
**RULES AND REGULATIONS
IMPLEMENTING
REPUBLIC ACT NO. 6715**

BOOK III

RULE VIII

Payment of Wages

SECTION 1. Section 10 of Rule VIII, Book III of the Rules Implementing Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, as further amended by Republic Act No. 6715, is hereby amended to read as follows:

“SECTION 10 Payments of wages and other monetary claims in case of bankruptcy. — In case of bankruptcy or liquidation of the employer’s business, the unpaid wages and other monetary claims of the employees shall be given first preference and shall be paid in full before the claims of government and other creditors may be paid.”

SECTION 2. A new Rule XI is hereby incorporated after Rule X, Book III of the same Rules, which shall contain the following provisions:

RULE XI

Adjudicatory Powers

“SECTION 1. Recovery of wages, simple money claims and other benefits. —

- (a) The Regional Director or any duly authorized Hearing Officer of the Department of Labor and Employment shall have the power through summary proceedings and after due notice to hear and decide any complaint involving the recovery of wages and other monetary claims and benefits, including legal interest, owing to an employee or person employed in domestic or household service or househelper arising from employer-employee relations; Provided, that such complaint does not include a claim for reinstatement and; Provided, further that the aggregate money claims of each employee or househelper does not exceed five thousand pesos (P5,000.00), inclusive of legal interest.
- (b) When the claims of two or more claimants, each not exceeding five thousand pesos (P5,000.00), arising out of or involving the same cause of action and against the same respondent, are subject of separate complaints may, upon motion of either party, be consolidated into one for purposes of the hearing and reception of evidence.
- (c) When the evidence shows that the claim amounts to more than five thousand pesos (P5,000.00), the Regional Director or Hearing Officer shall advise the complainant to amend the complaint if the latter so desires and file the same with the appropriate regional branch of the National Labor Relations Commission.

“SECTION 2. The complaint shall be in writing, under oath and shall substantially comply with the form prescribed by the Department. Within two (2) working days from receipt of the complaint, the Regional Director or Hearing Officer shall serve a copy of the complaint and all pertinent documents to the respondents who may, within five (5) calendar days, file an answer thereto.”

“SECTION 3. Any sum recovered on behalf of an employee or househelper pursuant to this Rule shall be held in a special deposit account by, and shall be paid, on order of the Secretary of Labor and Employment or the Regional Director, directly to the employee or househelper concerned or to his heirs, successors or assigns. Any such sum not paid to the employee or househelper, because he cannot be located after diligent and reasonable effort to locate him within a period of three (3) years, shall be held as a special fund of the Department of Labor and Employment to be used exclusively for the amelioration and benefit of workers; Provided, however, that thirty (30) calendar days before any sum is turned over to the fund, a notice of entitlement shall be posted conspicuously in at least two (2) public places in the locality where he is last known to have resided.

The Secretary of Labor and Employment or his duly authorized representative may supervise the payment of unpaid wages and other monetary claims and benefits, including legal interests, found owing to any employee or househelper.”

“SECTION 4. Any decision or resolution of the Regional Director or any of the duly authorized Hearing Officers of the Department of Labor and Employment may be appealed on the same grounds and following the procedure for perfecting an appeal provided in Article 223 of the Labor Code, within five (5) calendar days from receipt of a copy of said decision or resolution, to the National Labor Relations Commission which shall resolve the appeal within ten (10) calendar days from submission of the last pleading required or allowed under its rules.”

SECTION 3. Rules XI, XII and XIII, Book III of the same Rules is hereby renumbered as Rules XII, XIII and XIV respectively.

BOOK V

RULE I

Definition of Terms

SECTION 4. Section 1 of Rule I, Book V of the same Rules is hereby amended to read as follows:

“SECTION 1. Definition of Terms.

- (a) ‘*Commission*’ means the National Labor Relations Commission.
- (b) ‘*Bureau*’ means the ‘Bureau of Labor Relations and/or the Industrial Relations Division in the Regional Offices of the Department of Labor and Employment.
- (c) ‘*Board*’ means the National Conciliation and Mediation Board.
- (d) ‘*Code*’ means the Labor Code of the Philippines, as amended.
- (e) ‘*Employer*’ includes any person acting in the interest of an employer, directly or indirectly. The term shall not include any labor organization or any of its officers or agents except when acting as employer.
- (f) ‘*Employee*’ includes any person in the employ of a particular employer. The term shall not be limited to the employees of a particular employer, unless the Code so explicitly states. It shall include any individual whose work has ceased as a result of or in connection with any current labor dispute or because of any unfair labor practice if he has not obtained any other substantially equivalent and regular employment.

- (g) *'Labor Organization'* means any union or association of employees which exists in whole or in part for the purpose of collective bargaining or of dealing with employers concerning terms and conditions of employment.
- (h) *'Local Union'* means any labor organization operating at the enterprise level.
- (i) *'National Union/Federation'* means any labor organization with at least ten (10) locals or chapters each of which must be a duly recognized collective bargaining agent.
- (j) *'Legitimate Labor Organization'* means any labor organization duly registered with the Department of Labor and Employment and includes any branch, local or affiliate thereof.
- (k) *'Company Union'* means any labor organization whose formation, function or administration has been assisted by any act defined as unfair labor practice by the Code.
- (l) *'Bargaining Representative'* means a legitimate labor organization or any duly authorized officer or agent of such organization whether or not employed by the employer.
- (m) *'Unfair Labor Practice'* means any Unfair labor practice as expressly defined in the Code.
- (n) *'Labor or Industrial Dispute'* includes any controversy or matter concerning terms or conditions of employment or the association or representation of persons in negotiating the fixing, maintaining, changing or arranging of terms and conditions of employment regardless of whether or not the disputants stand in the proximate relationship of employers and employees.

- (o) *Managerial Employee* is one who is vested with powers or prerogatives to lay down and execute management policies and/or to hire, transfer, suspend, layoff, recall, discharge, assign or discipline employees. Supervisory employees are those who, in the interest of the employer, effectively recommend such managerial actions if the exercise of such authority is not merely routinary or clerical in nature but require the use of independent judgment. All employees not falling within any of the above definitions are considered rank-and-file employees for purposes of this Book.
- (p) *Voluntary Arbitrator* means any person accredited by the Board as such, or any person named or designated in the collective bargaining agreement by the parties to act as their voluntary arbitrator, or one chosen, with or without the assistance of the National Conciliation and Mediation Board, pursuant to a selection procedure agreed upon in the collective bargaining agreement, or any official that may be authorized by the Secretary of Labor and Employment to act as voluntary arbitrator upon the written request and agreement of the parties to a labor dispute.
- (q) *Strike* means any temporary stoppage of work by the concerted action of employees as a result of a labor or industrial dispute.
- (r) *Strike-Breaker* means any person who obstructs, impedes, or interferes with by force, violence, coercion, threats or intimidation any peaceful picketing by employees during any labor controversy affecting wages, hours or conditions of work or in the exercise of the right of self-organization or collective bargaining.

- (s) '*Strike Area*' means the establishment, warehouse, depots, plants or offices, including the sites or premises used as run-away shops, of the employer struck against, as well as the immediate vicinity actually used by picketing strikers in moving to and fro before all points of entrance to and exit from said establishment.
- (t) '*Lockout*' means the temporary refusal of an employer to furnish work as a result of a labor or industrial dispute.
- (u) '*Internal Union Dispute*' includes all disputes or grievances arising from any violation of or disagreement over any provision of the constitution and by-laws of a union including any violation of the rights and conditions of union membership provided for in the Code.
- (v) '*Appeal*' means the elevation by an aggrieved party of any decision, order or award of a lower body to a higher body, by means of a pleading which includes the assignment of errors, memorandum of arguments in support thereof, and the reliefs prayed for. A mere notice of appeal, therefore, does not constitute the appeal as herein defined and understood, and shall not stop the running of the period for perfecting an appeal.
- (w) '*Perfection of an Appeal*' includes the filing, within the prescribed period, of the memorandum of appeal containing among others, the assignment of error/s, the argument in support thereof, the reliefs sought and posting of the appeal bond.
- (x) '*Certification Election*' means the process of determining, through secret ballot, the sole and exclusive bargaining agent of the employees in an appropriate bargaining unit, for purposes of collective bargaining.

- (y) *'Consent Election'* means the election voluntarily agreed upon by the parties to determine the issue of majority representation of all the workers in the appropriate collective bargaining unit.
- (z) *'Run-Off'* refers to an election between the labor unions receiving the two (2) highest number of votes when a certification election which provides for three (3) or more choices results in no choice receiving a majority of the valid votes cast, where the total number of votes for all contending unions is at least fifty percent (50%) of the number of votes cast.
- (aa) *'Registration of Agreement'* refers to the filing of the collective bargaining agreement with the Regional Office or the Bureau accompanied by verified proof of posting and ratification and payment of fee.
- (bb) *'Organized Establishment'* refers to a firm or company where there is a recognized or certified exclusive bargaining agent.
- (cc) *'Registration Proceedings'* refer to proceedings involving the application for registration of labor organizations.
- (dd) *'Cancellation Proceeding'* is the process leading to the revocation of the registration certificate of a labor organization after due process.
- (ee) *'Hearing Officers'* are officers appointed/designated in the Regional Office and authorized to hear and decide cases under Section 2 of Republic Act No. 6715 and whose decision is appealable to the Commission.
- (ff) *'Union Accounts Examiners'* are officials in the Bureau or the Industrial Relations Division in the Regional Office empowered to audit books of accounts of the Union.

- (gg) *'Representation Officer'* refers to a person duly authorized to conduct and supervise certification elections in accordance with Rule VI of this Book.
- (hh) *'Term of Office'* means the tenure of office of elected officials of a labor organization which is for a fixed period of five (5) years.
- (ii) *'Cabo'* refers to a person or group of persons or to a labor group which, in the guise of a labor organization, supplies workers to an employer, with or without any monetary or other consideration whether in the capacity of an agent of the employer or as an ostensible independent contractor.
- (jj) *'Collective Bargaining Agreement'* refers to the negotiated contract between a legitimate labor organization and the employer concerning wages, hours of work and all other terms and conditions of employment in a bargaining unit, including mandatory provisions for grievances and arbitration machineries.
- (kk) *'Med-Arbiter'* is an official in the Regional Office authorized to hear, conciliate, mediate and decide representation cases, internal union and inter-union disputes.
- (ll) *'Administrator'* refers to the Administrator of the Philippine Overseas Employment Administration or the National Conciliation and Mediation Board as the context so indicates.”

RULE II
Registration of Unions

SECTION 5. Section 1 of Rule II, Book V of the same Rules is hereby amended to read as follows:

“SECTION 1. Who may join unions. — All persons employed in commercial, industrial and agricultural enterprises, including employees of government corporations established under the Corporation Code as well as employees of religious, medical or educational institutions whether operating for profit or not, except managerial employees, shall have the right to self-organization and to form, join or assist labor organizations for purposes of collective bargaining. Ambulant, intermittent and itinerant workers, self-employed people, rural workers and those without any definite employers may form labor organizations for their mutual aid and protection.

Supervisory employees and security guards shall not be eligible for membership in a labor organization of the rank-and-file employees but may join, assist or form separate labor organizations of their own; Provided, that those supervisory employees who are included in an existing rank-and-file bargaining unit, upon the effectivity of Republic Act No. 6715, shall remain in that unit; Provided further, that alien employees with valid working permits issued by the Department of Labor and Employment may exercise the right to self-organization and join or assist labor organizations for purposes of collective bargaining if they are nationals of a country which grants the same or similar rights to Filipino workers, as certified by the Department of Foreign Affairs.

For the purpose of this Section, any employee, whether employed for a definite period or not, shall, beginning on the first day of his service, be eligible for membership in the union.”

SECTION 6. Section 2 of Rule II, Book V of the same Rules is hereby amended to read as follows:

“SECTION 2. Where to file application; procedure. — Any national labor organization or labor federation or local union may file an application for registration with the Bureau or the Regional Office where the applicant’s principal office is located. The Bureau or the Regional Office shall immediately process and approve or deny the application. In case of approval, the Bureau or the Regional Office shall issue the registration certificate within thirty (30) calendar days from receipt of the application, together with all the requirements for registration as hereinafter provided.”

SECTION 7. Section 3 is hereby repealed and a new Section 3 is incorporated after Section 2 of Rule II, Book V to read as follows:

“SECTION 3. Union affiliation; direct membership with national union. — An affiliate of a labor federation or national union may be a local or chapter thereof or an independently registered union.

- (a) The labor federation or national union concerned shall issue a charter certificate indicating the creation or establishment of a local or (chapter, copy of which shall be submitted to the Bureau of Labor Relations within thirty (30) days from issuance of such charter certificate.
- (b) An independently registered union shall be considered an affiliate of a labor federation or national union after submission to the Bureau of the contract or agreement of affiliation within thirty (30) days after its execution.
- (c) All existing labor federations or national unions are required to submit a list of all their affiliates, their addresses and including the names and addresses of

their respective officials, to the Bureau within thirty (30) days from effectivity of these Rules.

- (d) All existing labor federations or national unions with direct members are required to organize said members into locals or chapters in their respective companies or establishments within sixty (60) days from effectivity of these Rules.
- (e) The local or chapter of a labor federation or national union shall have and maintain a constitution and by-laws, set of officers and books of accounts. For reporting purposes, the procedure governing the reporting of independently registered unions, federations or national unions shall be observed.
- (f) No person who is not an employee or worker of the company or establishment where an independently registered union, affiliate, local or chapter of a labor federation or national union operates shall henceforth be elected or appointed as an officer of such union, affiliate, local or chapter.”

SECTION 8. Section 4 of Rule II, Book V of the same Rules is hereby amended to read as follows:

“SECTION 4. Requirements for registration of local unions; applications. – The application for registration of a local union shall be signed by at least twenty percent (20%) of the employees in the appropriate bargaining unit which the applicant union seeks to represent, and shall be accompanied by the following:

- (a) Fifty-peso registration fee;
- (b) The names of its officers, their addresses, the principal address of the labor organization, the minutes of the organizational meetings and the list of the workers who participated in such meetings;

- (c) The names of all its members and the number of employees in the bargaining unit;
- (d) If the applicant union has been in existence for one or more years, copies of its annual financial reports;
- (e) Four copies of its constitution and by-laws, minutes of its adoption or ratification, and the list of the members who participated in it;
- (f) A sworn statement by the applicant union that there is no certified bargaining agent in the bargaining unit concerned. In case where there is an existing collective bargaining agreement duly submitted to the Department of Labor and Employment, a sworn statement that the application for registration is filed during the last sixty (60) days of the agreement; and
- (g) The application for registration and all the accompanying documents shall be verified under oath by the secretary or the treasurer, as the case may be, and attested to by the president.”

SECTION 9. Section 6 of Rule II, Book V of the same Rules is hereby amended and renumbered to read as follows:

“SECTION 5. Denial of registration of local unions. — The Regional Office or the Bureau may deny the application for registration on grounds of non-compliance with the requirements enumerated in Section 4 hereof.

The decision of the Regional Office or the Bureau denying the application for registration shall be in writing, stating in clear terms the reasons therefor. A copy thereof shall be furnished the applicant union.”

SECTION 10. Section 7 of Rule II, Book V of the same Rules is hereby amended and renumbered to read as follows:

“SECTION. 6. Appeal. — Any applicant union may appeal to the Bureau the denial of registration by the Regional Office, or to the Secretary if the denial is by the Bureau, within ten (10) calendar days from receipt of such decision on grounds of:

- (a) grave abuse of discretion; and,
- (b) gross incompetence.

The appeal shall be filed in the Regional Office/Bureau which shall cause the transmittal of the records to the Bureau/Secretary within five (5) calendar days from receipt of the appeal.

The Bureau/Secretary shall decide the appeal within twenty (20) calendar days from receipt of the records of the case.”

SECTION 11. Section 8 of Rule II, Book V of the same Rules is hereby amended and renumbered to read as follows:

“SECTION 7. Cancellation of registration certificate. — The certificate of registration of any legitimate labor organization including labor federations or national unions may be cancelled by the Bureau or the Regional Office on any of the following grounds:

- (a) violation of Articles 234, 237 and 239 of the Code;
- (b) failure to comply with Article 238 of the Code; and
- (c) violation of any of the provisions of Article 241 of the Code.”

SECTION 12. Section 9 of Rule II of Book V of the same Rules is hereby amended to read as follows:

“SECTION 8. Notice of Cancellation. — The Bureau or the Regional Office shall serve a notice of the cancellation proceedings on the labor organization concerned stating the grounds therefor, at least fifteen (15) calendar days before the scheduled date of hearing. In such hearing, the representative of the labor organization shall have the right to present its side.”

SECTION 13. Section 10 of Rule II of Book V of the same Rules is hereby amended and renumbered to read as follows:

“SECTION 9. Appeal. — The labor organization may, unless the law provides otherwise, within fifteen (15) calendar days from receipt of the decision cancelling or revoking its certificate of registration, file an appeal to the Bureau, to the Secretary, on any of the following grounds:

- (a) grave abuse of discretion; and
- (b) gross incompetence.

The Bureau/Secretary shall have fifteen (15) calendar days from receipt of the records of the case within which to decide the appeal. The decision shall be final and unappealable.”

SECTION 14. Section 3 of Rule II, Book V of the same Rules is hereby amended and renumbered to read as follows:

“SECTION 10. Rights of labor organizations. — A legitimate labor organization shall have the rights enumerated in Article 242 of the Code.”

SECTION 15. Section 11 of Rule II, Book V of the same Rules is hereby amended to read as follows:

“SECTION 11. Automatic cancellation of union registration. —
(a) The Bureau or the Regional Office shall, after due process,

cancel the certificate of registration of any labor organization which fails to submit the financial reports required by the Code and its Implementing Rules six (6) months after the effectivity of Republic Act No. 6715.

- (b) The reports required under this section shall be submitted to the Bureau or the Regional Office.”

RULE V

Representation Cases and Internal-Union Disputes

SECTION 16. Section I of Rule V, Book V of the same Rules is hereby amended to read as follows:

“SECTION 1. Where to file. — A petition for certification election shall be filed with the Regional Office which has jurisdiction over the principal office of the petitioner. The petition shall be in writing and under oath.”

SECTION 17. Section 2 of Rule V, Book V of the same Rules is hereby amended to read as follows:

“SECTION 2. Who may file. — Any legitimate labor organization shall contain, among others:

- (a) the name of petitioner and its address and affiliation, if any;
- (b) name, address and nature of the employer’s business;
- (c) description of the bargaining unit which shall be the employer unit unless circumstances otherwise require; and provided further, that the appropriate bargaining unit of the rank-and-file employees shall not include supervisory employees and/or security guards;
- (d) appropriate number of the employees in the alleged bargaining unit;

- (e) names and addresses of other legitimate labor organizations in the bargaining unit;
- (f) in an organized establishment, the signatures of at least twenty-five (25%) percent of all employees in the appropriate bargaining unit; and
- (g) other relevant facts.

When the petition is filed by an employer, it shall contain, among others:

- (a) the name, address and general nature of the employer's business;
- (b) names and addresses of the legitimate labor organizations involved;
- (c) approximate number of the employees in the appropriate bargaining unit;
- (d) description of the bargaining unit which shall be the employer unit unless circumstances otherwise require; and provided further, that the appropriate bargaining unit of the rank-and-file employees shall not include supervisory employees and/or security guards;
- (e) other relevant facts.”

SECTION 18. Section 3 of Rule V, Book V of the same Rules is hereby amended to read as follows:

“SECTION 3. When to file. — In the absence of a collective bargaining agreement duly registered in accordance with Article 231 of the Code, a petition for certification election may be filed at any time. However, no certification election may be held within one year from the date of issuance of a final certification election result. Neither may a representation question be entertained if, before the filing of a petition for certification

election, a bargaining deadlock to which an incumbent or certified bargaining agent is a part had been submitted to conciliation or arbitration or had become the subject of a valid notice of strike or lockout.

If a collective bargaining agreement has been duly registered in accordance with Article 231 of the Code, a petition for certification election or a motion for intervention can only be entertained within sixty (60) days prior to the expiry date of such agreement.”

SECTION 19. Section 4 of Rule V, Book V is hereby amended to read as follows:

“SECTION 4. Effects of early agreements. — The representation case shall not, however, be adversely affected by a collective bargaining agreement registered before or during the last sixty (60) days of a subsisting agreement or during the pendency of the representation case.”

SECTION 20. Section 6 of Rule V, Book V of the same Rules is hereby amended to read as follows:

“SECTION 6. Procedure. — Upon receipt of a petition, the Regional Director shall assign the case to a Med-Arbiter for appropriate action. The Med-Arbiter, upon receipt of the assigned petition, shall have twenty (20) working days from submission of the case for resolution within which to dismiss or grant the petition.

In a petition filed by a legitimate organization involving an unorganized establishment, the Med-Arbiter shall immediately order the conduct of a certification election.

In a petition involving an organized establishment or enterprise where the majority status of the incumbent collective bargaining union is questioned through a verified petition by a legitimate labor organization, the Med-Arbiter shall immediately order the certification election by secret ballot if the petition is filed during the last sixty (60) days of the

collective bargaining agreement and supported by the written consent of at least twenty-five percent (25%) of all the employees in the bargaining unit. Any petition filed before or after the sixty-day freedom period shall be dismissed outright. The twenty-five percent (25%) requirement shall be satisfied upon the filing of the petition, otherwise the petition shall be dismissed.

The sixty-day freedom period based on the original collective bargaining agreement shall not be affected by any amendment, extension or renewal of the collective bargaining agreement for purposes of certification election.

The decision calling for the conduct of an election shall contain the following:

- (a) Names of the contending unions;
- (b) Name of the employer;
- (c) description of the bargaining unit; and
- (d) list of eligible voters which shall be based on the payroll three (3) months prior to the filing of the petition for certification election.

The certification election shall be held within twenty (20) calendar days from receipt of the order by the parties.”

SECTION 21. Section 7 of Rule V, Book V of the same Rules is hereby amended to read as follows:

“SECTION 7. Appeal. — Any aggrieved party may appeal the order of the Med-Arbiter to the Secretary on the ground that the rules and regulations or parts thereof established by the Secretary for the conduct of election have been violated.

The appeal shall specifically state the grounds relied upon by the appellant with the supporting memorandum.”

SECTION 22. Section 8 of Rule V, Book V of the same Rules is hereby amended to read as follows:

“SECTION 8. Where to file appeal. — The appeal, which shall be under oath and copy furnished the appellee, shall be filed in the Regional Office where the case originated.”

SECTION 23. Section 9 of Rule V, Book V of the same Rules is hereby amended to read as follows:

“SECTION 9. Period of Appeal. — The appeal shall be filed within ten (10) calendar days from receipt of the order by the appellant. Any opposition thereto may be filed within ten (10) calendar days from receipt of the appeal. The Regional Director shall within five (5) calendar days forward the entire records of the case to the Office of the Secretary.”

SECTION 24. Section 10 of Rule V, Book V of the same Rules is hereby amended to read as follows:

“SECTION 10. Decision of the Secretary final and unappealable. — The Secretary shall have fifteen (15) calendar days within which to decide the appeal from receipt of the records of the case. The filing of the appeal from the decision of the Med-Arbiter stays the holding of any certification election. The decision of the Secretary shall be final and unappealable.”

RULE VI
Election

SECTION 25. Section 8(f) of Rule VI, Book V of the same Rules is hereby amended to read as follows:

“SECTION 8. Marking and canvassing of votes. —

- (f) The union which obtained a majority of the valid votes cast by the eligible voters shall be certified as the sole and exclusive bargaining agent of all the workers in the appropriate unit. However, in order to have a valid election, at least a majority of all eligible

voters in the bargaining unit must have cast their votes.”

RULE VII
Challenges and Run-Offs

SECTION 26. Section 2 of Rule VII, Book V of the same Rules is hereby amended to read as follows:

“SECTION 2. Run-off election. — When an election which provides for three (3) or more choices results in no choice receiving a majority of the valid votes cast, and no objections or challenges have been presented which if sustained might change the results, the representation officer shall motu proprio conduct a run-off election within five (5) calendar days from the close of the election between the labor unions receiving the two highest number of votes; Provided, that the total number of votes, for all contending unions is at least fifty (50%) percent of the number of votes cast.

The ballots in the run-off election shall provide for two choices receiving the highest and the second highest number of the votes cast.”

RULE VIII
Internal Union Disputes

SECTION 27. Section 5 of Rule VIII, Book V of the same Rules is hereby amended to read as follows:

“SECTION 5. Appeal. — The aggrieved party may, within ten (10) calendar days from receipt of the decision of the Med-Arbiter, appeal the same to the Secretary on any of the following grounds:

- (a) grave abuse of discretion; and
- (b) gross incompetence.

The appeal shall consist of a position paper specifically stating the grounds relied upon by the appellant and the supporting arguments under oath.”

SECTION 28. There shall be incorporated after Section 6 of Rule VIII, Book V, as amended, the following provisions:

“SECTION 6. Where to file Appeal. — The appellant shall file his appeal, which shall be under oath and copy furnished the appellee, in the Regional Office where the case originated.”

“SECTION 7. Period to answer. — The appellee shall file his answer thereto within ten (10) calendar days from receipt of the appeal. The Regional Director shall, within five (5) calendar days, forward the entire records of the case to the Office of the Secretary.”

“SECTION 8. Decision of the Secretary final and unappealable. — The Secretary shall have fifteen (15) calendar days within which to decide the appeal from receipt of the records of the case. The decision of the Secretary shall be final and unappealable.”

“SECTION 9. Execution pending appeal. — The execution of the order of the Med-Arbiter shall be stayed pending appeal.”

SECTION 29. There shall be added Rule VIII-A after Rule VIII, Book V of the Rules, with the following provisions:

RULE VIII-A
Visitorial Power

“SECTION 1. Exercise of visitorial power. — The Secretary of Labor and Employment or his duly authorized representative shall inquire into the financial activities of any legitimate labor organization and examine their books of accounts and other records to determine compliance with the law and the organization, constitution and by-laws, upon the filing of a complaint under oath and duly supported by the written

consent of at least twenty (20%) percent of the total membership of the labor organization concerned.”

“SECTION 2. Period of inquiry or examination. — No inquiry or examination of the financial activities and books of accounts as well as other records of any legitimate labor organization mentioned in the preceding section shall be conducted during the sixty (60) days freedom period nor within thirty (30) days immediately preceding the date of election of union officials.”

RULE IX

Registration of Collective Bargaining Agreement

SECTION 30. Section 1 of Rule IX. Book V of the same Rules is hereby amended to read as follows:

“SECTION 1. Registration of collective bargaining agreement. — The parties to a collective bargaining agreement shall submit to the Bureau or the appropriate Regional Office five (5) duly signed copies thereof within thirty (30) calendar days from execution. Such copies of the agreement shall be accompanied with verified proof of posting in two conspicuous places in the workplace and of ratification by the majority of all the workers in the bargaining unit.

Five (5) copies of the collective bargaining agreement executed pursuant to an award by the appropriate government authority or by a voluntary arbitrator shall likewise be submitted by the parties to the Bureau or Regional Office accompanied by verified proof of its posting in two conspicuous places in the workplace.

Such proof shall consist of copies of the following documents certified under oath by the union secretary and attested to by the union president:

- (a) Statement that the collective bargaining agreement was posted in at least two conspicuous places in the establishment at least five (5) days before its ratification; and

- (b) Statement that the collective bargaining agreement was ratified by the majority of the employees in the bargaining unit.

The posting required in the preceding paragraph shall be the responsibility of the parties.

The Bureau or the Regional Office shall assess the employer for every collective bargaining agreement a registration fee of one thousand (P1,000.00) pesos.

The Regional Office shall transmit two (2) copies of the agreement to the Bureau and one (1) to the board within five (5) calendar days from its registration. Where the agreement is registered with the Bureau, one (1) copy shall be sent to the Board and two (2) copies to the Regional Office where the company has its principal office.

The Bureau or the Regional Office shall issue a certificate of registration within five (5) calendar days from receipt of the agreement.”

SECTION 31. Section 2 of Rule IX, Book V of the same Rules is hereby amended to read as follows:

“SECTION 2. Term of collective bargaining agreement. — The representation status of the collective bargaining agent shall be for a period of five (5) years. The parties are encouraged to conclude a collective bargaining agreement with a term of not more than five (5) years; Provided, that the parties shall renegotiate all provisions other than the representation issue not later than the third year; Provided further, that the collective bargaining agreement or other provisions of such agreement entered into within six (6) months from the date of expiry of the term of such other provisions as fixed in the collective bargaining agreement shall retroact to the day immediately following such date. If any such agreement is entered into beyond six months, the parties shall agree on the date of effectivity thereof. In case of a deadlock in the

renegotiation of the collective bargaining agreement, the parties may exercise their rights under this Code. In case of such a renegotiation, all requirements for registration shall be complied with, except for the payment of the registration fee.

The term of all contracts entered into before the effectivity of Republic Act No. 6715 shall be respected. Thereafter, any new collective bargaining agreement that shall be entered into in the same establishment shall conform with the provisions of Republic Act No. 6715.”

RULE XI ***Voluntary Arbitration***

SECTION 32. Section 1 of Rule XI, Book V of the same Rules is hereby amended to read as follows:

“SECTION 1. Jurisdiction of voluntary arbitrator or panel or voluntary arbitrators. — The voluntary arbitrator or panel of voluntary arbitrators named in the collective bargaining agreement shall have exclusive and original jurisdiction to hear and decide all grievances arising from the implementation or interpretation of the collective bargaining agreement and those arising from the interpretation or enforcement of company personnel policies which remain unresolved after exhaustion of the grievance procedure.

The voluntary arbitrator or panel of voluntary arbitrators, upon agreement of the parties, shall also hear and decide all other labor disputes including unfair labor practice and bargaining deadlocks.”

SECTION 33. Section 1 of Rule XI, Book V of the same Rules is hereby amended to read as follows:

“SECTION 2. Referral of cases to voluntary arbitration. — All grievances unsettled or unresolved within seven (7) calendar days from the date of its submission for resolution to the last step of the grievance machinery shall automatically be referred

to voluntary arbitration prescribed in the collective bargaining agreement.

The Commission, its regional branches and the Regional Directors of the Department of Labor and Employment shall not entertain disputes, grievances or matters under the exclusive and original jurisdiction of the voluntary arbitrator or panel of voluntary arbitrators and shall immediately dispose and refer the same to the appropriate grievance machinery or voluntary arbitration provided in the collective bargaining agreement.

In case issues arising from the interpretation or implementation of the collective bargaining agreements or those arising from the interpretation or enforcement of company personnel policies are raised in notices of strikes or lockouts or requests for preventive mediation, the regional branch of the Board shall advise the parties to submit the issue/s to voluntary arbitration.”

SECTION 34. Section 3 of Rule XI, Book V of the same Rules is hereby amended to read as follows:

“SECTION 3. All labor-management disputes subject to voluntary arbitration. — It is the policy of the State to encourage voluntary arbitration on all other labor-management disputes. Before or at any stage of the compulsory arbitration process, the parties may opt to submit their dispute to voluntary arbitration.”

SECTION 35. Section 3 of Rule XI, Book V of the same Rules is hereby amended to read as follows:

“SECTION 4. Powers of voluntary arbitrator and panel of voluntary arbitrators. — The voluntary arbitrator or panel of voluntary arbitrators shall have the power to hold hearings, receive evidence and take whatever action is necessary to resolve the issue/s subject of the dispute.

The voluntary arbitrator or panel of arbitrators may conciliate or mediate to aid the parties in reaching a voluntary settlement of the dispute.”

SECTION 36. Section 5 of Rule XI, Book V of the same Rules is hereby amended to read as follows:

“SECTION 5. Procedures. — All parties to the dispute shall be entitled to attend the arbitration proceedings. The attendance of any third party or the exclusion of any witness from the proceedings shall be determined by the voluntary arbitrator or panel of arbitrators. Hearing may be adjourned for cause or upon agreement by the parties.

Unless the parties agree otherwise, it shall be mandatory for the voluntary arbitrator or panel of voluntary arbitrators to render an award or decision within twenty (20) calendar days from the date of submission of the dispute to voluntary arbitration.”

SECTION 37. There shall be incorporated after Section 5 of Rule XI, Book V of the Rules, as amended, the following additional Sections to read as follows:

“SECTION 6. Award/Decision. — The award or decision of the voluntary arbitrator or panel of voluntary arbitrators must state in clear, concise and definite terms the facts, the law and/or contract upon which it is based. It shall be final and executory after ten (10) calendar days from the receipt of the copy of the award or decision by the parties.”

“SECTION 7. Execution of Award/Decision. — Upon motion of any interested party, the voluntary arbitrator or panel of voluntary arbitrators or the Labor Arbiter in the region where the movant resides, in case of the absence or incapacity of the voluntary arbitrator or panel of voluntary arbitrators for any reason, may issue a writ of execution requiring either the Sheriff of the Commission or regular courts or any public official whom the parties may designate in the submission agreement to execute the final decision, order or award.”

“SECTION 8. Cost of voluntary arbitration and voluntary arbitrator’s fee. — The parties to a collective bargaining agreement shall provide therein a proportionate sharing scheme on the cost of voluntary arbitration including the voluntary arbitrator’s fee. The fixing of fee of voluntary arbitrators or panel of arbitrators, whether shouldered wholly by the parties or subsidized by the Special Voluntary Arbitration Fund, shall take into account the following factors:

- (a) Nature of the case;
- (b) Time consumed in hearing the case;
- (c) Professional standing of the voluntary arbitrator;
- (d) Capacity to pay of the parties; and
- (e) Fees provided for in the Revised Rules of Court.

Unless the parties agree otherwise, the cost of voluntary arbitration proceedings and voluntary arbitrator’s fee shall be shared equally by the parties.

Parties are encouraged to set aside funds to answer for the cost of voluntary arbitration proceedings including voluntary arbitrator’s fee. In the event that said funds are not sufficient to cover such expenses, an amount by way of subsidy taken out of the Special Voluntary Arbitration Fund may be availed of by either or both parties under Section 9 of these Rules.”

“SECTION 9. Voluntary arbitration subsidy. — The Special Voluntary Arbitration Fund shall be available to subsidize the cost of voluntary arbitration in cases involving the interpretation and implementation of the collective bargaining agreement and the interpretation and enforcement of company personnel policies, including the arbitrator’s fees, subject to the guidelines on voluntary arbitration to be issued by the Secretary.”

RULE XII
Labor-Management Council

SECTION 38. Section 1 of Rule XII, Book V of the same Rules shall provide as follows:

“SECTION 1. Creation of labor-management council. — The department shall promote the formation of a labor-management council in organized establishments to enable the workers to participate in policy and decision-making processes in the establishment insofar as said processes will directly affect their rights, benefits and welfare, except those which are covered by collective bargaining agreements or are traditional areas of bargaining.

The Department shall render, among others, the following services:

1. Conduct awareness campaigns on the need to establish labor-management councils;
2. Assist the parties, through the Department’s field workers, in setting up labor-management structures, functions and procedures;
3. Provide process facilitators in labor-management council meetings upon request of the parties; and
4. Monitor the activities of labor-management councils as may be necessary.
5. In establishment where no legitimate labor organization exists, labor-management committees may be formed voluntarily by workers and employers for the purpose of promoting industrial peace. The Department shall endeavor to enlighten and educate the workers and employers on their rights and responsibilities through labor education with emphasis on the policy thrusts of this Code.”

SECTION 39. There shall be incorporated after Section 1 of Rule XII, Book V of the same Rules, an additional section which shall read as follows:

“SECTION 2. Assistance by the Department. — The Department, upon its own initiative or upon the request of both parties, may assist in the formulation and development of labor-management cooperation, programs and projects on productivity, occupational safety and health, improvement of quality of work life, product quality improvement, and the like.”

RULE XIII
Picketing, Strikes and Lockouts

SECTION 40. Section 1 of Rule XIII, Book V of the same Rules, is hereby amended to read as follows:

“SECTION 1. Grounds for strike and lockout. — A strike or lockout may be declared in cases of bargaining deadlocks and unfair labor practices. Violations of collective bargaining agreements, except flagrant and/or malicious refusal to comply with its economic provisions, shall not be considered unfair labor practice and shall not be strikeable. No strike or lockout may be declared on grounds involving inter-union and internal union disputes or on issues brought to voluntary or compulsory arbitration.”

SECTION 41. Section 3 of Rule XIII, Book V of the same Rules is hereby amended to read as follows:

“SECTION 3. Notice of strike or lockout. — In cases of bargaining deadlocks, a notice of strike or lockout shall be filed with the regional branch of the Board at least thirty (30) days before the intended date thereof, a copy of said notice having been served on the other party concerned. In cases of unfair labor practices, the period of notice shall be fifteen (15) days. However, in case of unfair labor practice involving the dismissal from employment of union officers duly elected in accordance with the union constitution and by-laws which may constitute union-busting where the existence of the union is threatened,

the fifteen-day cooling-off period shall not apply and the union may take action immediately after the strike vote is conducted and the results thereof submitted to the Department of Labor and Employment.”

SECTION 42. Section 4 of Rule XIII, Book V of the same Rules is hereby amended to read as follows:

“SECTION 4. Contents of notice. — The notice shall state, among others, the names and addresses of the employer and the union involved, the nature of the industry to which the employer belongs, the number of union members and of the workers in the bargaining unit, and such other relevant data as may facilitate the settlement of the dispute, such as a brief statement or enumeration of all pending labor disputes involving the same parties.

In cases of bargaining deadlocks, the notice shall, as far as practicable, further state the unresolved issues in the bargaining negotiations and be accompanied by the written proposals of the union, the counter-proposals of the employer and the proof of a request for conference to settle the differences. In cases of unfair labor practices, the notice shall, as far as practicable, state the acts complained of and the efforts taken to resolve the dispute amicably.

Any notice which does not conform with the requirements of this and the foregoing sections shall be deemed as not having been filed and the party concerned shall be so informed by the regional branch of the Board.”

SECTION 43. Section 6 of Rule XIII, Book V of the same Rules is hereby amended to read as follows:

“SECTION 6. Conciliation. — Upon receipt of the notice, the regional branch of the Board shall exert all efforts at mediation and conciliation to enable the parties to settle the dispute amicably. The regional branch of the Board shall also encourage the parties to submit the dispute to voluntary arbitration.

During the proceedings, the parties shall not do any act which may disrupt or impede the early settlement of the dispute. They are obliged, as part of their duty to bargain collectively in good faith, to participate fully and promptly in the conciliation meetings called by the regional branch of the Board. The regional branch of the Board shall have the power to issue subpoenas requiring the attendance of the parties to the meetings.

Information and statements given at conciliation proceedings shall be treated as privileged communications. Conciliators and similar officials shall not testify in any court or body regarding any matter taken up at conciliation proceedings conducted by them.”

SECTION 44. Section 7 of Rule XIII, Book V of the same Rules is hereby amended to read as follows:

“SECTION 7. Strike or lockout vote. — A decision to declare a strike must be approved by a majority of the total union membership in the bargaining unit concerned obtained by secret ballot in meetings or referenda called for the purpose. A decision to declare a lockout must be approved by a majority of the board of directors of the employer corporation or association or the partners in a partnership obtained by a secret ballot in a meeting called for the purpose.

The regional branch of the Board may, at its own initiative or upon the request of any affected party, supervise the conduct of the secret balloting. In every case, the union or the employer shall furnish the regional branch of the Board the notice of meetings referred to in the preceding paragraph at least twenty-four (24) hours before such meetings as well as the results of the voting at least seven (7) days before the intended strike or lockout, subject to the cooling-off period provided in the Rule.”

SECTION 45. Section 8 of Rule XIII, Book V of the same Rules is hereby amended to read as follows:

“SECTION 8. Declaration of strike or lockout. — Should the dispute remain unsettled after the lapse of the requisite number of days from the filing of the notice of strike or lockout and of the results of the election required in the preceding section, the labor union may strike or the employer may lockout its workers. The regional branch of the Board shall continue mediating and conciliating.”

SECTION 46. There shall be incorporated after Section 8 Rule XIII, Book V of the same Rules, as amended, an additional Section which shall read as follows:

“SECTION 8-A. Improved offer balloting. — In case of a strike, the regional branch of the Board shall, at its own initiative or upon the request of any affected party, conduct a referendum by secret balloting on the improved offer of the employer on or before the 30th day of the strike. When at least a majority of the union members vote to accept the improved offer, the striking workers shall immediately return to work and the employer shall thereupon readmit them upon the signing of the agreement.

In case of a lockout, the regional branch of the Board shall also conduct a referendum by secret balloting on the reduced offer of the union on or before the 30th day of the lockout. When at least a majority of the board of directors or trustees or the partners holding the controlling interest in the case of a partnership vote to accept the reduced offer, the workers shall immediately return to work and the employer shall thereupon readmit them upon the signing of the agreement.”

SECTION 47. Section 10 of Rule XIII, Book V of the same Rules is hereby amended to read as follows:

“SECTION 10. Prohibitions regarding the employment of replacements. — No public official or employee, including

officers and personnel of the Armed Forces of the Philippines or the Integrated National Police, or any armed person shall —

- (a) bring in, introduce or escort, in any manner, any individual who seeks to replace strikers in entering or leaving the premises of a strike area, or
- (b) work in place of the strikers.

Nothing herein shall be interpreted to prevent the aforementioned officials, employees or peace officers from taking any measure necessary to maintain peace and order and/or protect life and property.”

SECTION 48. Section 1 of Rule XVI, Book V of the same Rules shall provide as follows:

“SECTION 1. Penalties. — Any person violating any of the provisions of Article 264 of the Code shall be punished by a fine of not less than one thousand (P1,000.00) pesos nor more than ten thousand (P10,000.00) pesos and/or imprisonment for not less than three months nor more than three years, or both such fine and imprisonment, at discretion of the court. Prosecution under this provision shall preclude for the same act under the Revised Penal Code and vice versa.”

SECTION 49. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 of Rule XVI, Book V of the same Rules is hereby renumbered as Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 respectively.

RULE XV

Execution of Decisions, Awards, or Orders

SECTION 50. Section 1 of Rule XV, Book V of the same Rules is hereby amended to read as follows:

“SECTION 1. Decision of Commission. — The decision of the Commission shall be final and executory after ten (10) calendar days from receipt thereof by the parties.”

SECTION 51. Section 3 of Rule XV, Book V of the same Rules is hereby renumbered and amended to read as follows:

“SECTION 2. Execution of decisions, orders or awards. —

- (a) The Secretary of Labor and Employment or any Regional Director, Med-Arbiter or voluntary arbitrator may, upon his own initiative or on motion of any interested party, issued a writ of execution on a judgment within five (5) years from the date it becomes final and executory requiring the Sheriff or the duly deputized officer to execute or enforce their respective final decisions, orders, or awards.
- (b) The Secretary of Labor and Employment and the Chairman of the Commission may designate special sheriffs and take any measure under existing laws to ensure compliance with their decisions, orders or awards and those of the Labor Arbiters and voluntary arbitrators, including the imposition of administrative fines, which shall not be less than five hundred (P500.00) pesos nor more than ten thousand (10,000.00) pesos.
- (c) Alternatively, the Secretary of Labor and Employment, the Commission, any Labor Arbiter, the Regional Director or the Director of the Bureau of Labor Relations in appropriate cases may deputize the Philippine Constabulary or any law-enforcement agencies in the enforcement of final awards, orders or decisions.”

BOOK VII

RULE II

Prescription of Actions

SECTION 52. There shall be incorporated after Section 4 of Rule II, Book VI of the Rules, an additional Section to read as follows:

“SECTION 5. Prescription of action on union funds. — Any action involving the funds of the organization shall prescribe after three years from the date of submission of the annual financial report to the Department of Labor and Employment or from the date the same should have been submitted as required by law, whichever comes earlier.”

RULE III
Laws Repealed

SECTION 53. Section 1 of Rule III, Book VIII of the same Rules is hereby amended to read as follows:

“SECTION 1. Laws repealed. — Pursuant to the repealing clause of Article 303 of the Code, the following labor laws are deemed repealed by the Code:

- (a) Act No. 1874, or the Employer’s Liability Act;
- (b) Act No. 2473;
- (c) Act No. 2486, as amended or the Recruitment for Overseas Employment Act.
- (d) Act No. 2549
- (e) Act No. 3957, as amended, or the Private Employment Agency Act.
- (f) Act No. 3957, as amended, or the Workmen’s Compensation Act.
- (g) Act No. 3959, or the Contractors Bond Act.
- (h) Commonwealth Act No. 103, as amended, or the Court of Industrial Relations Act.
- (i) Commonwealth Act No. 104, as amended, or the Industrial Safety Act.

- (j) Commonwealth Act No. 213.
- (k) Commonwealth Act No. 303
- (l) Commonwealth Act No. 444, as amended, or the Eight-Hour Labor Law.
- (m) Republic Act No. 602, as amended, or the Minimum Wage Law, except Sections 3 and 7 thereof.
- (n) Republic Act No. 679, as amended, or the Woman and Child Labor Law.
- (o) Republic Act No. 761, as amended, or the National Employment Service Law.
- (p) Republic Act No. 875, as amended, or the Industrial Peace Act.
- (q) Republic Act No. 946, as amended, or the Blue Sunday Law.
- (r) Republic Act No. 1052, as amended. or the Termination Pay Law.
- (s) Republic Act No. 1054, or the Emergency Medical and Dental Treatment Law.
- (t) Republic Act No. 1826, as amended, or the National Apprenticeship Act.
- (u) Republic Act No. 2646.
- (v) Republic Act No. 2714.
- (w) Republic Act No. 5462, or the Manpower and Out-of-School Youth Development Act.
- (x) Reorganization Plan No. 20-A.

All rules and regulations, policy instructions, orders and issuances implementing Presidential Decree No. 442, as amended, contrary to or inconsistent with these rules are hereby repealed or modified accordingly.

All other laws involving employer-employee relations, including the Sugar Act of 1952 (R. A. 809), are deemed not repealed.”

RULE IV
Date of Effectivity

SECTION 54. Section 1 of Rule IV, Book VII of the same Rules is hereby amended to read as follows:

“Sec. 1. Effectivity of these rules and regulations. — (a) The provisions of these rules and regulations which were promulgated on January 19, 1975, shall continue to be in effect as of February 3, 1975, except the following:

1. Those relating to self-executing provisions of the Labor Code which became effective on November 1, 1974; and
2. Those implementing the pertinent provisions of Presidential Decree No. 850 further amending the Labor Code and incorporated as part of these rules and regulations, which shall take effect on March 2, 1976, unless they pertain to self-executing provisions of Presidential Decree No. 850, which took effect on December 16, 1975.

(b) Republic Act No. 6715 takes effect on March 21, 1989, fifteen (15) days after the completion of its publication in two (2) newspapers of general circulation. The Rules implementing this Act shall take effect fifteen (15) days after the completion of their publication in two (2) newspapers of general circulation, except those which pertain to self-executing provisions of said Act.”

Done in the City of Manila, this 24th day of May, 1989.

(SGD.)
FRANKLIN M. DRILON
Secretary

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