

Republic of the Philippines  
House of Representatives  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 4706



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INTRODUCED BY CONGRESSMAN ALFRED VARGAS

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#### EXPLANATORY NOTE

President Rodrigo Duterte recently signed Executive Order 5 which adopts the 25-year long term vision entitled *AmBisyon Natin 2040* as a guide for development planning. The *AmBisyon Natin 2040*, initiated by the National Economic and Development Authority, represents the aspirations of the Filipino people and describes the kind of life that people want to live, as well as how the country is envisioned to be by 2040.

According to the studies supporting the *AmBisyon Natin 2040*, 79% of Filipinos aspire for a simple and comfortable life which includes having opportunities for good quality employment without leaving the country. However, 48.5% of Filipinos are not fully confident that they can reach their goals.

One of the challenges hindering the country from achieving the vision is unemployment. As of July 2016, the Philippine Statistics Authority recorded the Philippine unemployment rate at 5.6%. While there are thousands of jobs available for the Filipinos, many of them do not possess the required qualifications for these opportunities.

This bill seeks to address the mismatch between business demands and the talent pool by establishing a Labor Employment Assistance Program (LEAP). The LEAP will serve as a bridging program for workers in between job periods. It is also directed to provide financial assistance to workers in between job periods at an amount which is no less than the appropriate minimum wage.

Through this initiative, we are bridging the gap between the skills set of the Filipino workers and the jobs available in the country.

In view of the foregoing, the passage of this measure is earnestly sought.



ALFRED VARGAS

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**AN ACT**

**ESTABLISHING A LABOR EMPOWERMENT ASSISTANCE PROGRAM, AMENDING PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

**SECTION 1. Short Title.** – This Act shall be known as the “Labor Empowerment Assistance Program (LEAP) Act.”

**SEC. 2.** A new Article 107-A of the Labor Code of the Philippines, as amended, is hereby provided to read as follows:

“ARTICLE 107-A. LABOR EMPOWERMENT ASSISTANCE PROGRAM. – WITH CONTRIBUTORY FUNDING FROM THE REGISTRATION OF CONTRACTORS OR SUBCONTRACTORS, TEN PERCENT (10%) OF THE GROSS CONTRACT COST LEVY FROM THE PRINCIPAL EMPLOYER FOR EVERY OUTSOURCING CONTRACT ENTERED INTO AND BUDGET ALLOCATION FROM THE GENERAL APPROPRIATIONS ACT (GAA), A LABOR EMPOWERMENT ASSISTANCE PROGRAM (LEAP) SHALL BE CREATED. THE LEAP SHALL:

- (A) SERVE AS A THREE-MONTH BRIDGING PROGRAM FOR WORKERS IN BETWEEN JOB PERIODS AND IS LINKED TO TESDA SKILLS TRAINING OR UPGRADING DURING THE UNEMPLOYMENT PERIOD;
- (B) THE AMOUNT OF FINANCIAL SUPPORT SHALL NOT BE LOWER THAN THE APPROPRIATE MINIMUM WAGE IN THE FORM OF A MONTHLY CASH CARD OR STORED VALUE CARD FOR BASIC NECESSITIES LIKE RICE, INFANT FORMULA, MEDICINES, ELECTRICITY AND WATER UTILITIES; AND

(C) LABOR ORGANIZATIONS IN THE NATIONAL TRIPARTITE INDUSTRIAL PEACE COUNCIL (NTIPC) SHALL CO-ADMINISTER THE DISTRIBUTION OF THE CARDS AND MONITORING OF COMPLIANCE BY THEIR BENEFICIARY-MEMBERS WITH THE REQUIRED TESDA SKILLS TRAINING OR UPGRADING.”

**SEC. 3. Implementing Rules and Regulations.** - The Secretary of Labor and Employment shall promulgate the necessary implementing rules and regulations within thirty (30) days from the effectivity of this Act.

**SEC. 4. Repealing Clause.** - All laws, decrees, rules, and regulations or parts thereof, which are contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

**SEC. 5. Separability Clause.** - If any provision of this law or the application thereof to any person or circumstance, is held invalid, the remainder of this law, or the application of such provision or part to other persons or circumstances, shall not be affected thereby.

**SEC. 6. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

**Approved.**