

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **2798**



Introduced by Representatives
DIOSDADO MACAPAGAL ARROYO and GLORIA MACAPAGAL ARROYO

AN ACT
PROVIDING FOR A SOCIAL JUSTICE AND WELFARE PROGRAM TO SUPPORT
AND CARE FOR ORPHANS BY CREATING A SPECIAL TRUST FUND, AND FOR
OTHER PURPOSES

EXPLANATORY NOTE

Paragraph (2), Section 3, of Article XV of the 1987 Constitution states that "*the State shall defend the right of children to assistance, including proper care and nutrition, and special protection from all forms of neglect, abuse, cruelty, exploitation and other conditions prejudicial to their development.*"

Based on data from the World Health Organization (WHO) for the period 2005 to 2006, there are already more than three million orphaned children in the Philippines. In line with the constitutional duty of the State to recognize the vital role of the youth in nation-building and the State's duty to promote and protect their physical, moral, spiritual, intellectual, and social well-being, focus should also be given to the State's obligation to support and care for our orphaned minors.

There is therefore a need for the State to assist and protect our children from any form of neglect, abuse, cruelty, exploitation and other conditions detrimental to their development, especially orphaned minors, who have suffered enough due to the death of their parents, or the stigma of being abandoned by their own family.

This bill seeks to rectify the present plight of our orphaned minors by providing a trust fund account for each orphaned minor under DSWD-accredited private

orphanages and other child-caring institutions accredited by the DSWD, which the State has to fund quarterly, depositing a specified amount for each of the trust fund account. The trust fund account matures when the orphaned minor reaches the age of majority and whatever the amount the orphan receives should give him/her a fresh start in life.

Due to above-cited reasons, the immediate passage of this bill is highly requested.



DIOSDADO MACAPAGAL ARROYO
Second District, Camarines Sur



GLORIA MACAPAGAL ARROYO
Second District, Pampanga

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

SECTION 1. *Short Title.* – This Act shall be known as the “Orphaned Minor’s Trust Fund Act of 2013.”

SECTION 2. *Declaration of Policy.* – In line with the State policy recognizing the vital role of the youth in nation-building and the State’s duty to promote and protect their physical, moral, spiritual, intellectual, and social well-being, it is hereby declared a policy of the State to support and care for orphaned minors.

SECTION 3. *Definition of Terms.* – For purposes of this Act, the following terms are defined:

a.) “Commercial Bank” refers to a reputable private financial institution with a proven track record in the banking industry owned by a group of individuals which accepts deposits, makes business loans, and offers related services;

b.) “Orphaned Minor” refers to a child below the age of 18, who has become an orphan by the death or disappearance of, or abandonment by, both parents. The abandonment, disappearance should be for at least six continuous months;

c.) "Orphanage" refers to any DSWD-accredited orphanage catering to the need of orphans or abandoned minors;

d.) "Orphaned Minor's Trust Fund" refers in a special fund set aside for the orphaned minors under the care of the DSWD or any DSWD-accredited orphanage. The said fund shall operate as a special trust fund managed by a reputable commercial bank;

e.) "Child-Caring Institution" refers to any twenty-four-hour resident group care service for the physical, mental, social and spiritual well-being of nine or more mentally gifted, dependent, abandoned, neglected, handicapped or disturbed children that is coordinated with the Department of Social Welfare and Development (DSWD);

f.) "Guardian" refers to the owner of the orphanage and/or any elder in the orphanage tasked to keep an eye on the orphaned minor;

SECTION 4. *Coverage.* – This Act shall cover all orphaned minors, under the care of the DSWD, public orphanages, DSWD-accredited private orphanages and other child caring institutions that may be recognized by the DSWD in accordance with the implementing rules and regulations of this Act.

SECTION 5. *National Monitoring System for Orphaned Minors.* – The DSWD, in coordination with other government agencies tasked with caring for the welfare and development of children and the youth, shall come up with a comprehensive monitoring system to address the needs of orphaned minors. This system shall include, but not be limited to, coming up with an updated data on the number, location and personal profile of orphaned minors; profiling of orphanages and child-caring institutions nationwide; and establishing a transparent mechanism that would provide a grant of a reasonable lump sum grant to orphaned minors who already turned 18 years old and are ready to lead a life on their own.

SECTION 6. *Orphaned Minor's Trust Fund.* – A trust fund account in a commercial bank or in a number of commercial banks as defined in this Act, shall be opened in the name of every covered orphaned minor under a memorandum of agreement (MOA) to be entered into by a commercial bank and the DSWD. The DSWD, sourcing it from a regular annual appropriation item in its budget, shall deposit the sum of Ten Thousand Pesos (PhP10,000.00) quarterly in every trust fund account until the account matures, unless terminated earlier by the DSWD due to the death or ineligibility of the recipient.

Each of the trust fund account shall be opened by the DSWD based on a verified list of orphans submitted by their respective orphanages and child-caring institutions. To maintain the real purchasing value of the said amount through the years, it shall be increased by the DSWD every three (3) years in proportion to the average inflation rate

for the said period as certified by the National Economic Development Authority (NEDA).

Each covered orphan shall be entitled to the said quarterly deposit in his/her trust fund for the entire duration that he/she was in an orphanage or child-caring institution until he/she reaches the age of 18. In the event that the orphaned minor has been rendered ineligible to receive the said fund, or dies prior to reaching the age of majority, the trust fund for such minor shall be forfeited in favor of the State.

SECTION 7. *Budgetary Requirements.* – The DSWD shall incorporate the budgetary requirements of this Act in their annual budget proposal.

SECTION 8. *Implementing Rules and Regulations.* –The DSWD, in consultation with the Department of Interior and Local Government (DILG), the National Economic and Development Authority (NEDA), non-governmental organizations (NGO's) and other agencies they deem necessary to consult, shall issue the Implementing Rules and Regulations (IRR) within ninety (90) days after the approval of this Act.

SECTION 9. *Separability Clause.* – If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 10. *Repealing Clause.* – All laws, presidential decrees or issuances, executive orders, letters of instruction, administrative orders or rules and regulations, which may be inconsistent with this Act shall be deemed repealed, amended or modified accordingly.

SECTION 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following its publication in two (2) newspapers of general circulation.

Approved,