

AN ACT TO AMEND SECTIONS ONE AND TWO OF REPUBLIC ACT NUMBERED TEN HUNDRED AND FIFTY-TWO. (Re termination pay.)

REPUBLIC ACT NO. 1787, June 21, 1957

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

SECTION 1. Section one of Republic Act Numbered Ten hundred and fifty-two is hereby amended to read as follows:

"SECTION 1. In cases of employment, without a definite period, in a commercial, industrial, or agricultural establishment or enterprise, the employer or the employee may terminate at any time the employment with just cause; or without just cause in the case of an employee by serving written notice on the employer at least one month in advance, or in the case of an employer, by serving such notice to the employee at least one month in advance or one-half month for every year of service of the employee, whichever is longer, a fraction of at least six months being considered as one whole year.

"The employer, upon whom no such notice was served in case of termination of employment without just cause may hold the employee liable for damages.

"The employer, upon whom no such notice was served in case of termination of employment without just cause shall be entitle to compensation from the date of termination of his employment in an amount equivalent to his salaries or wage corresponding to the required period of notice.

"The following are just causes for terminating an employment without a definite period:

"1. By the employer—

"a. The closing or cessation of operation of the establishment or enterprise, unless the closing is for the purpose of defeating the intention of this law;

"b. Serious misconduct or wilful disobedience by the employee of the orders of his employer or representative in connection with his work;

"c. Gross and habitual neglect by the employee of his duties;

"d. Fraud or wilfull breach by the employee of the trust reposed in him by his employer or representative ;

"e. Commission of a crime or offense by the employee against the person of his employer or any immediate member of his family, or representative; and

"f. Other causes analogous to any of the foregoing.

"2. By the employee—

"a. Serious insult by the employer or his representative on the honor or person of the employee;

"b. Inhuman and unbearable treatment accorded by the employer or his representative of the employee;

"c. Commission of a crime or offense by the employer or his representative against the person of the employee or any of the immediate members of his family; and

"d. Other causes analogous to any of the foregoing."

SEC. 2. Section two of Republic Act Numbered Ten hundred and fifty-two is amended to read as follows:

"SEC. 2. Unless terminated in the manner and for any of the causes enumerated in section one of this Act, the suspension, for a period not exceeding six months, of the operation of a business or enterprise not attributable to the fault of the employer, or the fulfillment by the employee of a military or civic obligation or privilege prescribed by law shall not terminate an employment.

It shall be the duty of an employer to return to his former job an employee who leaves his employment, to fulfill a military or civic obligation: Provided, That the employee indicates his desire to return to his former job within a reasonable time not to exceed sixty days from his relief from such civic or military obligation. Failure of the employer to comply with its duty shall render the employer liable for damages.

"Any contract or agreement contrary to the provisions of section one of this Act shall be null and void: Provided, however, That nothing herein contained shall prevent an employer and his employees or their representatives to enter into a collective bargaining agreement with terms more liberal than those provided for in this Act in favor of the employees."

SEC. 3. This Act shall take effect upon its approval.

Approved, June 21, 1957.

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