

H. No. 5306
S. No. 2837

Republic of the Philippines
Congress of the Philippines
Metro Manila
Sixteenth Congress
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand fifteen.

[REPUBLIC ACT NO. 10741]

AN ACT STRENGTHENING THE OPERATIONS OF THE NATIONAL LABOR RELATIONS COMMISSION, AMENDING FOR THIS PURPOSE ARTICLES 220 AND 222 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:

SECTION 1. Article 220 of Presidential Decree No. 442, as amended, otherwise known as the "Labor Code of the Philippines", is hereby further amended to read as follows:

"Art. 220. *National Labor Relations Commission.* — There shall be a National Labor Relations Commission which shall be attached to the Department of Labor and Employment solely for

program and policy coordination, composed of a Chairman and twenty-three (23) members.

"Eight (8) members each shall be chosen only from among the nominees of the workers and employers organizations, respectively. The Chairman and the seven (7) remaining members shall come from the public sector, with the latter to be chosen preferably from among the incumbent labor arbiters.

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

"The Commission may sit *en banc* or in eight (8) divisions, each composed of three (3) members. The Commission shall sit *en banc* only for purposes of promulgating rules and regulations governing the hearing and disposition of cases before any of its divisions and regional branches and formulating policies affecting its administration and operations. The Commission shall exercise its adjudicatory and all other powers, functions and duties through its divisions. Of the eight (8) divisions, the first, second, third, fourth, fifth and sixth divisions shall handle cases coming from the National Capital Region and other parts of Luzon, and the seventh and eighth divisions, cases from the Visayas and Mindanao, respectively: *Provided*, That the Commission sitting *en banc* may, on temporary or emergency basis, allow cases within the jurisdiction of any division to be heard and decided by any other division whose docket allows the additional workload and such transfer will not expose litigants to unnecessary additional expense. The divisions of the Commission shall have exclusive appellate jurisdiction over cases within their respective territorial jurisdiction.

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

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

"The Chairman shall be the Presiding Commissioner of the first division, and the seven (7) other members from the public sector shall be the Presiding Commissioners of the second, third, fourth, fifth, sixth, seventh and eighth divisions, respectively. In case of the effective absence or incapacity of the Chairman, the Presiding Commissioner of the second division shall be the Acting Chairman.

"The Chairman, aided by the Executive Clerk of the Commission, shall have exclusive administrative supervision over the Commission and its regional branches and all its personnel, including the Labor Arbiters.

"The Commission, when sitting *en banc*, shall be assisted by the same Executive Clerk, and, when acting thru its Divisions, by said Executive Clerk for its first division and seven (7) other Deputy Executive Clerks for the second, third, fourth, fifth, sixth, seventh and eighth Divisions, respectively, in the

performance of such similar or equivalent functions and duties as are discharged by the Clerk of Court and Deputy Clerks of Court of the Court of Appeals.

"The Commission and its eight (8) divisions shall be assisted by the Commission Attorneys in its appellate and adjudicatory functions whose term shall be coterminous with the Commissioners with whom they are assigned. The Commission Attorneys shall be members of the Philippine Bar with at least one (1) year experience or exposure in the field of labor-management relations. They shall receive annual salaries and shall be entitled to the same allowances and benefits as those falling under Salary Grade twenty-six (SG 26). There shall be as many Commission Attorneys as may be necessary for the effective and efficient operation of the Commission but in no case more than five (5) assigned to the Office of the Chairman and each Commissioner."

SEC. 2. Article 222 of the Labor Code of the Philippines, as amended, is hereby further amended to read as follows:

"Art. 222. *Appointment and Qualifications.*

– The Chairman and other Commissioners shall be members of the Philippine Bar and must have been engaged in the practice of law in the Philippines for at least fifteen (15) years, with at least five (5) years experience or exposure in the field of labor-management relations, and shall preferably be residents of the region where they shall hold office. The Labor Arbiters shall likewise be members of the Philippine Bar and must have been engaged in the practice of law in the Philippines for at least ten (10) years, with at least five (5) years experience or exposure in the field of labor-management relations.

"The Chairman, the other Commissioners and the Labor Arbiters shall hold office during good behavior until they reach the age of sixty-five (65) years, unless sooner removed for cause as provided by

law or become incapacitated to discharge the duties of their office: *Provided, however,* That the President of the Republic of the Philippines may extend the services of the Commissioners and Labor Arbiters up to the maximum age of seventy (70) years upon the recommendation of the Commission *en banc*.

"The Chairman, the Division Presiding Commissioners and other Commissioners shall all be appointed by the President. Appointment to any vacancy in a specific division shall come only from the nominees of the sector which nominated the predecessor. The Labor Arbiters shall also be appointed by the President, upon the recommendation of the Commission *en banc*, and shall be subject to the Civil Service Law, rules and regulations.

"The Chairman of the Commission shall appoint the staff and employees of the Commission and its regional branches as the needs of the service may require, subject to the Civil Service Law, rules and regulations, and upgrade their current salaries, benefits and other emoluments in accordance with law."

SEC. 3. *Renumbering Clause.* – For purposes of uniformity, Articles 213 and 215 under Title II (National Labor Relations Commission), Chapter I of Book Five of Presidential Decree No. 442, as amended, are renumbered as Articles 220 and 222, respectively, in accordance with Department Advisory Order No. 01, Series of 2015 issued by the Department of Labor and Employment renumbering the Labor Code of the Philippines, as amended.

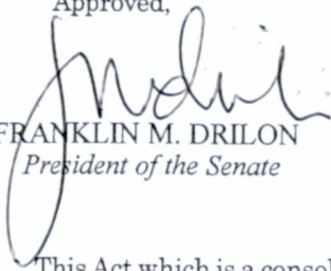
SEC. 4. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SEC. 5. *Repealing Clause.* – Presidential Decree No. 442, as amended, otherwise known as the "Labor Code of the Philippines", and all other laws, decrees, orders, issuances, rules

and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 6. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of national circulation.


Approved,


FRANKLIN M. DRILON
President of the Senate



FELICIANO BELMONTE JR.
Speaker of the House of Representatives

This Act which is a consolidation of House Bill No. 5306 and Senate Bill No. 2837 was finally passed by the House of Representatives and the Senate on November 11, 2015.


OSCAR G. YABES
Secretary of the Senate


MARILYN B. BARUA YAP
Secretary General House of Representatives

Approved: JAN 12 2016


BENIGNO S. AQUINO III
President of the Philippines



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Office of the President of the Philippines



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