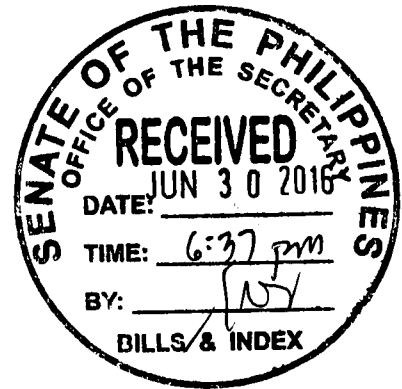


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



SENATE

S. B. No. 213

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Introduced by SENATOR JOEL "TESDAMAN" VILLANUEVA

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**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**

**EXPLANATORY NOTE**

The apprenticeship program is one of the components of the enterprise-based training programs being implemented by the Technical Education and Skills Development Authority (TESDA). It involves a contract between an apprentice and an employer on an approved apprenticeable occupation. Generally, it aims to provide a mechanism that will ensure availability of qualified skilled workers based on industry requirements.

Based on data from TESDA, only 399 companies have registered apprenticeship and learnership programs as of March 2015. This low participation among employers points to the need to revise and strengthen the existing national apprenticeship program by repealing Chapters I and II of Title II of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines.

Under the existing program, the period of apprenticeship covers a minimum of three months and a maximum of six months. Only companies with approved and registered apprenticeship programs under TESDA can hire apprentices. The bill sets the duration of the training according to the complexity of the skills to be learned by the apprentices but it shall not exceed two (2) years. It also requires participating entities in the apprenticeship program to provide a disability and/or accident insurance policy in favor of the apprentices during the apprenticeship period.

The bill introduces a provision that the contributions to the training allowance by government agencies and/or non-government organizations shall be considered in computing the training allowances of apprentices presently placed at seventy-five percent (75%) of the minimum wage.

It also provides for the issuance of training certificates to apprentices who have completed the apprenticeship program comparable to the completion of a training program in a Technical Vocational Education and Training (TVET) institutions, and the award of equivalent unit credits in the formal system of education that can be used in pursuing tertiary degree courses.

Furthermore, the bill includes a provision on compulsory apprenticeship in certain occupations that shall be determined by the TESDA Board, when national security or requirements of economic development so demand. However, the bill seeks to abolish the existing learnership program to ensure the effective implementation of the reformed apprenticeship program.

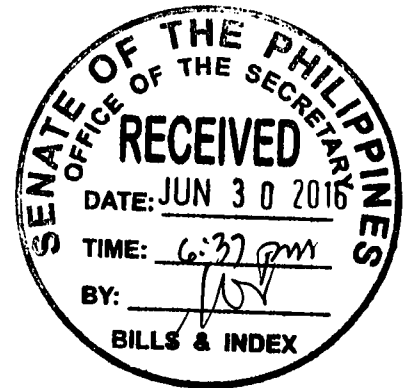
The bill retains the provision for the incentive of the participating enterprises, which provides an additional deduction from the gross income, instead of taxable income, of one-half (1/2) of the labor training expenses, provided that: a) the employer shall be exempt from the payment of apprenticeship fee, and b) such deduction shall not exceed ten percent (10%) of the training allowance of the apprentices instead of the direct labor wages.

Although the proposed measure places more emphasis on the skills acquisition of the apprentices and give them wider access to employment, it also provides enterprises with a mechanism to ensure a continuous supply of skilled workforce.

The immediate passage of this bill is earnestly sought.

  
SENATOR JOEL "TESDAMAN" VILLANUEVA

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*Be it enacted by the Senate and 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      **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the  
4      State to establish a reformed apprenticeship program that will ensure  
5      the availability of qualified manpower in the field of critical and in-  
6      demand technical skills through the active participation of all workers,  
7      enterprises, government agencies, and nongovernmental organizations  
8      concerned.
- 9      **SEC. 3. Statement of Objectives.** – This Act aims to:
- 10     (A.) Help meet the demand of the economy for trained human  
11     resource;
- 12     (B.) Have a national apprenticeship program that includes on- and off-  
13     the-job training components with tripartite involvement;
- 14     (C.) Promote the engagement of young workers through training and  
15     development;

- 1 (D.) Enhance existing standards for the training and development of  
2 apprentices;
- 3 (E.) Recognize the indispensable role of private enterprises in the  
4 training and development of human resource;
- 5 (F.) Strengthen the advocacy on the apprenticeship training program to  
6 encourage the participation of enterprises and young workers;
- 7 (G.) Increase productivity and competitiveness of enterprises by  
8 ensuring the availability of skilled human resource; and
- 9 (H.) Harness corporate social responsibility towards the development  
10 of skilled manpower to meet the requirements of industries.

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

- 12 (A.) Apprentice refers to a person undergoing training for an approved  
13 apprenticeable occupation during an established period governed by  
14 an apprenticeship contract;
- 15 (B.) Apprenticeship refers to a training within an enterprise involving a  
16 contract between an apprentice and an enterprise on an approved  
17 apprenticeable occupation;
- 18 (C.) Apprenticeable occupation refers to an occupation officially  
19 endorsed by a tripartite body and approved for apprenticeship by the  
20 Technical Education and Skills Development Authority (TESDA);
- 21 (D.) Apprenticeship contract refers to an agreement wherein an  
22 enterprise binds itself to train the apprentice who in turn accepts the  
23 terms of training for the recognized apprenticeable occupation. It also  
24 contains the rights, duties and responsibilities of each party;
- 25 (E.) Bipartite plant apprenticeship committee refers to a group  
26 established by the enterprise composed of representatives of labor and  
27 management responsible for monitoring program implementation,  
28 settling 3 differences between management and apprentices, and  
29 recommending measures for effective program implementation;
- 30 (F.) Certificate of Competency refers to a document issued by the  
31 TESDA to individuals who are assessed as competent in a cluster of  
32 related competencies.

- 1 (G.) Certificate of Technical-Vocational Education and Training (TVET)  
2 Program Registration refers to a document issued by the TESDA  
3 granting an authority to an enterprise to offer a program in an  
4 apprenticeable occupation;
- 5 (H.) Cluster of competencies refers to a group of related competencies  
6 that, while it does not satisfy the requirements of a full qualification, still  
7 constitutes an employable package and can be awarded a Certificate  
8 of Competency;
- 9 (I.) Competency assessment refers to the process of gathering and  
10 judging evidence in order to decide whether a person has achieved a  
11 standard of competency;
- 12 (J.) Competency standard refers to a written specification of the  
13 knowledge, skills, attitude and values required for the performance of a  
14 job, occupation or trade and the corresponding standard of  
15 performance required in the workplace;
- 16 (K.) Dual Training System refers to a delivery system of quality  
17 technical and vocational education which requires training to be carried  
18 out alternately in two (2) venues: in school and in the production plant.  
19 In-school training provides the trainee the theoretical foundation, basic  
20 training, guidance and human formation, while in-plant training  
21 develops the trainee's skills and proficiency in actual work conditions  
22 as it continues to inculcate personal discipline and work values;
- 23 (L.) Enterprise refers to a participating establishment that directly  
24 engages an apprentice based on an approved apprenticeship program;
- 25 (M.) Qualification refers to a package of competencies describing a  
26 particular function or job role existing in an economic sector covering  
27 the work activities required to undertake a particular job;
- 28 (N.) Training plan refers to the specification for the apprenticeship  
29 program of an enterprise which describes all the learning experience a  
30 student undergoes generally including the competencies to be acquired  
31 within the program, the underpinning knowledge, theories and  
32 principles, and the assessment arrangement; and
- 33 (O.) Unit of Competency refers to an activity that comprises a  
34 manageable component of work described in terms of elements,  
35 performance criteria, range of variables and evidence guide.

1     **SEC. 5. Qualifications of an Apprentice.** – To qualify as an  
2     apprentice, a person must:

3     (A.) Be at least fifteen (15) years of age;

4     (B.) Possess good moral character, vocational aptitude and capacity  
5     for apprenticeship as determined by the enterprise; and

6     (C.) Have the ability to comprehend and follow oral and written  
7     instructions. Trade, industry and labor organizations may recommend  
8     to the TESDA appropriate educational requirements for different  
9     occupations.

10    **SEC. 6. Aptitude Testing of Applicants.** – Consistent with the  
11    minimum qualifications of an apprentice under Section 5 hereof, the  
12    bipartite plant apprenticeship committees shall have the primary  
13    responsibility of providing appropriate aptitude examinations in the  
14    selection of apprentices.

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

18    **SEC. 8. Apprenticeship Training Program Content and Delivery.** – All  
19    qualifications with training regulations promulgated by the TESDA Board are  
20    automatically classified as apprenticeable. To meet the immediate  
21    requirements of enterprises for skilled workers, the TESDA Board must  
22    approve new apprenticeable occupations endorsed by the appropriate  
23    Regional Technical Education and Skills Development Committee upon  
24    consultation with workers' groups and industry representatives.

25    The apprenticeship program shall emphasize the need for theoretical  
26    instruction. The enterprise may seek partnership with a TVET institution in its  
27    design and delivery.

28    **SEC. 9. Apprenticeship Period.** – The apprenticeship period shall be  
29    based on the duration of training required in the training plan and on  
30    the complexity of the skills to be learned by the apprentices but it shall  
31    not exceed two (2) years.

1 The training plan, which should be approved by TESDA, should be the  
2 controlling basis for the duration of the training program.

3 **SEC. 10. Apprenticeship Program Registration.** – The registration of  
4 an apprenticeship program can be for a qualification, a cluster of  
5 competencies, or bundled qualifications as contained in the training  
6 regulations. A letter of application stating the intention, the certificate of  
7 undertaking, and the training plan shall be submitted to the TESDA for  
8 approval. A Certificate of TVET Program Registration shall be issued to  
9 the enterprise to signify authorization for specific qualification or  
10 competency clusters.

11 An apprenticeship program may be approved on a no-training  
12 regulations basis provided that the applicant enterprise can show proof  
13 of the demand for such skill.

14 The TESDA shall provide technical assistance to applying and  
15 implementing enterprises to be able to comply with the provisions of  
16 this section.

17 **SEC. 11. Contents of the Apprenticeship Contract.** – The  
18 apprenticeship contract must conform with the rules issued by the  
19 TESDA and shall include the following:

20 (A.) Nature, syllabus, timetable, and purpose of training;

21 (B.) Period of training, depending on the approved training regulations;

22 (C.) Training allowances prescribed by industry subsectors through  
23 tripartite consultations which in no case shall start below seventy-five  
24 percent (75%) of the applicable minimum wage: Provided, however,  
25 That contributions to the training allowance by government agencies  
26 and/or nongovernmental organizations shall be considered in  
27 computing the seventy-five percent (75%);

28 (D.) Schedule of training allowance payment;

29 (E.) Training hours;

30 (F.) Process for the termination of apprenticeship; and

31 (G.) General rights and obligations of both parties.

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

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

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

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

15 (A.) Apprenticeship involving a company and an identified training  
16 institution;

17 (B.) Apprenticeship involving a group of companies and a training  
18 institution;

19 (C.) Apprenticeship involving an industry training center and a  
20 company or a group of companies; or

21 (D.) Other schemes to be established by the TESDA in consultation  
22 with enterprise owners, labor and training institutions subject to the  
23 approval of the TESDA Board.

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

29 **SEC. 15. Investigation of Violation of Apprenticeship Contract.** –  
30 The Bipartite Plant Apprenticeship Committee, motu proprio or upon  
31 complaint of any interested party, shall have initial responsibility for  
32 settling differences arising out of apprenticeship contracts.

33 In case it is not able to settle such differences, the TESDA Provincial  
34 Director shall investigate and submit a recommendation to the TESDA  
35 Regional Director who shall render a decision pursuant to pertinent  
36 rules and regulations as may be prescribed by the TESDA Board.



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

6     **SEC. 17. Termination of Apprenticeship.** – Valid causes to terminate  
7     the apprenticeship contract:

8     ***A. By the Enterprise:***

9     (1.) Habitual absenteeism in on-the-job training and related theoretical  
10    instructions activities;

11    (2.) Willful disobedience of company rules or insubordination of lawful  
12    order of a superior;

13    (3.) Poor physical condition, prolonged illness, or permanent disability  
14    which incapacitates the apprentice from working;

15    (4.) Theft or malicious destruction of company property or equipment;

16    (5.) Inefficiency, or poor performance on the job or in the classroom for  
17    a prolonged period despite warnings duly given to the apprentice; and

18    (6.) Engaging in violence or other forms of misconduct inside the  
19    enterprise's premises.

20    ***B. By the Apprentice:***

21    (1.) Substandard or harmful working condition within the enterprise's  
22    premises;

23    (2.) Repeated violations by the enterprise of the terms of the  
24    apprenticeship agreement;

25    (3.) Cruel and inhumane treatment;

26    (4.) Personal problem which in the opinion of the apprentice shall  
27    prevent the satisfactory performance of the job by the apprentice; and

28    5. Bad health and continuing illness.

1     **SEC. 18. Rules and Procedures on the Termination of the**  
2     **Apprenticeship.**

3     **A. Apprenticeship Committee Level:**

4     (1.) The enterprise or apprentice interested in terminating the contract  
5     may do so by notifying first the Bipartite Plant Apprenticeship  
6     Committee;

7     (2.) The Committee confers with both parties and mediates the  
8     differences between them; and

9     (3.) If mediation or settlement is not possible, the Committee advises  
10    the complainants to apply for the termination at the Regional Office  
11    concerned.

12    **B. Regional Level:**

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

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

20    (i.) Calling both the enterprise and the apprentice for a conference; or

21    (ii.) Sending a representative to the enterprise for that purpose.

22    (3.) In case a ground for approval exists:

23    (i.) The investigating officer (field representative) shall initiate the  
24    application for termination;

25    (ii.) The chief of the concerned unit or division of the TESDA Regional  
26    Office shall verify the same;

27    (iii.) The application for termination shall immediately be forwarded to  
28    the Regional Director for appropriate action, after which a copy of the  
29    acted 10 upon application shall be furnished the applicant and the  
30    second party. This process shall be completed within three (3) days  
31    from receipt of the document by the office of the concerned Regional  
32    Director; and

33    (iv.) A copy of each approved application shall be furnished the  
34    concerned office of the TESDA.

1       **C. Agency Level:** If either of the parties is not satisfied with the  
2 decision of the Regional Director, the case may be appealed within the  
3 reglementary period of five (5) days from receipt of the document to the  
4 TESDA Director General, whose decision shall be final and  
5 unappealable.

6       **SEC. 19. Competency Assessment and Certification.** – The  
7 apprentices shall, within the apprenticeship period, undergo  
8 competency assessment for qualifications to the training regulations. A  
9 national certificate shall be issued to all those who demonstrated  
10 achievement of the competency standards.

11       **SEC. 20. Training Certificate.** – A training certificate shall be issued  
12 by the authorized enterprise to signify completion of the apprenticeship  
13 program in accordance with the approved training design. The  
14 certificate shall contain a list of the units of competency acquired and  
15 shall be comparable to completion of a training program in a TVET  
16 institution.

17       **SEC. 21. Compulsory Apprenticeship.** – When the national security  
18 or particular requirements of economic development so demand, the  
19 President of the Republic of the Philippines shall require compulsory  
20 training of apprentices in certain trades, occupations, jobs or  
21 employment levels where shortage of trained manpower is deemed  
22 critical as determined by the TESDA Board.

23       **SEC. 22. Incentives.** – An additional deduction from the gross income  
24 of one-half (1/2) of the labor training expenses incurred from  
25 developing the productivity and efficiency of apprentices shall be  
26 granted to the person or enterprise organizing an apprenticeship  
27 program:

28       Provided, That the employer shall be exempt from the payment of the  
29 apprenticeship fee and that such program shall be recognized by the  
30 TESDA: Provided, further, That such deduction shall not exceed ten  
31 percent (10%) of the training allowance of the apprentices: Provided,  
32 finally, That the enterprise that wishes to avail of this incentive shall  
33 pay its apprentices the minimum wage. Micro-cottage and small  
34 enterprises with less than one hundred (100) employees shall be  
35 exempt from paying the apprenticeship fee.

1       **SEC. 23. System of Equivalency.** – Apprenticeship graduates shall  
2 be awarded equivalent unit credits in the formal system of education  
3 that can be used in pursuing tertiary degree courses subject to the  
4 integrated policies and guidelines on equivalency and Adult Education  
5 Acceleration Program of the TESDA, the Commission on Higher  
6 Education (CHED) and the Department of Education (DepED).

7       **SEC. 24. Insurance for Apprentices.** – Every participating enterprise,  
8 group or association, industry, organization, government institution or  
9 civic group undertaking training in accordance with the provisions of  
10 this Act shall provide a disability or accident insurance policy in favor of  
11 the trainee or apprentice during the apprenticeship period.

12       **SEC. 25. Penalty Clause.** – Enterprises found offering unregistered  
13 apprenticeship programs shall be subjected to program closure  
14 proceedings without prejudice to the filing of administrative, criminal, or  
15 civil liabilities. The TESDA Board may file the necessary civil or  
16 criminal case as may be deemed reasonable and appropriate and after  
17 the deliberation of the TESDA Board pursuant to this Act for any of the  
18 following causes:

19       (A.) Fraud or deceit committed in connection with the application for the  
20 opening of apprenticeship programs; and

21       (B.) Failure to comply with conditions or obligations prescribed under  
22 this Act or its implementing rules and regulations. Any violation of the  
23 provisions of this Act or its implementing rules and regulations shall be  
24 punished with a fine of not less than one thousand pesos (P1,000.00)  
25 nor more than ten thousand pesos (P10,000.00), or imprisonment of  
26 not less than three (3) months nor more than three (3) years, or both  
27 such fine and imprisonment, at the discretion of the court.

28       **SEC. 26. Transitory Provision.** – All existing apprenticeship programs  
29 and training regulations shall be valid until after the TESDA has  
30 conducted an assessment and revalidation for consistency with the  
31 provisions of this Act and its implementing rules and regulations.

32       **SEC. 27. Abolition of the Learnership Program.** – To rationalize and  
33 ensure the effective implementation of the Reformed Apprenticeship  
34 Program, the Learnership Program is hereby abolished.

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

1     **SEC. 29. Repealing Clause.** – Chapters I and II of Title II of  
2     Presidential Decree No. 442, as amended, otherwise known as the  
3     Labor Code of the Philippines, are hereby repealed. Executive Order  
4     No. 111, series of 1986, Republic Act No. 7796 or the “TESDA Act of  
5     1994” and all other laws, presidential decrees, issuances, executive  
6     orders, letters of instruction, and rules and regulations contrary to or  
7     inconsistent with the provisions of this Act are hereby amended  
8     accordingly.

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

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

**Approved.**