AN ACT
CREATING ONE ADDITIONAL DIVISION IN THE NATIONAL LABOR
RELATIONS COMMISSION, INCREASING THE NUMBER OF
COMMISSIONERS FROM FOURTEEN (14) TO SEVENTEEN (17),
AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 442, AS
AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE
PHILIPPINES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES.

EXPLANATORY NOTE

This measure proposes the creation of an additional division for the National Labor Relations Commission (NLRC) with the corresponding increase in the number of commissioners, in order for them to better equipped in the proper administration and implementation of labor rules and laws.

Recently, the Philippine Statistics Authority released its Latest Labor Force Survey, indicating that the country’s employment rate is now at 95.5% as of October 2019. Meanwhile, unemployment rate has gone down to only 4.5%, the lowest in the last 14 years.

NLRC is a quasi-judicial body tasked to promote and maintain industrial peace by resolving labor and management disputes involving both local and overseas workers through compulsory arbitration and alternative modes of dispute resolution. Since its creation in the 1970s, the country’s labor force is now comparably bigger thanks to robust economic growth with more businesses and trades being opened and expanded.

In 2018, the NLRC posted an overall disposition output of 48,770 cases through compulsory arbitration, which consist of 37,073 (76%) original cases from the regional arbitration branches and 11,733 (24%) appealed cases from the commission proper.
With the growing number of workers in the country and the number of cases as shown by the said statistics, the NLRC really has to expand in order to minimize case backlogs and address labor disputes in a timely manner. This proposal intends to update the three-decade-old Labor Code in order to keep abreast with the changing conditions of the present time.

The immediate passage of this bill is most earnestly sought.

LUIS RAYMUND “LRAY” F. VILLAFUERTE JR.,
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PURPOSES.

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

Section 1. Title II, Chapter I, Article 213 of Presidential Decree No. 442, as
amended, is hereby further amended to read as follows:

"Article 213. National Labor Relations Commission. There shall be
a National Labor Relations Commission which shall be attached to
the 6 Department of Labor and Employment for program and
policy coordination only, composed of a Chairman and
[fourteen-(14)] SEVENTEEN (17) Members.

[SIX (6) members [each] shall be chosen from among the
nominees of the workers and employers’ organizations,
respectively. The Chairman and [five-(5)] FIVE (5)
[remaining] members shall come from the public sector, with the
latter to be chosen from among the recommendees of the Secretary
of Labor and Employment.

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 [five-f4] SIX (6) divisions, each composed of three (3) members. Subject to the penultimate sentences of this paragraph, 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 [five(5)] SIX (6) divisions, the first, second and third divisions shall handle cases coming from the National Capital Region and the parts of Luzon; and the fourth, [and] fifth, AND SIXTH 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 jurisdictions.

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 herein. 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 [four-f4] FIVE other members from the public sector shall be the Presiding Commissioners of the second, third, fourth, [and] fifth, AND SIXTH 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 administrative supervision over the Commission and its regional branches and all its personnel, including the Executive Labor Arbiters and Labor Arbiters.
The Commission, when sitting en banc shall be assisted by the same Executive Clerk and, when acting thru its Divisions, by [said] THE Executive Clerks for the second, third, fourth, [and] fifth, AND SIXTH 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."

Sec. 2. Title II, Chapter I, Article 214 of Presidential Decree No. 442, as amended, is hereby further amended to read as follows:

"Article 214. Headquarters, Branches and Provincial Extension Units. The Commission and its First, Second and Third divisions shall have their main offices in Metropolitan Manila, and the Fourth, [and] Fifth, AND SIXTH divisions in the Cities of Cebu, [and] Cagayan de Oro, AND DAVAO respectively. The Commission shall establish as many regional branches as there are regional offices of the Department of Labor and Employment, sub-regional branches or provincial extension units. There shall be as many Labor Arbiters as may be necessary for the effective and efficient operation of the Commission. Each regional branch shall be headed by an Executive Labor Arbiter."

Sec. 3. Funding. — The amounts necessary to carry out the provisions of this Act shall be included in the General Appropriations Act of the year following its enactment into law and thereafter.

Sec. 4. Upon the effectivity of this Act, all pending cases, except those which have been submitted for resolution, shall be referred to the proper division of the National Labor Relations Commission.

Sec. 5. Nothing in this Act shall be construed to allow the transfer, except in cases of temporary assignment, of any member of the National Labor Relations Commission to any place or station without such member's written consent, or to undermine the security of tenure of its members, or alter the seniority in the National Labor Relations Commission in accordance with existing laws.

Sec. 6. Separability Clause. If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provision thereof not affected thereby shall remain in full force and effect.

Sec. 7. Repealing Clause. — All laws, presidential decrees, letters of instruction, executive orders, rules, or regulations, or any part thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.
Sec. 8. Effectivity. — This Act shall take effect after fifteen (15) days following its publication in two (2) newspapers of general circulation.

Approved,