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TITLE : AN ACT TO EXTEND PROTECTION TO LABOR, STRENGTHEN THE  
CONSTITUTIONAL RIGHTS OF WORKERS TO SELF-ORGANIZATION, COLLECTIVE  
BARGAINING AND PEACEFUL CONCERTED ACTIVITIES, FOSTER INDUSTRIAL  
PEACE AND  
HARMONY, PROMOTE THE PREFERENTIAL USE OF VOLUNTARY MODES OF SETTling  
LABOR DISPUTES, AND REORGANIZE THE NATIONAL LABOR RELATIONS  
COMMISSION,  
AMENDING FOR THESE PURPOSES CERTAIN PROVISIONS OF PRESIDENTIAL  
DECREE NO.  
442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE  
PHILIPPINES,  
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

TEXT :

S. No. 530

H. No. 11524

Republic of the Philippines  
Congress of the Philippines  
Metro Manila

Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-fifth day of  
July,  
nineteen hundred and eighty-eight.

[REPUBLIC ACT No. 06715]

AN ACT TO EXTEND PROTECTION TO LABOR,  
STRENGTHEN THE CONSTITUTIONAL RIGHTS OF  
WORKERS TO SELF-ORGANIZATION, COLLECTIVE  
BARGAINING AND PEACEFUL CONCERTED  
ACTIVITIES, FOSTER INDUSTRIAL PEACE AND  
HARMONY, PROMOTE THE PREFERENTIAL USE OF  
VOLUNTARY MODES OF SETTling LABOR DISPUTES,  
AND REORGANIZE THE NATIONAL LABOR RELATIONS  
COMMISSION, AMENDING FOR THESE PURPOSES  
CERTAIN PROVISIONS OF PRESIDENTIAL DECREE  
NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE  
LABOR CODE OF THE PHILIPPINES,  
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER  
PURPOSES

Be it enacted by the Senate and House of Representatives of the

Philippines in Congress assembled.

SECTION 1. Article 110 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, is hereby further amended to read as follows:

"ART. 110. Worker preference in case of bankruptcy.-In the event of bankruptcy or liquidation of an employer's business, his workers shall enjoy first preference as regards their unpaid wages and other monetary claims, any provision of law to the contrary notwithstanding. Such unpaid wages and monetary claims shall be paid in full before the claims of the Government and other creditors may be paid."

SEC. 2. Article 129 of the Labor Code of the Philippines, as amended, is hereby further amended to read as follows:

"ART. 129. Recovery of wages, simple money claims and other benefits.-Upon complaint of any interested party, the Regional Director of the Department of Labor and Employment or any of the duly authorized hearing officers of the Department is empowered, through summary proceeding and after due notice, to hear and decide any matter involving the recovery of wages and other monetary claims and benefits, including legal interest, owing to an employee or person employed in domestic or household service or househelper under this Code, arising from employer-employee relations: Provided, That such complaint does not include a claim for reinstatement; Provided, further, That the aggregate money claims of each employee or househelper do not exceed five thousand pesos (P5,000.00). The Regional Director or hearing officer shall decide or resolve the complaint within thirty (30) calendar days from the date of the filing of the same. Any sum thus recovered on behalf of any employee or househelper pursuant to this Article shall be held in a special deposit account, and shall be paid, on order of the Secretary of Labor and Employment or the Regional Director directly to the employee or househelper concerned. Any such sum not paid to the employee or househelper, because he cannot be located after diligent and reasonable effort to locate him within a period of three (3) years, shall be held as a special fund of the Department of Labor and Employment to be used exclusively for the amelioration and benefit of workers.

"Any decision or resolution of the Regional Director or hearing officer pursuant to this provision may be appealed on the same grounds provided in Article 223 of this Code, within five (5) calendar days from receipt of a copy of said decision or resolution, to the National Labor Relations Commission which shall resolve the appeal within ten (10) calendar days from the submission of the last pleading required or allowed under its rules.

"The Secretary of Labor and Employment or his duly authorized representative may supervise the payment of unpaid wages and other monetary claims and benefits, including legal interest, found

owing to any employee or househelper under this Code."

SEC. 3. Article 211 of the same Code, as amended by Executive Order No. 111, is hereby further amended to read as follows:

"ART. 211. Declaration of policy.-A. It is the policy of the State:

"(a) To promote and emphasize the primacy of free collective bargaining and negotiations, including voluntary arbitration, mediation and conciliation, as modes of settling labor or industrial disputes;

"(b) To promote free trade unionism as an instrument for the enhancement of democracy and the promotion of social justice and development;

"(c) To foster the free and voluntary organization of a strong and united labor movement;

"(d) To promote the enlightenment of workers concerning their rights and obligations as union members and as employees;

"(e) To provide an adequate administrative machinery for the expeditious settlement of labor or industrial disputes;

"(f) To ensure a stable but dynamic and just industrial peace; and

"(g) To ensure the participation of workers in decision and policy-making processes affecting their rights, duties and welfare.

"B. To encourage a truly democratic method of regulating the relations between the employers and employees by means of agreements freely entered into through collective bargaining, no court or administrative agency or official shall have the power to set or fix wages, rates of pay, hours of work or other terms and conditions of employment, except as otherwise provided under this Code."

SEC. 4. Article 212 of the Labor Code of the Philippines, as amended, is further amended to read as follows:

"ART. 212. Definitions.- (a) 'Commission' means the National Labor Relations Commission or any of its divisions, as the case may be, as provided under this Code.

"(b) 'Bureau' means the Bureau of Labor Relations and/or the Labor Relations Divisions in the regional offices established under Presidential Decree No. 1, in the Department of Labor.

"(c) 'Board' means the National Conciliation and Mediation Board established under Executive Order No. 126.

"(d) 'Council' means' the Tripartite Voluntary Arbitration Advisory Council established under Executive Order No. 126, as amended.

"(e) 'Employer' includes any person acting in the interest of an employer, directly or indirectly. The term shall not include any labor organization or any of its officers or agents except when acting as employer.

"(f) 'Employee' includes any person in the employ of an employer. The term shall not be limited to the employees of a particular employer, unless this Code so explicitly states. It shall include any individual whose work has ceased as a result of or in connection with any current labor dispute or because of any unfair labor practice if he has not obtained any other substantially equivalent and regular employment.

"(g) 'Labor organization' means any union or association of employees which exists in whole or in part for the purpose of collective bargaining or of dealing with employers concerning terms and conditions of employment.

"(h) 'Legitimate labor organization' means any labor organization duly registered with the Department of Labor and Employment, and includes any branch or local thereof.

"(i) 'Company union' means any labor organization whose formation, function or administration has been assisted by any act defined as unfair labor practice by this Code.

"(j) 'Bargaining representative' means a legitimate labor organization or any officer or agent of such organization whether or not employed by the employer.

"(k) 'Unfair labor practice' means any unfair labor practice as expressly defined by this Code.

"(l) 'Labor dispute' includes any controversy or matter concerning terms or conditions of employment or the association or representation of persons in negotiating, fixing, maintaining, changing or arranging the terms and conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee.

"(m) 'Managerial employee' is one who is vested with powers or prerogatives to lay down and execute management policies and/or to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees. Supervisory employees are those who, in the interest of the employer, effectively recommend such managerial actions if the exercise of such authority is not merely routinary or clerical in nature but requires the use of independent judgment. All employees not falling within any of the above definitions are considered rank-and-file employees for purposes of

this Book.

"(n) 'Voluntary Arbitrator' means any person accredited by the Board as such, or any person named or designated in the collective bargaining agreement by the parties to act as their voluntary arbitrator, or one chosen, with or without the assistance of the National Conciliation and Mediation Board, pursuant to a selection procedure agreed upon in the collective bargaining agreement, or any official that may be authorized by the Secretary of Labor and Employment to act as voluntary arbitrator upon the written request and agreement of the parties to a labor dispute.

"(o) 'Strike' means any temporary stoppage of work by the concerted action of employees as a result of an industrial or labor dispute.

"(p) 'Lockout' means the temporary refusal of an employer to furnish work as a result of an industrial or labor dispute.

"(q) 'Internal union dispute' includes all disputes or grievances arising from any violation of or disagreement over any provision of the constitution and by-laws of a union, including any violation of the rights and conditions of union membership provided for in this Code.

"(r) 'Strike-breaker' means any person who obstructs, impedes, or interferes with by force, violence, coercion, threats or intimidation any peaceful picketing by employees during any labor controversy affecting wages, hours or conditions of work or in the exercise of the right of self-organization or collective bargaining.

"(s) 'Strike area' means the establishment, warehouses, depots, plants or offices, including the sites or premises used as run-away shops, of the employer struck against, as well as the immediate vicinity actually by picketing strikers in moving to and fro before all points of entrance to and exit from said establishment."

SEC. 5. Article 213 of the Labor Code of the Philippines, as amended, is further amended to read as follows:

"ART. 213. National Labor Relations Commission-There shall be a National Labor Relations Commission which shall be attached to the Department of Labor and Employment for program and policy coordination only, composed of a Chairman and fourteen (14) members-

"Five (5) members each shall be chosen from among the nominees of the workers and employers organizations, respectively. The Chairman and the four (4) remaining members shall come from the public sector, with the latter to be chosen from among the recommendees of the Secretary of Labor and Employment.

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

"The Commission may sit en banc or in five (5) divisions, each composed of three (3) members. The Commission shall sit en banc only for purposes of promulgating rules and regulations governing the hearing and disposition of cases before any of its divisions and regional branches and formulating 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) divisions, the first and second divisions shall handle cases coming from the National Capital Region and the third, fourth and fifth divisions, cases from other parts of Luzon, from the Visayas and Mindanao, respectively. 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 a 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 Chairman shall designate such number of additional Commissioners from the other divisions as may be necessary.

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

"The Chairman shall be the Presiding Commissioner of the first division, and the four (4) other members from the public sector shall be the Presiding Commissioners of the second, third, fourth and fifth divisions, respectively. In case of the effective absence or incapacity of the Chairman, the Presiding Commissioner of the second division shall be the Acting Chairman.

"The Chairman, aided by the Executive Clerk of the Commission, shall have administrative supervision over the Commission and its regional branches and all its personnel, including the Executive Labor Arbiters and Labor Arbiters.

"The Commission, when sitting en banc, shall be assisted by the same Executive Clerk, and, when acting thru its divisions, by said Executive Clerk for its first division and four (4) other Deputy Executive Clerks for the second, third, fourth and fifth divisions, respectively, in the performance of such similar or

equivalent functions and duties is are discharged by the Clerk of Court and Deputy Clerks of Court of the Court of Appeals."

SEC. 6. Article 214 of the same Code, as amended, is further amended to read as follows:

"ART. 214. Headquarters, branches and provincial extension units.-The Commission and its first, second and third divisions shall have their main offices in Metropolitan Manila, and the fourth and fifth divisions in the cities of Cebu and Cagayan de Oro, respectively. The Commission shall establish as many regional branches as there are regional offices of the Department of Labor and Employment, sub-regional branches or provincial extension units. There shall be as many labor arbiters as may be necessary for the effective and efficient operation of the Commission. Each regional branch shall be headed by an Executive Labor Arbiter."

SEC. 7. Article 215 of the same Code is amended to read as follows:

"ART. 215. Appointment and qualifications.-The Chairman and other Commissioners shall be members of the Philippine Bar and must have been engaged in the practice of law in the Philippines for at least fifteen (15) years, with at least five (5) years experience or exposure in the field of labor-management relations, and shall preferably be residents of the region where they are to hold office. The Executive Labor Arbiters and Labor Arbiters shall likewise be members of the Philippine Bar and must have been engaged in the practice of law in the Philippines for at least seven (7) years, with at least three (3) years experience or exposure in the field of labor-management relations: Provided, however, That incumbent Executive Labor Arbiters and Labor Arbiters who have been engaged in the practice of law for at least five (5) years may be considered as already qualified for purposes of reappointment as such under this Act.

"The Chairman and the other Commissioners, the Executive Labor Arbiters and Labor Arbiters shall hold office during good behavior until they reach the age of sixty-five (65) years, unless sooner removed for cause as provided by law or become incapacitated to discharge the duties of their office.

"The Chairman, the Division Presiding Commissioners and other Commissioners shall all be appointed by the President, subject to confirmation by the Commission on Appointments. Appointment to any vacancy shall come from the nominees of the sector which nominated the predecessor. The Executive Labor Arbiters ana Labor Arbiters shall also be appointed by the President, upon recommendation of the Secretary of Labor and Employment, and shall be subject to the Civil Service Law, rules and regulations.

"The Secretary of Labor and Employment shall, in consultation with the Chairman of the Commission, appoint the staff and employes of the Commission and its regional branches as the needs

of the service may require, subject to the Civil Service Law, rules and regulations, and upgrade their current salaries, benefits and other emoluments in accordance with law."

SEC. 8. Article 216 of the same Code is amended to read as follows:

"ART. 216. Salaries, benefits and other emoluments.-The Chairman and members of the Commission shall receive an annual salary at least equivalent to, and be entitled to the same allowances and benefits as, those of the Presiding Justice and Associate Justices of the Court of Appeals, respectively. The Executive Labor Arbiters shall receive an annual salary at least equivalent to that of an Assistant Regional Director of the Department of Labor and Employment and shall be entitled to the same allowances and benefits as that of a Regional Director of said department. The Labor Arbiters shall receive an annual salary at least equivalent to, and be entitled to the same allowances and benefits as, that of an Assistant Regional Director of the Department of Labor and Employment. In no case, however, shall the provision of this Article result in the diminution of existing salaries, allowances and benefits of the aforementioned officials."

SEC. 9. Article 217 of the same Code, as amended, is hereby further amended to read as follows:

"ART. 217. Jurisdiction of Labor Arbiters and the Commission.- (a) Except as otherwise provided under this Code, the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:

"(1) Unfair labor practice cases;

"(2) Termination disputes;

"(3) If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;

"(4) Claims for actual, moral, exemplary and other forms of damages arising from the employer-employee relations;

"(5) Cases arising from any violation of Article 264 of this Code, including questions involving the legality of strikes and lockouts; and

"(6) Except claims for employees compensation, social security, medicare and maternity benefits, all other claims arising from employee-employee relations, including those of persons in domestic or household service, involving an amount exceeding five



thousand pesos (P5,000.00), whether or not accompanied with a claim for reinstatement.

"(b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.

"(c) Cases arising from the interpretation or implementation of collective bargaining agreements and those arising from the interpretation or enforcement of company personnel policies shall be disposed of by the Labor Arbiter by referring the same to the grievance machinery and voluntary arbitration as may be provided in said agreements."

SEC. 10. Article 218, paragraphs (a), (d) and (e) thereof are hereby amended to read as follows:

"(a) To promulgate rules and regulations governing the hearing and disposition of cases before it and its regional branches, as well as those pertaining to its internal functions and such rules and regulations as may be necessary to carry out the purposes of this Code;

"(d) To hold any person in contempt directly or indirectly and impose appropriate penalties therefor in accordance with law.

"A person guilty of misbehavior in the presence of or so near the Chairman or any member of the Commission or any Labor Arbiter as to obstruct or interrupt the proceedings before the same, including disrespect toward said officials, offensive personalities toward others, or refusal to be sworn or to answer as a witness, or to subscribe an affidavit or deposition when lawfully required to do so, may be summarily adjudged in direct contempt by said officials and punished by fine not exceeding five hundred pesos (P500) or imprisonment not exceeding five (5) days, or both if it be the Commission or a member thereof, or by a fine not exceeding one hundred pesos (P100) or imprisonment not exceeding one (1) day, or both if it be a Labor Arbiter.

"The person adjudged in direct contempt by a Labor Arbiter may appeal to the Commission and the execution of the judgment shall be suspended pending the resolution of the appeal upon the filing of such person of a bond on condition that he will abide by and perform the judgment of the Commission should the appeal be decided against him. Judgment of the Commission on direct contempt is immediately executory and unappealable. Indirect contempt shall be dealt with by the Commission or Labor Arbiter in the manner prescribed under Rule 71 of the Revised Rules of Court; and

"(e) To enjoin or restrain any actual or threatened commission of any or all prohibited or unlawful acts or to require the performance of a particular act in any labor dispute which, if not restrained or performed forthwith, may cause grave or irreparable damage to any party or render ineffectual any decision in favor of such party: Provided, That no temporary or permanent injunction in

any case involving or growing out of a labor dispute as defined in this Code shall be issued except after hearing the testimony of witnesses, with opportunity for cross-examination, in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and only after a finding of fact by the Commission, to the effect:

"(1) That prohibited or unlawful acts have been threatened and will be committed unless restrained, or have been committed and will be continued unless restrained, but no injunction or temporary restraining order shall be issued on account of any threat, prohibited or unlawful act, except against the person or persons, association or organization making the threat or committing the prohibited or unlawful act or actually authorizing or ratifying the same after actual knowledge thereof;

"(2) That substantial and irreparable injury to complainant's property will follow;

"(3) That, as to each item of relief to be granted, greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

"(4) That complainant has no adequate remedy at law; and

"(5) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

"Such hearing shall be held after due and personal notice thereof has been served, in such manner as the Commission shall direct, to all known persons against whom relief is sought, and also to the Chief Executive and other public officials of the province or city within which the unlawful acts have been threatened or committed charged with the duty to protect complainant's property: Provided, however, That if a complainant shall also allege that, unless a temporary restraining order shall be issued without notice, a substantial and irreparable injury to complainant's property will be unavoidable, such a temporary restraining order may be issued upon testimony under oath, sufficient, if sustained, to justify the Commission in issuing a temporary injunction upon hearing after notice. Such a temporary restraining order shall be effective for no longer than twenty (20) days and shall become void at the expiration of said twenty (20) days. No such temporary restraining order or temporary injunction shall be issued except on condition that complainant shall first file an undertaking with adequate security in an amount to be fixed by the Commission sufficient to recompense those enjoined for any loss, expense or damage caused by the improvident or erroneous issuance of such order or injunction, including all reasonable costs, together with a reasonable attorney's fee, and expense of defense against the order or against the granting of any injunctive relief sought in the same proceeding and subsequently denied by the Commission.

"The undertaking herein mentioned shall be understood to constitute an agreement entered into by the complainant and the surety upon which an order may be rendered in the same suit or proceeding against said complainant and surety, upon a hearing to assess damages, of which hearing complainant and surety shall have reasonable notice, the said complainant and surety submitting themselves to the jurisdiction of the Commission for that purpose. But nothing herein contained shall deprive any party having a claim or cause of action under or upon such undertaking from electing to pursue his ordinary remedy by suit at law or in equity: Provided, further, That the reception of evidence for the application of a writ of injunction may be delegated by the Commission to any of its Labor Arbiters who shall conduct such hearings in such places as he may determine to be accessible to the parties and their witnesses and shall submit thereafter his recommendation to the Commission." SEC. 11, Article 221 of the same Code is hereby amended to read as follows:

"ART. 221. Technical rules not binding and prior resort to amicable settlement.-In any proceeding before the Commission or any of the Labor Arbiters, the rules of evidence prevailing in courts of law or equity shall not be controlling, and it is the spirit and intention of this Code that the Commission and its members and the Labor Arbiters shall use every and all reasonable means to ascertain the facts in each case speedily and objectively, without regard to technicalities of law or procedure, all in the interest of due process. In any proceeding before the Commission or any Labor Arbiter, the parties may be represented by legal counsel but it shall be the duty of the Chairman, any Presiding Commissioner or Commissioner or any Labor Arbiter to exercise complete control of the proceedings at all stages.

"Any provision of law to the contrary notwithstanding, the Labor Arbiter shall exert all efforts towards the amicable settlement of a labor dispute within his jurisdiction on or before the first hearing. The same rule shall apply to the Commission in the exercise of its original jurisdiction."

SEC. 12. Article 223 of the same Code is amended to read as follows:

"ART. 223. Appeal.-Decisions, awards, or orders of the Labor Arbiter are final and executory unless appealed to the Commission by any or both parties within ten (10) calendar days from receipt of such decisions, awards, or orders. Such appeal may be entertained only on any of the following grounds:

"(a) If there is prima facie evidence of abuse of discretion on the part of the Labor Arbiter;

"(b) If the decision, order or award was secured through fraud or coercion, including graft and corruption;

"(c) If made purely on questions of law; and

"(d) If serious errors in the findings of facts are raised which would cause grave or irreparable damage or injury to the appellant.

"In case of a judgment involving a monetary award, an appeal by the employer may be perfected only upon the posting of a cash or surety bond issued by a reputable bonding company duly accredited by the Commission in the amount equivalent to the monetary award in the judgment appealed from.

"In any event, the decision of the Labor Arbiter reinstating a dismissed or separated employee, insofar as the reinstatement aspect is concerned, shall immediately be executory, even pending appeal. The employee shall either be admitted back to work under the same terms and conditions prevailing prior to his dismissal or separation or, at the option of the employer, merely reinstated in the payroll. The posting of a bond by the employer shall not stay the execution for reinstatement provided herein.

"To discourage frivolous or dilatory appeals, the Commission or the Labor Arbiter shall impose reasonable penalty, including fines or censures, upon the erring parties.

"In all cases, the appellant shall furnish a copy of the memorandum of appeal to the other party who shall file an answer not later than ten (10) calendar days from receipt thereof. "The Commission shall decide all cases within twenty (20) calendar days from receipt of the answer of the appellee.

"The decision of the Commission shall be final and executory after ten (10) calendar days from receipt thereof by the parties.

"Any law enforcement agency may be deputized by the Secretary of Labor and Employment or the Commission in the enforcement of decisions, awards, or orders."

SEC. 13. Article 224 of the same Code is amended to read as follows:

"ART. 224. Execution of decisions, orders, or awards. -(a) The Secretary of Labor and Employment or any Regional Director, the Commission or any Labor Arbiter or Med-Arbiter, or the voluntary arbitrator or panel of voluntary arbitrators may, motu proprio or on motion of any interested party, issue a writ of execution on a judgment within five (5) years from the date it becomes final and executory, requiring a sheriff or a duly deputized officer to execute or enforce final decisions, orders or awards of the Secretary of Labor and Employment or Regional Director, the Commission, or the Labor Arbiter or Med-Arbiter, or voluntary arbitrator or panel of voluntary arbitrators. In any case, it shall be the duty of the responsible officer to separately furnish immediately the counsels of record and the parties with copies of

said decisions, orders or awards. Failure to comply with the duty prescribed herein shall subject such responsible officer to appropriate administrative sanctions.

"(b) The Secretary of Labor and Employment, and the Chairman of the Commission may designate special sheriffs and take any measure under existing laws to ensure compliance with their decisions, orders or awards and those of Labor Arbiters and voluntary arbitrators or panel of voluntary arbitrators, including the imposition of administrative fines which shall not be less than five hundred pesos (P500.00) nor more than ten thousand pesos (P10,000.00)."

SEC. 14. The second paragraph of Article 226 of the same Code is likewise hereby amended to read as follows:

"The Bureau shall have fifteen (15) calendar days to act on labor cases before it, subject to extension by agreement of the parties."

SEC. 15. Articles 230, 231 and 232 of the same Code are amended to read as follows:

"ART. 230. Appointment of bureau personnel.-The Secretary of Labor and Employment may appoint, in addition to the present personnel of the Bureau and the Industrial Relations Divisions, such number of examiners and other assistants as may be necessary to carry out the purpose of this Code."

"ART. 231. Registry of unions and file of collective agreements.-The Bureau shall keep a registry of legitimate labor organizations.

"The Bureau shall also maintain a file of all collective bargaining agreements and other related agreements and records of settlement of labor disputes, and copies of orders, and decisions of voluntary arbitrators or panel of voluntary arbitrators. The file shall be open and accessible to interested parties under conditions prescribed by the Secretary of Labor and Employment, provided that no specific information submitted in confidence shall be disclosed unless authorized by the Secretary, or when it is at issue in any judicial litigation or when public interest or national security so requires.

"Within thirty (30) days from the execution of a collective bargaining agreement, the parties shall submit copies of the same directly to the Bureau or the Regional Offices of the Department of Labor and Employment for registration accompanied with verified proofs of its posting in two conspicuous places in the place of work and ratification by the majority of all the workers in the bargaining unit. The Bureau or Regional Offices shall act upon the application for registration of such collective bargaining agreement within five (5) calendar days from receipt thereof. The Regional Offices shall furnish the Bureau with a copy of the

collective bargaining agreement within five (5) days from its submission.

"The Bureau or Regional Office shall assess the employer for every collective bargaining agreement a registration fee of not less than one thousand pesos (P1,000.00) or in any other amount as may be deemed appropriate and necessary by the Secretary of Labor and Employment for the effective and efficient administration of the voluntary arbitration program. Any amount collected under this provision shall accrue to the Special Voluntary Arbitration Fund.

"The Bureau shall also maintain a file, and shall undertake or assist in the publication, of all final decisions, orders and awards of the Secretary of Labor and Employment, Regional Directors and the Commission."

"ART. 232. Prohibition on certification election.-The Bureau shall not entertain any petition for certification election or any other action which may disturb the administration of duly registered existing collective bargaining agreements affecting the parties except under Articles 253, 253-A and 256 of this Code."

SEC. 16. Paragraphs (c) and (j) of Article 241 of the same Code are amended to read as follows:

"(c) The members shall directly elect their officers in the local union, as well as their national officers in the national union or federation to which they or their local union is affiliated, by secret ballot at intervals of five (5) years. No qualification requirement for candidacy to any position shall be imposed other than membership in good standing in subject labor organization. The secretary or any other responsible union officer shall furnish the Secretary of Labor and Employment with a list of the newly-elected officers, together with the appointive officers or agents who are entrusted with the handling of funds within thirty (30) calendar days after the election of officers or from the occurrence of any change in the list of officers of the labor organization;

"(j) Every income or revenue of the organization shall be evidenced by a record showing its source, and every expenditure of its funds shall be evidenced by a receipt from the person to whom the payment is made, which shall state the date, place and purpose of such payment. Such record or receipt shall form part of the financial records of the organization.

"Any action involving the funds of the organization shall prescribe after three (3) years from the date of submission of the annual financial report to the Department of Labor and Employment or from the date the same should have been submitted as required by law, whichever comes earlier: Provided, That this provision shall apply only to a legitimate labor organization which has submitted the financial report requirements under this Code:

Provided, further, That failure of any labor organization to comply with the periodic financial reports required by law and such rules and regulations promulgated thereunder six (6) months after the effectivity of this Act shall automatically result in the cancellation of union registration of such labor organization."

SEC. 17. Article 242 of the same Code is amended to read as follows:

"ART. 242. Rights of legitimate labor organizations. -A legitimate labor organization shall have the right:

"(a) To act as the representative of its members for the purpose of collective bargaining; "(b) To be certified as the exclusive representative of all the employees in an appropriate collective bargaining unit for purposes of collective bargaining;

"(c) To be furnished by the employer, upon written request, with his annual audited financial statements, including the balance sheet and the profit and loss statement, within thirty (30) calendar days from the date of receipt of the request, after the union has been duly recognized by the employer or certified as the sole and exclusive bargaining representative of the employees in the bargaining unit, or within sixty (60) calendar days before the expiration of the existing collective bargaining agreement, or during the collective bargaining negotiation.

"(d) To own property, real or personal, for the use and benefit of the labor organization and its members;

"(e) To sue and be sued in its registered name; and

"(f) To undertake all other activities designed to benefit the organization and its members, including cooperative, housing welfare and other projects not contrary to law.

"Notwithstanding any provision of a general or special law to the contrary, the income, and the properties of legitimate labor organizations, including grants, endowments, gifts, donations and contributions they may receive from fraternal and similar organizations, local or foreign, which are actually, directly and exclusively used for their lawful purposes, shall be free from taxes, duties and other assessments. The exemptions provided herein may be withdrawn only by a special law expressly repealing this provision."

SEC. 18. Article 245 of the same Code, as amended, is hereby further amended to read as follows:

"ART. 245. Ineligibility of managerial employees to join any labor organization; right of supervisory employees.-Managerial employees are not eligible to join, assist or form any labor organization. Supervisory employees shall not be eligible for

membership in a labor organization of the rank-and-file employees but may join, assist or form separate labor organizations of their own."

SEC. 19. The third paragraph of Article 247 of the same Code, as amended, is further amended to read as follows:

"Subject to the exercise by the President or by the Secretary of Labor and Employment of the powers vested in them by Articles 263 and 264 of this Code, the civil aspects of all cases involving unfair labor practices, which may include claims for actual, moral, exemplary and other forms of damages, attorney's fees and other affirmative relief, shall be under the jurisdiction of the Labor Arbiters. The Labor Arbiters shall give utmost priority to the hearing and resolution of all cases involving unfair labor practices. They shall resolve such cases within thirty (30) calendar days from the time they are submitted for decision."

SEC. 20. Article 250 of the same Code is amended to read as follows:

"ART. 250. Procedure in collective bargaining.-The following procedures shall be observed in collective bargaining:

"(a) When a party desires to negotiate an agreement, it shall serve a written notice upon the other party with a statement of its proposals. The other party shall make a reply thereto not later than ten (10) calendar days from receipt of such notice;

"(b) Should differences arise on the basis of such notice and reply, either party may request for a conference which shall begin not later than ten (10) calendar days from the date of request;

"(c) If the dispute is not settled, the Board shall intervene upon request of either or both parties or at its own initiative and immediately call the parties to conciliation meetings. The Board shall have the power to issue subpoenas requiring the attendance of the parties to such meetings. It shall be the duty of the parties to participate fully and promptly in the conciliation meetings the Board may call;

"(d) During the conciliation proceedings in the Board, the parties are prohibited from doing any act which may disrupt or impede the early settlement of the disputes; and

"(e) The Board shall exert all efforts to settle disputes amicably and encourage the parties to submit their case to a voluntary arbitrator."

SEC. 21. There shall be incorporated after Article 253 of the same Code a new article which shall read as follows:

"ART. 253-A. Terms of a collective bargaining agreement.-Any collective bargaining agreement that the parties may enter into



shall, insofar as the representation aspect is concerned, be for a term of five (5) years. No petition questioning the majority status of the incumbent bargaining agent shall be entertained and no certification election shall be conducted by the Department of Labor and Employment outside of the sixty-day period immediately before the date of expiry of such five year term of the collective bargaining agreement. All other provisions of the collective bargaining agreement shall be renegotiated not later than three (3) years after its execution. Any agreement on such other provisions of the collective bargaining agreement entered into six (6) months from the date of expiry of the term of such other provisions as fixed in the collective bargaining agreement, shall retroact to the day immediately following such date. If any such agreement is entered into beyond six months, the parties shall agree on the duration of retroactivity thereof. In case of a deadlock in the renegotiation of the collective bargaining agreement, the parties may exercise their rights under this Code."

SEC. 22. Article 255 of the Labor Code. as amended, is hereby amended to read as follows:

"ART. 255. Exclusive bargaining representation and workers' participation in policy and decision-making.-The labor organization designated or selected by the majority of the employees in an appropriate collective bargaining unit shall be the exclusive representative of the employees in such unit for the purpose of collective bargaining. However, an individual employee or group of employees shall have the right at any time to present grievances to their employer.

"Any provision of law to the contrary notwithstanding, workers shall have the right, subject to such rules and regulations as the Secretary of Labor and Employment may promulgate, to participate in policy and decision-making processes of the establishment where they are employed insofar as said processes will directly affect their rights, benefits and welfare. For this purpose, workers and employers may form labor-management councils: Provided, That the representatives of the workers in such labor-management councils shall be elected by at least the majority of all employees in said establishment."

SEC. 23. Article 256 of the same Code, as amended, is further amended to read as follows:

"ART. 256. Representation issue in organized establishments.-In organized establishments, when a verified petition questioning the majority status of the incumbent bargaining agent is filed before the Department of Labor and Employment within the sixty-day period before the expiration of a collective bargaining agreement, the Med-Arbitrator shall automatically order an election by secret ballot when the verified petition is supported by the written consent of at least twenty-five percent (25%) of all the employees in the bargaining unit to ascertain the will of the employees in the appropriate bargaining unit. To have a valid election, at least a

majority of all eligible voters in the unit must have cast their votes. The labor union receiving the majority of the valid votes cast shall be certified as the exclusive bargaining agent of all the workers in the unit. When an election which provides for three or more choices results in no choice receiving a majority of the valid votes cast, a run-off election shall be conducted between the labor unions receiving the two highest number of votes: Provided, That the total number of votes for all contending unions is at least fifty per cent (50%) of the number of votes cast.

"At the expiration of the freedom period, the employer shall continue to recognize the majority status of the incumbent bargaining agent where no petition for certification election is filed."

SEC. 24. Article 257 of the same Code is amended to read as follows:

"ART. 257. Petitions in unorganized establishments.-In any establishment where there is no certified bargaining agent, a certification election shall automatically be conducted by the Med-Arbiter upon the filing of a petition by a legitimate labor organization."

SEC. 25. Article 259 of the same Code is also hereby amended to read as follows:

"ART. 259. Appeal from certification election orders. -Any party to an election may appeal the order or results of the election as determined by the Med-Arbiter directly to the Secretary of Labor and Employment on the ground that the rules and regulations or parts thereof established by the Secretary of Labor and Employment for the conduct of the election have been violated. Such appeal shall be decided within fifteen (15) calendar days."

SEC. 26. There shall be incorporated after Article 259 of the same Code a new chapter to read as follows:

#### TITLE VII-A

#### GRIEVANCE MACHINERY AND VOLUNTARY ARBITRATION

"ART. 260. Grievance machinery and voluntary arbitration.-The parties to a collective bargaining agreement shall include therein provisions that will ensure the mutual observance of its terms and conditions. They shall establish a machinery for the adjustment and resolution of grievances arising from the interpretation or implementation of their collective bargaining agreement and those arising from the interpretation or enforcement of company personnel policies.

"All grievances submitted to the grievance machinery while are not settled within seven (7) calendar days from the date of its

submission shall automatically be referred to voluntary arbitration prescribed in the collective bargaining agreement.

"For this purpose, parties to a collective bargaining agreement shall name and designate in advance a voluntary arbitrator or panel of voluntary arbitrators, or include in the agreement a procedure for the selection of such voluntary arbitrator or panel of voluntary arbitrators, preferably from the listing of qualified voluntary arbitrators duly accredited by the Board. In case the parties fail to select a voluntary arbitrator or panel of voluntary arbitrators, the Board shall designate the voluntary arbitrator or panel of voluntary arbitrators, as may be necessary, pursuant to the selection procedure agreed upon in the collective bargaining agreement, which shall act with the same force and effect as if the voluntary arbitrator or panel of voluntary arbitrators have been selected by the parties as described above."

"ART. 261. Jurisdiction of voluntary arbitrators and panel of voluntary arbitrators.-The voluntary arbitrator or panel of voluntary arbitrators shall have original and exclusive jurisdiction to hear and decide all unresolved grievances arising from the interpretation or implementation of the collective bargaining agreement and those arising from the interpretation or enforcement of company personnel policies referred to in the immediately preceding Article. Accordingly, violations of a collective bargaining agreement, except these which are gross in character, shall no longer be treated as unfair labor practice and shall be resolved as grievances under the collective bargaining agreement. For purposes of this Article, gross violations of a collective bargaining agreement shall mean flagrant and/or malicious refusal to comply with the economic provisions of such agreement.

"The Commission, its Regional Offices and the Regional Directors of the Department of Labor and Employment shall not entertain disputes, grievances or matters under the exclusive and original jurisdiction of the voluntary arbitrator or panel of voluntary arbitrators and shall immediately dispose and refer the same to the grievance machinery or voluntary arbitration provided in the collective bargaining agreement."

"ART. 262. Jurisdiction over other labor disputes.-The voluntary arbitrator or panel of voluntary arbitrators, upon agreement of the parties, shall also hear and decide all other labor disputes including unfair labor practices and bargaining deadlocks.

"ART. 262-A. Procedures-The voluntary arbitrator or panel of voluntary arbitrators shall have the power to hold hearings, receive evidences and take whatever action is necessary to resolve the issue or issues subject of the dispute, including efforts to effect a voluntary settlement between parties.

"All parties to the dispute shall be entitled to attend the arbitration proceedings. The attendance of any third party or the

exclusion of any witness from the proceedings shall be determined by the voluntary arbitrator or panel of voluntary arbitrators. Hearings may be adjourned for cause or upon agreement by the parties.

"Unless the parties agree otherwise, it shall be mandatory for the voluntary arbitrator or panel of voluntary arbitrators to render an award or decision within twenty (20) calendar days from the date of submission of the dispute to voluntary arbitration.

"The award or decision of the voluntary arbitrator or panel of voluntary arbitrators shall contain the facts and the law on which it is based. It shall be final and executory after ten (10) calendar days from receipt of the copy of the award or decision by the parties.

"Upon motion of any interested party, the voluntary arbitrator or panel of voluntary arbitrators or the Labor Arbiter in the region where the movant resides, in case of the absence or incapacity of the voluntary arbitrator or panel of voluntary arbitrators for any reason, may issue a writ of execution requiring either the sheriff of the Commission or regular courts or any public official whom the parties may designate in the submission agreement to execute the final decision, order or award."

"ART. 262-B. Cost of voluntary arbitration and voluntary arbitrator's fee.-The parties to a collective bargaining agreement shall provide therein a proportionate sharing scheme on the cost of voluntary arbitration including the voluntary arbitrator's fee. The fixing of fee of voluntary arbitrators or panel of voluntary arbitrators, whether shouldered wholly by the parties or subsidized by the Special Voluntary Arbitration Fund, shall take into account the following factors:

"(a) Nature of the case;

"(b) Time consumed in hearing the case;

"(c) Professional standing of the voluntary arbitrator;

"(d) Capacity to pay of the parties; and

"(e) Fees provided for in the Revised Rules of Court."

SEC. 27. Paragraphs (g) and (i) of Article 263 of the same Code, as amended, are hereby further amended to read as follows:

"(g) When, in his opinion, there exists a labor dispute causing or likely to cause a strike or lockout in an industry indispensable to the national interest, the Secretary of Labor and Employment may assume jurisdiction over the dispute and decide it or certify the same to the Commission for compulsory arbitration. Such assumption or certification shall have the effect of

automatically enjoining the intended or impending strike or lockout as specified in the assumption or certification order. If one has already taken place at the time of assumption or certification, all striking or locked out employees shall immediately return to work and the employer shall immediately resume operations and readmit all workers under the same terms and conditions prevailing before the strike or lockout. The Secretary of Labor and Employment or the Commission may seek the assistance of law enforcement agencies to ensure compliance with this provision as well as with such orders as he may issue to enforce the same.

"In line with the national concern for and the highest respect accorded to the right of patients to life and health, strikes and lockouts in hospitals, clinics and similar medical institutions shall, to every extent possible, be avoided, and all serious efforts, not only by labor and management but government as well, be exhausted to substantially minimize, if not prevent, their adverse effects on such life and health, through the exercise, however legitimate, by labor of its right to strike and by management to lockout. In labor disputes adversely affecting the continued operation of such hospitals, clinics or medical institutions, it shall be the duty of the striking union or locking-out employer to provide and maintain an effective skeletal workforce of medical and other health personnel, whose movement and services shall be unhampered and unrestricted, as are necessary to insure the proper and adequate protection of the life and health of its patients, most especially emergency cases, for the duration of the strike or lockout. In such cases, therefore, the Secretary of Labor and Employment may immediately assume, within twenty four (24) hours from knowledge of the occurrence of such a strike or lockout, jurisdiction over the same or certify it to the Commission for compulsory arbitration. For this purpose, the contending parties are strictly enjoined to comply with such orders, prohibitions and/or injunctions as are issued by the Secretary of Labor and Employment or the Commission, under pain of immediate disciplinary action, including dismissal or loss of employment status or payment by the locking-out employer of backwages, damages and other affirmative relief, even criminal prosecution against either or both of them.

"The foregoing notwithstanding, the President of the Philippines shall not be precluded from determining the industries that, in his opinion, are indispensable to the national interest, and from intervening at any time and assuming jurisdiction over any labor dispute in such industries in order to settle or terminate the same.

"(i) The Secretary of Labor and Employment, the Commission or the voluntary arbitrator or panel of voluntary arbitrators shall decide or resolve the dispute within thirty (30) calendar days from the date of the assumption of jurisdiction or the certification or submission of the dispute, as the case may be. The decision of the President, the Secretary of Labor and

Employment, the Commission or the voluntary arbitrator or panel of voluntary arbitrators shall be final and executory ten (10) calendar days after receipt thereof by the parties."

SEC. 28. There is hereby incorporated in lieu of Article 265 of the same Code, which was repealed by Batas Pambansa Blg. 130, a new provision to read as follows:

"ART. 265. Improved offer balloting.-In an effort to settle a strike, the Department of Labor and Employment shall conduct a referendum by secret balloting on the improved offer of the employer on or before the 30th day of the strike. When at least a majority of the union members vote to accept the improved offer, the striking workers shall immediately return to work and the employer shall thereupon readmit them upon the signing of the agreement.

"In case of a lockout, the Department of Labor and Employment shall also conduct a referendum by secret balloting on the reduced offer of the union on or before the 30th day of the lockout. When at least a majority or the board of directors or trustees or the partners holding the controlling interest in the case of a partnership vote to accept the reduced offer, the workers shall immediately return to work and the employer shall thereupon readmit them upon the signing of the agreement."

SEC. 29. Article 269 of the same Code is amended to read as follows;

"ART. 269. Prohibition against aliens; Exceptions.-All aliens, natural or juridical, as well as all foreign organizations are strictly prohibited from engaging directly or indirectly in all forms of trade union activities without prejudice to normal contacts between Philippine labor unions and recognized international labor centers: Provided, however, That aliens working in the country with valid permits issued by the Department of Labor and Employment, may exercise the right to self-organization and join or assist labor organizations of their own choosing for purposes of collective bargaining: Provided, further, That said aliens are nationals of a country which grants the same or similar rights to Filipino workers."

SEC. 30. Paragraph (a) of Article 272 of the same Code is hereby amended to read as follows:

"ART. 272. Penalties.- (a) Any person violating any of the provisions of Article 264 of this Code shall be punished by a fine of not less than one thousand pesos (P1,000.00) nor more than ten thousand pesos (P10,000.00) and/or imprisonment for not less than three (3) months nor more than three (3) years, or both such fine and imprisonment, at the discretion of the court. Prosecution under this provision shall preclude prosecution for the same act under the Revised Penal Code, and vice versa."

SEC. 31. Article 274 of the same Code is amended to read as follows:

"ART. 274. Visitorial power.-The Secretary of Labor and Employment or his duly authorized representative is hereby empowered to inquire into the financial activities of legitimate labor organizations upon the filing of a complaint under oath and duly supported by the written consent of at least twenty percent (20%) of the total membership of the labor organization concerned and to examine their books of accounts and other records to determine compliance or non-compliance with the law and to prosecute any violations of the law and the union constitution and by-laws: Provided, That such inquiry or examination shall not be conducted during the sixty (60) day freedom period nor within thirty (30) days immediately preceding the date of election of union officials."

SEC. 32. Article 275 of the same Code is hereby amended to read as follows:

"ART. 275. Tripartism and tripartite conferences.- (a) Tripartism in labor relations is hereby declared a State policy. Towards this end, workers and employers shall, in far as practicable, be represented in decision and policy-making bodies of the government.

"(b) The Secretary of Labor and Employment or his duly authorized representatives may from time to time call a national, regional, or industrial tripartite conference of representatives of government, workers and employers for the consideration and adoption of voluntary codes of principles designed to promote industrial peace based on social justice or to align labor movement relations with established priorities in economic and social development. In calling such conference, the Secretary of Labor and Employment may consult with accredited representatives of workers and employers."

SEC. 33. Paragraphs (a), (b), (c), (f), (h) and (i) of Article 277 of the same Code, as amended, is further amended to read as follows:

"(a) All unions are authorized to collect reasonable membership fees, union dues, assessments and fines and other contributions for labor education and research, mutual death and hospitalization benefits, welfare fund, strike fund and credit and cooperative undertakings.

"(b) Subject to the constitutional right of workers to security of tenure and their right to be protected against dismissal except for a just or authorized cause and without prejudice to the requirement of notice under Article 283 of this Code, the employer shall furnish the worker whose employment is sought to be terminated a written notice containing a statement of the causes for termination and shall afford the latter ample opportunity to

be heard and to defend himself with the assistance of his representative if he so desires in accordance with company rules and regulations promulgated pursuant to guidelines set by the Department of Labor and Employment. Any decision taken by the employer shall be without prejudice to the right of the worker to contest the validity or legality of his dismissal by filing a complaint with the regional branch of the National Labor Relations Commission. The burden of proving that the termination was for a valid or authorized cause shall rest on the employer. The Secretary of Labor and Employment may suspend the effects of the termination pending resolution of the dispute in the event of a prima facie finding by the appropriate official of the Department of Labor and Employment before whom such dispute is pending that the termination may cause a serious labor dispute or is in implementation of a mass lay-off.

"(c) Any employee, whether employed for a definite period or not, shall, beginning on his first day of service, be considered an employee for purposes of membership in any labor union."

"(f) A Special Voluntary Arbitration Fund is hereby established in the Board to subsidize the cost of voluntary arbitration in cases involving the interpretation and implementation of the collective bargaining agreement, including the arbitrator's fees, and for such other related purposes to promote and develop voluntary arbitration. The Board shall administer the Special Voluntary Arbitration Fund in accordance with the guidelines it may adopt upon the recommendation of the Council, which guidelines shall be subject to the approval of the Secretary of Labor and Employment. Continuing funds needed for this purpose in the initial yearly amount of fifteen million pesos (P15,000,000.00) shall be provided in the 1989 and subsequent annual General Appropriations Acts.

"The amount of subsidy in appropriate cases shall be determined by the Board in accordance with established guidelines issued by it upon the recommendation of the Council.

"The fund shall also be utilized for the operation of the Council, the training and education of voluntary arbitrators, and the promotion and development of a comprehensive voluntary arbitration program.

"(h) In establishments where no legitimate labor organization exists, labor-management committees may be formed voluntarily by workers and employers for the purpose of promoting industrial peace. The Department of Labor and Employment shall endeavor to enlighten and educate the workers and employers on their rights and responsibilities through labor education with emphasis on the policy thrusts of this Code.

"(i) To ensure speedy labor justice, the periods provided in this Code within which decisions or resolutions of labor relations cases or matters should be rendered shall be mandatory. For this



purpose, a case or matter shall be deemed submitted for decision or resolution upon the filing of the last pleading or memorandum required by the rules of the Commission or by the Commission itself, or the Labor Arbiter or the Director of the Bureau of Labor Relations or Med-Arbiter, or the Regional Director.

"Upon expiration of the corresponding period, a certification stating why a decision or resolution has not been rendered within the said period shall be issued forthwith by the Chairman of the Commission, the Executive Labor Arbiter, or the Director of the Bureau of Labor Relations or Med-Arbiter, or the Regional Director, as the case may be, and a copy thereof served upon the parties.

"Despite the expiration of the applicable mandatory period, the aforesaid officials shall, without prejudice to any liability which may have been incurred as a consequence thereof, see to it that the case or matter shall be decided or resolved without any further delay."

"SEC. 34. Article 279 of the Labor Code is hereby amended to read as follows:

"ART. 279. Security of Tenure.-In cases of regular employment, the employer shall not terminate the services of an employee 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 full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement."

SEC. 35. Equity of the incumbent.-Incumbent career officials and rank-and-file employees of the National Labor Relations Commission not otherwise affected by this Act shall continue to hold office without need of reappointment. However, consistent with the need to professionalize the higher levels of its officialdom invested with adjudicatory powers and functions, and to upgrade their qualifications, ranks and salaries or emoluments, all positions of the Commissioners, Executive Labor Arbiters and Labor Arbiters of the present National Labor Relations Commission are hereby declared vacant. However, subject officials shall continue to temporarily discharge their duties and functions until their successors shall have been duly appointed and qualified.

SEC. 36. Rule-Making Authority.-The Secretary of Labor and Employment is hereby authorized to promulgate such rules and regulations as may be necessary to implement the provisions of this Act.

SEC. 37. Funding.-Funds needed to carry out the provisions of this Act shall be taken from the available funds in the Department of Labor and Employment and shall thereafter be included in

subsequent annual General Appropriations Acts.

SEC. 38. Repealing Clause.-All laws, decrees, executive orders, letters of instructions, letters of implementations, rules and regulations or part or parts thereof inconsistent with any provision of this Act are hereby repealed, modified, superseded or amended accordingly.

SEC. 39. Separability Clause.-If any provision of this Act or the application of such provision to any person or circumstance is held invalid for any reason, the remainder of this Act or the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 40. Effectivity.-This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved,

RAMON V. MITRA  
Speaker of the House of  
Representatives

JOVITO R. SALONGA  
President of the Senate

This Act which is a consolidation of Senate Bill No. 530 and House Bill No. 11524 was finally passed by the House of Representatives and the Senate on January 19, 1989 and January 23, 1989, respectively.

QUIRINO D. ABAD SANTOS, JR.  
Secretary of the House of  
Representatives

EDWIN P. ACOBA  
Secretary of the Senate

Approved: March 2, 1989

CORAZON C. AQUINO  
President of the Philippines