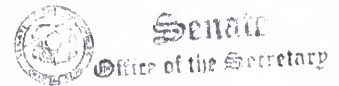



NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



'22 AUG -8 P1 :30

**SENATE**  
**S. No. 1083**

RECEIVED BY: 

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**Introduced by Senator Jinggoy Ejercito Estrada**

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**AN ACT**  
**REFORMING THE NATIONAL APPRENTICESHIP PROGRAM AND**  
**PROVIDING STANDARDS FOR THE TRAINING AND EMPLOYMENT OF**  
**APPRENTICES, AND REGULATORY STANDARDS FOR ACCREDITATION OF**  
**APPRENTICESHIP PROGRAMS**

**EXPLANATORY NOTE**

Youth unemployment has been one of the major concerns of the government. According to the data from Philippine Statistics Authority (PSA) contained in the February 2022 Labor Force Study, "Youth employment rate was reported at 85.7 percent. This is higher than the reported employment rate in February 2021 (81.5%) but lower than the recorded employment rate in January 2022 (86.2%). Employed youth in February 2022 worked on an average of 38.0 hours per week, higher than the average 37.2 hours a week reported in the same month of 2021."

Due to inadequate employment opportunities in the formal economy, limited labor market information and inadequate academic preparation, the mismatch between jobs and skills compounds the problem of high unemployment level among the youth and educated.

The government recognizes the importance of the apprenticeship programs in providing the youth with skills and access to employment. On the other hand, industry associations see the apprenticeship program as a mechanism that would

ensure a continuous supply of skilled workers. The number of enterprises participating in the program and the number of enrolled apprentices, however, remains to be relatively small and has been increasing at a very slow pace.

There is thus a need to institute further reforms and conduct massive advocacy on the apprenticeship program to make them more attractive to both the enterprises and the prospective apprentices, in a fervent bid to promote skills acquisition and youth employment. Hence, passage of this important measure as a special law is earnestly sought.



**JINGGOY EJERCITO ESTRADA**



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APPRENTICESHIP PROGRAMS**

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

1 Section 1. *Short Title.* – This Act shall be known as the “*Apprenticeship*  
2 *Training Act of 2022*”.

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the state to  
4 establish a reformed apprenticeship program that will ensure the availability of  
5 qualified manpower in critical and in-demand skills through the participation of  
6 employers, workers and government and non-government agencies.

7 Sec. 3. *Statement of Objectives.* – The aims of this Act include:

- 8 a. To help meet the demand of the economy for trained human resource;  
9 b. To have a national apprenticeship program that includes on and off the-  
10 job training components with tripartite involvement;  
11 c. To promote full employment of youth and young workers through training  
12 and development;  
13 d. To enhance existing standards for the training, development and  
14 employment of apprentices;

- 1 e. To recognize indispensable role of private enterprises in training and  
2 development;
- 3 f. To strengthen advocacy of the apprenticeship training program to  
4 encourage enterprise and young workers' participation;
- 5 g. To increase productivity and competitiveness of enterprises by ensuring  
6 availability of skilled human resource; and,
- 7 h. To harness Corporate Social Responsibility (CSR) towards the development  
8 of skilled manpower to meet the requirements of the industries.

9 *Sec. 4. Definition of Terms.* – For purposes of this Act, the following terms  
10 shall mean:

- 11 (a) *Apprenticeship* is training within employment with compulsory related  
12 theoretical instructions involving a contract between an apprentice and  
13 an employer on an approved apprenticeable occupation;
- 14 (b) *Apprentice* is a person undergoing training for an approved  
15 apprenticeable occupation during an established period assured by an  
16 apprenticeship contract;
- 17 (c) *Apprenticeship Contract* is an agreement wherein a prospective employer  
18 binds itself to train the apprentice who in turn accepts the terms of  
19 training for the recognized apprenticeable occupation and emphasizing  
20 the rights, duties and responsibilities of each party;
- 21 (d) *Apprenticeable Occupation* is an occupation officially endorsed by a  
22 tripartite body and approved for apprenticeship by TESDA;
- 23 (e) *Authority* refers to the Technical Education and Skills Development  
24 Authority (TESDA);
- 25 (f) *Board* shall refer to the TESDA Board;
- 26 (g) *Certificate of TVET Program Registration* is a document issued by TESDA  
27 granting an authority to an enterprise to offer a program in an  
28 apprenticeable occupation;
- 29 (h) *Competency Assessment* is the process of gathering and judging  
30 evidence in order to decide whether a person has achieved a standard of  
31 competency or competence;
- 32

- 1 (i) *Training Plan* is the specification for the apprenticeship program for the  
2 specific enterprise which describes all the learning experience a student  
3 undergoes, generally including the competencies to be acquired within  
4 the program, the underpinning knowledge, theories and principles and  
5 the assessment arrangement;
- 6 (j) *Competency Standard* is a written specification of the knowledge, skills,  
7 attitude and values required for the performance of a job, occupation or  
8 trade and the corresponding standard of performance required for these  
9 in the workplace;
- 10 (k) *Enterprise* is a participating establishment that directly engages an  
11 apprentice based on an approved Apprenticeship Program;
- 12 (l) *Unit(s) of Competency* are units of competency from competency  
13 standard. Each unit has elements, performance criteria, range of  
14 variables and evidence guides;
- 15 (m) *Cluster of Competencies* are groupings of competencies leading to  
16 Certificate of Competency; and,
- 17 (n) *Qualification* is a group of competencies packaged from the supermarket  
18 of competency. It represents a clear meaningful set-up in the workplace  
19 and is aligned with the Philippine TVET Qualifications Framework  
20 descriptor. Depending on the breadth, depth and scope of competency, a  
21 qualification may fall under National Certificate Level I, II, III, IV or V.

22 Sec. 5. *Qualifications of an Apprentice.* – To qualify as an apprentice, a  
23 person shall:

- 24 a) Be at least fifteen (15) years of age;
- 25 b) Possess good moral character, vocational aptitude and capacity for  
26 apprenticeship as determined by the enterprise; and
- 27 c) Possess the ability to comprehend and follow oral and written instructions.

28 Trade, industry and labor organizations may recommend to TESDA  
29 appropriate educational requirements for different occupations.

30 Sec. 6. *Aptitude Testing of Applicants.* – Consonant with the minimum  
31 qualifications of apprentice-applicants required under this Chapter, the bipartite

1 plant apprenticeship committees shall have primarily responsibility for providing  
2 appropriate aptitude examinations in the selection of apprentices.

3       *Sec. 7. Training of Apprentices.* – Only enterprises with programs registered  
4 with TESDA may enter into apprenticeship contracts and train apprentices in  
5 approved apprenticeable occupations.

6       *Sec. 8. Apprenticeship Training Program Content and Delivery.* – All  
7 qualifications with Training Regulations (TRs) promulgated by the TESDA Board are  
8 automatically classified as apprenticeable. To meet the immediate requirements of  
9 enterprises for skilled workers, the TESDA Board shall approve new apprenticeable  
10 occupations endorsed by the appropriate Regional Technical Education and Skills  
11 Development Committee (RTESDC) upon consultation with workers’ groups and  
12 industry representatives.

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

16       *Sec. 9. Apprenticeship Period.* – The apprenticeship period shall be based on  
17 the duration of training required in the Training Regulation and on the complexity of  
18 the skills to be learned by the apprentices.

19       *Sec. 10. Apprenticeship Program Registration.* -- Registration of program can  
20 be for a qualification, for cluster of competencies or for a bundled qualifications as  
21 contained in the Training Regulations. A Letter of Application stating the intention  
22 and the Certificate of Undertaking and the Training Plan shall be submitted to TESDA  
23 for approval. A Certificate of TVET Program Registration shall be issued to the  
24 enterprise to signify authorization for specific qualification or competency clusters.

25       An apprenticeship program maybe approved on a No-Training Regulations  
26 basis provided that the applicant enterprise can show proof of the demand for such  
27 skill.

28       TESDA shall provide technical assistance to the applying and implementing  
29 enterprises to be able to comply with the provisions of this section.

30       Enterprises found offering Apprenticeship programs which are not registered  
31 with TESDA shall be subjected to program closure proceedings without prejudice to  
32 the filing of administrative, criminal or civil liabilities.

1           Sec. 11. *Contents of Apprenticeship Contract.* – Apprenticeship contract shall  
2 conform with the rules issued by TESDA and shall include:

- 3           A. The nature, syllabus, timetable and purpose of training;
- 4           B. The period of training depending on the approved training regulations;
- 5           C. Training allowances prescribed by industry subsectors through  
6           tripartite consultations which in no case shall start below seventy-five  
7           percent (75%) of the applicable minimum wage;
- 8           D. A schedule of training allowance payment;
- 9           E. Training hours;
- 10          F. The process for the termination of apprenticeship; and,
- 11          G. The general rights and obligations of both parties.

12          Sec. 12. *Signing of apprenticeship contract.* – Every apprenticeship contract  
13 shall be signed by the enterprise owner or his/her authorized representative, or the  
14 authorized representative of any of the recognized organizations, associations or  
15 groups and the apprentice.

16          An apprenticeship contract with a minor shall be signed in his/her behalf by  
17 his/her parent or guardian or, if the latter is not available by an authorized  
18 representative of the TESDA, and the same shall be binding during its lifetime,  
19 subject to the right of the apprentice to terminate the same after a month's notice.

20          Every apprenticeship contract entered into under this Title shall be approved  
21 by the bipartite plant apprenticeship committee involving the firm owner and  
22 representatives of the firm workers, and copies thereof shall be furnished the firm  
23 owner and the apprentice.

24          Sec. 13. *Apprenticeship Schemes.* – Enterprises with approved apprenticeship  
25 program may choose from any of the following apprenticeship scheme which may  
26 use the Dual Training System approach:

- 27          a) Apprenticeship involving a company and an identified training institution;
- 28          b) Apprenticeship involving a group of companies and a training institution;
- 29          c) Apprenticeship involving an industry training center and a company or a  
30          group of companies; or

1 d) Other schemes to be established by the TESDA in consultation with  
2 enterprise owners, labor and training institutions and subject to the  
3 approval of the TESDA Board.

4 Sec. 14. *Apprenticeship Administration.* – The TESDA Board shall be  
5 responsible for setting up the overall apprenticeship policy and standards. The  
6 TESDA Secretariat shall be responsible for apprenticeship administration, monitoring  
7 and evaluation of on and off-the-job training.

8 Sec. 15. *Investigation of violation of apprenticeship contract.* – The bipartite  
9 plant apprenticeship committee, upon complaint of any interested party or *motu*  
10 *proprio*, shall have initial responsibility for settling differences arising out of  
11 apprenticeship contracts. In case it is not able to settle such differences, the TESDA  
12 Secretariat or its authorized representative shall investigate and render a decision  
13 pursuant to pertinent rules and regulations as may be prescribed by the TESDA  
14 Board.

15 Sec. 16. *Appeal to the TESDA Board.* – The decision of the TESDA Secretariat  
16 may be appealed by any aggrieved person to the TESDA Board within five (5) days  
17 from receipt of the decision. The decision of the TESDA Board shall be final and  
18 executory.

19 Sec. 17. *Termination of Apprenticeship.* –

20 I. Valid cause to terminate the Apprenticeship contract:

21 1. *By the employer:*

- 22 a) Habitual absenteeism in on-the-job training and related theoretical  
23 instructions;
- 24 b) Willful disobedience to company rules or insubordination to lawful  
25 order of a superior;
- 26 c) Poor physical condition, permanent disability or prolonged illness which  
27 incapacitates the apprentices from working;
- 28 d) Theft or malicious destruction of company property and/or equipment;
- 29 e) Poor efficiency or performance on the job or in the classroom for a  
30 prolonged period despite warnings duly given to the apprentices; and
- 31 f) Engaging in violence or other forms of group misconduct inside the  
32 employer's premises.



1           2. *By the apprentice:*

- 2           a) Substandard or deleterious working condition within the employer's  
3           premises;
- 4           b) Repeated violations by the employer of the terms of the apprenticeship  
5           agreement;
- 6           c) Cruel and inhuman treatment by the employer or his subordinates;
- 7           d) Personal problem which in the opinion of the apprentice shall prevent  
8           him from a satisfactory performance of his job; and
- 9           e) Bad health and continuing illness.

10        II. Procedures of termination of apprenticeship:

11        1. *Apprenticeship Committee Level*

- 12        a) The party (employer or apprentice) interested in terminating the  
13        contract may do so, first, by notifying the Apprenticeship Committee;
- 14        b) The Committee confers with both parties and mediates and/or settles  
15        the differences between them;
- 16        c) If mediation and/or settlement is not possible, the Committee advises  
17        the complainants to apply for said termination with the Apprenticeship  
18        Division of the Regional Office concerned.

19        2. *Regional Level*

- 20        a) The complainant verbally presents his/her case to the Apprenticeship  
21        Division. If to the judgment of the Division the complaint merits  
22        consideration, he/she is made to duly accomplish an "Application for  
23        Termination of Apprenticeship" form.
- 24        b) The Division verifies as to the veracity and validity of the claim within  
25        five (5) days from receipt thereof –
- 26           1) By calling both parties (employer and apprentice) for conference; or
- 27           2) By sending a representative to the employer's concern for the  
28           purpose.
- 29           3) In case grounds for approval exist –
- 30                1) The investigating officer (field representative) initiate the  
31                application; and

- 1                                   2) The Chief of the Apprenticeship Division verified the  
2                                   same.
- 3                                   3) The application is then immediately forwarded to the  
4                                   Regional Director for appropriate action; after which a copy  
5                                   of the acted application is furnished each the applicant and  
6                                   the second party; these processes to be completed within  
7                                   three (3) days from receipt of the document by the Office of  
8                                   said Regional Director.
- 9                                   4) A copy of each approved application is furnished the  
10                                  Bureau of Apprenticeship to be forwarded to the said Office  
11                                  together with the Monthly Performance Report of the  
12                                  Apprenticeship Division.

13                    3. *Agency Level*

14                    If either of the Parties is not satisfied with the decision of the Regional  
15                    Director, he/she may, within the reglamentary period of five (5) days from  
16                    receipt of the document, appeal the case to the TESDA Director General  
17                    whose decision shall be final and unappealable.

18                    Sec. 18. *Competency Assessment and Certification.* – The apprentices shall,  
19                    within the apprenticeship period, undergo competency assessment for qualifications  
20                    with Training Regulations. A National Certificate shall be issued to all those who  
21                    demonstrated achievement of the competency standards,

22                    Sec. 19. *Training Certificate.* – A Training Certificate shall be issued by the  
23                    authorized enterprise to signify completion of the apprenticeship program in  
24                    accordance with the approved training design. The Certificate shall contain a list of  
25                    the units of competency acquired and shall be comparable to completion of a  
26                    training program in a TVET institution.

27                    Sec. 20. *Compulsory Apprenticeship.* – When the national security or  
28                    particular requirements of economic development so demand, the President of the  
29                    Republic of the Philippines shall require compulsory training of apprentices in certain  
30                    trades, occupations, jobs or employment levels where shortage of trained manpower  
31                    is deemed critical as determined by the TESDA Board.

1           Sec. 21. *Apprenticeship Training Fund.* – There shall be an apprenticeship  
2 training fund which shall be derived from the apprenticeship fee paid by every firm  
3 owner in industries employing workers in apprenticeable trades. Workers who are  
4 graduates of apprenticeship programs shall likewise pay a one-time apprenticeship  
5 fee upon employment as contribution to the apprenticeship training fund.

6           The apprenticeship fee rates and guidelines to be applied shall be approved  
7 by the TESDA Board after a public hearing with the management and labor sectors.  
8 The fee shall be collected and paid through the Social Security System (SSS) and  
9 transferred to the Apprenticeship Training Fund to be administered by TESDA. The  
10 apprenticeship fee rate may be increased by the TESDA Board subject to the  
11 requirements of public hearing.

12           The Apprenticeship Training Fund shall be deemed distinct and separate from  
13 the TESDA Development Fund under Section 31 of RA 7796 or the TESDA Law, and  
14 as such, shall not be subject to its Implementing Rules and Regulations. Such  
15 apprenticeship fund may be used to defray expenses of the trainees in the institution  
16 or training center as well as other expenses to be approved by the TESDA Board to  
17 improve implementation of the program.

18           Sec. 22. *Incentives.* – An additional deduction from the taxable income  
19 equivalent to one-half (1/2) of the value of labor training expenses incurred for  
20 developing the productivity and efficiency of apprentices shall be granted to the  
21 person or enterprise organizing an apprenticeable program and shall be exempt from  
22 the payment of apprenticeship fee. *Provided,* That such program is duly recognized  
23 by TESDA: *Provided, further,* That such deduction shall not exceed ten percent  
24 (10%) of direct labor wage: *Provided, finally,* That the person or enterprise who  
25 wishes to avail himself or itself of this incentive should pay his apprentices the  
26 minimum wage. Micro-cottage and small enterprises or those with less than 100  
27 employees shall also be exempt from the payment of the apprenticeable fee.

28           Sec. 23. *Exemption from Probationary Employment: System of Equivalency.* –  
29 Certified apprenticeship graduates shall be exempted from probationary  
30 employment. They shall be employed as regular workers if chosen to be retained by  
31 the enterprise.

1           Apprenticeship graduates shall likewise be awarded equivalent unit credits in  
2 the formal system of education that can be used in pursuing tertiary degree courses  
3 subject to the integrated policies and guidelines on equivalency and adult education  
4 acceleration program of the TESDA, CHED and DepEd.

5           *Sec. 24. Implementing Rules and Regulations.* – The TESDA Board shall issue  
6 the Implementing Rules and Regulations within ninety (90) days after the effectivity  
7 of this Act.

8           *Sec. 25. Transitory Provision.* – All existing apprenticeship programs and  
9 Training Regulations shall be valid until after the TESDA has conducted an  
10 assessment and revalidation for consistency with the provisions of this Act and its  
11 Implementing Rules and Regulations.

12           *Sec. 26. Repealing Clause.* – Pertinent provisions of Presidential Decree 442  
13 or the Labor Code of the Philippines as amended, Executive Order No. 111 series of  
14 1986, RA 7796 or the TESDA Act of 1994 and all other laws, decrees, executive  
15 orders and rules and regulations contrary to or inconsistent with the provisions of  
16 this Act are hereby repealed or modified accordingly. Any law, Presidential Decree or  
17 issuance, Executive Order, Letter of Instruction, rule or regulation inconsistent with  
18 the provisions of this Act is hereby repealed or modified accordingly.

19           *Sec. 27. Separability Clause.* – If any provision of this Act is held invalid or  
20 unconstitutional, the same shall not affect the validity and effectivity of the other  
21 provisions hereof.

22           *Sec. 28. Effectivity.* – This Act shall take effect after fifteen (15) days from  
23 the date of its full and complete publication in the Official Gazette or in two (2)  
24 newspapers of general circulation.

*Approved,*