

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

5 JUN -2 10:27

RECEIVED BY: _____

SENATE

S. B. No. 2035

Prepared by the Committees on Labor, Employment and Human Resources Development
and on Civil Service and Government Reorganization

AN ACT
RATIONALIZING THE COMPOSITION AND FUNCTIONS OF THE
NATIONAL LABOR RELATIONS COMMISSION, AMENDING FOR THIS
PURPOSE ARTICLES 213, 214, 215, AND 216 OF P.D. 442, AS AMENDED,
OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES.

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

1 SECTION 1. Article 213 of P.D. No. 442, as amended, otherwise known as the
2 Labor Code of the Philippines, is hereby amended to read as follows:

3 "ARTICLE 213. *National Labor Relations Commission.* - There
4 shall be a National Labor Relations Commission which shall be attached to the
5 Department of Labor and Employment for program and policy coordination only,
6 composed of the Chairman and TWENTY THREE (23) [fourteen (14)] Members.
7 [Five (5)] EIGHT (8) members each shall be chosen ONLY from among the nominees
8 of the workers and employers organizations, respectively. The Chairman and the SEVEN
9 (7) [four (4)] remaining members shall come from the public sector, with the latter to be
10 chosen PREFERABLY from among the INCUMBENT LABOR ARBITERS AS
11 recommendees of the Secretary of Labor and Employment.

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

15 "The Commission may sit *en banc* or in EIGHT (8) [five (5)] divisions, each
16 composed of three (3) members. [Subject to the penultimate sentence of this paragraph,
17 ¶] The Commisison shall sit *en banc* only for purposes of promulgating rules and

1 regulations governing the hearing and disposition of cases before any of its divisions and
2 regional branches and formulating policies affecting its administration and operations.
3 The Commission shall exercise its adjudicatory and all other powers, functions and duties
4 through its divisions. Of the **EIGHT (8)** [five (5)] divisions, the first, second, [and]
5 third, **FOURTH, FIFTH AND SIXTH** divisions shall handle cases coming from the
6 National Capital Region and the **OTHER** parts of Luzon; and the **SEVENTH AND**
7 **EIGHTH** [fourth and fifth] divisions, cases from the Visayas and Mindanao, respectively;
8 Provided, that the Commission sitting *en banc* may, on temporary or emergency basis,
9 allow cases within the jurisdiction of any division to be heard and decided by any other
10 division whose docket allows the additional workload and such transfer will not expose
11 litigants to unnecessary additional expense. The divisions of the Commission shall have
12 exclusive appellate jurisdiction over cases within their respective territorial jurisdictions.

13 "The concurrence of two (2) Commissioners of a division shall be necessary for
14 the pronouncement of judgment or resolution. Whenever the required membership in a
15 division is not complete and the concurrence of two (2) Commissioners to arrive at a
16 judgment or resolution cannot be obtained, the Chairman shall designate such number of
17 additional Commissioners from the other divisions as may be necessary.

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

24 "The Chairman shall be the Presiding Commissioner of the first division and the
25 **SEVEN (7)** [four (4)] other members from the public sector shall be the Presiding
26 Commissioner of the second, third, fourth, [and] fifth, **SIXTH, SEVENTH AND**
27 **EIGHTH** divisions, respectively. In case of the effective absence or incapacity of the
28 Chairman, the Presiding Commissioner of the second division shall be the Acting
29 Chairman.

30 "The Chairman, aided by the Executive Clerk of the Commission, shall have
31 **EXCLUSIVE** administrative supervision over the Commission and its regional branches
32 and all its personnel, including the [Executive Labor Arbiters and] Labor Arbiters.

1 The Commission, when sitting *en banc*, shall be assisted by the same Executive
2 Clerk and, when acting through its divisions, by said Executive Clerk for its first division
3 and SEVEN (7) [four (4)] other Deputy Executive Clerks for the second, third, fourth,
4 [and] fifth, SIXTH, SEVENTH AND EIGHTH divisions, respectively, in the
5 performance of such similar or equivalent functions and duties as are discharged by the
6 Clerk of Court and Deputy Clerks of Court of the Court of Appeals.

7 THE COMMISSION AND ITS EIGHT (8) DIVISIONS SHALL BE
8 ASSISTED BY THE COMMISSION ATTORNEYS IN ITS APPELLATE AND
9 ADJUDICATORY FUNCTIONS WHOSE TERM SHALL BE CO-TERMINUS
10 WITH THE COMMISSIONERS WITH WHOM THEY ARE ASSIGNED. THE
11 COMMISSION ATTORNEYS SHALL BE MEMBERS OF THE PHILIPPINE
12 BAR WITH AT LEAST ONE (1) YEAR EXPERIENCE OR EXPOSURE IN THE
13 FIELD OF LABOR-MANAGEMENT RELATIONS. THEY SHALL RECEIVE
14 ANNUAL SALARIES AND SHALL BE ENTITLED TO THE SAME
15 ALLOWANCES AND BENEFITS AS THOSE FALLING UNDER SALARY
16 GRADE TWENTY SIX (SG 26). THERE SHALL BE AS MANY COMMISSION
17 ATTORNEYS AS MAY BE NECESSARY FOR THE EFFECTIVE AND
18 EFFICIENT OPERATION OF THE COMMISSION BUT IN NO CASE LESS
19 THAN THREE (3) ASSIGNED TO THE OFFICE OF THE CHAIRMAN AND
20 EACH COMMISSIONER.

21 SEC. 2. Article 214 of the Labor Code is hereby amended to read as
22 follows:

23 “ARTICLE 214. *Headquarters, Branches and Provincial Extension*
24 *Units.* The Commission and its First, Second, [and] Third, FOURTH, FIFTH AND
25 SIXTH divisions shall have their main offices in Metropolitan Manila, and the
26 SEVENTH AND EIGHTH [Fourth and Fifth] divisions in the Cities of Cebu and
27 Cagayan de Oro, respectively. The Commission shall establish as many regional branches
28 as there are regional offices of the Department of Labor and Employment, sub-regional
29 branches or provincial extension units. There shall be as many Labor Arbiters as may be
30 necessary for the effective and efficient operation of the Commission. [Each regional
31 branch shall be headed by an Executive Labor Arbiter.]

32 SEC. 3. Article 215 of the Labor Code is hereby amended to read as
33 follows:

1 “ARTICLE 215. *Appointment and Qualifications.* - The Chairman
2 and other Commissioners shall be members of the Philippine Bar and must have been
3 engaged in the practice of law in the Philippines for at least fifteen (15) years, with at
4 least five (5) years experience or exposure in the field of labor-management relations, and
5 shall preferably be residents of the region where they shall hold office. The [Executive
6 Labor Arbiters and] Labor Arbiters shall likewise be Members of the Philippine Bar and
7 must have been engaged in the practice of law in the Philippines for at least TEN (10)
8 [seven (7)] years, with at least FIVE (5) [three (3)] years experience or exposure in the
9 field of labor-management relations. [Provided, however, that incumbent Executive
10 Labor Arbiters and Labor Arbiters who have been engaged in the practice of law for at
11 least five (5) years may be considered as already qualified for purposes of reappointment
12 as such under this Act.]

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

17 “The Chairman, the Division Presiding Commissioners and other Commissioners
18 shall be appointed by the President. [, subject to confirmation by the Commission on
19 Appointments.] Appointment to any vacancy IN A SPECIFIC DIVISION shall come
20 ONLY from the nominees of the sector which nominated the predecessor. The
21 [Executive Labor Arbiters and] Labor Arbiters shall also be appointed by the President,
22 upon recommendation of the Secretary of Labor and Employment, TO A SPECIFIC
23 ARBITRATION BRANCH PREFERABLY IN THE REGION WHERE THEY
24 ARE RESIDENTS, and shall be subject to the Civil Service Law, rules and regulations;
25 PROVIDED, THAT THE LABOR ARBITERS WHO ARE PRESENTLY
26 HOLDING OFFICE IN THE REGION WHERE THEY ARE RESIDENTS
27 SHALL BE DEEMED APPOINTED THEREAT.

28 “The Secretary of Labor and Employment shall, in consultation with the Chairman
29 of the Commission, appoint the staff and employees of the Commission and its regional
30 branches as the needs of the service may require, subject to the Civil Service Law, rules
31 and regulations, and upgrade their current salaries, benefits and other emoluments in
32 accordance with law.

33 SEC. 4. Article 216, as amended, is hereby further amended to read as
34 follows:

1 “ARTICLE 216. *Salaries, benefits and emoluments.* - The Chairman
2 and members of the Commission shall HAVE THE SAME RANK, receive an annual
3 salary [at least] equivalent to, and be entitled to the same allowances, RETIREMENT,
4 and benefits as [.] those of the Presiding Justice and Associates of the Court of Appeals,
5 respectively. The [Executive Labor Arbiters] LABOR ARBITERS shall HAVE THE
6 SAME RANK, receive an annual salary [at least] equivalent to AND BE ENTITLED
7 TO THE SAME RETIREMENT AND OTHER BENEFITS AS THOSE OF THE
8 JUDGES OF THE REGIONAL TRIAL COURTS. [That of an Assistant Regional
9 Director of the Department of Labor and Employment and shall be entitled to the same
10 allowances and benefits as that of the Regional Director of the said Department. The
11 Labor Arbiters shall receive an annual salary at least equivalent to, and be entitled to the
12 same allowances and benefits as, that of an Assistant Regional Director of the
13 Department of Labor and Employment.] In no case, however, shall the provisions of this
14 Article result in the diminution of the existing salaries, allowances and benefits of the
15 above-mentioned officials.

16 SEC. 5. *Separability Clause.*- If any part, section, or provision of this Act
17 shall be held invalid or unconstitutional, the other provisions shall not be affected
18 thereby.

19 SEC. 6. *Repealing Clause.* - P.D. 442, as amended, otherwise known as
20 the Labor Code of the Philippines, and all other acts, laws, executive orders, presidential
21 issuances, rules and regulations or any part thereof which are inconsistent herewith are
22 hereby deemed repealed or modified accordingly.

23 SEC. 7. *Effectivity.* - This Act shall take effect fifteen (15) days after its
24 publication in the Official Gazette or in at least two (2) national newspapers of general
25 circulation, whichever comes earlier.

26 Approved.