
**BRIEFING PAPER
ON
REPUBLIC ACT No. 6715**

1. What is R. A. No. 6715 all about?

The law amends certain provisions of the Labor Code in order to:

- a. provide better protection to workers;
- b. strengthen workers' rights to self-organization, collective bargaining and peaceful mass actions;
- c. promote voluntary modes of dispute settlement; and
- d. reorganize the National Labor Relations Commission (NLRC) so as to professionalize the decision-making levels and bring the service closer to the parties of a labor disputes.

2. How are the workers better protected by this law?

In case a company becomes bankrupt or insolvent, unpaid wages and other money claims of workers shall be paid in full before the claims of the government and other creditors.

A worker's claim for unpaid wages and other money claims, not involving job reinstatement, and not exceeding P5,000.00 shall be resolved more speedily through summary proceedings at the Regional Offices of the Department of Labor and Employment (DOLE).

This law also mandates as a state policy the participation of workers in decision and policy-making processes affecting their rights, duties and welfare.

3. How will this law affect the existing set-up of the NLRC?

Under existing law, the NLRC consists of the Secretary of Labor as Chairman and fifteen (15) Commissioners as members divided into five (5) divisions, all holding office in Manila, and without sectoral representation.

The consolidated bill restructures the NLRC by:

- a. reconverting the commission into a tripartite body – as originally constituted by the Labor Code – but leaving out the Secretary of Labor as Chairman/Member.
- b. Five (5) members shall be appointed from nominees of the labor sector, five (5) members from nominees of the employer groups, while the chairman and four (4) other members from the public sector shall be recommended by the Secretary of Labor.

Except for program and policy coordination, the law in effect divorces the NLRC from the DOLE.

To professionalize the services, qualifications of commissioners must be lawyers with at least fifteen (15) years law practice and with at least five (5) years experience or exposure in the field of labor relations. They shall preferably be residents of the region where their subdivision will hold office.

Labor Arbiters must also have at least seven (7) years of law practice, with at least three (3) years experience or exposure in the field of labor relations. However, incumbent arbiters with at least five (5) years law practice may be considered for reappointment.

Commissioners are to be appointed by the President subject to the confirmation by the Commission on Appointments. Labor Arbiters

are also appointed by the President upon recommendation of the Secretary of Labor and are subject to Civil Service Law.

The NLRC is regionalized; the Commission and the 1st, 2nd, 3rd Division shall hold office in Metro Manila; the 4th Division and 5th Division shall hold office in Cebu City and Cagayan De Oro City, respectively.

All positions of commissioners, executive labor arbiters and labor arbiters are declared vacant, but incumbent officials shall continue to hold office until their successors are appointed and qualified.

4. Is there any change affecting collective bargaining agreements (CBA)?

Instead of merely filing their CBA, the parties are required to submit the agreements for REGISTRATION by the Regional Office or the Bureau of Labor Relations. The employer will be assessed at least P1,000.00 as registration fee for every CBA registered, such fees accruing to the Special Voluntary Arbitration Fund.

Employers are also required to furnish, upon written request, copy of its annual audited financial statement to the incumbent union upon its certification as the exclusive bargaining agent or during the collective bargaining negotiation.

Supervisory employees are not eligible for membership in unions of rank-and-file employers but they may join, assist or form a separate union of their own.

A CBA shall have a term of five (5) years – instead of the current three (3) years – as far as the representation status of the incumbent bargaining agent is concerned. Hence, no petition for certification election shall be entertained except during the 60-day “freedom period” before the expiration of the five-year CBA. However, all other provisions of the CBA are subject to renegotiation not later than three (3) years after its execution.

5. *Are there other changes affecting the operation/organization of labor unions?*

Officers of the local union as well as the national officers in the national unions or federations, shall be directly elected by their members for a term of five (5) years (instead of three [3] years under present law).

Order or decision of the Med-Arbiter in certification election cases are directly appealable to the Secretary of Labor, thereby divesting the Bureau of Labor Relations of its appellate jurisdiction over these cases.

6. *How will voluntary modes of dispute settlement be encouraged and promoted?*

The jurisdiction of voluntary arbitrators is expanded to hear and decide all unresolved grievances or complaints arising from the interpretation or implementation of the CBA, except those defined as “gross in character,” shall no longer be treated as “unfair labor practice” and shall instead be resolved as grievances under the CBA. “Gross violations” are defined as “flagrant and/or malicious refusal” to comply with the economic provisions of the CBA. The practical effect is to vest sole and exclusive jurisdiction of such dispute to the grievance machinery or voluntary arbitration provided for in the CBA. This will also decongest the dockets of the NLRC and the Department of Labor and contribute to speedier disposition of labor disputes.

The voluntary arbitrator, upon agreement of the parties, is similarly vested with jurisdiction to hear and decide all other labor disputes including unfair labor practices and bargaining deadlocks.

7. *What amendments effect changes in existing strike/lockout laws?*

The assumption of jurisdiction by the Secretary of Labor or certification for compulsory arbitration of a strike/lockout case is limited to labor disputes causing or likely to cause strikes or lockouts in industries indispensable to the national interest.

In the case of strikes or lockouts in hospitals, clinics and similar medical institutions, the striking union or locking-out employer is required to maintain a skeletal work force whose movement and services shall be unhampered and unrestricted x x x. More to the point, the Secretary of Labor may assume, within twenty-four (24) hours from knowledge of the occurrence of such a dispute, jurisdiction over the same or certify it for compulsory arbitration to the NLRC. Noncompliance with “orders, prohibitions and/or injunctions x x x” issued in these cases, carries drastic penalties; immediate dismissal for striking workers, or payment of backwages and damages by locking-out employer, even criminal prosecution against the offending parties.

8. What is meant by “improved offer balloting”?

In case of a strike or lockout, the Department of Labor and Employment is authorized to conduct a referendum by secret ballot on the “improved offer” of the employer on or before the 30th day of the strike. If a majority of the union members vote to accept the improved offer, the striking workers shall immediately go back to work and the employer shall accept them upon the signing of the agreement.

In case of lockout, the Labor Department shall conduct a referendum on the “reduced offer” of the union on or before the 30th day of the lockout. When a majority of the Board of Directors/Trustees or the majority partners holding the controlling interest vote to accept the reduced offer, the workers shall forthwith return to work and the employer shall accept them upon the signing of the agreement.

9. May aliens engage in trade union activities?

In general, foreign nationals are not allowed to engage in all forms of trade union activities, EXCEPT –

- a. normal contacts between Philippine Labor Unions and Recognized International Labor Center (CFTU, AFLCIO, WCL, etc.)

- b. aliens with valid work permits issued by DOLE may join or assist labor organizations of their choice for purposes of collective bargaining, provided they are nationals of a country that extends the same or similar rights to Filipino workers in that country.

10. *When may a worker be eligible for membership in a labor union?*

The worker whether employed for a definite period or not, shall on the FIRST DAY of service be eligible to join a labor union.

11. *What benefits should be granted to a worker whose dismissal was ruled as illegal?*

Reinstatement without loss of seniority rights and other privileges to full backwages INCLUSIVE OF ALLOWANCE and of the monetary equivalent of his other benefits, computed from the time compensation is withheld up to the time of actual reinstatement.

12. *Are there any other remedies that may be granted to a dismissed worker? To workers in general?*

If there is a *prima facie* finding that the dismissal is illegal, the Secretary of Labor may “suspend the effects of the termination x x x” or issue an order of reinstatement pending resolution of the case.

To insure speedy labor justice, the periods set by the Code within which decisions or resolutions of labor relations cases should be rendered shall be mandatory.

13. *Are supervisory employees allowed to join, assist or form any labor organization?*

Supervisory employees shall not be eligible for membership in a labor organization of the rank-and-file employees. They are, however, permitted under this proposed law to join, assist or form separate labor unions of their own.

***Prepared by members of the Senate-House Conference
Committee of Congress.***

Hon. Alberto S. Veloso
Hon. Martin B. Isidro
Hon. Ramon J. Jabar
Hon. Francisco B. Aniag, Jr.
Hon. Antotio M. Serapio
Hon. Arden S. Anni
Hon. Raul S. Roco

Hon. Ernesto F. Herrera
Hon. Alberto B. Romulo
Hon. Mamintal A.J. Tamano
Hon. Vicente T. Paterno
Hon. Juan Ponce Enrile
Hon. Edgardo J. Angara
Hon. Aquilino Q. Pimentel

Philippine Copyright © 2005
ChanRobles Publishing Company
www.chanrobles.com