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REPUBLIC OF THE PHILIPPINES)
First Regular Session)



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SENATE
S. No. 2088

RECEIVED BY: 

Introduced by Senator MARK A. VILLAR

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

Technology has transformed the qualifications required by entrepreneurs and businesses from their employees. As business processes and corporate dynamics continuously evolves due to digitalization, there is an apparent mismatch between the skills acquired by graduates in schooling and the skills demanded by employers from job seekers.

Apprenticeship plays an important factor in bridging this gap between education and employment. Thru various existing apprenticeship programs, employment seekers were able to immerse to the reality of the work they intend to join. A meaningful immersion opportunity is necessary and will be achieved by enacting a law that shall reform existing national apprenticeship program.

This bill seeks to provide standards for the training and employment of apprentices, and will provide guidelines that will make apprenticeship more available to entrepreneurs. By enacting this bill, existing national apprenticeship program shall be enhanced towards the development of skilled manpower while recognizing the indispensable role of private enterprises in the training, development and employment of their apprentices. This bill will encourage jobseekers to undergo apprenticeship by providing compensation and opportunity for permanency after the

completion of the said program. Finally, this bill will promote the creation of apprenticeship programs to entrepreneurs as it provides incentives from the taxable income.

If the purpose of this bill is achieved, employment will be sustained and productivity will be ensured, benefitting both employers and employees that will ultimately redound to the improvement of the country's economy.

In view hereof, immediate passage of this bill is earnestly sought.



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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 “*Apprenticeship*
2 *Training Act of 2023*”.

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. *State of Objectives.* – The purpose of this Act are the following:

- 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 worker's participation;
- 5 g) To increase productivity and competitiveness of enterprises by ensuring
6 availability of skilled human resources; and
- 7 h) To harness Corporate Social Responsibility (CRS) 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 an
13 employer on an approved apprenticeable occupation;
- 14 b) *Apprentice* is a person undergoing training for an approved apprenticeable
15 occupation during an established period assured by an apprenticeship
16 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 the
20 rights, duties and responsibilities of each party.
- 21 d) *Apprenticeable Occupation* is an occupation and emphasizing the rights,
22 duties and responsibilities of each party.
- 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 evidence
30 in order to decide whether a person has achieved a standards of
31 competency or competence;

- 1 i) *Training Plan* is the specification for the apprenticeship program for the
2 specific enterprise which described all the learning experience a student
3 undergoes, generally including the competencies to be acquired within the
4 program, the underpinning knowledge, theories and principles and the
5 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 standards 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 standard. Each unit has
13 elements, performance criteria, range of variables and evidence guides;
14 and
- 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 primary 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' group and
12 industry representatives.

13 The apprenticeship program shall emphasize the needs 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 Regulations and on the complexity
18 of 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 qualification as
21 contained in the Training Regulations. A Letter of Application stating the intention
22 and the Certificate of Undertaking and the Taking 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 Enterprise found offering Apprenticeship programs which are not registered
31 with TESDA shall be subjected to program closure proceedings without prejudice to
32 the filling 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 subsector 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. 12. Signing of apprenticeship contract.* – Every apprenticeship contract
13 shall be signed by enterprise owner of 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 interest party or *motu*
10 *proprio*, shall have initially 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 unauthorized 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 applied 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 the on-the-job training and related
23 theoretical instructions;
- 24 b) Willful disobedience to company rules or insubordination to lawful
25 order or superior;
- 26 c) Poor physical condition, permanent disability or prolonged illness
27 which incapacities the apprentices from working;
- 28 d) Theft or malicious destruction of company property and/or
29 equipment;
- 30 e) Poor efficiency or performance on the job or in the classroom for
31 a prolonged period despite warnings duly given to the
32 apprentices; and

1 f) Engaging in violence or other forms of group misconduct inside
2 the employer's premises.

3 2. *By the apprentice:*

4 a) Substandard or deleterious working condition within the
5 employer's premises;

6 b) Repeated violations by the employer of the terms of the
7 apprenticeship agreement;

8 c) Cruel and inhuman treatment by the employer of his
9 subordinates;

10 d) Personal problem which in the opinion of the apprentice shall
11 prevent him from a satisfactory performance of his job; and

12 e) Bad health and continuing illness.

13 II. Procedures of termination of apprenticeship:

14 1. *Apprenticeship Committee Level*

15 a) The party (employer or apprentice) interested in terminating the
16 contract may do so, first, by notifying the Apprenticeship
17 Committee;

18 b) The Committee confers with both parties and mediates and/or
19 settles the differences between them;

20 c) If mediation and/or settlement is not possible, the Committee
21 advises the complainants to apply for said termination with the
22 Apprenticeship Division of the Regional Office concerned.

23 2. *Regional Level*

24 a) The complainant verbally presents his/her case to the
25 Apprenticeship Division. If to the judgment of the Division the
26 complaint merits consideration, he/she is made to duly accomplish
27 an "Application for Termination of Apprenticeship" form.

28 b) The Division verifies as to the veracity and validity of the claim
29 within five (5) days from receipt thereof –

30 1. By calling both parties (employer and apprentice) for
31 conference; or

- 1 2. By sending a representative to the employer's concern
- 2 for the purpose.
- 3 3. In case grounds for approval exist –
- 4 *a.* The investigating officer (field representative)
- 5 initiate the application; and
- 6 *b.* The Chief of the Apprenticeship Division
- 7 verified the same.
- 8 *c.* The application is then immediately forwarded
- 9 to the Regional Director for appropriate action;
- 10 after which a copy of the acted application is
- 11 furnished each the applicant and the second
- 12 party; these processes to be completed within
- 13 three (3) days from receipt of the document by
- 14 the office of said Regional Director.
- 15 *d.* A copy of each approved application is
- 16 furnished the Bureau of Apprenticeship to be
- 17 forwarded to the said Office together with the
- 18 Monthly Performance Report of the
- 19 Apprenticeship Division.

20 3. *Agency Level*

21 If either of the Parties is not satisfied with the decision of the Regional
22 Director, he/she may, within the reglementary period of five (5) days
23 from receipt of the document, appeal the case to the TESDA Director
24 General whose decision shall be final and unappealable.

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

29 *Sec. 19. Training Certificate.* - A Training Certificate shall be issued by the
30 authorized enterprise to signify completion of the apprenticeship program in
31 accordance with the approved training design. The Certificate shall contain a list of

1 units of competency acquired and shall be comparable to completion of a training
2 program in a TVET institution.

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

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

13 The apprenticeship fee rates and guidelines to be applied shall be approved
14 by the TESDA Board after a public hearing with the management and labor sectors.
15 The fee shall be collected and paid through the Social Security System (SSS) and
16 transferred to the Apprenticeship Training Fund to be administered by TESDA. The
17 apprenticeship fee rate may be increased by the TESDA Board subject to the
18 requirements of public hearing.

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

25 Sec. 22. *Incentives.* – An additional deduction from the taxable income
26 equivalent to one-half (1/2) of the value of labor training expenses incurred for
27 developing the productivity and efficiency of apprentices shall be granted to the
28 person or enterprise organizing an apprenticeable program and shall be exempt from
29 the payment of apprenticeship fee. *Provided,* That such program is duly recognized
30 by TESDA: *Provided, further,* That such deduction shall not exceed ten percent
31 (10%) of direct labor wage: *Provided, finally,* That the person or enterprise who
32 wishes to avail himself or itself of this incentive should pay his apprentices the

1 minimum wage. Micro-cottage and small enterprises or those with less than 100
2 employees shall also be exempt from the payment of the apprenticeable fee.

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

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

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

14 *Sec. 25. Transitory Provision.* – All existing apprenticeship programs and
15 Training Regulations shall be valid until after the TESDA has conducted an
16 assessment and revalidation for consistency with the provisions of this Act and its
17 implementing rules and regulations.

18 *Sec. 26. Repealing Clause.* – Pertinent provisions of Presidential Decree 442
19 or the Labor Code of the Philippines as amended, Executive Order No. 111 series of
20 1986, RA 7796 or the TESDA Act of 1994 and all other laws, decrees, executive
21 orders and rules and regulations contrary to or inconsistent with the provisions of
22 this Act are hereby repealed or modified accordingly. Any law, Presidential Decree or
23 issuance, Executive Order, Letter of Instruction, rule or regulation inconsistent with
24 the provisions of this Act is hereby repealed or modified accordingly.

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

28 *Sec. 28. Effectivity.* - This Act shall take effect fifteen (15) days from the date
29 of its complete publication in the Official Gazette or in two (2) newspaper of general
30 circulation.

Approved,