WHICH SHALL
27 NOT BE LOWER THAN ONE HUNDRED THOUSAND PESOS
28 (PHP100,000.00).

29 "THE LICENSE SHALL BE VALID FOR A PERIOD OF
30 THREE (3) YEARS AND MAY BE RENEWED UPON
31 COMPLIANCE WITH THE REQUIREMENTS PRESCRIBED BY
32 THE DOLE. IN ALL CASES, THE JOB CONTRACTOR SHALL
33 DEMONSTRATE THAT IT HAS FINANCIAL CAPACITY TO
34 CARRY ON ITS BUSINESS BASED ON FACTORS SUCH AS,
35 BUT NOT LIMITED, TO THE NUMBER OF ITS EMPLOYEES
36 AND THE NATURE OF ITS BUSINESS.
37

38 "ANY LEGITIMATE LABOR ORGANIZATION SHALL HAVE
39 ACCESS TO COPIES OF LICENSES ISSUED TO JOB
40 CONTRACTORS AND ANY AND ALL SUBMISSIONS MADE IN
41 CONNECTION WITH SUCH LICENSE.
42

43 "FOR THIS PURPOSE, THE SECRETARY OF LABOR
44 AND EMPLOYMENT, IN CONSULTATION WITH THE NATIONAL
45 TRIPARTITE INDUSTRIAL PEACE COUNCIL (NTIPC), SHALL
46 ISSUE THE APPROPRIATE REGULATIONS FOR THE
47 LICENSING, RENEWAL, SUSPENSION, AND REVOCATION OF
48 LICENSES OF JOB CONTRACTORS, INCLUDING THE
49 ACCOUNTABILITIES OF THE LICENSING OFFICER IN CASE

1 THE LICENSE IS ISSUED IN VIOLATION OF, OR IN
2 SIMULATION OF ANY OF THE REQUIREMENT FOR
3 LICENSING UNDER PARAGRAPHS (A) TO (G) ABOVE, OR
4 UPON FINDING OF LABOR-ONLY CONTRACTING
5 COMMITTED BY A DULY-LICENSED JOB CONTRACTOR.
6

7 "IN NO CASE SHALL PRIVATE RECRUITMENT AND
8 PLACEMENT AGENCIES (PRPA) OR PRIVATE EMPLOYMENT
9 AGENCIES (PEA) UNDER ARTICLE 25 OF THE LABOR CODE,
10 AS AMENDED, BE ALLOWED TO ENGAGE IN JOB
11 CONTRACTING AND/OR THE PROHIBITED LABOR-ONLY
12 CONTRACTING."
13

14 **SEC. 4.** A new Article 107-A, Title II, Book III of the Labor Code, as amended,
15 is hereby provided to read as follows:
16

17 "ARTICLE 107-A. RIGHTS OF EMPLOYEES OF JOB
18 CONTRACTORS. THE TERMS AND CONDITIONS OF
19 EMPLOYMENT OF THE EMPLOYEES OF JOB CONTRACTORS
20 SHALL NOT BE LOWER THAN THE MINIMUM STANDARDS
21 SET BY LAW AND REGULATIONS."
22

23 **SEC. 5.** Article 108, Title II, Book III of the Labor Code, as
24 amended, is hereby amended to read as follows:
25

26 "ARTICLE 108. Posting of Bond. – [An employer or indirect
27 employer] THE CONTRACTEE may require the contractor to
28 furnish a bond equal to the cost of labor under contract, on
29 condition that the bond will answer for the wages due the
30 employees should the contractor fail to the pay the same."
31

32 **SEC. 6.** A new Article 108-A, Title II, Book III of the Labor
33 Code, as amended, is hereby provided to read as follows:
34

35 "ARTICLE 108-A. TRANSITION SUPPORT PROGRAM
36 (TSP) – A TRANSITION SUPPORT PROGRAM FOR JOB
37 CONTRACTING SHALL BE ESTABLISHED BY THE DOLE
38 WHICH:
39

40 (A) SHALL PROVIDE A THREE-MONTH FINANCIAL
41 SUPPORT FOR EMPLOYEES IN BETWEEN JOB PERIODS
42 AND IS CONDITIONED ON UNDERGOING SKILLS TRAINING
43 OR UPGRADING UNDER TESDA OR TESDA ACCREDITED
44 TRAINING INSTITUTION DURING THE PERIOD OF
45 UNEMPLOYMENT, PROVIDED THAT THE FREQUENCY OF
46 AVAILMENT SHALL NOT BE MORE THAN ONCE A YEAR;
47

48 (B) THE AMOUNT OF FINANCIAL SUPPORT SHALL
49 NOT BE LOWER THAN THE APPROPRIATE MINIMUM WAGE
50 AND SHALL BE RELEASED AT THE END OF EVERY MONTH;
AND

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(C) SHALL BE MANAGED BY THE APPROPRIATE BUREAU OF THE DEPARTMENT OF LABOR AND EMPLOYMENT, WHICH SHALL REPORT TO THE NATIONAL TRIPARTITE INDUSTRIAL PEACE COUNCIL.

"THE FUNDS FOR THE IMPLEMENTATION OF THE PROGRAM SHALL BE SOURCED FROM THE FOLLOWING:

(A) ONE HUNDRED PERCENT (100%) OF THE REGISTRATION/ RENEWAL FEES PAID BY CONTRACTORS;

(B) ALL FINES COLLECTED UNDER ARTICLE 106 OF THIS CODE; AND

(C) FUNDS FROM THE ADJUSTMENT MEASURE PROGRAM OF THE DEPARTMENT OF LABOR AND EMPLOYMENT."

SEC. 7. Article 109, Title II, Book III of the Labor Code, as amended, is hereby amended to read as follows:

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

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

"ARTICLE 294 [279]. Security of Tenure. – [In case or regular employment, the employer shall not terminate] [t]The services of an employee, IRRESPECTIVE OF EMPLOYMENT STATUS OR POSITION, SHALL NOT BE TERMINATED except for a just cause or when authorized by this Title. An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his/HER full backwages, inclusive of allowances, and to his/HER other benefits or their monetary equivalent computed from the time his/HER compensation was withheld from him/HER up to the time of his/HER actual reinstatement.

"THE EMPLOYER SHALL HAVE THE BURDEN OF PROVING THAT THE TERMINATION IS WITH CAUSE AND DUE PROCESS."

1 **SEC. 9.** Article 295 [280] Title I, Book VI of the Labor Code, as amended, is
2 hereby repealed, and in lieu thereof, a new Article 295 is provided to read as
3 follows:
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5 **"ARTICLE 295. STATUS OF EMPLOYMENT. - ALL**
6 **EMPLOYEES, EXCEPT THOSE UNDER PROBATIONARY**
7 **EMPLOYMENT, ARE DEEMED REGULAR, INCLUDING**
8 **PROJECT AND SEASONAL EMPLOYEES.**
9

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

28 "ALL OTHER FORMS OF EMPLOYMENT ARE
29 PROHIBITED AND WORKERS UNDER SUCH
30 ARRANGEMENTS ARE DEEMED REGULAR EMPLOYEES
31 RECKONED FROM THE FIRST DAY OF EMPLOYMENT.
32

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

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

43 **"ARTICLE 296 [281]. Probationary Employment. -**
44 Probationary employment shall not exceed six (6) months from the
45 [date the employee started working, unless it is covered by an
46 apprenticeship agreement stipulating by a longer period.] FIRST
47 DAY OF SERVICE REGARDLESS OF THE NATURE OF WORK
48 TO BE PERFORMED. THE JOB DESCRIPTION AND
49 QUALIFICATION STANDARDS TO QUALIFY FOR REGULAR
50 EMPLOYMENT SHALL BE MADE KNOWN BY THE EMPLOYER

1 TO THE EMPLOYEE AT THE TIME OF HIS/HER
2 ENGAGEMENT.
3

4 "The services of [an] A PROBATIONARY employee [who
5 has been engaged on a probationary basis] may be terminated for
6 [a] just OR AUTHORIZED causeS UNDER ARTICLES 297 [282]
7 AND 298 [283] OF THE LABOR CODE, AS AMENDED, or when
8 he/SHE fails to qualify as a regular employee [in accordance with
9 reasonable standards made known by the employer at the time of
10 his engagement. An employee who is allowed to work after a
11 probationary period shall be considered a regular employee]."
12

13 **SEC. 11.** Article 297 [282], Title I, Book VI of the Labor Code, as amended, is
14 hereby amended to read as follows:
15

16 "ARTICLE 297 [282]. JUST CAUSES OF Termination [by
17 employer]. - An employer may terminate an employment for any
18 of the following causes:
19

20 (a) Serious misconduct or willful disobedience by the
21 employee of the lawful orders of his/HER employer or
22 representative in connection with his/HER work;
23

24 (b) Gross and habitual neglect by the employee of his/HER
25 duties;
26

27 (c) Fraud or willful breach by the employee of the trust
28 reposed in him/HER by his/HER employer or duly authorized
29 representative;
30

31 (d) Commission of a crime or offense by the employee
32 against the person of his/HER employer or any immediate
33 member of his/HER family or his/HER duly authorized
34 representatives; and
35

36 (e) [Other causes] ACT OR OMISSION analogous to the
37 foregoing, EXPRESSLY SPECIFIED AS GROUND FOR
38 DISMISSAL IN THE COMPANY RULES AND REGULATIONS
39 FORMULATED IN OBSERVANCE OF WORKERS RIGHT TO
40 PARTICIPATE IN POLICY AND DECISION-MAKING
41 PROCESSES AFFECTING THEIR RIGHTS AND BENEFITS, OR
42 AS PROVIDED IN THE DULY REGISTERED COLLECTIVE
43 BARGAINING AGREEMENT."
44

45 **SEC. 12.** A new Article 298-A, Title I, Book VI of the Labor Code, as
46 amended, is hereby provided to read as follows:
47

48 "ARTICLE 298-A. PROOF OF AUTHORIZED CAUSE AND
49 PAYMENT OF SEPARATION PAY. - WITHIN THE
50 PRESCRIBED ONE (1) MONTH PERIOD REQUIRED UNDER
ARTICLE 298, THE EMPLOYER SHALL SUBMIT TO THE DOLE

1 FOR VALIDATION PROOF AND UNDERTAKING ON THE
2 EXISTENCE OF THE AUTHORIZED CAUSE IN ACCORDANCE
3 WITH THE RULES AND REGULATIONS AS MAY BE SET BY
4 THE SECRETARY OF LABOR AND EMPLOYMENT.
5

6 **SEC. 13. Implementing Rules and Regulations.** - The Secretary of
7 Labor and Employment shall promulgate the necessary implementing
8 rules and regulations within one hundred and twenty (120) days from
9 the effectivity of this Act.

10
11 **SEC. 14. Separability Clause.** - If any provision of this law or the
12 application thereof to any person or circumstance, is held invalid, the
13 remainder of this law, or the application of such provision or part to other
14 persons or circumstances, shall not be affected thereby.
15

16 **SEC. 15. Repealing Clause.** - All laws, decrees, rules, and regulations or
17 parts thereof, which are contrary to or inconsistent with this Act are hereby
18 repealed or modified accordingly.
19

20 **SEC. 16. Effectivity Clause.** - This Act shall take effect fifteen (15) days
21 after its publication in the Official Gazette or in at least two (2) newspapers of
22 general circulation.
23

24 **Approved,**