

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

SIXTEENTH CONGRESS
Third Regular Session

House Bill No. **5977**



Introduced by HON. LINABELLE RUTH R. VILLARICA
4TH DISTRICT, BULACAN

EXPLANATORY NOTE

While the chronic problem of unemployment cannot be solved overnight, it can be mitigated and greatly decimated with innovative, stimulating and productive strategies to significantly improve the lives of many Filipinos.

Republic Act No. 9547 amended Republic Act No. 7323 on the Special Program for Employment of Students (SPES) to include poor but deserving students aged 15 to 25 years old, to help them pursue their education through employment during summer or Christmas vacations, or anytime of the year for those enrolled in tertiary, vocational or technical education for the period of twenty (20) to fifty two (52) working days. This covers only currently enrolled students, depriving other disadvantaged youth to pursue education. The other issue on the implementation of the law is the matter of mode of payment of wages to the beneficiaries.

As a strategy in addressing unemployment, this bill seeks to amend further R.A. No. 9547 by including the out-of-school youth, dependents of displaced workers or would-be displaced workers due to business closures or work stoppages intending to enroll in any secondary, tertiary or technical-vocational institutions. The Public Employment Service Offices (PESOs) shall provide employment facilitation services to the applicants.

The amendment will also be to the effect that salaries and wages will be paid in cash by the Department of Labor and Employment (DOLE) to the student or through financial institutions or other payment facilities instead of the present mode of government vouchers. The government share of 40% shall be paid within 30 working days upon submission of the report on the payment of wages or salaries by the participating establishments.

Support for the enactment of this measure is earnestly requested.


REP. LINABELLE RUTH R. VILLARICA

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AN ACT AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT No. 9547,
OTHERWISE KNOWN AS *AN ACT STRENGTHENING AND EXPANDING THE COVERAGE
OF THE SPECIAL PROGRAM FOR EMPLOYMENT OF STUDENTS, AMENDING FOR THE
PURPOSE PROVISIONS OF R.A. 7323, OTHERWISE KNOWN AS THE SPECIAL PROGRAM
FOR EMPLOYMENT OF STUDENTS*

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

SECTION 1. Section 1 of R.A. No. 9547 is hereby amended to read as follows:

“SEC. 1. Any provision of law to the contrary notwithstanding, any person or entity employing at least ten (10) persons may employ poor but deserving students, OUT-OF-SCHOOL YOUTH (OSY), OR, DEPENDENT/S OF A DISPLACED OR WOULD-BE DISPLACED WORKER/S DUE TO BUSINESS CLOSURES OR WORK STOPPAGES INTENDING TO ENROLL IN ANY SECONDARY, TERTIARY OR TECHNICAL-VOCATIONAL INSTITUTIONS, fifteen (15) years of age but not more than [twenty five (25)] THIRTY (30) years old, paying them a salary or wage not lower than the minimum wage for private employers and the applicable hiring rate for the national and local government agencies: *Provided*, That students enrolled in the secondary level shall only be employed during summer and/or Christmas vacations, while those enrolled in the tertiary, vocational or technical education may be employed at any time of the year: *Provided, further*, That their period of employment shall be from twenty (20) to fifty two (52) working days only, except

that during Christmas vacation, employment shall be from ten (10) to fifteen (15) days which may be counted as part of the students' probationary period should they apply in the same company or agency after graduation: *Provided, finally,* That students employed in activities related to their course may earn equivalent academic credits as may be determined by the appropriate government agencies.

For purposes of this Act, poor but deserving students AND OSY refer to those whose parents' combined income, together with their own, if any, does not exceed the annual regional poverty threshold level for a family of six (6) for the preceding year as may be determined by the National Economic and Development Authority (NEDA).

EMPLOYMENT FACILITATION SERVICES FOR APPLICANTS TO THE PROGRAM SHALL BE DONE BY THE PUBLIC EMPLOYMENT SERVICE OFFICE (PESO).

Participating employers in coordination with the PESO, must inform their SPES employees of their rights, benefits, and privileges under existing laws, company policies and employment contracts.

Section 2. Section 2 of the same Act is hereby amended to read as follows:

“SEC. 2. *Sixty per centum* (60%) of the said salary or wage shall be paid by the employers in cash and *forty per centum* (40%) by the government [in the form of a voucher] ALSO IN THE FORM OF CASH DIRECTLY TO THE STUDENT, OR THROUGH FINANCIAL INSTITUTIONS OR OTHER PAYMENT FACILITIES, SUBJECT TO THE EXISTING RULES ON PROCUREMENT, which shall be applicable in the payment of the students' tuition fees, [and] books, AND OTHER EDUCATION-RELATED EXPENSES, INCLUDING THEIR DAILY ALLOWANCE IN GOING TO SCHOOL [in any educational institution for secondary, tertiary, vocational or technical education]: *Provided,* That local government units (LGUs) may assume responsibility for paying in full his salary or wages. THE 40% SHARE SHALL BE PAID WITHIN THIRTY (30) WORKING DAYS UPON SUBMISSION OF THE PARTNER-EMPLOYER OR PARTICIPATING ESTABLISHMENT OF THEIR REPORT ON PAYMENT OF SALARY OR WAGES WHICH SHALL BE THE BASIS OF THE 40% SALARY OR WAGES TO BE PAID BY THE GOVERNMENT THROUGH THE DEPARTMENT OF LABOR AND EMPLOYMENT. [The amount of the education vouchers shall be paid by the government to the educational institutions

concerned within thirty (30) days from its presentation to the officer or agency designated by the Secretary of Finance.]

IN CASE OF SICKNESS, ABSENCE OR DEATH OF THE SPES BENEFICIARY, THE IMMEDIATE HEIRS MAY CLAIM HIS/HER SALARY, *PROVIDED*, THAT PROOF TO THIS EFFECT HAS BEEN CLEARLY ESTABLISHED.

LIKEWISE, THE SPES BENEFICIARY SHALL BE ENTITLED TO SOCIAL PROTECTION BY VIRTUE OF AN INSURANCE COVERAGE WITH THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) FOR A PERIOD OF ONE (1) YEAR.

[“The vouchers shall not be transferable except when the payees thereof dies or for a justifiable cause stops in his duties, in which case it can be transferred to his brothers or sisters. If there be none, the amount thereof shall be paid his heirs or to the payee himself, as the case may be”]

Section 3. Section 3 of the same Act is hereby amended to read as follows:

“SEC. 3. [The Secretary of Labor and Employment, the Secretary of Education, the Chairman of the Commission on Higher Education, the Secretary of Budget and Management, the Secretary of the Social Welfare and Development and the Secretary of Finance shall issue the corresponding rules and regulations to carry out the purpose of this Act.

“The Secretary of labor and Employment shall be the Program Chairman.”]

THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL ISSUE THE IMPLEMENTING RULES AND REGULATIONS TO CARRY OUT THE PURPOSES OF THIS ACT. *FURTHER*, THE SECRETARY OF THE DEPARTMENT OF LABOR AND EMPLOYMENT, MAY ISSUE ADDITIONAL GUIDELINES WHICH MAY BE DEEMED APPROPRIATE AND AS NECESSITY ARISES; *PROVIDED*, THAT THE ISSUANCE BE IN THE FORM OF A DEPARTMENT ORDER.

Section 4. Section 4 of the same Act is hereby deleted.

[“SEC. 4. Any persons or entity who refuses to honor education vouchers or makes any fraudulent or fictitious claim under this Act, regardless of whether payment has been made, shall, upon conviction be punished with imprisonment of not less than six (6) months and not more than one (1) year and a fine of not less than ten thousand pesos (P10,000.00), without prejudice to their prosecution and punishment for any other offense punishable under the Revised Penal Code or any other penal statute.

“In case of partnerships or corporations, the managing partner, general manager, or chief executive officer, as the case may be, shall be criminally liable”]

Section 5. Section 5 of the same Act is hereby amended to read as follows:

SEC. [5] 4. The Secretary of the Department of Labor and Employment shall include in the Department’s program the operationalization of the expanded Special Program for Employment of Students, INCLUDING THE MAINTENANCE OF AN ONLINE DATABASE REGISTRY FOR MONITORING OF SPES BENEFICIARIES.

“The amount necessary to carry out the purpose of this Act is hereby authorized to be appropriated in the General Appropriations Act for 1992 and the subsequent annual general appropriations acts: *Provided*, That the appropriation for the purposes of this Act shall not be reduced by Congress below the amount appropriated for the previous year and, after approval, shall be automatically and regularly released: *Provided, further*, That the appropriation herein shall be increased by at least 20 *per centum* (20%) annually.”

Section 6. Section 6 of the same Act is hereby amended to read as follows:

SEC. [6] 5. If any provision or part of this Act or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of this Act of the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 7. Section 7 of the same Act is hereby amended to read as follows:

SEC. [7] 6. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 8. Section 8 of the same Act is hereby amended to read as follows:

SEC. [8] 7. This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) newspapers of general and national circulation, whichever comes earlier.

Approved,