

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



Senate
Office of the Secretary

'16 SEP -7 P5:06

SENATE

S. B. No. 1130

RECEIVED BY: 

Introduced by SENATOR JOEL VILLANUEVA

**AN ACT ESTABLISHING A LABOR EMPOWERMENT ASSISTANCE PROGRAM,
AMENDING PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE
KNOWN AS THE LABOR CODE OF THE PHILIPPINES, APPROPRIATING
FUNDS THEREFOR AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Recent studies and experiences demonstrate that there is a mismatch between available jobs in the market and the skills that our workers possess. According to the Department of Labor and Employment, out of the 4,239,392 domestic and international job vacancies offered in thousands of job fairs nationwide in the past two years, only 391,088 among 1,286,073 applicants were hired on the spot.

This bill seeks to address job-skills mismatch by providing for a Labor Empowerment Assistance Program that is linked to TESDA skills training for employees in between jobs. In addition, this bill also provides for financial assistance to workers in between job periods at an amount which is no less than the appropriate minimum wage.

Indeed, improving the technical skills of our workers is paramount, and is in line with the aspirations of the 2030 development agenda which provides that "[b]y 2030, increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship."

The passage of this important measure is earnestly sought.


SENATOR JOEL VILLANUEVA

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

1 **SECTION 1. Title.** - This Act shall be known as the "LEAP Act of 2016".

2
3 **SECTION 2. LEAP.** - A new Article 107-A of the Labor Code, as amended, is hereby
4 provided to read as follows:

5
6 "ARTICLE 107-A. LABOR EMPOWERMENT ASSISTANCE PROGRAM
7 (LEAP). - WITH CONTRIBUTORY FUNDING FROM THE REGISTRATION OF
8 CONTRACTORS OR SUBCONTRACTORS, TEN PERCENT (10%) OF THE
9 GROSS CONTRACT COST LEVY FROM THE PRINCIPAL EMPLOYER FOR
10 EVERY OUTSOURCING CONTRACT ENTERED INTO AND BUDGET
11 ALLOCATION FROM THE GENERAL APPROPRIATIONS ACT (GAA), A LABOR
12 EMPOWERMENT ASSISTANCE PROGRAM (LEAP) SHALL BE CREATED. THE
13 LEAP SHALL:

14
15 (A) SERVE AS A THREE-MONTH BRIDGING PROGRAM FOR WORKERS IN
16 BETWEEN JOB PERIODS AND IS LINKED TO TESDA SKILLS TRAINING
17 OR UPGRADING DURING THE UNEMPLOYMENT PERIOD;

18
19 (B) THE AMOUNT OF FINANCIAL SUPPORT SHALL NOT BE LOWER THAN
20 THE APPROPRIATE MINIMUM WAGE IN THE FORM OF A MONTHLY
21 CASH CARD OR STORED VALUE CARD FOR BASIC NECESSITIES LIKE
22 RICE, INFANT FORMULA, MEDICINES, ELECTRICITY AND WATER
23 UTILITIES; AND

24
25 (C) LABOR ORGANIZATIONS IN THE NATIONAL TRIPARTITE INDUSTRIAL
26 PEACE COUNCIL (NTIPC) SHALL CO-ADMINISTER THE DISTRIBUTION
27 OF THE CARDS AND MONITORING OF COMPLIANCE BY THEIR

1 BENEFICIARY-MEMBERS WITH THE REQUIRED TESDA SKILLS
2 TRAINING OR UPGRADING.”

3
4 **SECTION 3. IMPLEMENTING RULES AND REGULATIONS.** - The Secretary of
5 Labor and Employment shall promulgate the necessary implementing rules and
6 regulations within thirty (30) days from the effectivity of this Act.

7
8 **SECTION 4. REPEALING CLAUSE.** - All laws, decrees, rules, and regulations or
9 parts thereof, which are contrary to or inconsistent with this Act are hereby repealed
10 or modified accordingly.

11
12 **SECTION 5. SEPARABILITY PROVISIONS.** - If any provision of this law or the
13 application thereof to any person or circumstance, is held invalid, the remainder of
14 this law, or the application of such provision or part to other persons of
15 circumstances, shall not be affected thereby.

16
17 **SECTION 6. EFFECTIVITY CLAUSE.** - This Act shall take effect fifteen (15) days
18 after its publication in the Official Gazette or in at least two (2) newspapers of
19 general circulation.

20
21
22 APPROVED.