

Republic of the Philippines  
Department of Labor and Employment  
**National Conciliation and Mediation Board**  
**TRIPARTITE VOLUNTARY ARBITRATION ADVISORY COUNCIL**  
Ground Floor, DOLE Building, Intramuros, Manila

**Resolution No. 3**  
**Series of 2006**

*Amending the Guidelines on the Schedule of Fees  
Under the Subsidy Entitlement Program for Voluntary Arbitration Cases*

**WHEREAS**, Resolution No. 1, series of 1999 approved on November 15, 1999 amended and consolidated the Guidelines on the fees and in the processing and payment of subsidy entitlement for voluntary arbitration;

**WHEREAS**, in view of the changing times, these guidelines need to be reviewed periodically in consideration of the increasing costs of professional services and other expenses incidental to arbitration of labor disputes;

**WHEREAS**, to promote acceptance of voluntary arbitration, there is a need to remove the burden of cost from the parties;

**WHEREAS**, the TVAAC, during its 62<sup>nd</sup> Special Meeting held on 23 February 2006, resolved to revise and increase the schedule of fees under subsidy entitlement for voluntary arbitration cases;

**WHEREFORE**, pursuant to the provisions of Republic Act. No. 6715 authorizing the Council to recommend appropriate guidelines on provision of subsidy entitlement for voluntary arbitration cases, Resolution No. 1, Series of 1999 is hereby amended to read as follows:

**I. COVERAGE**

The subsidy shall cover all arbitration cases whether involving unionized or non-unionized establishments, upon proof by either or both parties of lack of capacity to pay the cost of arbitration in accordance with no. II herein and subject to the following conditions:

**A. Under Regular and Expedited Voluntary Arbitration Cases**

The subsidy shall be provided to all arbitration cases involving unionized establishments including the maritime cases under Resolution No. 1, series of 2001.

**B. Under the Free Legal Aid and Voluntary Arbitration Services (FLAVAS) Program, the subsidy shall be available to the following:**

1. Individual workers or group of employees in establishments with no unions or with no collective bargaining agreements (CBAs);
2. Unions which are still in the organizational stage; and
3. Management of distressed companies and small and medium enterprises (SMEs).

## II. Procedures and Requirements

- A. The Arbitrators who are entitled to be paid by the subsidy are any of the following:
1. Those Arbitrators **named in the CBA**, either accredited by the NCMB or not;
  2. Those **accredited** voluntary arbitrators **directly chosen** by the parties **without the assistance** of the NCMB;
  3. Those **accredited** voluntary arbitrators, either **selected or appointed with the assistance** of the NCMB, who are **included in the active roster** as of date of application for subsidy.
- B. The subsidy is payable to the voluntary arbitrator or to the Chairman of the panel of arbitrators, except in cases of reimbursement for amounts paid to the arbitrator or panel of arbitrators by either party, in which case it shall be paid to the union or the company, as the case may be.
- C. The request for subsidy shall be supported by the following:
1. Duly-accomplished request for Subsidy Entitlement Form;
  2. Copy of Decision, Order, Resolution or Award;
  3. For establishments with CBAs, copy of CBA or Certificate of CBA Registration, as verified and validated by the NCMB staff;
  4. Copy of Submission Agreement;
  5. In cases of reimbursement, proof of partial/full payment to the voluntary arbitrator;
  6. Waiver from the other party not availing of the subsidy

All requests, accompanied by the aforementioned documents shall be filed with the appropriate Regional Branch of the NCMB.

## III. Amount of Subsidy

- A. As a rule, the amount of subsidy shall be **FIFTEEN** Thousand Pesos (**P15,000.00**) per case for all types of voluntary arbitration cases, **EXCEPT** as specified hereunder:
1. **TWENTY** thousand pesos (**P20,000.00**) per case shall be provided if:
    - a) The case is submitted **under the Expedited Voluntary Arbitration Procedure** as laid down in TVAAC Resolution No. 2, series of 1999.
    - b) The case **involves** two or more issues **independent of each other**.
    - c) The case involves **bargaining deadlock** regardless of the number of issues.

2. Five thousand pesos (P5,000.00) shall be provided if the case is submitted under the FLAVAS program.

The amount shall be disposed of as follows:

- a) P1,000.00 shall be paid to the office of the legal aid;
  - b) P 500.00 shall be remitted to the PAVA Regional Chapter;
  - c) P3,500.00 shall be paid to the voluntary arbitrator
- B. In instances where the case is settled through a compromise agreement entered into by the parties with the assistance of the Voluntary Arbitrator, full regular subsidy may be given to the parties should it appear to the satisfaction of the Board that the compromise agreement is not contrary to law, morals, good order and public policy and entered into in good faith and not solely for the purpose of claiming the subsidy. The subsidy under this provision can be availed of by the same parties only once. Any agreement which tantamount to a mere withdrawal of the case is excluded from coverage of this provision.
- C. If both parties avail of the subsidy, the applicable amount shall be applied in accordance with the sharing scheme of the parties per CBA provision. Should the sharing scheme provide for 60-40 or 70-30 or any sharing other than 50-50, for purposes of subsidy, the amount to be provided shall be reversed; the bigger amount will be applied to labor. In the absence of any scheme, the subsidy shall be applied equally. However, in no case shall the subsidy be more than the share of either party in the agreed fees of the arbitrator.

#### **IV. SUPERSESSION CLAUSE**


All other Resolutions inconsistent with this Resolution are hereby superseded.

#### **V. APPROVAL OF THE GUIDELINES**

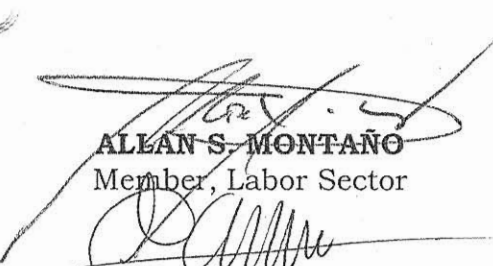
These guidelines shall be subject to the approval of the Secretary of Labor and Employment.

**NOW, THEREFORE**, the Tripartite Voluntary Arbitration Advisory Council has **RESOLVED**, as it is hereby **RESOLVED**, that the National Conciliation and Mediation Board shall observe and comply with the guidelines set forth herein as approved by the Secretary of Labor and Employment, in the administration of the Special Voluntary Arbitration fund and in the use of the voluntary arbitration subsidy.

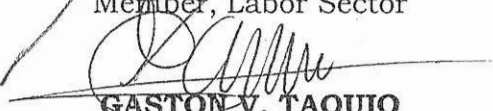
**APPROVED** this 8<sup>th</sup> day of March, 2006, in Manila, Philippines.

  
**HANS LEO J. CACDAC**  
Chairman

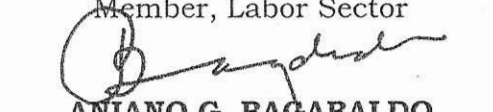
  
**PERLITA B. VELASCO**  
Member, Government Sector

  
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**APPROVED:**

  
**PATRICIA A. STO. TOMAS**

Secretary



Dept. of Labor & Employment  
Office of the Secretary



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