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REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

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SENATE

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S. No. 1912

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Introduced by Senator MANUEL "LITO" M. LAPID

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

**EXPLANATORY NOTE**

The International Labor Organization defines apprenticeship as a unique form of technical vocational education and training, combining on-the-job training and off-the-job learning, which enable learners from all walks of life to acquire the knowledge, skills and competencies required to carry out a specific occupation. They are regulated and financed by laws and collective agreements and policy decisions arising from social dialogue, and require a written contract that details the respective roles and responsibilities of the apprentice and the employer; they also provide the apprentice with remuneration and standard social protection coverage.<sup>1</sup>

The Philippines confronts significant hurdles in ensuring that the youth are properly incorporated into the labor force. The main challenges are to reduce unemployment among the youth, to enhance access to quality jobs or education, to improve youth skills development, to provide access to high-quality programs in order

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<sup>1</sup> <https://www.ilo.org/global/topics/apprenticeships/publications/toolkit/what/ilo-definition/lang-en/index.htm>

to make them more beneficial and appealing to employers, and to include important stakeholders in governance structures.

*Ating ipinapanukala ang bagong National Apprenticeship Program upang siguraduhin na ang mga bagong henerasyon ng mga manggagawang Pilipino ay may sapat na kaalaman, kasanayan at kakayahan na tangan sa kanilang pagpasok sa labor force ng ating bansa. Sa gayon, tayo ay nakasisiguro na ang ating mga manggagawa ay nagtataglay ng higit pa sa kinakailangan upang sila ay matanggap sa mga trabaho na makakatulong sa kanilang mga pamilya na magkamit ng disenteng pamumuhay gayundin ang kaunlaran ng bansa.*

This measure seeks to reform the national apprenticeship program under Chapters I and II of Title II of Presidential Decree No. 442 otherwise known as the Labor Code of the Philippines. It seeks to promote youth employment and provide quality apprenticeship and vocational training program to our working population, finding innovative ways to encourage firms to hire young Filipino workers, to introduce early intervention measures and effective job-search assistance for different groups of workers and motivating entrepreneurship and business start-ups.

Furthermore, the Technical Education and Skills Development Authority (TESDA) will be the key authority in executing the apprenticeship program under this proposed law. It shall develop manpower and skills strategies, establish appropriate skill standards and tests, organize and monitor manpower policies and programs, and provide policy direction, recommendations and guidelines for resource allocation to TVET institutions in both the private and public sectors.

In view of the foregoing, early passage of this bill is earnestly sought.

  
**MANUEL "LITO" M. LAPID**  
*Senator*



- 1 e. Recognize the indispensable role of private enterprises in the training and  
2 development of human resource;
- 3 f. Strengthen career guidance and counseling services and other advocacy  
4 activities on the apprenticeship training program to encourage the  
5 participation of enterprises and young workers;
- 6 g. Increase productivity and competitiveness of enterprises by ensuring the  
7 availability of skilled human resource; and
- 8 h. Harness corporate social responsibility towards the development of skilled  
9 manpower to meet the requirements of industries.

10 SECTION 4. *Definition of Terms.* — As used in this Act:

- 11 a. *Apprentice* refers to a person undergoing training for an approved  
12 apprenticeable occupation during an established period governed by an  
13 apprenticeship contract;
- 14 b. *Apprenticeable occupation* refers to an occupation officially endorsed by a  
15 tripartite body and approved for apprenticeship by the Technical Education and  
16 Skills Development Authority (TESDA);
- 17 c. *Apprenticeship* refers to a training within an enterprise involving a contract  
18 between an apprentice and an enterprise on an approved apprenticeable  
19 occupation;
- 20 d. *Apprenticeship contract* refers to an agreement wherein an enterprise binds  
21 itself to train the apprentice who in turn accepts the terms of training for the  
22 recognized apprenticeable occupation. It also contains the rights, duties and  
23 responsibilities of each party;
- 24 e. *Apprenticeship fee* refers to the fees being paid by the Enterprise participating  
25 in the apprenticeship program;
- 26 f. *Bipartite plant apprenticeship committee* refers to a group established by the  
27 enterprise composed of representatives of labor and management responsible  
28 for monitoring program implementation, settling difference between  
29 management and apprentices;

- 1 g. *Board* refers to the TESDA Board;
- 2 h. *Certificate of competency* refers to a document issued by the TESDA to  
3 individuals who are assessed as competent in a cluster of related competencies;
- 4 i. *Certificate of TVET program registration* refers to a document issued by the  
5 TESDA granting an authority to an enterprise to offer a program in an  
6 apprenticeable occupation;
- 7 j. *Cluster of competencies* refers to a group of related competencies that, while  
8 it does not satisfy the requirements of a full qualification, still constitutes an  
9 employable package and can be awarded a Certificate of Competency;
- 10 k. *Competency assessment* refers to the process of gathering and judging  
11 evidence in order to decide whether a person has achieved a standard of  
12 competency, recommending measures or effective program implementation;
- 13 l. *Competency standard* refers to a written specification of the knowledge, skills,  
14 attitude and values required for the performance of a job, occupation or trade  
15 and the corresponding standard of performance required in the workplace;
- 16 m. *Dual training system* refers to a delivery system of quality technical and  
17 vocational education which requires training to be carried out alternately in two  
18 venues: in school and in the production plant. In-school training provides the  
19 trainee with the theoretical foundation, basic training, guidance and human  
20 formation, while in-plant training develops the trainee's skills and proficiency in  
21 actual work conditions as it continues to inculcate personal discipline and work  
22 values;
- 23 n. *Enterprise* refers to all participating establishments like group or association,  
24 industry, organization, government institution or civic group undertaking  
25 trainings in accordance with the provisions of this Act;
- 26 o. *Qualification* refers to a package of competencies describing a particular  
27 function or job role existing in an economic sector covering the work activities  
28 required to undertake a particular job;



1 p. *Training plan* refers to the specification for the apprenticeship program of an  
2 enterprise which describes all the learning experience a student undergoes  
3 generally including the competencies to be acquired within the program, the  
4 underpinning knowledge, theories and principles, and the assessment  
5 arrangement; and

6 q. *Unit of competency* refers to an activity that comprises a manageable  
7 component of work described in terms of elements, performance criteria, range  
8 of variables and evidence guide.

9 SECTION 5. *Qualifications of an Apprentice.* — To qualify as an apprentice a  
10 person must:

11 a. Be at least fifteen (15) years of age;

12 b. Possess good moral character, vocational aptitude and capacity for  
13 apprenticeship as determined by the enterprise; and

14 c. Have the ability to comprehend and follow oral and written  
15 instructions.

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

18 SECTION 6. *Aptitude Testing of Applicants.* — Consistent with the minimum  
19 qualifications of an apprentice under Section 5 hereof, the bipartite plant  
20 apprenticeship committees shall have the primary responsibility of providing  
21 appropriate aptitude examinations in the selection of apprentices.

22 SECTION 7. *Training of Apprentices.* — Only enterprises with programs  
23 registered with the TESDA may enter into apprenticeship contracts and train  
24 apprentices in approved apprenticeable occupations.

25 SECTION 8. *Apprenticeship Training Program Content and Delivery.* — All  
26 qualifications with training regulations promulgated by the Board are automatically  
27 classified as apprenticeable. To meet the immediate requirements of enterprises for  
28 skilled workers, the Board must approve new apprenticeable occupations endorsed

1 by the appropriate Regional Technical Education and Skills Development Committee  
2 upon consultation with workers' groups and industry representatives.

3 The apprenticeship program shall emphasize the need for theoretical  
4 instruction. The enterprise may seek partnership with a Technical-Vocational  
5 Education and Training (TVET) institution in its design and delivery.

6 SECTION 9. *Apprenticeship Period.* — The apprenticeship period shall be based  
7 on the duration of training required in the training plan and on the complexity of the  
8 skills to be learned by the apprentices.

9 SECTION 10. *Apprenticeship Program Registration.* — The registration of an  
10 apprenticeship program can be for a qualification, a cluster of competencies, or  
11 bundled qualifications as contained in the training regulations. A letter of application  
12 stating the intention, the certificate of undertaking, and the training plan shall be  
13 submitted to TESDA for approval. A Certificate of TVET Program Registration shall be  
14 issued to the enterprise to signify authorization for specific qualification or competency  
15 clusters.

16 An apprenticeship program may be approved on a no-training regulations basis:  
17 *Provided,* That the applicant enterprise can show proof of the demand for such skill:  
18 *Provided, further,* That it shall not exceed twenty percent (20%) of the total number  
19 of regular employees. The TESDA shall provide technical assistance to applying and  
20 implementing enterprises to be able to comply with the provisions of this section.

21 SECTION 11. *Contents of the Apprenticeship Contract.* — The apprenticeship  
22 contract must conform with the rules issued by the TESDA and shall include the  
23 following:

- 24 a. Nature, syllabus, timetable, and purpose of training;
- 25 b. Period of training, depending on the approved training regulations;
- 26 c. Training allowances prescribed by industry subsectors through tripartite  
27 consultations which in no case shall start below seventy-five percent (75%) of  
28 the applicable minimum wage: *Provided, however,* That contributions to the

1 training allowance by government agencies and/or non-governmental  
2 organizations shall be considered in computing the seventy-five percent (75%);

3 d. Schedule of training allowance payment;

4 e. Training hours;

5 f. Process for the termination of apprenticeship; and

6 g. General rights and obligations of both parties.

7 SECTION 12. *Signing of the Apprenticeship Contract.* — Every  
8 apprenticeship contract shall be signed by the apprentice and the enterprise,  
9 recognized organization, association or group or their authorized representatives.

10 An apprenticeship contract with a person under eighteen (18) years of age shall  
11 be signed by the parent or guardian of said person or if the latter is not available, by  
12 an authorized representative. The contract shall be binding during its lifetime, subject  
13 to the right of the apprentice to terminate the same after a month's notice.

14 Every apprenticeship contract entered into under this Act shall be approved by  
15 the bipartite plant apprenticeship committee involving the firm owner and  
16 representatives of the firm workers. Copies of the apprenticeship contract shall be  
17 furnished to the firm owner and the apprentice.

18 SECTION 13. *Apprenticeship Models.* — Enterprises with approved  
19 apprenticeship programs may choose from any of the following apprenticeship models  
20 which may use the Dual Training System approach:

21 a. Apprenticeship involving a company and an identified training institution;

22 b. Apprenticeship involving a group of companies and a training institution;

23 c. Apprenticeship involving an industry training center and a company or a group  
24 of companies; or

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



1 SECTION 14. *Apprenticeship Administration.* — The Board shall be  
2 responsible for setting up the overall apprenticeship policy and standards. The TESDA  
3 Secretariat shall be responsible for apprenticeship administration, monitoring and  
4 evaluation of on and off-the-job training.

5 SECTION 15. *Investigation of Violation of Apprenticeship Contract.* — The  
6 Bipartite Plant Apprenticeship Committee, *motu proprio* or upon complaint of any  
7 interested party, shall have initial responsibility for settling differences arising out of  
8 apprenticeship contracts. In case it is not able to settle such differences, the TESDA  
9 Provincial Director shall investigate and submit a recommendation to the TESDA  
10 Regional Director who shall render a decision pursuant to pertinent rules and  
11 regulations as may be prescribed by the Board.

12 SECTION 16. *Appeal to the TESDA Director General.* — The decision of the  
13 TESDA Regional Director may be appealed by any aggrieved person to the TESDA  
14 Director General within five (5) days from receipt of the decision. The decision of the  
15 TESDA Director General shall be final and executory.

16 SECTION 17. *Termination of Apprenticeship.* — Valid causes to terminate the  
17 apprenticeship contract:

18 a. *By the enterprise:*

- 19 1. Habitual absenteeism in on-the-job training and related theoretical  
20 instructions activities;
- 21 2. Willful disobedience of company rules or insubordination of lawful order  
22 of a superior;
- 23 3. Poor physical condition, prolonged illness or permanent disability which  
24 incapacitates the apprentice from working;
- 25 4. Theft or malicious destruction of company property or equipment;
- 26 5. Inefficiency, or poor performance on the job or in the classroom for a  
27 prolonged period despite warnings duly given to the apprentice; and

1           6. Engaging in violence or other forms of misconduct inside the enterprise's  
2           premises.

3       *b. By the apprentice:*

4           1. Substandard or harmful working condition within the enterprise's  
5           premises;

6           2. Repeated violations by the enterprise of the terms of the  
7           apprenticeship agreement;

8           3. Cruel and inhuman treatment;

9           4. Personal problem which in the opinion of the apprentice shall prevent  
10          the satisfactory performance of the job by the apprentice; and

11          5. Bad health and continuing illness.

12       SEC. 18. *Rules and Procedure on the Termination of the Apprenticeship.* —

13       *a. Apprenticeship Committee Level*

14           1. The enterprise or apprentice interested in terminating the contract may  
15           do so by notifying first the Bipartite Plant Apprenticeship Committee.

16           2. The Committee confers with both parties and mediates the differences  
17           between them.

18           3. If mediation or settlement is not possible, the Committee advises the  
19           complainants to apply for the termination at the Regional Office  
20           concerned.

21       *b. Regional Level*

22           1. The complainant verbally presents the case to the TESDA Regional  
23           Office. If the complaint merits consideration, the complainant is made  
24           to duly accomplish an Application for Termination of Apprenticeship  
25           form.

1           2. The concerned unit or division of the TESDA Regional Office verifies the  
2           veracity and validity of the claim within five (5) days from its receipt by:

3           i. Calling both the enterprise and the apprentice for a conference;  
4           or

5           ii. Sending a representative to the enterprise for that purpose

6           3. In case a ground for approval exists:

7           i. The investigating officer (field representative) shall initiate the  
8           application for termination;

9           ii. The chief of the concerned unit or division of the TESDA  
10          Regional Office shall verify the same;

11          iii. The application for termination shall immediately be forwarded to  
12          the Regional Director for appropriate action, after which a copy  
13          of the acted upon application shall be furnished the applicant and  
14          the second party. This process shall be completed within three  
15          (3) days from receipt of the document by the office of the  
16          concerned Regional Director; and

17          iv. A copy of each approved application shall be furnished to then  
18          concerned office of the TESDA.

19          c. *Agency Level*

20           1. If either of the parties is not satisfied with the decision of the Regional  
21           Director the case may be appealed, within the reglementary period of  
22           five (5) days from receipt of the document to the TESDA Director-  
23           General whose decision shall be final and unappealable.

24          SECTION 19. *Competency Assessment and Certification.* — The apprentices  
25          shall, within the apprenticeship period, undergo competency assessment for  
26          qualifications to the training regulations. A national certificate shall be issued to all  
27          those who demonstrated achievement of the competency standards.

1 SECTION 20. *Training Certificate.* -- A training certificate shall be issued by the  
2 authorized enterprise to signify completion of the apprenticeship program in  
3 accordance with the approved training design. The certificate shall contain a list of the  
4 units of competency acquired and shall be comparable to completion of a training  
5 program in a TVET institution.

6 SECTION 21. *Compulsory Apprenticeship.* — When the national security or  
7 particular requirements of economic development so demand, the President of the  
8 Republic of the Philippines shall require compulsory training of apprentices in certain  
9 trades, occupations, jobs or employment levels where shortage of trained manpower  
10 is deemed critical as determined by the Board.

11 SECTION 22. *Incentives to Enterprise.* — An additional deduction from the  
12 gross income of one-half (1/2) of the labor training expenses incurred from  
13 developing the productivity and efficiency of apprentices shall be granted to the  
14 person or enterprise organizing an apprenticeship program: *Provided,* That said  
15 employer shall be exempt from the payment of the apprenticeship fee and that such  
16 program shall be recognized by the TESDA: *Provided, further,*  
17 That such deduction shall not exceed ten percent (10%) of the training allowance  
18 of the apprentices: *Provided, finally,* That the enterprise that wishes to avail of this  
19 incentive shall pay its apprentices the minimum wage. Micro- cottage and small  
20 enterprises with less than one hundred (100) employees shall be exempt from paying  
21 the apprenticeship fee.

22 SECTION 23. *System of Equivalency.* — Apprenticeship graduates shall be  
23 awarded equivalent unit credits in the formal system of education that can be used in  
24 pursuing tertiary degree courses subject to the integrated policies and guidelines on  
25 equivalency and Adult Education Acceleration Program of the  
26 TESDA, the Commission on Higher Education and the Department of  
27 Education.

28 SECTION 24. *Exemption from Probationary Employment.* — Certified  
29 apprentices shall be exempted from probationary employment: *Provided,* That they  
30 are employed in occupations requiring the same skills and qualifications standards

1 which they shall have obtained upon passing the competency assessment as provided  
2 under Section 19 of this Act.

3 SECTION 25. *Insurance for Apprentices.* — Every participating enterprise only  
4 as defined under the term enterprise as provided in this Act shall provide a disability  
5 or accident insurance policy from an accredited insurance company in favor of the  
6 trainee or apprentice during the apprenticeship period.

7 SECTION 26. *Penalty Clause.* — Enterprises found offering unregistered  
8 apprenticeship programs shall be subjected to program closure proceedings without  
9 prejudice to the filing of administrative, criminal, or civil liabilities. The Board may file  
10 the necessary civil or criminal case as may be deemed reasonable and appropriate  
11 and after the deliberation of the Board pursuant to this Act for any of the following  
12 causes:

- 13 a. Fraud or deceit committed in connection with the application for the opening  
14 of apprenticeship programs; and
- 15 b. Failure to comply with conditions or obligations prescribed under this Act or its  
16 implementing rules and regulations.

17 Any violation of the provisions of this Act or its implementing rules and  
18 regulations shall be punished with a fine of not less than One thousand pesos  
19 (P1,000.00) not more than Ten thousand pesos (P10,000.00).

20 SECTION 27. *Abolition of the Learnership Program.* — To rationalize and ensure  
21 the effective implementation of the Revised National Apprenticeship Program, the  
22 Learnership Program is hereby abolished.

23 SECTION 28. *Transitory Provision.* — All existing apprenticeship programs and  
24 training regulations shall be valid until after the TESDA has conducted an assessment  
25 and revalidation for consistency with the provisions of this Act and its implementing  
26 rules and regulations.



1           SECTION 29. *Implementing Rules and Regulations.* — The Board shall issue the  
2 implementing rules and regulations within ninety (90) days after the effectivity of this  
3 Act.

4           SECTION 30. *Separability Clause.* --- If any provision of this Act is held invalid  
5 or unconstitutional, the same shall not affect the validity and effectivity of the other  
6 provisions hereof.

7           SECTION 31. *Repealing Clause.* — Chapters I and II of Title II, Book II of  
8 Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the  
9 Philippines are hereby repealed. Executive Order No. 111 series of 1986, R.A. No.  
10 7796 or the "TESDA Act of 1994" and all other laws, presidential  
11 decrees, issuances, executive orders, letters of instruction, and rules and  
12 regulations contrary to or inconsistent with the provisions of this Act are hereby  
13 repealed or modified accordingly.

14           SECTION 32. *Effectivity.* — This Act shall take effect fifteen (15) days after its  
15 publication in the *Official Gazette* or in a newspaper of general circulation.

16           *Approved,*