

**THE  
LABOR CODE OF THE PHILIPPINES  
*ANNOTATED***

**Volume II**

***LABOR RELATIONS  
AND  
TERMINATION OF EMPLOYMENT***  
[Articles 211 to 302, Labor Code]

By

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*Practising Lawyer, Professor of Law and Bar Reviewer*

**Third Edition, 2005**  
*Revised and Enlarged*

(Also available in Compact Disc)

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1996, 2000 and 2005

by

**JOSELITO GUIANAN CHAN**

**Third Edition, 2005**

Revised and Enlarged

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**BLAS F. OPLE**

*Senator*

**FOREWORD**

Since the labor laws of the country were codified in the Seventies during my incumbency as Labor Secretary, the Labor Code has undergone a series of revisions both by acts of the legislature and by executive fiat. Taken with the numerous labor and social legislations bearing upon the field of labor and employment as well as the myriad rules implementing the Labor Code and related laws, the subject could be utterly confusing and rather complicated.

Through the years, it has been noted that only very few annotations and commentaries have been written on the Labor Code. This is unfortunate considering its significance and impact on the lives of millions comprising the backbone of our nation. This book by Atty. Joselito Guanan Chan is certainly a welcome addition to the sparse bibliography on the Labor Code.

Like a master craftsman, Atty. Chan has carefully sifted through the maze of existing and old laws, rules and regulations and other executive issuances and jurisprudential precepts, to *"separate the grain from the chaff,"* so to speak, to bring us to the crux of things. He has intricately woven all these materials into a smooth-flowing and compelling discussion of the current status of the law and its intricacies, correlated with all relevant topics.

In treating the more difficult or doubtful questions of the law, he provides us with incisive analysis and in-depth discussion of the legal issues at hand, with appropriate reference to the leading and latest judicial precedents, supplemented with a glimpse of the legislative history of the provisions under consideration, whenever necessary.

The long years of legal practice and experience of Atty. Chan, both in the courtroom as an advocate of the law, and in the classroom as professor of law, not to mention his able stewardship of his law firm and skillful advocacy of his clients' causes, have no doubt contributed in the formation and crystallization of this authoritative and comprehensive work.

Indeed, no law library would be complete without a copy of this masterpiece. Students and practitioners will surely find this book invaluable.

Senate of the Philippines, Manila, 14 August 1996.

(Sgd.) **BLAS F. OPLE**

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**PREFACE*****Third Revised Edition, 2005***

This third edition comes on the 9<sup>th</sup> year since the first was published in 1996. More than 5,000 copies have been printed and distributed of this hardbound version. Its digitized CD adaptation has likewise elicited similar enthusiasm from students, practitioners and clients when it was released also in 1996 – at a time when the internet age was just at its gestation stage. This book, in fact, was the first to be in digitized form in the Philippines at that time.

Since its last revision in 2000, a number of significant statutes affecting labor law have been enacted. Important decisions changing certain well-ensconced doctrines have likewise been enunciated by the Supreme Court, most noteworthy of which is the *Agabon* rule which was promulgated in November, 2004.

Additionally, several major issuances have been made by the President and the other agencies of government tasked to implement and enforce labor laws. For instance, the President has issued Executive Order No. 204 on May 05, 2005 delegating to the Secretary of Labor and Employment the power to exercise administrative supervision over the NLRC. The Secretary of Labor and Employment, for her part, has also promulgated several edicts, most notable of which is Department Order No. 40-03 in 2003 amending the implementing rules of Book V of the Labor Code. For its part, the NLRC has changed its rules in 2002 and the NCMB has revised its procedural guidelines in the conduct of voluntary arbitration proceedings in late 2004.

All these exciting developments in the law and jurisprudence are reflected in this book and in the other volume by the same author entitled *The Labor Code of the Philippines Annotated, Volume I [Labor Standards and Social Legislation], 2006 edition*. This and the other volume are being released in two formats – one, in hardbound, and the other, in digitized form - to accommodate those who are more conversant with the latter format.

This latest edition is dedicated to the memory of the late Blas F. Ople, the *Father of the Labor Code*, who graciously wrote the *Foreword* to this book in 1996. I cannot repay the precious time he gave up to go over the manuscript of its first edition. Indeed, I am bound in lasting gratitude.

**J. G. C.**

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Pasig City  
Metro Manila*

*September 09, 2005*

*To  
labor  
and  
capital  
in whose hands rest  
the future of harmonious labor relations  
and  
industrial peace,  
this humble work is dedicated.*

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