

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 5200



Introduced by
OFW Family Party-List **Representative Roy V. Señeres**

EXPLANATORY NOTE

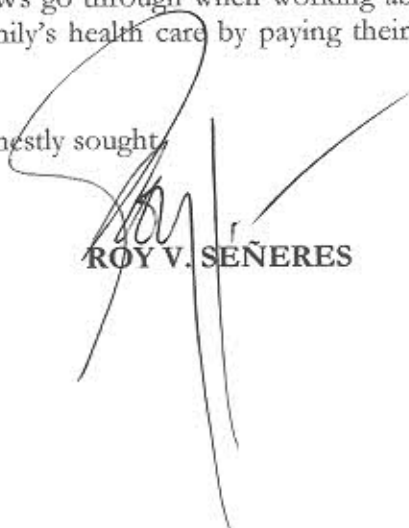
Since the 1970s, Filipinos who work abroad have propped the Philippine economy through their foreign exchange remittances. Recent figures of the Bangko Sentral ng Pilipinas (BSP) indicated an all-time high of US\$22.8 billion remittances to the country as of December 2013, majority (77 percent) coming from land-based Overseas Filipino Workers (OFWs), with the remaining 23 percent from sea-based workers.

Economists say that the solid growth of remittances from OFWs remains supportive of economic activity with cash remittances accounting for 8.4 percent of the country's gross domestic product in 2013. Moreover, these cash transfers from OFWs are the biggest source of foreign exchange for the country, ensuring the ample supply of dollars and other currencies that the economy needs for doing business with the rest of the world.' BSP also said that remittances are also the major driver of domestic consumption, which makes up about two-thirds of GDP. The country's economy as measured by GDP grew by 7.2 percent in 2013 beating government estimates and the second highest in Asia after China (PDI, 2.18.2014).

As recognition to their contribution to the Philippine economy, the government has provided incentives to them such as: (a) no tax on income earned abroad; (b) no travel tax (₱1,620.00); (c) no airport terminal fee (₱550.00); and, more recently, (d) no documentary stamp tax on remittances (₱15.00 per ₱1,000.00).

This bill aims to provide further enhancement by waiving the PhilHealth premium contribution payment of First-time OFWs employed in the Domestic or Household Service Abroad for the first year of deployment considering the numerous fees for their overseas employment and their relatively low wages and instead allocating and including budget for the same from our share in the Sin Tax Reform Act of 2012 and in the General Appropriations Act (GAA) as an alternative. This bill also intends to alleviate the stress that first-time OFWs go through when working abroad being away from family and loved ones by ensuring their family's health care by paying their first year or initial annual PhilHealth premium contribution.

In view of the foregoing, the approval of this bill is earnestly sought.


ROY V. SEÑERES

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AN ACT
ENSURING THE HEALTH CARE COVERAGE OF FIRST-TIME OVERSEAS WORKERS EMPLOYED IN THE DOMESTIC OR HOUSE-HOLD SERVICE ABROAD BY WAIVING THEIR PHILHEALTH PREMIUM PAYMENT FOR THE FIRST YEAR OF DEPLOYMENT AND ALLOCATING FUNDS THEREFOR, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7875 AS AMENDED BY RA 9241 AND 10606 ALSO KNOWN AS THE NATIONAL HEALTH INSURANCE ACT OF 2013, AND FOR OTHER PURPOSES

Section 1. **Title.** This Act shall be known as the “First-Time Overseas Workers’ Exemption in PhilHealth Premium Payment Act for the First Year.”

Section 2. **Declaration of Policy.** – It is the declared policy of the State to uphold the dignity of its citizens whether in the country or abroad, in general, and Filipino workers in particular. The State shall afford full protection to labor, local and overseas, organized or unorganized, and promote full employment and equality of employment opportunities for all. In so doing, the State shall adopt an integrated and comprehensive approach to health development which shall endeavour to make essential goods, health and other social services available and affordable to all Filipinos.

Section 3. **Definition of Terms.** – For purposes of this Act, the following terms shall be defined to mean as:

- a) “*Overseas Filipino*” shall refer to migrant workers, other Filipino nationals and their dependents abroad.
- b) “*Overseas Filipino Worker*” shall refer 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; to be used interchangeably with migrant worker. (Definition based on Republic Act No. 10022)
- c) “*Dependents*” shall refer to the legal dependents of the member who are the:
(1) Legitimate spouse who is not a member; 2) the legitimate, legitimated, or legally

adopted, and illegitimate child who is unmarried, not gainfully employed, and has not reached twenty-one (21) years of age, or if over twenty-one (21) years of age, is congenitally incapacitated or while still a minor has been permanently incapacitated and incapable of self-support, physically or mentally; and 3) the parents who are receiving regular support from the overseas Filipino worker.

- d) *"Premium contribution"* shall refer to the amount paid by or in behalf of a member to the National Health Insurance Program (NHIP) for coverage, based on salaries or wages in the case of formal sector employees, and on household earnings and assets, in the case of self-employed, or on other criteria as may be defined by the Corporation in accordance with the guiding principles set forth under Republic Act 7875 as amended by RA 9241 and 10606.
- e) *"Coverage"* is the entitlement of an individual, as a member or as a dependent, to the benefits of the National Health Insurance Program.
- f) *"Domestic or Household Service"* shall refer to service in the employer's home which is usually necessary or desirable for the maintenance and enjoyment thereof and includes ministering to the personal comfort and convenience of the members of the employer's household, including services of family drivers. Maids, cooks, yayas (nannies), drivers and all-around helpers are the primary categories of domestic helpers.
- g) *"Domestic Work"* shall refer to work performed in or for a household or households; (based on ILO Convention 189)
- h) *"Domestic Worker"* shall refer to any person engaged in domestic work within an employment relationship. It does not refer to a person who performs domestic work only occasionally or sporadically and not on an occupational basis.
- i) *"Parent-Dependent"* shall refer to parents who are sixty (60) years old or above, not otherwise an enrolled member to the National Health Insurance Program.

Section 4. Exemption from Payment of PhilHealth Premium Contributions for the First-Year for First-time Land-based Overseas Workers Employed in the Domestic or Household Service. – Considering that first-time domestic or household workers need to pay numerous fees for their overseas employment and considering further their relatively low wages, this particular category of workers are hereby exempted from paying the first-year or initial annual PhilHealth premium contribution. The overseas workers concerned and their dependents shall be covered by social health insurance under the National Health Insurance Program (NHIP) and may avail of the benefits accorded to all qualified Members of PhilHealth. Prior to the lapse of the one-year PhilHealth coverage, these OFWs should ensure continued payment of their PhilHealth premium contribution in accordance with Section 28, Article VII (Financing) of RA 7875 as amended by RAs 9241 and 10606.

Section 5. Appropriations. The amount necessary, as determined by the appropriate agency, to implement the provisions of this Act shall be included in the allocation under the Sin Tax Reform Act of 2012 (RA 10351) or as an alternative in the annual General Appropriations Act.

Section 6.**Repealing Clause.** All laws, decrees, executive orders, rules and regulations inconsistent herewith, are hereby repealed or modified accordingly.

Section 7.**Separability Clause.** If any provision of this Act is held invalid or declared unconstitutional, the other provisions which are not affected thereby shall remain valid and subsisting.

Section 8. **Effectivity.** This Act shall take effect fifteen days after its complete publication in the Official Gazette or in two (2) newspapers of general circulation, whichever comes first.

Approved,