

[REPUBLIC ACT NO. 1787, June 21, 1957]

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

*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 ;