

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)

Third Regular Session)



HOUSE BILL NO. **6405**

Introduced by ANGKLA Party-list Representative JESULITO A. MANALO

**AN ACT FIXING THE FREQUENCY OF MEMBERSHIP COLLECTION BY THE
OVERSEAS WORKERS WELFARE ADMINISTRATION FROM ITS OVERSEAS
FILIPINO WORKER MEMBERS TO TWO YEARS**

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

EXPLANATORY NOTE

In response to the distressed conditions of many overseas Filipino workers in 1977, then President Ferdinand Marcos issued Letter of Instructions (LOI) 537 which created a “Welfare and Training Fund For Overseas Workers” in the Department of Labor (formerly Ministry of Labor), for the purpose of providing social and welfare services to Filipino overseas workers, including insurance coverage, legal assistance, placement assistance, and remittance services. The said fund was designed to be infused with the contributions from overseas employers of Filipino workers. On 1 May 1980, Presidential Decree 1694 was issued, formalizing the operations of the fund into a more comprehensive welfare fund, then referred to as the WelFund, to be administered by its board of trustees. In 1987, then President Corazon Aquino issued Executive Order 126, reorganizing the Ministry of Labor, and renamed WelFund to what is now known as the Overseas Workers Welfare Administration (OWWA).

On 19 September 2003, OWWA issued Board Resolution No. 138, instituting the Omnibus Policies of the Overseas Workers Welfare Administration. Giving teeth to its mandate, OWWA provided in said resolution the formal provisions which serve as basis for it to collect contributions from its members. These relevant provisions are provided under Sections 1 to 3 of Article V on Collection Policy, which explicitly state as follows:

“SECTION 1. Legal Basis for Collection of Membership Contribution. — Letter of Instructions (LOI) No. 537 mandates the compulsory payment of OWWA membership contribution in the amount of US\$25.00 or its equivalent.

SECTION 2. Separation of Sea-based and Land-based Workers Contributions. — To effect a more efficient fund management between the two (2) sub-sectoral groups, the

collection of membership contribution shall be accounted for in two (2) separate books of account.

SECTION 3. Frequency of Membership Collection. — The membership contribution shall be collected on a per contract basis.”

Under the same Omnibus Policies, particularly sections 3 and 4 of its Article IV on Membership, it is stated that:

“SECTION 3. Effectivity of Membership. OWWA membership, either through the compulsory or voluntary coverages, shall be effective upon payment of membership contribution until expiration of the employment contract.

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

SECTION 4. Renewal of Membership. Membership shall be renewed upon payment of contribution on contract renewal/issuance of new contract. In the case of voluntary membership, coverage shall be renewed upon payment of contribution.”

Unquestionably, the OWWA Fund, presently administered by a Board of Trustees composed of the Secretary of Labor and Employment as Chairman, the Undersecretary of Labor and Employment, the Administrator of the OWWA, the POEA Administrator, the secretaries of the DFA, DOF, DBM, and a representative each from the management sector, the labor sector, the land-based sector, the sea-based sector and the women’s sector who are appointed by the President, has provided significant benefits to its member-Overseas Filipino Workers, providing responsive programs and services, protecting the latter’s rights and promoting their interests and welfare.

Nonetheless, a scrutiny of the records showing OWWA’s collection of membership contributions specifically from its compulsory members based on the contract they entered into will easily show that a clear situation of inequity exists as far as the frequency of membership collection from the sea-based members is concerned.

Filipino seafarers generally have employment contracts which are shorter in length than those granted to our land-based overseas workers. Considering the greater risks involved to seafarers working on board international fleets in the open seas, their employment are deliberately made shorter to a span of three to six months. With the frequency of membership collection by OWWA from its members made dependent on the renewal of the latter’s contract, then, the Filipino sea-based members are left with no choice but to pay more fees than the other members of OWWA. Even while these contributions are shouldered by the principal or ship owner employing our Filipino seafarers, the added burdens that these recurring fees cause to them can eventually lead some of these principals and ship owners to employ other nationalities instead. This can then adversely affect the employment opportunities available to our maritime professionals.

The decision of OWWA to make separate accounting books for the collection of the membership fees, as shown in the Omnibus Policies above, is indicative of its recognition of the difference between the sea-based and land-based overseas workers, as far as their

respective working conditions and terms of employment are considered. It is this same apparent distinction which leads us to rectify the inequities brought about by the contract-based membership collection from our migrant workers.

It is observed that the OWWA, under its Omnibus policies has set the membership coverage of voluntary members to a maximum period of two years. Thus, in order to have equality among all its members, this measure adopts a scheme whereby the frequency of the membership contribution collection be fixed for every two years, making it time-bound, instead of contract-bound.



JESULITO A. MANALO
Party-list Representative

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

Section 1. The Overseas Workers Welfare Administration (OWWA) shall continue to have the authority to collect membership contributions from each of its compulsory and voluntary members in the amount of US Dollars: Twenty Five (\$25) or its equivalent, in accordance with its Board Resolution No. 138 issued on 19 September 2003, particularly Article V, Section 1 thereof.

Section 2. The OWWA shall be allowed to collect the \$25 contribution or its equivalent from each of its members only after every two (2) years from the last membership contribution made.

Section 3. All other laws, orders, issuances, circulars, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 4. This Act shall take effect fifteen (15) days after its publication in at least two newspapers of general circulation.

Approved,