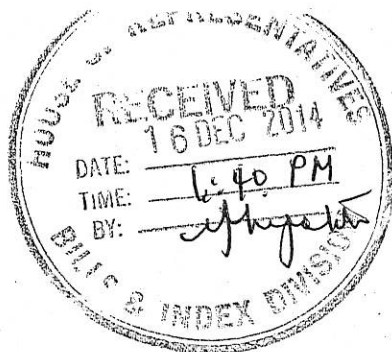




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City



SIXTEENTH CONGRESS
Second Regular Session

COMMITTEE REPORT NO. 525

Submitted by the Committee on Labor and Employment and the Committee on Ways and Means on 16 DEC 2014

Re: House Bill No. 5303

Recommending its approval in substitution of House Bills No. 221, 1594 and 2227

Sponsors: Reps. Karlo Alexei B. Nograles, Romero "Miro" S. Quimbo, Cinchona Cruz-Gonzales, Rodrigo A. Abellanosa and Emmeline Y. Aglipay

Mr. Speaker:

The Committee on Labor and Employment and the Committee on Ways and Means, to which were referred House Bill No. 221, introduced by Rep. Cinchona Cruz-Gonzales, entitled:

AN ACT

INSTITUTING THE CODE FOR ENTERPRISE-BASED EDUCATION AND TRAINING CODE IN THE PHILIPPINES OTHERWISE KNOWN AS EBT CODE THEREBY AMENDING THE LABOR CODE, R.A. 7686 DUAL TRAINING ACT, EXECUTIVE ORDER 111 AND CONSOLIDATING ALL POLICIES AND PROGRAMS TO AFFORD AND TO PROMOTE EMPLOYMENT, PROTECTION OF TRAINEES/STUDENTS AND TO IMPROVE THE QUALITY AND RELEVANCE OF EDUCATION

House Bill No.1594, introduced by Reps. Rodrigo A. Abellanosa and Juan Johnny R. Revilla, entitled:

AN ACT

REFORMING THE NATIONAL APPRENTICESHIP PROGRAM AND PROVIDING REGULATORY STANDARDS FOR THE TRAINING OF

APPRENTICES, AND FOR ACCREDITATION OF THE PROGRAMS,
THEREOF

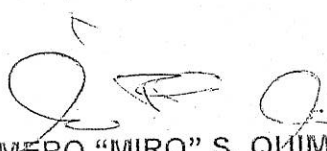
and House Bill No. 2227, introduced by Rep. Emmeline Y. Aglipay, entitled:

AN ACT
REFORMING THE NATIONAL APPRENTICESHIP PROGRAM AND
PROVIDING REGULATORY STANDARDS FOR THE TRAINING
AND EMPLOYMENT OF APPRENTICES, AND FOR
ACCREDITATION OF THE PROGRAMS, THEREOF

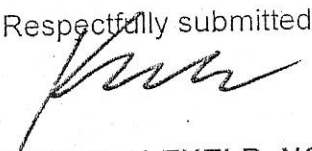
have considered the same and recommend that the attached House Bill No.
5303, entitled:

AN ACT
PROVIDING FOR A REVISED APPRENTICESHIP PROGRAM
REPEALING FOR THE PURPOSE CHAPTERS I AND II OF TITLE II
OF PRESIDENTIAL DECREE NO. 442, AS AMENDED,
OTHERWISE KNOWN AS THE LABOR CODE OF THE
PHILIPPINES

be approved in substitution of House Bills No. 221, 1594 and 2227 with
Reps. Cinchona Cruz-Gonzales, Rodrigo A. Abellanosa, Juan Johnny R. Revilla,
Emmeline Y. Aglipay, Karlo Alexei B. Nograles, Romero "Miro" S. Quimbo, Gustavo
S. Tambunting, Leah S. Paquiz and Roy V. Señeres, Sr. as authors thereof.


ROMERO "MIRO" S. QUIMBO
Chairman
Committee on Ways and Means

Respectfully submitted,


KARLO ALEXEI B. NOGRALES
Chairman
Committee on Labor and Employment

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SIXTEENTH CONGRESS
Second Regular Session

House Bill No. **5303**

Introduced by Reps. Cinchona Cruz-Gonzales, Rodrigo A. Abellanosa, Juan Johnny R. Revilla, Emmeline Y. Aglipay, Karlo Alexei B. Nograles, Romero "Miro" S. Quimbo, Gustavo S. Tambunting, Leah S. Paquiz and Roy V. Señeres, Sr.

AN ACT
PROVIDING FOR A REVISED APPRENTICESHIP PROGRAM
REPEALING FOR THE PURPOSE CHAPTERS I AND II OF
TITLE II OF PRESIDENTIAL DECREE NO. 442, AS AMENDED,
OTHERWISE KNOWN AS THE LABOR CODE OF THE
PHILIPPINES

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

1 **SECTION 1. Short Title.** – This Act shall be known as the "Revised
2 Apprenticeship Program Act".

3
4 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the
5 State to establish a reformed 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
10 **SEC. 3. Statement of Objectives.** – This Act aims to:

- 11
12 a. Help meet the demand of the economy for trained human resource;
13 b. Have a national apprenticeship program that includes on- and off- the-
14 job training components with tripartite involvement;
15 c. Promote the engagement of young workers through training and
16 development;
17 d. Enhance existing standards for the training and development of
18 apprentices;
19 e. Recognize the indispensable role of private enterprises in the training
20 and development of human resource;

- 1 f. Strengthen the advocacy on the apprenticeship training program to
2 encourage the participation of enterprises and young workers;
3 g. Increase productivity and competitiveness of enterprises by ensuring
4 the availability of skilled human resource; and
5 h. Harness corporate social responsibility towards the development of
6 skilled manpower to meet the requirements of industries.

7
8 **SEC. 4. Definition of Terms.** – As used in this Act:

- 9
10 a. **Apprentice** refers to a person undergoing training for an approved
11 apprenticeable occupation during an established period governed by an
12 apprenticeship contract;
13
14 b. **Apprenticeship** refers to a training within an enterprise involving a
15 contract between an apprentice and an enterprise on an approved
16 apprenticeable occupation;
17
18 c. **Apprenticeable occupation** refers to an occupation officially endorsed
19 by a tripartite body and approved for apprenticeship by the
20 Technical Education and Skills Development Authority (TESDA);
21
22 d. **Apprenticeship contract** refers to an agreement wherein an
23 enterprise binds itself to train the apprentice who in turn accepts
24 the terms of training for the recognized apprenticeable
25 occupation. It also contains the rights, duties and responsibilities of
26 each party;
27
28 e. **Bipartite plant apprenticeship committee** refers to a group
29 established by the enterprise composed of representatives of labor
30 and management responsible for monitoring program implementation,
31 settling differences between management and apprentices, and
32 recommending measures for effective program implementation;
33
34 f. **Certificate of Competency** refers to a document issued by the TESDA
35 to individuals who are assessed as competent in a cluster of related
36 competencies;
37
38 g. **Certificate of TVET Program Registration** refers to a
39 document issued by the TESDA granting an authority to an
40 enterprise to offer a program in an apprenticeable occupation;
41
42 h. **Cluster of competencies** refers to a group of related competencies
43 that, while it does not satisfy the requirements of a full qualification,
44 still constitutes an employable package and can be awarded a
45 *Certificate of Competency*;
46
47 i. **Competency assessment** refers to the process of gathering and
48 judging evidence in order to decide whether a person has achieved a
49 standard of competency;

- 1 j. **Competency standard** refers to a written specification of the
2 knowledge, skills, attitude and values required for the performance
3 of a job, occupation or trade and the corresponding standard of
4 performance required in the workplace;
5
6 k. **Dual Training System** refers to a delivery system of quality technical
7 and vocational education which requires training to be carried out
8 alternately in two venues: in school and in the production plant. In-
9 school training provides the trainee the theoretical foundation, basic
10 training, guidance and human formation, while in-plant training
11 develops the trainee's skills and proficiency in actual work conditions as
12 it continues to inculcate personal discipline and work values;
13
14 l. **Enterprise** refers to a participating establishment that directly engages
15 an apprentice based on an approved apprenticeship program;
16
17 m. **Qualification** refers to a package of competencies describing a
18 particular function or job role existing in an economic sector covering
19 the work activities required to undertake a particular job;
20
21 n. **Training plan** refers to the specification for the apprenticeship program
22 of an enterprise which describes all the learning experience a student
23 undergoes generally including the competencies to be acquired within
24 the program, the underpinning knowledge, theories and principles, and
25 the assessment arrangement;
26
27 o. **Unit of Competency** refers to an activity that comprises a manageable
28 component of work described in terms of elements, performance
29 criteria, range of variables and evidence guide.

30
31 **SEC. 5. Qualifications of an Apprentice.** – To qualify as an apprentice, a
32 person must:

- 33
34 a. Be at least fifteen (15) years of age;
35 b. Possess good moral character, vocational aptitude and capacity for
36 apprenticeship as determined by the enterprise; and
37 c. Have the ability to comprehend and follow oral and written instructions.
38

39 Trade, industry and labor organizations may recommend to TESDA
40 appropriate educational requirements for different occupations.
41

42 **SEC. 6. Aptitude Testing of Applicants.** – Consistent with the minimum
43 qualifications of an apprentice under Section 5 hereof, the bipartite plant
44 apprenticeship committees shall have the primary responsibility of providing
45 appropriate aptitude examinations in the selection of apprentices.
46

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

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

9 The apprenticeship program shall emphasize the need for theoretical
10 instruction. The enterprise may seek partnership with a Technical-Vocational
11 Education and Training (TVET) institution in its design and delivery.
12

13 **SEC. 9. Apprenticeship Period.** - The apprenticeship period shall be
14 based on the duration of training required in the training plan and on the
15 complexity of the skills to be learned by the apprentices.
16

17 **SEC.10. Apprenticeship Program Registration.** – The registration of an
18 apprenticeship program can be for a qualification, a cluster of competencies, or
19 bundled qualifications as contained in the training regulations. A letter of
20 application stating the intention, the certificate of undertaking, and the training
21 plan shall be submitted to TESDA for approval. A Certificate of TVET Program
22 Registration shall be issued to the enterprise to signify authorization for specific
23 qualification or competency clusters.
24

25 An apprenticeship program may be approved on a no-training regulations
26 basis provided that the applicant enterprise can show proof of the demand for
27 such skill.
28

29 The TESDA shall provide technical assistance to applying and
30 implementing enterprises to be able to comply with the provisions of this section.
31

32 **SEC. 11. Contents of the Apprenticeship Contract.** – The
33 apprenticeship contract must conform with the rules issued by the TESDA and
34 shall include the following:
35

- 36 a. Nature, syllabus, timetable, and purpose of training;
- 37 b. Period of training, depending on the approved training regulations;
- 38 c. Training allowances prescribed by industry subsectors through tripartite
39 consultations which in no case shall start below seventy-five percent
40 (75%) of the applicable minimum wage; *Provided, however,* That
41 contributions to the training allowance by government agencies and/or
42 non-governmental organizations shall be considered in computing the
43 seventy-five percent (75%);
- 44 d. Schedule of training allowance payment;
- 45 e. Training hours;
- 46 f. Process for the termination of apprenticeship; and
- 47 g. General rights and obligations of both parties.

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SEC. 12. Signing of the Apprenticeship Contract. – Every apprenticeship contract shall be signed by the apprentice and the enterprise, recognized organization, association or group or their authorized representatives.

An apprenticeship contract with a person under eighteen (18) years of age shall be signed by the parent or guardian of said person or, if the latter is not available, by an authorized representative. The contract shall be binding during its lifetime, subject to the right of the apprentice to terminate the same after a month's notice.

Every apprenticeship contract entered into under this Act shall be approved by the bipartite plant apprenticeship committee involving the firm owner and representatives of the firm workers. Copies of the apprenticeship contract shall be furnished the firm owner and the apprentice.

SEC. 13. Apprenticeship Models. – Enterprises with approved apprenticeship programs may choose from any of the following apprenticeship models which may use the Dual Training System approach:

- a. Apprenticeship involving a company and an identified training institution;
- b. Apprenticeship involving a group of companies and a training institution;
- c. Apprenticeship involving an industry training center and a company or a group of companies; or
- d. Other schemes to be established by the TESDA in consultation with enterprise owners, labor and training institutions subject to the approval of the TESDA Board.

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

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

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

SEC. 17. Termination of Apprenticeship. –

Valid causes to terminate the apprenticeship contract:

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a. *By the enterprise:*

1. Habitual absenteeism in on-the-job training and related theoretical instructions activities;
2. Willful disobedience of company rules or insubordination of lawful order of a superior;
3. Poor physical condition, prolonged illness, or permanent disability which incapacitates the apprentice from working;
4. Theft or malicious destruction of company property or equipment;
5. Inefficiency, or poor performance on the job or in the classroom for a prolonged period despite warnings duly given to the apprentice; and
6. Engaging in violence or other forms of misconduct inside the enterprise's premises.

b. *By the apprentice:*

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

SEC. 18. *Rules and Procedure on the Termination of the Apprenticeship -*

a. *Apprenticeship Committee Level*

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

b. *Regional Level*

1. The complainant verbally presents the case to the TESDA Regional Office. If the complaint merits consideration, the complainant is made to duly accomplish an Application for Termination of Apprenticeship form.

1 2. The concerned unit or division of the TESDA Regional Office
2 verifies the veracity and validity of the claim within five (5) days from
3 its receipt by:

- 4
5 a. Calling both the enterprise and the apprentice for a
6 conference; or
7 b. Sending a representative to the enterprise for that purpose.
8

9 3. In case a ground for approval exists:

- 10 a. The investigating officer (field representative) shall initiate the
11 application for termination.
12 b. The chief of the concerned unit or division of the TESDA
13 Regional Office shall verify the same.
14 c. The application for termination shall immediately be forwarded
15 to the Regional Director for appropriate action, after which a
16 copy of the acted upon application shall be furnished the
17 applicant and the second party party. This process shall
18 be completed within three (3) days from receipt of the
19 document by the office of the concerned Regional Director.
20 d. A copy of each approved application shall be furnished to
21 the concerned office of the TESDA.
22

23
24 c. *Agency Level*

25
26 If either of the parties is not satisfied with the decision of the
27 Regional Director the case may be appealed, within the
28 reglementary period of five (5) days from receipt of the document, to
29 the TESDA Director-General whose decision shall be final and
30 unappealable.
31

32 **SEC. 19. Competency Assessment and Certification.** - The apprentices
33 shall, within the apprenticeship period, undergo competency assessment for
34 qualifications to the training regulations. A national certificate shall be issued to all
35 those who demonstrated achievement of the competency standards.
36

37 **SEC. 20. Training Certificate.** - A training certificate shall be issued by
38 the authorized enterprise to signify completion of the apprenticeship program in
39 accordance with the approved training design. The certificate shall contain a list of
40 the units of competency acquired and shall be comparable to completion of a
41 training program in a TVET institution.

42 **SEC. 21. Compulsory Apprenticeship.** - When the national security or
43 particular requirements of economic development so demand, the President of
44 the Republic of the Philippines shall require compulsory training of apprentices in
45 certain trades, occupations, jobs or employment levels where shortage of trained
46 manpower is deemed critical as determined by the TESDA Board.

1 **SEC. 22. Incentives.** - An additional deduction from the gross income of
2 one-half (1/2) of the labor training expenses incurred from developing the
3 productivity and efficiency of apprentices shall be granted to the person or
4 enterprise organizing an apprenticeship program: *Provided*, That the employer
5 shall be exempt from the payment of the apprenticeship fee and that such
6 program shall be recognized by the TESDA: *Provided further*, That such
7 deduction shall not exceed ten percent (10%) of the training allowance of the
8 apprentices: *Provided finally*, That the enterprise that wishes to avail of this
9 incentive shall pay its apprentices the minimum wage. Micro-cottage and small
10 enterprises with less than one hundred (100) employees shall be exempt from
11 paying the apprenticeship fee.
12

13 **SEC. 23. System of Equivalency.** - Apprenticeship graduates shall be
14 awarded equivalent unit credits in the formal system of education that can be
15 used in pursuing tertiary degree courses subject to the integrated policies and
16 guidelines on equivalency and Adult Education Acceleration Program of the
17 TESDA, the Commission on Higher Education (CHED) and the Department of
18 Education (DepEd).
19

20 **SEC. 24. Insurance for Apprentices.** - Every participating enterprise,
21 group or association, industry, organization, government institution or civic group
22 undertaking training in accordance with the provisions of this Act shall provide a
23 disability or accident insurance policy in favor of the trainee or apprentice during
24 the apprenticeship period.
25

26 **SEC. 25. Penalty Clause.** - Enterprises found offering unregistered
27 apprenticeship programs shall be subjected to program closure proceedings
28 without prejudice to the filing of administrative, criminal, or civil liabilities.
29

30 The TESDA Board may file the necessary civil or criminal case as may be
31 deemed reasonable and appropriate and after the deliberation of the TESDA
32 Board pursuant to this Act for any of the following causes:
33

- 34 a. Fraud or deceit committed in connection with the application for the
35 opening of apprenticeship programs; and
- 36 b. Failure to comply with conditions or obligations prescribed under this
37 Act or its implementing rules and regulations.
38

39 Any violation of the provisions of this Act or its implementing rules and
40 regulations shall be punished with a fine of not less than One Thousand Pesos
41 (P1,000.00) nor more than Ten Thousand Pesos (P10,000.00), or imprisonment
42 of not less than three months nor more than three years, or both such fine and
43 imprisonment at the discretion of the court.
44

45 **SEC. 26. Transitory Provision.** - All existing apprenticeship programs
46 and training regulations shall be valid until after the TESDA have conducted an
47 assessment and revalidation for consistency with the provisions of this Act and its
48 implementing rules and regulations.

1 **SEC. 27. Abolition of the Learnership Program.** – To rationalize and
2 ensure the effective implementation of the Reformed Apprenticeship Program, the
3 Learnership Program is hereby abolished.

4
5 **SEC. 28. Implementing Rules and Regulations.** – The TESDA Board
6 shall issue the implementing rules and regulations within ninety (90) days after the
7 effectivity of this Act.

8
9 **SEC. 29. Repealing Clause.** – Chapters I and II of Title II of Presidential
10 Decree No. 442, as amended, otherwise known as the Labor Code of the
11 Philippines, are hereby repealed. Executive Order No. 111 series of 1986, R.A.
12 No. 7796 or the “TESDA Act of 1994” and all other laws, presidential decrees,
13 issuances, executive orders, letters of instruction, and rules and regulations
14 contrary to or inconsistent with the provisions of this Act are hereby amended
15 accordingly.

16
17 **SEC. 30. Separability Clause.** – If any provision of this Act is held invalid
18 or unconstitutional, the same shall not affect the validity and effectivity of the
19 other provisions hereof.

20
21 **SEC. 31. Effectivity.** – This Act shall take effect fifteen (15) days after its
22 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,