

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



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SENATE

S. No. 1513

RECEIVED BY: _____

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
PROVIDING FOR A REVISED NATIONAL APPRENTICESHIP PROGRAM,
REPEALING FOR THE PURPOSE CHAPTERS I AND II OF TITLE II, BOOK II
OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS
THE "LABOR CODE OF THE PHILIPPINES"**

EXPLANATORY NOTE

It is declared policy of the State to provide relevant, accessible, high quality and efficient technical education and skills development in support of creating high-quality Filipino mid-level human resources responsive to the Philippine development goals and priorities.

The June 2022 Labor Force Survey (LFS) estimated 854,000 among nearly three million unemployed Filipinos aged 15 to 24 years old, translating to a youth unemployment rate of 11.8 percent. Due to limited employment opportunities in the formal economy and lack of adequate training, the mismatch between available jobs and existing skills exacerbates unemployment. Despite these challenges, 79% of Filipinos aspire for a simple and comfortable life, which includes opportunities for good quality employment without leaving the country (AmBisyon Natin 2040).


Relatedly, 'apprenticeship', particularly structured one, is a program that provides an opportunity for apprentices to experience real working conditions, including work dynamics, under a supervised setting.

The main objective of this bill is to reform the national apprentice program by providing the youth with skills and access to employment, and provide enterprises with mechanisms to ensure continuous supply of skilled labor. In reforming the existing program, the whole-of-nation approach is tapped to ensure the availability of qualified human resources in critical and in-demand technical skills.

In view of further optimizing the potential of apprenticeship, the passage of this measure is earnestly sought.


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*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 "*Revised National*
2 *Apprenticeship Program Act of 2022.*

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

7 This Act aims to:

- 8 a. Establish a national apprenticeship program that includes on and off the job
9 training components with tripartite involvement;
- 10 b. Help achieve the demand for a well-trained human resource by promoting full
11 employment of youth through training and development;
- 12 c. Enhance existing standards for the training, development and employment of
13 apprentices;
- 14 d. Recognize the indispensable role of private enterprises in training and
15 development;
- 16 e. Strengthen advocacy of the apprenticeship training program to encourage
17 enterprise and young workers' participation;

- 1 f. Increase productivity and competitiveness of enterprises by ensuring
- 2 availability of skilled human resources; and
- 3 g. Harness Corporate Social Responsibility (CSR) towards the development of
- 4 skilled Human Resources to meet the requirements set by the industries.

5 *Sec. 3. Definition of Terms.* - For purposes of this Act, the following terms shall
6 mean:

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

- 1 j. *Competency Standard* refers to a written specification of the knowledge, skills,
2 attitude and values required for the performance of a job, occupation or trade
3 and the corresponding standard of performance required for these in the
4 workplace;
- 5 k. *Cluster of Competencies* refers to groupings of competencies leading to
6 Certificate of Competency;
- 7 l. *Dual Training System* refers to a delivery system of quality technical and
8 vocational education which requires trainings to be carried out alternatively in
9 two venues: in school and in the production plant.
- 10 m. *Enterprise* refers to a participating establishment that directly engages an
11 apprentice based on an approved Apprenticeship Program;
- 12 n. *Unit(s) of Competency* refers to units of competency from competency
13 standard. Each unit has elements, performance criteria, range of variables and
14 evidence guides; and
- 15 o. *Qualification* refers to the group of competencies packaged from the
16 supermarket of competency. It represents a clear meaningful set-up in the
17 workplace and is aligned with the Philippine TVEI Qualifications Framework
18 descriptor. Depending on the breadth, depth and scope of competency, a
19 qualification may fall under National Certificate Level I, II, III, IV or V.

20 *Sec. 4. Qualifications of an Apprentice.* - To qualify as an apprentice, a person
21 shall:

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

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

28 *Sec. 5. Aptitude Testing of Applicants.* - Consonant with the minimum
29 qualifications of apprentice-applicants required under this Chapter, the bipartite plant
30 apprenticeship committees shall have primary responsibility for providing appropriate
31 aptitude examinations in the selection of apprentices.

1 Sec. 6. *Training of Apprentices.* - Only enterprises with programs registered
2 with TESDA may enter into apprenticeship contracts and train apprentices in approved
3 apprenticeable occupations.

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

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

14 Sec. 8. *Apprenticeship Period.* -The apprenticeship period shall be based on the
15 duration of training required in the Training Regulation and on the complexity of the
16 skills to be learned by the apprentices.

17 Sec. 9. *Apprenticeship Program Registration.* - The registration of an
18 apprenticeship program can be for a qualification, for cluster of competencies or for a
19 bundled qualification as contained in the Training Regulations. A Letter of Application
20 stating the Intention and the Certificate of Undertaking and the Training Plan shall be
21 submitted to TESDA for approval. A Certificate of TVET Program Registration shall be
22 issued to the enterprise to signify authorization for specific qualification or competency
23 clusters.

24 An apprenticeship program may be approved on a No-Training Regulations
25 basis: *Provided,* That the applicant enterprise can show proof of the demand for such
26 skill.

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

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

1 Sec. 10. *Contents of Apprenticeship Contract.* - Apprenticeship contract shall
2 conform with the rules issued by TESDA and shall include:

- 3 a. Nature, syllabus, timetable and purpose of training;
- 4 b. Training period depending on the approved training regulations;
- 5 c. Training allowances prescribed by industry subsectors through tripartite
6 consultations which in no case shall start below seventy-five percent
7 (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. 11. *Signing of Apprenticeship Contract.* - Every apprenticeship contract
13 shall be signed by the enterprise owner or authorized representative, or the authorized
14 representative of any of the recognized organizations, associations or groups, and the
15 apprentice.

16 An apprenticeship contract with a minor shall be signed on their behalf by their
17 parent or guardian. If the latter is not available, by an authorized representative of
18 TESDA, and the same shall be binding during its lifetime, subject to the right of the
19 apprentice to terminate the same after a month's notice. Every apprenticeship contract
20 entered into under this Title shall be approved by the bipartite plant apprenticeship
21 committee involving the firm owner and representatives of the firm workers, and
22 copies thereof shall be furnished the firm owner and the apprentice.

23 Sec. 12. *Apprenticeship Schemes.* - Enterprises with approved apprenticeship
24 program may choose from any of the following apprenticeship schemes, which may
25 use the Dual Training System approach:

- 26 a) Apprenticeship involving a company and an identified training institution;
- 27 b) Apprenticeship involving a group of companies and a training institution;
- 28 c) Apprenticeship involving an industry training center and a company or a
29 group of companies; or
- 30 d) other schemes to be established by TESDA in consultation with enterprise
31 owners, labor and training institutions and subject to the approval of the TESDA Board.

1 Sec. 13. *Apprenticeship Administration.* - The TESDA Board shall be responsible
2 for setting up the overall apprenticeship policy and standards. The TESDA Secretariat
3 shall be responsible for apprenticeship administration, monitoring and evaluation of
4 on and off-the-job training.

5 Sec. 14. *Investigation of Violation of Apprenticeship Contract.* - The bipartite
6 apprenticeship committee, upon complaint of any interested party or *motu proprio*,
7 shall have initial responsibility for settling differences arising out of apprenticeship
8 contracts.

9 In case it is not able to settle such differences, the TESDA Secretariat or its
10 authorized representative shall investigate and render a decision pursuant to pertinent
11 rules and regulations as may be prescribed by the TESDA Board.

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

16 Sec. 17. *Termination of Apprenticeship.* -

17 A. Valid cause to terminate the Apprenticeship contract:

18 a. By the employer:

- 19 1. Habitual absenteeism in on-the-job training and related theoretical instructions;
- 20 2. Willful disobedience to company rules or insubordination to lawful order of a
21 superior;
- 22 3. Poor physical condition, permanent disability or prolonged illness which
23 incapacitates the apprentices from working;
- 24 4. Theft or malicious destruction of company property and/or equipment;
- 25 5. Poor performance on the job or in the classroom for a prolonged period despite
26 warnings duly given to the apprentices; and
- 27 6. Engaging in violence or other forms of group misconduct inside the employer's
28 premises.

29 b. By the apprentice:

- 30 1. Substandard or deleterious working condition within the employer's premises;
- 31 2. Repeated violations by the employer of the terms of the apprenticeship
32 agreement;

- 1 3. Cruel and inhumane treatment by the employer or his subordinates;
- 2 4. Personal problems which, in the opinion of the apprentice, shall prevent him
- 3 from a satisfactory performance of his job; and
- 4 5. Poor physical health and continuing illness.

5 B. Procedures of Termination of Apprenticeship:

6 a. Apprenticeship Committee Level

- 7 1. The party (employer or apprentice) interested in terminating the contract may
- 8 do so, first, by notifying the Apprenticeship Committee;
- 9 2. The Committee confers with both parties and mediates, and/or settles the
- 10 differences between them;
- 11 3. If mediation and/or settlement is not possible, the Committee advises the
- 12 complainants to apply for said termination with the Apprenticeship Division of
- 13 the Regional Office concerned.

14 b. Regional Level

- 15 1. The complainant verbally presents the case to the Apprenticeship Division. If,
- 16 in the judgment of the Division, the complaint merits consideration, the
- 17 complainant is made to duly accomplish an Application for Termination of
- 18 Apprenticeship form;
- 19 2. The Division verifies as to the veracity and validity of the claim within five (5)
- 20 days from receipt thereof - either by calling both parties (employer and
- 21 apprentice) for conference; or by sending a representative to the employer's
- 22 concern for the purpose.

23 In case grounds for approval exist -

- 24 1. The investigating officer (field representative) initiates the application;
- 25 2. The Chief of the Apprenticeship Division verifies the same; and
- 26 3. The application is then immediately forwarded to the concerned Regional
- 27 Director for appropriate action; after which a copy of the acted application is
- 28 furnished each the applicant and the second party; these processes to be
- 29 completed within three (3) days from receipt of the document by the Office of
- 30 said Regional Director.

1 4. A copy of each approved application is furnished to the Bureau of
2 Apprenticeship to be forwarded to the said Office, together with the Monthly
3 Performance Report of the Apprenticeship Division.

4 c. Agency Level

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

9 Sec. 16. *Competency Assessment and Certification.* - The apprentices shall,
10 within the apprenticeship period, undergo competency assessment for qualifications
11 with Training Regulations. A National Certificate shall be issued to all those who
12 demonstrated achievement of the competency standards.

13 Sec. 17. *Training Certificate.* - A Training Certificate shall be issued by the
14 authorized enterprises to signify completion of the apprenticeship program in
15 accordance with the approved training design. The Certificate shall contain a list of
16 the units of competency acquired, and shall be comparable to completion of a training
17 program in a TVET Institution.

18 Sec. 18. *Compulsory Apprenticeship.* - When the national security or particular
19 requirements of economic development are needed, the President of the Republic of
20 the Philippines shall require compulsory training of apprentices in certain trades,
21 occupations, jobs or employment levels where shortage of trained manpower is
22 deemed critical as determined by the TESDA Board.

23 Sec. 19. *Apprenticeship Training Fund.* - There shall be an apprenticeship
24 training fund, which shall be derived from the apprenticeship fee paid by every firm
25 owner in industries employing workers in apprenticeable trades. Workers who are
26 graduates of apprenticeship programs shall likewise pay a one-time apprenticeship fee
27 upon employment as contribution to the apprenticeship training fund. The
28 apprenticeship fee rates and guidelines to be applied shall be approved by the TESDA
29 Board after a public hearing with the management and labor sectors. The fee shall be
30 collected and paid through the Social Security System (SSS) and transferred to the
31 Apprenticeship Training Fund to be administered by TESDA. The apprenticeship fee
32 rate may be increased by the TESDA Board, subject to the requirements of public

1 hearing. The Apprenticeship Training Fund shall be deemed distinct and separate from
2 the TESDA Development Fund under Section 31 of RA 7796, or the "*TESDA Law*", and
3 as such, shall not be subject to Its Implementing Rules and Regulations. Such an
4 apprenticeship fund may be used to defray expenses of the trainees in the institution
5 or training center, as well as other expenses to be approved by the TESDA Board to
6 improve implementation of the program.

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

17 Sec. 21. *System of Equivalency: Exemption from Probationary Employment.* -
18 Certified apprenticeship graduates shall be exempted from probationary employment.
19 They shall be employed as regular workers if chosen to be retained by the enterprise.
20 Apprenticeship graduates shall likewise be awarded equivalent unit credits in the
21 formal system of education that can be used in pursuing tertiary degree courses
22 subject to the integrated policies and guidelines on equivalence and adult education
23 acceleration program of the TESDA, Commission on Higher Education (CHED) and
24 Department of Education (DePED).

25 Sec. 22. *Insurance for Apprentices.* - Every participating enterprise undertaking
26 training, in accordance with the provisions of this Act, shall provide a disability or
27 accident insurance policy to the apprentice during their apprenticeship period.

28 Sec. 23. *Implementing Rules and Regulations (IRR).* - The Board shall issue the
29 IRR within ninety (90) days after the effectivity of this Act. The non-promulgation of
30 the said IRR shall not hinder the implementation of the provisions of this Act.

31 Sec. 24. *Transitory Provision.* - All existing apprenticeship programs and
32 Training Regulations shall be valid until after the TESDA has conducted an assessment

1 and revalidation for consistency with the provisions of this Act and its Implementing
2 Rules and Regulations.

3 *Sec. 25. Separability Clause.* – If any provision, or part hereof, is held invalid
4 or unconstitutional, the remainder of the law or the provision not otherwise affected
5 shall remain in full force and effect.

6 *Sec. 26. Repealing Clause.* – Pertinent provisions of Presidential Decree 442, or
7 the "*Labor Code of the Philippines*" as amended; Executive Order No. III, series of
8 1986; RA 7796, or the "*TESDA Act of 1994*" and all other laws, decrees, executive
9 orders, and rules and regulations contrary to, or inconsistent with, the provisions of
10 this Act are hereby repealed, amended or modified accordingly.

11 *Sec. 27. Effectivity Clause.* - This Act shall take effect fifteen (15) days after
12 its complete publication in the *Official Gazette* or in at least two (2) newspapers of
13 general circulation in the Philippines.

Approved,