

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Third Regular Session

22 JAN 2013

3:55 PM

eflyp

COMMITTEE REPORT NO. **2605**

Submitted by the Committee on Overseas Workers Affairs and Committee on
Appropriations on 22 JAN 2013

RE : HOUSE BILL NO. **6841**

Recommending its approval in substitution of House Bill Nos. 2422 and 3562

Sponsors : Representatives Walden F. Bello and Jocelyn S. Limkaichong

Mr. Speaker:

The Committee on Overseas Workers Affairs and the Committee on
Appropriations to which were referred House Bill No. 2422 introduced by Rep. Rex
T. Gatchalian, entitled:

AN ACT TO CREATE THE OVERSEAS WORKERS WELFARE
ADMINISTRATION CHARTER

and House Bill No. 3562 introduced by Rep. Joseph F. Violago, entitled:

AN ACT TO PROVIDE FOR A CHARTER TO GOVERN THE
OPERATIONS AND ADMINISTRATION OF THE OVERSEAS
WORKERS WELFARE ADMINISTRATION (OWWA) AND FOR
OTHER PURPOSES

6841

have considered the same and recommend that the attached House Bill No. _____,
entitled:

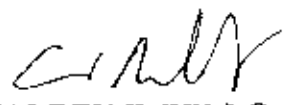
AN ACT TO GOVERN THE OPERATIONS AND
ADMINISTRATION OF THE OVERSEAS WORKERS WELFARE
ADMINISTRATION

be approved in substitution of House Bill Nos. 2422 and 3562 with Reps. Rex T.
Gatchalian, Joseph F. Violago, Walden F. Bello, Jocelyn S. Limkaichong, Maria
Carmen Zamora, Magtanggol T. Gunigundo II, Raymond DC. Mendoza, Cresente C.
Paez, Isidro Q. Lico, Al Francis DC. Bichara, Carlos M. Padilla, Hermilando I.
Mandanas, George P. Arnaiz and Arnulfo F. Go as authors thereof.

Respectfully submitted,



JOCELYN S. LIMKAICHONG
Chairman
Committee on Appropriations



WALDEN F. BELLO
Chairman
Committee on Overseas Workers Affairs

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH (15th) CONGRESS
3rd Regular Session

HOUSE BILL NO. **6841**
(in substitution of House Bill Nos. 2422 and 3562)

Introduced by
Representatives Rex T. Gatchalian, Joseph F. Violego, Walden F. Belle, Jocelyn S. Limkaichong, Maria
Carmen Zamora, Magtanggol T. Gunigundo II, Raymond DC. Mendoza, Cresente C. Paez, Isidro Q. Lico, Al
Francis DC. Bichara, Carlos M. Padilla, Hermilando I. Mandanas, George P. Arnaiz and Amulfo F. Go

AN ACT
TO GOVERN THE OPERATIONS AND ADMINISTRATION OF THE
OVERSEAS WORKERS WELFARE ADMINISTRATION

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

CHAPTER I
TITLE, POLICY AND OBJECTIVES

SECTION 1. *Short Title.* – This Act shall be known as the “OWWA Act of 2013”.

SEC. 2. *Declaration of Policy.* – It is the policy of the State to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment opportunities for all. Towards this end, it shall be the State's responsibility to protect the overseas Filipino workers (OFWs). The Overseas Workers Welfare Administration (OWWA) shall be one of the principal agencies of the State to serve and promote the interest and welfare of the OFWs and their families.

SEC. 3. *Objectives.* – This Act is enacted to provide guidelines on matters concerning OWWA, its mandate, purposes and objectives, membership, collection of contributions, and availment of benefits and services. This Act also embodies the policies on fund management, programs and services administration.

CHAPTER II
NATURE, SCOPE AND FUNCTIONS OF OWWA

SEC. 4. *Nature of OWWA.* – The OWWA is a national government agency vested with a special function of developing and implementing welfare programs and services that respond to the needs of its member-OFWs and their families. It shall have the powers to administer a trust fund. Being a national government agency, the OWWA shall not fall under the category of any of the following: Government Instrumentalities with Corporate Powers, Government Corporate Entities, Government Financial Institutions and/or Government-Owned or -Controlled Corporations.

The OWWA shall be an attached agency of the Department of Labor and Employment (DOLE). Its officials and employees are covered by the Salary Standardization Law.

SEC. 5. *Scope.* – This Act shall apply to all OFWs who are duly registered with the Philippine Overseas Employment Administration (POEA) and those who will avail of the voluntary membership program of OWWA.

SEC. 6. *Functions.* – The main functions of OWWA are:

- a) To protect the interest and promote the welfare of member-OFWs in all phases of overseas employment in recognition of their valuable contribution to the overall development effort;
- b) To facilitate the implementation of the provisions of the Labor Code and Republic Act No. 8042, as amended, concerning the responsibility of the government to promote the well-being of OFWs. Pursuant thereto, and in furtherance thereof, it shall provide legal assistance to its members;

- c) To provide social and welfare programs and services to member-OFWs, including, but not limited to, social assistance, education and training, cultural services, financial management, reintegration and entrepreneurial development services;
- d) To provide prompt and appropriate response to global emergency or crisis situations;
- e) To ensure the efficiency of collections and the viability and sustainability of the Fund through sound, judicious and transparent investment and management policies;
- f) To undertake studies and research for the enhancement of social, economic and cultural well-being of member-OFWs; and
- g) To develop, support and finance specific projects for the welfare of member-OFWs.

CHAPTER III DEFINITIONS

SEC. 7. *Definition of Terms.* – For purposes of this Act, the following terms shall mean:

- a) *Overseas Filipino Worker (OFW)* – refers to a person who is to be engaged, is engaged, or has been engaged in a remunerated activity in a state of which he or she is not a citizen, or on board a vessel navigating the foreign seas other than a government ship used for military or non-commercial purposes, or on an installation located offshore or on the high seas.
- b) *Dependent* – refers to any of the following: (a) the legal spouse dependent for support upon the member or pensioner; (b) the legitimate, legitimated, legally adopted child, including the illegitimate child, who is unmarried, not gainfully employed, not over the age of majority, or is over the age of majority but incapacitated and incapable of self-support due to a mental or physical defect acquired prior to age of majority; and (c) the parents dependent upon the member for support;
- c) *Compensation* – refers to the basic pay or salary received by an employee, pursuant to his appointment, excluding per diems, bonuses, overtime pay, honoraria, allowances and any other emoluments received in addition to the basic pay which are not integrated into the basic pay under existing laws;
- d) *Contribution or Membership Fee* – refers to the amount payable to OWWA by an OFW or the employer in accordance with the provisions of this Act;
- e) *OWWA Member* – refers to an OFW with a paid contribution or membership fee;
- f) *Non-Active OWWA member* – refers to an OFW whose OWWA membership has expired;
- g) *Non-Member OFW* – refers to an undocumented OFW and who has not availed of the voluntary membership of OWWA on-site.

CHAPTER IV MEMBERSHIP, CONTRIBUTION AND COLLECTION

SEC. 8. *Registration of Membership.* – Registration or enrolment of members shall be in accordance with the provisions of this Act. Membership in OWWA may be obtained in two (2) ways:

- a) By compulsory registration upon processing of employment contracts of OFWs at the POEA; and
- b) By voluntary registration of OFWs at job-sites overseas or at the OWWA Regional Welfare Offices.

SEC. 9. *Proof of Membership.* – All members shall be issued Official Receipt upon payment of the required contribution. They shall likewise be issued an OWWA E-Card, identification card or other proof of OWWA membership. No additional or extra charges shall be levied on members.

The OWWA is mandated to maintain an updated database of member-OFWs and to update this

regularly.

SEC. 10. *Amount of Contribution and Effectivity of Membership.* – Membership to the OWWA, either through the compulsory or voluntary coverage, shall be effective upon payment of membership contribution in the amount of Twenty Five US Dollars (US \$ 25.00) or its equivalent in the current foreign exchange rates. Such membership shall be considered active until the expiration of the OFW's existing employment contract.

In case of voluntary members who register on-site, membership coverage shall not exceed two (2) years.

Based on actuarial studies and taking into consideration the welfare and interest of the members, the Board may adjust or modify the amount of membership contribution.

SEC. 11. *Renewal of Membership.* – Membership shall be renewed upon payment of contribution on contract renewal or issuance of a new contract of employment. In the case of voluntary membership, coverage shall be renewed upon payment of contribution of Twenty Five US Dollars (US \$25.00) or its equivalent in the current foreign exchange rates.

There shall be a grace period of two (2) months in both instances.

SEC. 12. *Separation of Sea-based and Land-based Workers Contributions.* – To effect a more efficient fund management between the two (2) sub-sectoral groups of Land-based and Sea-based workers, the collection of membership contribution shall be accounted for in two (2) separate books of account.

SEC. 13. *Authorized Collecting Officers.* –

- a) Membership contributions shall be collected by duly authorized OWWA Collecting Officers, deputized collecting officers or accredited agents. The collection of membership contributions shall be made at the POEA contract processing hub, OWWA regional and overseas offices, and other accredited collection centers.
- b) In case of voluntary members who register on-site, membership contributions shall be made directly to the OWWA Overseas Offices located in the various diplomatic stations, embassies or consulate offices of the Philippines.

SEC. 14. *Reportorial Requirements and Handling of Collections.* – The collecting officer, deputized collecting officer, or the accredited collecting agent shall prepare and submit the required monthly reports to the OWWA Central Office in the Philippines. Handling of collections and deposits by Collection Officers shall be governed by the usual accounting and auditing rules.

SEC. 15. *Sanctions for Erring Officers.* – Corresponding administrative sanctions and other disciplinary measures, including recall from post/suspension/or separation from service, shall be imposed upon any officer who violates the provision of the preceding section.

SEC. 16. *Prohibition Against Discrimination on Membership.* – No OFW shall be denied membership to the OWWA by reason of age, gender, nationality, religious belief, or political opinion or affiliation. The OWWA shall take affirmative steps to enhance the access of OFWs to its programs and services.

SEC. 17. *Payment of Contribution or OWWA Fee by Employer.* – Contributions to the OWWA Fund must be paid by the employers/principal, or in their default, the recruitment/manning agency in the case of new-hires. The POEA shall ensure that a provision to this effect shall be made an integral part of the overseas employment contract.

SEC. 18. *Penalty for Violation by Recruitment/Manning Agency.* – Violation by a recruitment/manning agency of the preceding section shall constitute an offense punishable by revocation of its license and all its officers and directors shall be perpetually disqualified from engaging in the business of recruitment/placement of overseas workers. Such penalty is without prejudice to any other liability which such officers and directors may have incurred under existing laws, rules and regulations.

SEC. 19. *Deposit and Remittance of Collection.* –

- a) *OWWA Central Office and Regional Offices* - The Collecting Officer shall, on a daily basis, deposit all OWWA fee contributions to the OWWA Capital Fund Account with the Land Bank of

the Philippines. For reconciliation and record purposes bank validated deposit slips shall be prepared in triplicate forms to be distributed to the 1) servicing bank, 2) OWWA together with the Report of Collections, and to the, 3) Collecting Officer.

- b) OWWA Overseas Officers - The Collecting Officer shall, on a daily basis, deposit all OWWA fee contributions in the same currency received, to a separate bank account for collections in the name of the "Office of the Labor Attaché - OWWA Collections," in the depository bank of the Department of Foreign Affairs (DFA), or in the accredited correspondent bank of the Land Bank of the Philippines. Accumulated monthly collections shall be remitted to the OWWA Capital Fund Account with the Land Bank of the Philippines not later than the 5th day of the following month.

No withdrawals, except remittances of collections, can be made from the bank accounts for collections without prior written approval of the Administrator or his duly authorized representative, subject to the policies approved by the Board.

Overseas Offices shall be authorized to retain the required amount for the beginning and maintaining balance of the above-mentioned bank accounts for collections.

CHAPTER V THE OWWA BOARD OF TRUSTEES

SEC. 20. *The OWWA Board of Trustees.* - To carry out the purposes of this Act, the OWWA shall be directed and controlled by a Board of Trustees as its policy making body. It shall be composed of the following members:

- a) Secretary of the Department of Labor and Employment, as Chairperson;
- b) OWWA Administrator, as Vice Chairperson;
- c) Secretary of the Department of Foreign Affairs;
- d) Secretary of the Department of Finance;
- e) Secretary of the Department of Budget and Management;
- f) POEA Administrator;
- g) Two (2) representatives of land-based OFWs who are nominated and appointed in accordance with the provisions of Republic Act No. 10022, which amended Republic Act No. 8042 or the Migrant Workers and Overseas Filipinos Act of 1995;
- h) One (1) representative of the sea-based OFWs who are nominated and appointed in accordance with the provisions of Republic Act No. 10022;
- i) One (1) representative of the women sector who is nominated and appointed in accordance with the provisions of Republic Act No. 10022;
- j) One (1) representative of the land-based recruitment sector, who is selected from among the various associations of registered overseas placement and recruitment agencies based in the Philippines who shall be appointed by the President to serve a single term of three (3) years; and
- k) One (1) representative of the sea-based manning sector, who is selected from among the various associations of registered overseas placement and manning agencies based in the Philippines who shall be appointed by the President to serve a single term of three (3) years;

The Trustees holding office as members of the OWWA Board at the time of the effectivity of this Act shall continue to serve until the expiration of their term of appointments.

In case of vacancy in any of the appointive positions in the OWWA Board, the vacancy shall be filled by the subsequent nomination by the respective sector concerned in the same manner as the selection of the predecessor. Such successor shall hold office for the unexpired term only.

1 SEC. 21. *Per Diem*. – The members of the OWWA Board shall not receive any compensation but shall be
2 provided with per diem at rates allowed under existing rules and regulations.
3

4 SEC. 22. *Responsibilities and Powers of the Board of Trustees*. – The OWWA Board shall exercise the
5 following specific powers and duties:
6

- 7 a) To define the thrusts of the OWWA and adopt broad policy guidelines to ensure their
8 implementation;
- 9 b) To preserve the integrity of the OWWA Trust Fund;
- 10 c) To approve programs, projects, and the organizational structure of the OWWA Secretariat;
- 11 d) To modify or adjust the membership fee and other necessary charges based on actuarial
12 studies;
- 13 e) To formulate rules and regulations governing financial transactions and fix the yearly
14 appropriations of the Secretariat;
- 15 f) To ensure the efficiency of collection and the viability and sustainability of the fund through
16 sound and judicious investment and fund management policies;
- 17 g) To receive and appropriate all sums as may be provided by law for the support of the OWWA to
18 the ends specified by law, and all other sums in the manner it may, in its discretion, determine to
19 carry out the purposes and functions of the OWWA;
- 20 h) To authorize the construction or repair of its buildings, machinery, equipment and other facilities,
21 and the purchase and acquisition of real and personal properties, including the necessary
22 supplies, materials and equipment;
- 23 i) To receive in trust legacies, gifts and donations of real and personal property of all kinds and to
24 administer and dispose the same when necessary for the benefit of the OWWA general
25 membership and subject to the instructions of the donor, if any;
- 26 j) To delegate any of its powers to the Chairperson of the OWWA Board or any other officials or
27 officers as it may deem necessary;
- 28 k) To prescribe such general policies, rules and regulations, not contrary to law, as are consistent
29 with the purposes of the OWWA; and
- 30 l) To exercise such powers as may be proper and necessary to carry out the objectives of this Act.

31 **CHAPTER VI** 32 **BOARD MEETINGS, PROXIES, AND RECORDS MANAGEMENT**

33 SEC. 23. *Schedule of Meetings and Quorum of the Board*. – The regular meetings of the OWWA Board shall
34 be held every last Friday of the month. If a change of date becomes necessary, the same shall be held at
35 the most convenient time set by the Board.
36

37 Special Board meetings and executive meetings may be scheduled as the need arises. Special
38 Board meetings may be called upon by the Chairperson or by five (5) members of the Board.
39

40 The Board Secretary shall distribute to all members of the Board the notice of meeting together with
41 the discussion materials at least three (3) working days prior to the scheduled meeting.
42

43 SEC. 24. *Board Proceedings*. – The Board proceedings shall be guided by the following rules:
44

- 45 a) *Notice of Meetings* – The Board Secretary shall distribute to all Members of the Board, the Notice of
46 Meeting together with the discussion materials at least three (3) working days prior to the scheduled
47 meeting.
- 48 b) *Quorum* – In determining the existence of a quorum, the Board shall adopt the simple majority rule
49 of one half plus one of the total filled Board seats.

1
2 c) *Voting* – For the approval of any policy requiring the disbursement of the OWWA Fund, an
3 affirmative vote of a majority of all the members shall be required. For the approval of all other
4 policies, an affirmative vote of a majority of the members present constituting a quorum shall be
5 necessary.

6
7 d) *Attendance in Board Meetings* – Board members are responsible for attending all board meetings.
8 The Ex-Officio members of the Board of Trustees may designate in writing their permanent alternate
9 who shall have voting power. The Board shall install teleconferencing facilities in order to muster
10 quorum during Board Meetings.

11
12 e) *Presiding Officer* – The Chairperson shall preside over meetings of the Board. In the absence of the
13 Chair, the Vice-Chairperson shall preside.

14
15 f) *Board Resolution* – All decisions of the Board shall be expressed in the form of Resolutions signed
16 by all the members present. Resolutions may be modified or superseded by another resolution.

17
18 Resolutions shall take effect upon adoption and signing by the members present, subject to
19 requisite publication.

20
21 g) *Records Management and Archiving of Board Documents* – The Board Secretary shall ensure a
22 complete and thorough recording of all proceedings during a Board meeting. The minutes of the
23 previous meeting shall be made available for approval during the succeeding scheduled Board
24 Meeting.

25
26 The Minutes of the meeting shall contain the attendance, business arising from the minutes, major
27 agreements reached, corresponding resolutions, and other items noted or discussed, and
28 instructions issued by the Board.

29
30 All minutes of meetings and Board Resolutions, tape recordings, and other documents pertaining to
31 the business of the Board shall be kept and archived pursuant to standard records management
32 systems and procedures.

33 34 CHAPTER VII 35 OWWA SECRETARIAT

36
37 SEC. 25. *The OWWA Secretariat.* – The OWWA Secretariat is the implementing arm of OWWA.

38
39 SEC. 26. *Duties and Responsibilities of OWWA Secretariat.* – The OWWA Secretariat shall perform and
40 assume the following duties and responsibilities:

- 41
42 a) To manage programs and the delivery of welfare services locally and overseas to its members,
43 supported by advocacy and information programs;
- 44
45 b) To implement Board policies on investment and fund management;
- 46
47 c) To formulate medium term development plans responsive to the welfare, needs and demands of
48 member-OFWs;
- 49
50 d) To submit work and financial plans for Board consideration;
- 51
52 e) To provide policy analyses and recommendations for Board consideration;
- 53
54 f) To conduct continuing researches and studies, including impact evaluation, in aid of policy and
55 program development;
- 56
57 g) To regularly monitor and conduct assessment and evaluation of organizational performance;
- 58
59 h) To establish and maintain an on line management information system, to include database on
60 membership;
- 61
62 i) To establish and maintain linkages and networks with local and international social and
63 institutional partners;

- 1
2 j) To conduct annual planning, budgeting and organizational performance assessment and render
3 the report to the Board.
4
5 k) To submit annual reports to the Board, Congress and the President;
6
7 l) To submit written quarterly reports on the assessment, and evaluation of programs, projects and
8 services and such other reports as may be required by the Board;
9
10 m) To undertake the periodic review of programs, standards, thrusts and policies;
11
12 n) To perform other functions as may be instructed by the Board; and
13
14 o) To adopt internal rules of procedure consistent with the provisions of this Act.
15

16 SEC. 27. *The OWWA Administrator.* – The administration of the OWWA is vested in the Administrator. As
17 the Chief Executive Officer of the Secretariat, the Administrator shall exercise general supervision and
18 control of all OWWA personnel and resources, and assume full responsibility and accountability thereof.
19

20 The Administrator must possess good leadership and managerial skills. The Administrator shall be
21 appointed by the President. The Administrator shall report to the President through the Secretary of DOLE,
22 and shall perform the duties and functions elsewhere stated in this Act and all the usual, necessary and
23 related functions of the office of the Administrator, subject to the policies and rules prescribed by the OWWA
24 Board.
25

26 SEC. 28. *The Deputy Administrators.* – Two (2) Deputy Administrators shall assist the Administrator in the
27 administration and supervision of operations of OWWA. They shall be appointed by the Board upon the
28 recommendation of the Administrator. They must also possess good leadership and managerial skills. The
29 Board may assign specific functional responsibilities to the Deputy Administrators.
30

31 SEC. 29. *Regional and On-Site Welfare Officers.* – OWWA shall maintain Regional Offices and on-site
32 Welfare Offices under the Philippine Overseas Labor Offices of the Department of Labor and Employment.
33

34 CHAPTER VIII 35 PERSONNEL AND STAFFING PATTERN 36

37 SEC. 30. *New Structure and Staffing Pattern.* –
38

- 39 a) Upon effectivity of this Act, the officers and employees of the OWWA shall, in a holdover
40 capacity, continue to perform their respective duties and responsibilities and receive the
41 corresponding salaries and benefits unless in the meantime they are separated from the
42 service. The new structure and staffing pattern for the OWWA shall be prescribed by the OWWA
43 Board and approved by the President of the Philippines. The salaries and benefits of all
44 personnel shall be in accordance with existing compensation laws.
45
46 b) Those incumbents whose positions are not included therein or who are not reappointed shall be
47 deemed separated from the service. Those separated from the service shall receive the
48 retirement benefits to which they may be entitled under existing laws, rules and regulations.
49

50 SEC. 31. *Qualifications Upgrading Program.* – Pursuant to the provision of paragraph (1) of the immediately
51 preceding section, the OWWA Board shall design and establish a qualifications upgrading program for the
52 staffing of the OWWA, in coordination with the DOLE and the Civil Service Commission (CSC), within one
53 hundred twenty (120) days from the effectivity of this Act. *Provided,* That those who are already in the
54 service from the effectivity of this Act shall have, not later than five (5) years, to obtain the required
55 academic degree and/or qualification counted from the implementation of the qualifications upgrading
56 program. *Provided, further,* That those who are already in the service from the effectivity of this Act shall
57 have, not later than one (1) year, to obtain the necessary CSC qualification required for the position they are
58 currently holding.
59

60 SEC. 32. *Authority of the Board to Reorganize the Administration.* – Notwithstanding the provisions of
61 existing laws, the OWWA Board shall conduct a management audit, prepare and submit to Congress a
62 proposed reorganization plan of the OWWA not later than one (1) year, subject to the limitations provided
63 under this Act and based on the following criteria.

- a) Increased OWWA visibility from the head office to the various regional offices and by the appointment and assignment of personnel to positions which are purely administrative, technical, clerical or menial in nature and other positions which are not directly related to its operation and administration; and
- b) Efficient and optimized delivery of OWWA services to the OFWs and their respective families.

SEC. 33. *General Qualifications for Appointment* – The general qualifications for appointment of OWWA personnel shall be in accordance with the minimum requirements set by the Civil Service Commission (CSC). OWWA may hire experts in actuarial studies, information technology, finance and investment, and such other fields as may be deemed necessary in the implementation of programs and services.

CHAPTER IX OWWA BENEFITS AND SERVICES

SEC. 34. *Guiding Principles*. – Pursuant to its mandate, OWWA shall provide reintegration programs, repatriation assistance, loan and credit assistance, workers assistance on-site, death and disability benefits, health care benefits, education and skills training, social services, family welfare assistance, and other appropriate programs that provide timely social and economic services.

Nothing in this Act shall be construed as a limitation or denial of the right of the OFW to avail of any benefit plan which may be adopted in the employment contract, or offered voluntarily by employers, or by the laws of the receiving country which are over and above those provided under this Act.

SEC. 35. *Benefits and Services to OFWs*. –

- A. **Reintegration of OFWs.** Reintegration of OFWs shall be one of the core programs of OWWA.
To be able to sustain the viability of this program, not less than ten percent (10%) of OWWA's collection of contribution for the immediately preceding year shall be allocated annually for reintegration program.
- B. **Repatriation Assistance.** Consistent with the provisions of RA No. 8042, as amended, members shall be provided with all the services necessary for repatriation.
- C. **Loan and Credit Assistance.** OWWA shall provide low-interest loans to member-OFWs. It shall have the authority to hire experts in finance or banking to assist in implementing the said loan programs.
- D. **Workers Assistance and On-site Services.** OWWA shall sustain and maintain assistance to OFWs in all its overseas and regional offices. Services shall include information regarding the names, occupation/job category and addresses of OFW, providing guidance, developing materials for the Pre-Departure Orientation Seminars, conducting psycho-social counselling, conciliation services, and outreach missions, among others. On behalf of the OFW, OWWA may provide appropriate representation with employers, agents and host government authorities, including, but not limited to assisting OFWs to regain unpaid wages.
- E. **Social Benefits.** A member-OFW shall be covered with the following social benefits:
 1. **Death and Disability Benefits.**
 - a. **Death Benefits.** A member shall be covered with life insurance for the duration of one's employment contract. The coverage shall include One Hundred Thousand Pesos (P100,000.00) for natural death and Two Hundred Thousand Pesos (P200,000.00) for accidental death.
 - b. **Disability and Dismemberment Benefits.** A member shall be entitled to disability/dismemberment benefits as a rider provision of one's life insurance as provided for in the impediment schedule contained in the Manual of Systems and Procedures. The coverage is within the range of Two Thousand Pesos (P2,000.00) to Fifty Thousand Pesos (P50,000.00).
 - c. **Total Disability Benefit.** In case of total permanent disability, a member shall be entitled to One Hundred Thousand Pesos (P100,000.00).

d. Burial Benefit. A burial benefit of Twenty Thousand Pesos (P20,000.00) shall be provided in case of the member's death.

Based on actuarial studies, the Board may increase the amount of the abovementioned benefits.

2. Health Care Benefits. Within two (2) years from the effectivity of this Act, OWWA is mandated to develop and implement health care programs for the benefit of member-OFWs and their families.

F. Education and Training Benefits. A member or a designated beneficiary may avail of the following scholarship programs, subject to a selection process and accreditation of participating institutions. Annual scholarship lists shall be submitted to the Board.

1. Skills-for-Employment Scholarship Program. – For technical or vocational training scholarship.
2. Education for Development Scholarship Program. – For baccalaureate programs.
3. Seafarers' Upgrading Program. – To ensure the competitive advantage of Filipino seafarers in meeting International Maritime Organization (IMO) competency standards, sea-based members shall be entitled to one upgrading program for every three (3) membership contributions.

SEC. 36. *Extension of Services to Non-members.* – OWWA may also extend appropriate programs or services to non-members, as may be determined by the Board.

OWWA shall continue to develop and implement new programs to meet new OFW needs and requirements as they arise, and to assess the effectiveness of existing services and benefits in serving OFW welfare.

OWWA shall also maintain an interactive website to collect OFW feedback, comments, suggestions and complaints on existing programs and services.

CHAPTER X THE OWWA TRUST FUND

SEC. 37. *OWWA Fund.* – The OWWA Fund is a private fund held in trust by OWWA. The OWWA Fund, being a trust fund, is not government money. No portion thereof or any of its income, dividends or earnings shall accrue to the general fund of the National Government. Neither shall any amount or portion thereof be conjoined with the government money, nor revert to the national government. In the same manner, it is exempted from the "one fund doctrine" of the government.

SEC. 38. *Purpose of the OWWA Fund.* – The OWWA Fund can only be used for the purposes for which it was created, that is, to exclusively serve the welfare of member-OFWs and their families. The fund is to be used exclusively to finance the core programs and services of the OWWA.

SEC. 39. *Reporting of the Fund.* Within fifteen (15) days after receipt of audited reports from the Commission on Audit, the OWWA Board of Trustees shall submit to the President and Congress a report showing the total collections of and the disbursements from the OWWA Fund.

SEC. 40. *Disbursement of OWWA Fund.* – Any provision of existing law to the contrary notwithstanding, all incomes generated by the OWWA shall, upon their collection, be retained by the OWWA and disbursed at the discretion of the Board for the general welfare and other benefits of the OWWA general membership and the OWWA Secretariat personnel; for the acquisition, construction, maintenance and repair of urgently needed auxiliary facilities, equipment, buildings and other infrastructure; and for expenses necessary for the attainment of its purposes under its approved program of expenditures.

No fund shall be withdrawn from the OWWA Fund to respond, aid, supplement, or in any manner augment any required expenditure by other government agencies.

SEC. 41. *Source of the OWWA Fund.* – The OWWA Fund is the sum total of the amounts under the

management and fiscal administration of the OWWA Board and the Secretariat, including the US\$25 contributions that shall accrue to the Fund as fees, investment and interest income, and income from other sources.

SEC. 42. *Trustees of the Fund.* – The OWWA Board is designated as the trustee of the OWWA Fund. It shall be bound by a fiduciary duty to manage the fund with extra-ordinary diligence and with utmost skill, care and judiciousness.

SEC. 43. *Transparency.* – The OWWA Fund shall be managed with full transparency and full public disclosure. It shall make available all records of how the funds are utilized, disbursed, and invested in accordance with existing laws.

CHAPTER XI INVESTMENT ADMINISTRATION: SAFEGUARDS

SEC. 44. *Safeguards of the OWWA Fund; Acquired Assets; Unredeemed Investments.* –

- a) The OWWA Trust Fund shall be managed and expended in accordance with the purpose of the Fund and safeguarded against any possible loss and misuse.

The OWWA shall ensure an appropriate growth rate in the fund sufficient to sustain the growing needs of OFW members. It shall ensure that all investment instruments are periodically inventoried and properly kept at a government bank under a custodianship agreement.

A monthly report on all investment schedules showing the interest rates, yields, discount rates, and other relevant data, shall be submitted to the Board.

- b) The OWWA shall administer all properties, acquired or foreclosed. To ensure that the properties are safeguarded and preserved, the same must be properly accounted for and documented; re-inspected, re-appraised, and insured with taxes paid.

An asset development/disposal plan shall be submitted by the Administrator for the consideration of the Board.

Foreclosed properties shall be registered as OWWA assets within one (1) month after foreclosure.

- c) Unredeemed investments and other receivables shall be inventoried semi-annually and corresponding redemption plan shall be submitted to the Board. All receivables shall be supported by documents appropriately acknowledged by the accountable party.

SEC 45. *General Investment Policy.* – Upon approval of the Board, all OWWA investments shall be placed only in government securities and bonds which provide optimum earnings, liquidity and protection of the Fund. Portfolio management of investible funds shall be outsourced to government financial institutions (GFIs).

SEC 46. *Examination and Valuation of the Funds.* – The OWWA shall make a periodic actuarial examination and valuation of its funds in accordance with accepted actuarial principles.

CHAPTER XII FISCAL AND BUDGET POLICY: MANAGEMENT

SEC. 47. *Operative Budget.* – The operative budget must be sufficient to support full protection of the OFW welfare. The budget shall be reviewed annually by the Board with emphasis on adequate funding for services and agency efficiency.

The Board shall approve, by a majority vote of all its members, the operating budget which shall support the planned work programs and administrative costs to include but shall not be limited to salaries, emoluments and transportation expenses for OWWA personnel, office rentals, office supplies, equipment, technological support, communications and utilities, requirements for personal services, and maintenance: *Provided, That appropriations for personal services (PS) and its regular maintenance and other operating expenses (MOOE) shall not exceed Twenty Percent (20%) of the total member contributions realized in the immediately preceding year.*

1
2 The approved operating budget shall be drawn from the OWWA Trust Fund.
3

4 SEC. 48. *Benefits and Services Budget.* – The annual budget shall include all benefits and services to
5 OFWs. The budget shall prioritize protecting OFW welfare. The amount necessary to defray the cost of
6 these benefits and services shall be drawn from the OWWA Trust Fund.
7

8 SEC. 49. *Budget Preparation and Approval.* – In preparing the annual budget, OWWA shall follow the
9 national government budget system, format and cycle.
10

11 SEC. 50. *Re-enacted Budget.* – In case the proposed annual budget has not been approved by the Board at
12 the start of the year, OWWA shall operate within the budget level of the previous year allocated on a month
13 to month basis. All savings realized within a previous year shall be deducted from a current year's budget.
14

15 SEC. 51. *Work and Financial Plans.* – All cost centers/offices/units of OWWA shall submit their annual work
16 and financial plans (WFP), which should correspond to the approved budget. The Directors shall endorse
17 the WFP of their respective units for approval of the Administrator. The consolidated OWWA-WFP shall be
18 reported to the Board.
19

20 SEC. 52. *Budget Realignment.* – Realignment of funds including adjustments in targets shall be submitted to
21 the Board for approval. Similarly, in the event that extra ordinary circumstances may occur which require
22 additional funds beyond the coverage of the approved budget, the same shall be submitted for approval by
23 the Board.
24

25 SEC. 53. *Branch Accounting System; Financial Reports; Auditing Procedures; Annual Reports.* – The
26 OWWA Regional Units shall maintain their respective books of account which shall be consolidated by the
27 central office.
28

29 The OWWA shall install sound internal control and monitoring systems and submit quarterly
30 prescribed Financial Statements to COA such as income statement, balance sheet, and cash flow as
31 prescribed in post auditing reports by the COA.
32

33 The OWWA Secretariat is mandated to submit a monthly fund utilization report to the Board, copies
34 of which shall be made available to Congress. It is further mandated to submit an Annual Report on its
35 overall performance for the previous year within the first sixty (60) days of the following year to the OWWA
36 Board, Congress and the President, through the Department of Budget and Management (DBM).
37

38 SEC. 54. *Chart of Accounts.* – The OWWA shall adopt the appropriate and standard chart of accounts as
39 prescribed by the COA.
40

41 SEC. 55. *Appropriation from the National Government.* – Nothing in this Act shall prevent the National
42 Government from allocating funds for the operation or implementation of any of the programs or services
43 stated herein, including the budget for maintenance and other operating expenses.
44

45 CHAPTER XIII 46 MISCELLANEOUS PROVISIONS 47

48 SEC. 56. *Rebates for Long-time Members.* – In recognition of the contribution of long-time members on the
49 OWWA Trust Fund, OWWA is mandated to develop and implement a program for the grant of rebates or
50 some form of financial assistance to OFWs who have been members of OWWA for at least five (5) years
51 and who have not availed of any services or benefits, including their families, from OWWA.
52

53 SEC. 57. *Procurement System.* – The OWWA procurement system shall be governed by Republic Act No.
54 9184, also known as "Government Procurement Reform Act".
55

56 SEC. 58. *Implementing Rules and Regulations.* – The present OWWA Board, in consultation with the
57 Senate Committee on Labor and Employment and the House Committee on Overseas Workers Affairs,
58 shall, within Sixty (60) days from the effectivity of this Act, formulate the necessary Rules and Regulations
59 for its effective implementation.
60

61 SEC. 59. *Separability Clause.* – If any provision or part of this Act, or the application thereof, is held invalid,
62 the remainder of this Act, or the application of such provision, shall not be affected thereby.
63

1 SEC. 60. *Repealing Clause.* -- All laws not adopted as part of this Act either directly or indirectly are hereby
2 repealed. All provisions of existing laws, orders, rules and regulations inconsistent herewith are likewise
3 repealed.
4

5 SEC. 61. *Effectivity Clause.* -- This Act shall take effect fifteen (15) days after publication in two (2)
6 newspapers of general circulation.
7

8 Approved.

FACT SHEET

House Bill No. **6841**
in substitution of House Bill Nos. 2422 & 3562

AN ACT TO GOVERN THE OPERATION AND ADMINISTRATION OF OWWA

Introduced by: **REPRESENTATIVES REX T. GATCHALIAN, JOSEPH F.
VIOLAGO AND WALDEN F. BELLO**

Committee Referral: **COMMITTEE ON OVERSEAS WORKERS AFFAIRS**
Committee Chairperson: **REPRESENTATIVE WALDEN F. BELLO**

OBJECTIVE:

- To provide for an Act or a Charter which will govern the operation and administration of the Overseas Workers Welfare Administration (OWWA)

KEY PROVISIONS:

- Defines the nature and functions of OWWA as a national government agency vested with a special function of developing and implementing welfare programs that respond to the needs of member-OFWs and their families.
- Provides for a procedure for membership registration and its renewal, and imposes upon the employer and/or recruitment agency the duty to pay for the OWWA membership fee with respect to those OFWs who are newly-hired.
- Creates the OWWA Board of Trustees as the policy-making body of OWWA, composed of 12 members and chaired by the Secretary of Labor and Employment. The members of the OWWA Board shall not receive any compensation except with per diem at rates allowed under existing rules and regulations.
- Establishes the OWWA Secretariat to be headed by the OWWA Administrator who shall act as the Chief Executive Officer of the OWWA Secretariat and shall be appointed by the President.
- Two (2) Deputy Administrators shall assist the OWWA Administrator in the administration and supervision of operations of OWWA. They shall be appointed by the Board upon the recommendation of the Administrator.
- The operative budget of the OWWA must be sufficient to support full protection of the OFW welfare and shall be reviewed annually by the OWWA Board with emphasis on adequate funding for services and agency efficiency. Appropriations for Personal Services (PS) and its regular maintenance and other operating expenses (MOOE) shall not exceed twenty percent (20%) of the total member contributions realized in the immediately preceding year.
- Grants the following benefits and services to member-OFWs: (1) Reintegration of OFWs; (2) Repatriation Assistance; (3) Loan and Credit Assistance; (4) Workers Assistance and On-Site Services; (4) Social Benefits – Death and Disability as well as Health Care Benefits; (5) Educational and Training Benefits.

- . Creates the OWWA Fund as a private fund held in trust by OWWA and sourced from the sum total of the amounts under the management and fiscal administration of the Board, including the US\$25 contributions and other amounts that shall accrue to the Fund as fees, investment and interest income.

RELATED LAWS:

- Presidential Decree 442 or the "Labor Code of the Philippines"
- Republic Act No. 8042, as amended by Republic Act No. 10022
- Letter of Instructions No. 537 which created the "Welfare and Training Fund for Overseas Workers"
- Presidential Decree 1694 which created the "Welfare Fund for Overseas Workers (WELFUND)"
- Presidential Decree 1809 which amended P.D. 1694
- Executive Order No. 126 (1987), "Reorganizing the Ministry of Labor and Employment and for other purposes"
- Civil Code of the Philippines