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SENATE

S: No 171

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

The Constitution guarantees the right of working men to security of tenure. Existing labor Legislations seeks to give meaning to it.

It is, however, unfortunate that smart employers have found a way out to comply with what the Law had ordained by preventing an employee from attaining a regular status: one, by preventing the employee from completing his six (6) months period of probation; the other, by contracting-out the work to the so-called independent contractors.

Both schemes had legally evaded the employee's prospect of attaining his regular status, albeit having worked for several years with the employer.

It is high time we put a stop to these pernicious and evil schemes and give justice to the employees.

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


ANTONIO "SONNY" F. TRILLANES IV
Senator

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT
RATIONALIZING THE SECURITY OF TENURE OF EMPLOYEES IN THE
PRIVATE SECTOR, STRENGTHENING THEIR RIGHTS, PROHIBITING
CONTRACTING--OUT OF WORK, AND FOR OTHER PURPOSES.

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

- 1 **SECTION 1.** This Act shall be known as the "*Rationalized Security of Tenure*
- 2 *Act of 2010.*"
- 3
- 4 **SEC. 2.** Any provision of law, rules and regulations to the contrary
- 5 notwithstanding, employees in the private sector who have rendered work for a period of
- 6 three (3) months, whether continuous or broken and regardless of any interval between
- 7 them, shall be considered regular employees and entitled to security of tenure as provided
- 8 in Art. 279 of P.D. 442 as amended, otherwise known as the Labor Code of the
- 9 Philippines.
- 10
- 11 **SEC. 3.** The period of six (6) months provided for in Art. 281 of the Labor Code
- 12 is hereby reduced to three (3) months.

1 **SEC. 4.** The period of three (3) months fixed in this Act shall comprise the
2 duration of service rendered after the effectivity of this Act and shall exclude those
3 rendered prior thereto regardless of duration.

4
5 **SEC. 5.** This Act shall not apply to domestic helpers, apprentices, seafarers,
6 project employees and retail or service enterprises employing not more than ten (10)
7 workers including the owner and the managers.

8
9 **SEC. 6.** This Act shall not cover employees who have attained regular status upon
10 the effectivity of this Act.

11
12 **SEC. 7.** Upon the effectivity of this Act, no employer may contract out the work
13 necessarily essential to or inherent in the nature of its business to labor-only contracting
14 agencies; *Provided*, however, That employers with ongoing contracts may be allowed to
15 finish the term of such contracts but not beyond one (1) year from the effectivity hereof;
16 *Provided*, further, That the employees under such arrangement shall be credited with the
17 duration served during the effectivity of this Act for the purpose of computing the three
18 (3) month period of service for regular status; and, *Provided*, finally, That employers who
19 continue to contract-out its work in violation of this Act shall be considered as direct
20 employers of the said employees and shall be jointly and severally liable with the Labor-
21 only contractors for all compensation and monetary benefits due the employees under all
22 labor laws.

23
24 **SEC. 8.** This Act shall take effect fifteen (15) days after its publication in the
25 *Official Gazette* or in at least two (2) national newspapers of general circulation.

Approved,