



HOUSE OF REPRESENTATIVES

H. No. 6523

BY REPRESENTATIVES ROMUALDEZ (F.M.), ROMUALDEZ (Y.M.), MARCOS, ACIDRE, VARGAS, ROMERO, LUISTRO, TAMBUNTING, ARROGANCIA, NOGRALES (J.F.F.), SALCEDA, GO (M.), YAP (C.), HERNANDEZ, TAN (K.M.), COLLANTES, CAJAYON-UY, TALLADO, SANTOS, TULFO (R.W.), ORDANES, GARDIOLA, CARI, TARRIELA, BOSITA, MAGSINO, MENDOZA, ARENAS, ACOP, PADUANO, FLORES, DELOS SANTOS, FERNANDEZ, LAGMAN, ESPINA, LIMKAICHONG, ARBISON, HARESCO, SUANSING (M.A.), TY, LAGON (S.), BRIONES, VERGARA, REYES, GATCHALIAN, ALVAREZ (J.), DAGOOC, PALMA, CUA, CALDERON, SINGSON-MEEHAN, ROMUALDO, ONGCHUAN, ZAMORA (M.C.), TAN-TAMBU, RIVERA, ATAYDE, ADIONG, RECTO, MERCADO-REVILLA, TANJUATCO, REVILLA (R.J.), ALBANO, CAGAS, OLIVAREZ, TAN (K.M.), DY (F.) AND DALIPE, PER COMMITTEE REPORT NO. 209

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

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

1 **SECTION 1. Short Title.** – This Act shall be known as the "Revised
2 National Apprenticeship Program Act"
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4 **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the
5 State to establish a revised apprenticeship program that will ensure the
6 availability of qualified manpower in the field of critical and in-demand technical
7 skills through the active participation of all workers, enterprises, government
8 agencies, and non-governmental organizations concerned.

9 **SEC. 3. Statement of Objectives.** – This Act aims to:
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- 11 a. Help meet the demand of the economy for trained human resource;
- 12 b. Have a national apprenticeship program that includes on- and off-
13 the- job training components with tripartite involvement;
- 14 c. Promote the engagement of young workers through training and
15 development;
- 16 d. Enhance existing standards for the training and development of
17 apprentices;
- 18 e. Recognize the indispensable role of private enterprises in the
19 training and development of human resource;
- 20 f. Strengthen career guidance and counseling services and other
21 advocacy activities on the apprenticeship training program to
22 encourage the participation of enterprises and young workers;
- 23 g. Increase productivity and competitiveness of enterprises by ensuring
24 the availability of skilled human resource; and
- 25 h. Harness corporate social responsibility towards the development of
26 skilled manpower to meet the requirements of industries.

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28 **SEC. 4. Definition of Terms.** – As used in this Act:
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- 30 a. *Apprentice* refers to a person undergoing training for an approved
31 apprenticeable occupation during an established period governed by
32 an apprenticeship contract;
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- 34 b. *Apprenticeable occupation* refers to an occupation officially
35 endorsed by a tripartite body and approved for apprenticeship by
36 the Technical Education and Skills Development Authority (TESDA);
37
- 38 c. *Apprenticeship* refers to a training within an enterprise involving a
39 contract between an apprentice and an enterprise on an approved
40 apprenticeable occupation;
41
- 42 d. *Apprenticeship contract* refers to an agreement wherein an
43 enterprise binds itself to train the apprentice who in turn accepts the
44 terms of training for the recognized apprenticeable occupation. It
45 also contains the rights, duties and responsibilities of each party;
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- e. *Apprenticeship fee* refers to the fees being paid by the enterprise participating in the apprenticeship program;
- f. *Bipartite plant apprenticeship committee* refers to a group established by the enterprise composed of representatives of labor and management responsible for monitoring program implementation, settling differences between management and apprentices;
- g. *Board* refers to the TESDA Board;
- h. *Certificate of competency* refers to a document issued by the TESDA to individuals who are assessed as competent in a cluster of related competencies;
- i. *Certificate of TVET program registration* refers to a document issued by the TESDA granting an authority to an enterprise to offer a program in an apprenticeable occupation;
- j. *Cluster of competencies* refers to a group of related competencies that, while it does not satisfy the requirements of a full qualification, still constitutes an employable package and can be awarded a Certificate of Competency;
- k. *Competency assessment* refers to the process of gathering and judging evidence in order to decide whether a person has achieved a standard of competency, recommending measures or effective program implementation;
- l. *Competency standard* refers to a written specification of the knowledge, skills, attitude and values required for the performance of a job, occupation or trade and the corresponding standard of performance required in the workplace;
- m. *Dual training system* refers to a delivery system of quality technical and vocational education which requires training to be carried out alternately in two venues: in school and in the production plant. In-school training provides the trainee with the theoretical foundation, basic training, guidance and human formation, while in-plant training develops the trainee's skills and proficiency in actual work conditions as it continues to inculcate personal discipline and work values;
- n. *Enterprise* refers to all participating establishments like group or association, industry, organization, government institution or civic group undertaking trainings in accordance with the provisions of this Act;

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- o. *Qualification* refers to a package of competencies describing a particular function or job role existing in an economic sector covering the work activities required to undertake a particular job;
- p. *Training plan* refers to the specification for the apprenticeship program of an enterprise which describes all the learning experience a student undergoes generally including the competencies to be acquired within the program, the underpinning knowledge, theories and principles, and the assessment arrangement; and
- q. *Unit of competency* refers to an activity that comprises a manageable component of work described in terms of elements, performance criteria, range of variables and evidence guide.

SEC. 5. Qualifications of an Apprentice. – To qualify as an apprentice, a person must:

- a. Be at least fifteen (15) years of age;
- b. Possess good moral character, vocational aptitude and capacity for apprenticeship as determined by the enterprise; and
- c. Have the ability to comprehend and follow oral and written instructions.

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

SEC. 6. Aptitude Testing of Applicants. – Consistent with the minimum qualifications of an apprentice under Section 5 hereof, the bipartite plant apprenticeship committees shall have the primary responsibility of providing appropriate aptitude examinations in the selection of apprentices.

SEC. 7. Training of Apprentices. – Only enterprises with programs registered with the TESDA may enter into apprenticeship contracts and train apprentices in approved apprenticeable occupations.

SEC. 8. Apprenticeship Training Program Content and Delivery. – All qualifications with training regulations promulgated by the Board are automatically classified as apprenticeable. To meet the immediate requirements of enterprises for skilled workers, the Board must approve new apprenticeable occupations endorsed by the appropriate Regional Technical Education and Skills Development Committee upon consultation with workers' groups and industry representatives.

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

1 **SEC. 9. Apprenticeship Period.** – The apprenticeship period shall be
2 based on the duration of training required in the training plan and on the
3 complexity of the skills to be learned by the apprentices.

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

12 An apprenticeship program may be approved on a no-training
13 regulations basis: *Provided*, That the applicant enterprise can show proof of the
14 demand for such skill: *Provided, further*, That it shall not exceed twenty percent
15 (20%) of the total number of regular employees.
16

17 The TESDA shall provide technical assistance to applying and
18 implementing enterprises to be able to comply with the provisions of this
19 section.
20

21 **SEC. 11. Contents of the Apprenticeship Contract.** – The
22 apprenticeship contract must conform with the rules issued by the TESDA and
23 shall include the following:
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- 25 a. Nature, syllabus, timetable, and purpose of training;
- 26 b. Period of training, depending on the approved training regulations;
- 27 c. Training allowances prescribed by industry subsectors through
28 tripartite consultations which in no case shall start below seventy-
29 five percent (75%) of the applicable minimum wage: *Provided*,
30 *however*, That contributions to the training allowance by government
31 agencies and/or non-governmental organizations shall be
32 considered in computing the seventy-five percent (75%);
- 33 d. Schedule of training allowance payment;
- 34 e. Training hours;
- 35 f. Process for the termination of apprenticeship; and
- 36 g. General rights and obligations of both parties.
37

38 **SEC. 12. Signing of the Apprenticeship Contract.** – Every
39 apprenticeship contract shall be signed by the apprentice and the enterprise,
40 recognized organization, association or group or their authorized
41 representatives.
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43 An apprenticeship contract with a person under eighteen (18) years of
44 age shall be signed by the parent or guardian of said person or if the latter is
45 not available, by an authorized representative. The contract shall be binding
46 during its lifetime, subject to the right of the apprentice to terminate the same
47 after a month's notice.
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49 Every apprenticeship contract entered into under this Act shall be
50 approved by the bipartite plant apprenticeship committee involving the firm

1 owner and representatives of the firm workers. Copies of the apprenticeship
2 contract shall be furnished to the firm owner and the apprentice.

3 **SEC. 13. *Apprenticeship Models.*** – Enterprises with approved
4 apprenticeship programs may choose from any of the following apprenticeship
5 models which may use the Dual Training System approach:
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- 7 a. Apprenticeship involving a company and an identified training
8 institution;
- 9 b. Apprenticeship involving a group of companies and a training
10 institution;
- 11 c. Apprenticeship involving an industry training center and a company
12 or a group of companies; or
- 13 d. Other schemes to be established by the TESDA in consultation with
14 enterprise owners, labor and training institutions subject to the
15 approval of the Board.
16

17 **SEC. 14. *Apprenticeship Administration.*** – The Board shall be
18 responsible for setting up the overall apprenticeship policy and standards. The
19 TESDA Secretariat shall be responsible for apprenticeship administration,
20 monitoring and evaluation of on and off-the-job training.

21 **SEC. 15. *Investigation of Violation of Apprenticeship Contract.*** –
22 The Bipartite Plant Apprenticeship Committee, *motu proprio* or upon complaint
23 of any interested party, shall have initial responsibility for settling differences
24 arising out of apprenticeship contracts. In case it is not able to settle such
25 differences, the TESDA Provincial Director shall investigate and submit a
26 recommendation to the TESDA Regional Director who shall render a decision
27 pursuant to pertinent rules and regulations as may be prescribed by the Board.
28

29 **SEC. 16. *Appeal to the TESDA Director General.*** – The decision of the
30 TESDA Regional Director may be appealed by any aggrieved person to the
31 TESDA Director General within five (5) days from receipt of the decision. The
32 decision of the TESDA Director General shall be final and executory.
33

34 **SEC. 17. *Termination of Apprenticeship.*** –
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36 Valid causes to terminate the apprenticeship contract:
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- 38 a. *By the enterprise:*
 - 39 1. Habitual absenteeism in on-the-job training and related theoretical
40 instructions activities;
 - 41 2. Willful disobedience of company rules or insubordination of lawful
42 order of a superior;
 - 43 3. Poor physical condition, prolonged illness or permanent disability
44 which incapacitates the apprentice from working;
 - 45 4. Theft or malicious destruction of company property or equipment;

- 1 5. Inefficiency, or poor performance on the job or in the classroom for
2 a prolonged period despite warnings duly given to the apprentice;
3 and
4 6. Engaging in violence or other forms of misconduct inside the
5 enterprise's premises.

6 b. *By the apprentice:*

- 7 1. Substandard or harmful working condition within the enterprise's
8 premises;
- 9 2. Repeated violations by the enterprise of the terms of the
10 apprenticeship agreement;
- 11 3. Cruel and inhuman treatment;
- 12 4. Personal problem which in the opinion of the apprentice shall
13 prevent the satisfactory performance of the job by the apprentice;
14 and
- 15 5. Bad health and continuing illness.

16
17 **SEC. 18. Rules and Procedure on the Termination of the**
18 **Apprenticeship. –**

19 a. *Apprenticeship Committee Level*

- 20 1. The enterprise or apprentice interested in terminating the contract
21 may do so by notifying first the Bipartite Plant Apprenticeship
22 Committee.
- 23 2. The Committee confers with both parties and mediates the
24 differences between them.
- 25 3. If mediation or settlement is not possible, the Committee advises
26 the complainants to apply for the termination at the Regional Office
27 concerned.

28
29 b. *Regional Level*

- 30 1. The complainant verbally presents the case to the TESDA Regional
31 Office. If the complaint merits consideration, the complainant is
32 made to duly accomplish an Application for Termination of
33 Apprenticeship form.
- 34 2. The concerned unit or division of the TESDA Regional Office
35 verifies the veracity and validity of the claim within five (5) days from
36 its receipt by:
 - 37 a. Calling both the enterprise and the apprentice for a conference;
38 or
 - 39 b. Sending a representative to the enterprise for that purpose
- 40 3. In case a ground for approval exists:
 - 41 a. The investigating officer (field representative) shall initiate the
42 application for termination.
 - 43 b. The chief of the concerned unit or division of the TESDA
44 Regional Office shall verify the same.
 - 45 c. The application for termination shall immediately be forwarded
46 to the Regional Director for appropriate action, after which a
47 copy of the acted upon application shall be furnished the

1 applicant and the second party. This process shall be
2 completed within three (3) days from receipt of the document
3 by the office of the concerned Regional Director.

4 d. A copy of each approved application shall be furnished to the
5 concerned office of the TESDA.

6 *c. Agency Level*

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

12 **SEC. 19. Competency Assessment and Certification.** – The
13 apprentices shall, within the apprenticeship period, undergo competency
14 assessment for qualifications to the training regulations. A national certificate
15 shall be issued to all those who demonstrated achievement of the competency
16 standards.

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18 **SEC. 20. Training Certificate.** – A training certificate shall be issued by
19 the authorized enterprise to signify completion of the apprenticeship program in
20 accordance with the approved training design. The certificate shall contain a list
21 of the units of competency acquired and shall be comparable to completion of
22 a training program in a TVET institution.

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24 **SEC. 21. Compulsory Apprenticeship.** – When the national security
25 or particular requirements of economic development so demand, the President
26 of the Republic of the Philippines shall require compulsory training of
27 apprentices in certain trades, occupations, jobs or employment levels where
28 shortage of trained manpower is deemed critical as determined by the Board.

29 **SEC. 22. Incentives to Enterprise.** – An additional deduction from the
30 gross income of one-half (1/2) of the labor training expenses incurred from
31 developing the productivity and efficiency of apprentices shall be granted to
32 the person or enterprise organizing an apprenticeship program: *Provided*, That
33 said employer shall be exempt from the payment of the apprenticeship fee
34 and that such program shall be recognized by the TESDA: *Provided, further*,
35 That such deduction shall not exceed ten percent (10%) of the training
36 allowance of the apprentices: *Provided, finally*, That the enterprise that wishes
37 to avail of this incentive shall pay its apprentices the minimum wage. Micro-
38 cottage and small enterprises with less than one hundred (100) employees shall
39 be exempt from paying the apprenticeship fee.

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41 **SEC. 23. System of Equivalency.** – Apprenticeship graduates shall be
42 awarded equivalent unit credits in the formal system of education that can be
43 used in pursuing tertiary degree courses subject to the integrated policies and
44 guidelines on equivalency and Adult Education Acceleration Program of the
45 TESDA, the Commission on Higher Education and the Department of
46 Education.

1 **SEC. 24. Exemption from Probationary Employment.** – Certified
2 apprentices shall be exempted from probationary employment: *Provided*, That
3 they are employed in occupations requiring the same skills and qualifications
4 standards which they shall have obtained upon passing the competency
5 assessment as provided under Section 19 of this Act.

6 **SEC. 25. Insurance for Apprentices.** – Every participating enterprise only
7 as defined under the term enterprise as provided in this Act shall provide a
8 disability or accident insurance policy from an accredited insurance
9 company in favor of the trainee or apprentice during the apprenticeship period.

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

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17 a. Fraud or deceit committed in connection with the application for the
18 opening of apprenticeship programs; and
19 b. Failure to comply with conditions or obligations prescribed under this
20 Act or its implementing rules and regulations.
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22 Any violation of the provisions of this Act or its implementing rules and
23 regulations shall be punished with a fine of not less than One thousand pesos
24 (P1,000.00) nor more than Ten thousand pesos (P10,000.00).

25 **SEC. 27. Abolition of the Learnership Program.** – To rationalize and
26 ensure the effective implementation of the Revised National Apprenticeship
27 Program, the Learnership Program is hereby abolished.
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29 **SEC. 28. Transitory Provision.** – All existing apprenticeship programs
30 and training regulations shall be valid until after the TESDA has conducted an
31 assessment and revalidation for consistency with the provisions of this Act and
32 its implementing rules and regulations.
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35 **SEC. 29. Implementing Rules and Regulations.** – The Board shall
36 issue the implementing rules and regulations within ninety (90) days after the
37 effectivity of this Act.
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39 **SEC. 30. Separability Clause.** – If any provision of this Act is held invalid
40 or unconstitutional, the same shall not affect the validity and effectivity of the
41 other provisions hereof.
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43 **SEC. 31. Repealing Clause.** – Chapters I and II of Title II, Book II of
44 Presidential Decree No. 442, as amended, otherwise known as the Labor Code
45 of the Philippines are hereby repealed. Executive Order No. 111 series of 1986,
46 R.A. No. 7796 or the "TESDA Act of 1994" and all other laws, presidential

1 decrees, issuances, executive orders, letters of instruction, and rules and
2 regulations contrary to or inconsistent with the provisions of this Act are hereby
3 repealed or modified accordingly.

4 **SEC. 32. Effectivity.** – This Act shall take effect fifteen (15) days after
5 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,