

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

Eighteenth Congress
First Regular Session

5380
House Bill No. _____



Introduced by Honorable Lucy Marie Torres-Gomez

EXPLANATORY NOTE

State policy dictates the need to strengthen the fight of the worker in the sugar industry to their just share in the fruits of production by augmenting their income and among other schemes, institutionalizing the mechanism among the partners in the sugar industry to enable the worker and their families to enjoy a decent living.

It is therefore high time to revisit the existing policies, plans and programs that cover this ailing area of our agricultural industry with the aim to balance the interest of the various stakeholders.

The main focus should be the policy of the state to ensure the viability of the sugar industry and provide the workers with living wages, incentives for productivity and equitable distribution of income and wealth along the imperatives of economic and social development.

In this regard, there is a need to amend certain provisions of Republic Act No. 6982, or the Social Amelioration Law which institutionalizes the social amelioration program in the Philippines through the provisions of workers' benefits, and establish the tripartite mechanism for the participation of the planters, millers and workers in the management of the Social Amelioration Fund.

Under Republic Act No. 6982, the implementation of the program is financed through the collection of Ten Pesos (Php10.00) for every picul of sugar which, under the implementing Rules and Regulations formulated by the Secretary of Labor, was converted to Seven Pesos and Ninety Centavos (Php 7.90513) for every LKG bag of sugar produced by each sugarcane planters.

Of the amount collected, 80% is utilized for the contribution of a productivity-based cash bonus to the laborers, while 20% is allotted for socio-economic related projects, specifically:

- 9% for socio-economic projects;
- 5% for death benefit program;
- 3% for maternity benefits program;

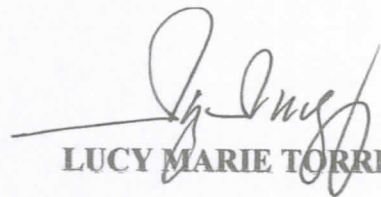
- 3% for administrative expenses of the Sugar Tripartite Council (STC), District Tripartite Council (DTC) and the Bureau of Workers with Special Concerns (BWSC).

There is thus need for the law to be amended to make it more dynamic and adaptive to the changing times. Hence, a simple conversion into metric system from picul to LKG, which is an internationally-accepted unit of measurement, while maintaining the P10-lien, will automatically increase the fund.

Notably, **health, medical and educational projects** are excluded from the 'socio-economic projects' provided for under Section 10b of the said Act. Further, only 9% is allocated for the said purpose. Previous studies show that many of the sugar workers and their children are still plagued by poor health and are unable to send most children to schools.

Definitely, a realignment of the foregoing allotted percentage will not debilitate the other area of coverage of this fund.

In the light of the foregoing, there is an imperative need to amend certain provisions of RA 6982.


LUCY MARIE TORRES-GOMEZ

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AN ACT
FURTHER STRENGTHENING THE SOCIAL AMEOLIORATION PROGRAM IN
THE SUGAR INDUSTRY. AMENDING FOR THIS PURPOSE CERTAIN PROVISIONS
OF REPUBLIC ACT NUMBERED 6982 ENTITLED, "AN ACT STRENGTHENING THE
SOCIAL AMELIORATION PROGRAM IN THE SUGAR INDUSTRY, PROVIDING
THE MECHANICS FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES"

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

SECTION 1. Section 3 of Republic Act Numbered 6982 is hereby amended to read, as follows:

SEC. 3. *Composition* – The Sugar Tripartite Council shall consist of TWELVE (12) [ten (10)] members composed of the Secretary of Labor and Employment or his duly authorized representative as *ex officio* Chairman; one (1) representative from the Sugar Regulatory Administration, who shall likewise sit in an *ex officio* capacity; FOUR (4) [two] representatives from the PLANTERS [millers] sector; two (2) representatives from the MILLERS [millworkers] sectors; two (2) representatives from the mill workers sectors; and two (2) representatives from the field workers sectors, as members.

The representatives from the planters[, millers and workers] sectors shall be appointed by the Secretary of Labor and Employment from A LIST OF NOMINEES SUBMITTED BY THE TOP FOUR (4) PLANTERS FEDERATION [among the nominees of the planters, millers and workers organizations, respectively].

THE REPRESENTATIVES FROM THE MILLERS' SECTOR SHALL BE CHOSEN BY THE SECRETARY OF LABOR AND EMPLOYMENT FROM A LIST OF NOMINEES SUBMITTED BY THE TOP TWO (2) MILLERS FEDERATIONS.

THE REPRESENTATIVES FROM THE MILL WORKERS AND FIELD WORKERS SECTORS SHALL COME FROM LEGITIMATE LABOR ORGANIZATIONS OR UNIONS OF SUCH MILL OR FIELD WORKERS.

SEC. 2. Section 6 of R. A. No. 6982 is hereby amended to read as follows:

SEC. 6. *District Tripartite Councils* – (a) Whenever necessary, the Secretary of Labor and Employment shall, upon recommendation of the Sugar Tripartite Council, create a District Tripartite Council in each milling district in the Philippines to ensure greater participation by planters, millers and workers in the social and economic programs and policy determination under this Act. The District Tripartite Council shall consist of seven (7) members composed of the Regional Director of the DOLE *asex-officio* Chairman; two (2) representatives from the planters' sector; one (1) representative from millers' sectors; two (2) representatives from the field workers sector; and one (1) representative from the mill workers sector, as members. THE REPRESENTATIVES FROM THE MILL WORKERS AND FIELD WORKERS SECTORS SHALL COME FROM A LEGITIMATE LABOR ORGANIZATION OR UNION OF SUCH MILL OR FIELD WORKERS.

(b) The representatives from the planters, millers and workers sectors shall be appointed by the Secretary of Labor and Employment from among the nominees of the planters, millers and workers organizations, respectively, for a term of three (3) years.

SEC. 3. Section 7 of R. A. 6982 is hereby amended to read as follows:

SEC. 7. *Lien; Distribution; Collection and Remittances* – (a) Effective on sugar crop year 2011-2012 [1991-1992] alien of TEN [Five] Pesos (Php 10.00) [(P5.00)] per LKG [picul]OR FIFTY-KILO BAG of sugar shall be imposed on the gross production of sugar to primarily augment the income of sugar workers, and to finance social and economic programs to improve their livelihood and well-being: *Provided*, That THE SECRETARY OF LABOR AND EMPLOYMENT MAY, UPON THE RECOMMENDATION OF THE SUGAR TRIPARTITE COUNCIL, ALLOW THE INCREASE OF NOT MORE THAN [there shall be an automatic additional lien of] one peso(P1.00) [for] every two (2) years for the succeeding ten (10) years from the effectivity of this Act, TAKING INTO CONSIDERATION THE CIRCUMSTANCES ADVERSELY AFFECTING THE COST OF PRODUCING SUGAR AND THE DECLARATION OF POLICY OF THIS ACT[: *Provided*, further, That the Secretary of Labor and Employment may, upon the recommendation of the Sugar Tripartite Council, suspend or reduce the amount of the automatic additional lien herein authorized whenever circumstances occur adversely affecting or causing undue increase in the cost of producing sugar, taking into consideration the declared policy of this Act.]

THE AMOUNT HEREIN IMPOSED SHALL BE BORNE BY THE SUGAR PLANTERS AND MILLERS IN PROPORTION TO THEIR CORRESPONDING MILLING SHARE AND SAID AMOUNTS SHALL CONSTITUTE A LIEN ON THEIR SUGAR QUEDANS AND/OR WAREHOUSE RECEIPTS.

SEC. 4. Section 9 of R. A. 6982 is hereby amended to read as follows:

SEC. 9. *Undistributed Cash Bonus.* Any undistributed amount due the workers shall, within three (3) months, be remitted to and PLACED IN A SPECIAL FUND TO BE ADMINISTERED BY THE SUGAR TRIPARTITE COUNCIL FOR A PERIOD OF ONE (1) YEAR [held in trust by the DOLE for a period of three (3) years] from the date of remittance, after which it shall be deemed forfeited TO BE ADDED AND TRANSFERRED TO DTC CONCERNED [in favor of the socioeconomic program for sugar workers].

It shall be the duty of the Secretary of Labor and Employment to make at least three publications before the end of said three (3) year period and to make the corresponding radio announcements in radio stations operating in the area to inform the beneficiaries concerned regarding their unclaimed cash bonus. The said publication shall be made through local newspaper and by posting in conspicuous public places in the area where the concerned beneficiaries reside.

THE DTC SHALL ALLOT FIFTY PERCENT (50%) OF THE FORFEITED AMOUNT, INCLUDING ITS INTERESTS, TO FINANCE EDUCATIONAL PROGRAMS AND THE DEPENDENTS OF THE WORKERS BY DULY ACCREDITED TRAINING CENTERS BY THE TECHNICAL EDUCATION SKILLS AND DEVELOPMENT AUTHORITY (TESDA). THE OTHER FIFTY PERCENT (50%) OF THE SAID FUND SHALL BE ALLOTTED TO FINANCE THE VARIOUS PROJECTS OF THE DTC CONCERNED [The forfeited amount, including its interests shall be utilized for projects or programs in favor of the sugar workers as recommended by the Sugar Tripartite Council].

SEC. 5. Section 10 of R. A. 6982 is hereby amended to read as follows:

SEC.10. *Socioeconomic Plans and Programs; Operation of Councils.* – On recommendation of the Sugar Tripartite Council, the Secretary of Labor and Employment shall use the twenty percent (20%) share herein allocated for socio-economic programs, and any and all incomes or interests thereon, for the following:

- (a) Five percent (5%) for sugar workers death benefit program;
- (b) TEN [Nine] percent (10%) [(9%)] for socioeconomic projects WHICH SHALL INCLUDE, AMONG OTHERS, HEALTH, MEDICAL AND EDUCATIONAL BENEFITS for the sugar workers undertaken by the Bureau of Rural Workers, planters/millers organization, workers organizations, and OTHER FOUNDATIONS OF

SUGAR PLANTERS/MILLERS [/or the Sugar Industry Foundation, Inc.]: *PROVIDED*, THAT EDUCATION BENEFITS SHALL NOT BE LIMITED TO FORMAL EDUCATION BUT ALSO TECHNICAL SKILLS TRAINING AT TRAINING CENTERS DULY ACCREDITED BY THE TESDA;

(c) TWO AND A HALF (2.5%) PERCENT [Three percent (3%)] for [maternity benefits for] the women sugarworkers in addition to existing benefits granted by law or collective bargaining agreements: Provided, however, That A WOMAN SUGAR WORKER WHO DELIVERS A CHILD OR UNDERGOES THERAPEUTIC ABORTION SHALL BE ENTITLED TO A MATERNITY BENEFIT FOR EVERY SUCH DELIVERY OR THERAPEUTIC ABORTION; [the maternity benefits provided therein shall be paid only for the first four deliveries.] *PROVIDED, FURTHER*, THAT WOMEN SUGAR WORKERS WHO ARE UNEMPLOYED OR ON LEAVE OF ABSENCE SHALL BE ENTITLED TO THIS MATERNITY BENEFIT WHO, AT THE TIME OF SUCH DELIVERY OR THERAPEUTIC ABORTION, SHALL HAVE HAD A RECORD OF PRIOR SERVICE OF AT LEAST TWO (2) YEARS IN A SUGAR MILL OR SUGAR FARM AND AT LEAST NINETY (90) DAYS OF ACCUMULATED SERVICE DURING EACH CROP YEAR.

WOMEN SUGAR WORKERS WHO ARE MANAGERIAL EMPLOYEES, ALTHOUGH MAY RECEIVE MATERNITY OR SIMILAR BENEFITS FROM THEIR RESPECTIVE EMPLOYERS, SHALL NOT BE ENTITLED TO THE MATERNITY BENEFITS PROVIDED HEREIN.

SMALL FARM CULTIVATORS SHALL BE ENTITLED TO THE MATERNITY BENEFITS HEREIN PROVIDED.

(d) TWO AND A HALF PERCENT (2.5%) [Three Percent (3%)] for the administrative expenses of the Sugar Tripartite Councils and the Bureau of Workers with Special Concerns of the Department of Labor and Employment in implementing this Act.

SEC. 6. There shall be added a new provision, Section 10A, which shall read as follows:

SEC. 10A. *THE SUGAR WORKERS' MATERNITY BENEFIT FUND.*

- a) PURSUANT TO PARAGRAPH (C) OF THE IMMEDIATELY PRECEDING SECTION, THERE SHALL BE A WORKERS' MATERNITY BENEFIT FUND (SWMB) TO BE ADMINISTERED AND MANAGED BY THE DOLE, THROUGH THE BUREAU OF WORKERS WITH SPECIAL CONCERNS AND ALL INCOMES AND INTERESTS THEREOF SHALL BE HELD IN A SPECIAL TRUST ACCOUNT IN AN AUTHORIZED GOVERNMENT DEPOSITARY BANK.

THE BUREAU SHALL PROVIDE THE SWMB RESERVE FUND TO COVERED REGIONAL OFFICES AND SUBSEQUENT RELEASES OF SAID FUND TO THE REGIONAL OFFICES SHALL BE EFFECTED THROUGH FUND REPLENISHMENT.

- b) CONDITION AND REQUIREMENTS FOR ENTITLEMENT. – A CLAIM FOR MATERNITY BENEFITS SHALL BE FILED WITH THE REGIONAL OR FIELD OFFICE HAVING JURISDICTION OVER THE WORKPLACE OF RESIDENCE OF THE COVERED WOMAN WORKER, UPON RECOMMENDATION BY THE ACCREDITED PLANTERS' ASSOCIATION/COOPERATIVES AND MILLS THROUGH THEIR RESPECTIVE AUTHORIZED REPRESENTATIVE/S, WITHIN THREE (3) YEARS COUNTED FROM THE DATE OF THE DELIVERY OR THERAPEUTIC ABORTION, OTHERWISE THE CLAIM SHALL BE BARRED.
- c) DOCUMENTATION AND REPORTING. - IN ADDITION TO THE REQUIRED FINANCIAL REPORTS FOR LIQUIDATION OF CASH ADVANCES ON THE SWMBF, THE REGIONAL OFFICE SHALL SUBMIT THE STATUS OF THE IMPLEMENTATION OF THE PROGRAM ON A MONTHLY BASIS.

ANY UNUSED PORTION OF THE SWMBF SHALL BE TRANSFERRED AND ADDED TO THE 10% SOCIO-ECONOMIC FUND OF THE SPECIFIC MILL DISTRICT FOR THE FOLLOWING CROP YEAR.

SEC. 7. There shall be added a new provision, Section 10b, which shall read as follows:

SEC. 10B. *SUGAR WORKERS' DEATH BENEFIT PROGRAM.*

- a) THERE SHALL BE A SUGAR WORKERS' DEATH BENEFIT FUND (SWDBF) TO BE ADMINISTERED AND MANAGED BY THE DOLE, THROUGH THE BUREAU OF WORKERS WITH SPECIAL CONCERNS AND ALL INCOMES AND INTERESTS

THEREOF SHALL BE HELD IN A SPECIAL TRUST ACCOUNT IN AN AUTHORIZED GOVERNMENT DEPOSITARY BANK.

THE BUREAU SHALL PROVIDE THE SWDBF RESERVE FUND TO COVERED REGIONAL OFFICES AND SUBSEQUENT RELEASE OF SAID FUND TO THE REGIONAL OFFICES SHALL BE EFFECTED THROUGH FUND REPLENISHMENT.

- b) CONDITIONS AND REQUIREMENTS FOR ENTITLEMENT. – A DEATH BENEFIT CLAIM SHALL BE FILED WITH THE REGIONAL OFFICE OR ITS PROVINCIAL OFFICE HAVING JURISDICTION OVER THE WORKPLACE OR RESIDENCE OF THE DECEASED COVERED WORKER OF SMALL FARM CULTIVATOR, UPON RECOMMENDATION BY THE ACCREDITED PLANTERS' ASSOCIATION/COOPERATIVES AND MILL THROUGH THEIR RESPECTIVE ACCREDITED REPRESENTATIVES, WITHIN THREE (3) YEARS COUNTED FROM THE DATE OF DEATH OF SUCH COVERED WORKERS, OTHERWISE THE CLAIM SHALL BE BARRED; *PROVIDED, THAT:* THE APPLICATION SHALL BE SUPPORTED BY AN AFFIDAVIT EXECUTED BY THE CLAIMANT ATTESTING TO THE RELATIONSHIP WITH THE DECEASED COVERED WORKER OR SMALL FARM CULTIVATOR, AND THE FACT THAT THE CLAIMANT IS THE BENEFICIARY TO THE EXCLUSION OF THE OTHERS.
- c) DOCUMENTATION AND REPORTING. IN ADDITION TO THE REQUIRED FINANCIAL REPORTS FOR LIQUIDATION OF CASH ADVANCES ON THE SWDBF, THE REGIONAL OFFICE SHALL SUBMIT THE STATUS OF THE IMPLEMENTATION OF THE PROGRAM ON A MONTHLY BASIS.

ANY UNUSED PORTION OF THE SWDBF SHALL BE TRANSFERRED AND ADDED TO THE 10% SOCIO-ECONOMIC FUND OF THE SPECIFIC FUND OF THE SPECIFIC MILL DISTRICT FOR THE FOLLOWING CROP YEAR.

SEC. 8. There shall be added a new provision, Section 10C, which shall read, as follows:

SEC. 10C. *SPECIAL EDUCATION FUND (SEF)*

- a) THERE SHALL BE A SPECIAL EDUCATION FUND TO BE ADMINISTERED AND MANAGED BY THE DOLE, THROUGH THE BUREAU OF WORKERS WITH SPECIAL CONCERNS AND ALL INCOMES AND INTERESTS THEREOF SHALL BE HELD IN A SPECIAL TRUST ACCOUNT IN AN AUTHORIZED GOVERNMENT DEPOSITARY BANK.

THE BUREAU SHALL RELEASE THE SAID FUND TO THE DTC CONCERNED AND SUBSEQUENT RELEASE OF THE SAID FUND TO THE DTCS SHALL BE EFFECTED THROUGH FUND REPLENISHMENT.

- b) CONDITIONS AND REQUIREMENTS FOR ENTITLEMENT – THE DTC SHALL RELEASE THE SAID FUND TO TESDA-ACCREDITED TRAINING CENTERS UPON SUBMISSION OF PROOF OF QUALIFIED BENEFICIARIES FROM LEGITIMATE SUGAR WORKERS AND THEIR BENEFICIARIES. THE DTC MAY ALSO AWARD SCHOLARSHIP TO SUGAR WORKERS AND THEIR DEPENDENTS FOR PRIMARY, SECONDARY AND TERTIARY EDUCATION IN GOVERNMENT EDUCATIONAL INSTITUTIONS AS MAY BE DETERMINED BY THE SECRETARY UPON RECOMMENDATION BY THE STC.

SEC. 9. There shall be added a new provision, Section 10D, which shall read, as follows:

SEC. 10D. *ANNUAL OPERATION BUDGET PREPARATION.* THE BUREAU OF WORKERS WITH SPECIAL CONCERNS SHALL PREPARE AN ANNUAL OPERATIONAL BUDGET RELATIVE TO THE IMPLEMENTATION OF THIS ACT FOR APPROVAL BY THE SECRETARY UPON RECOMMENDATION OF THE STC AND THE DTC CONCERNED.

SEC. 10. The Secretary of Labor and Employment shall implement the sharing as provided herein and, upon consultation with the Sugar Tripartite Council, promulgate such rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 11. All laws, decrees, executive orders and rules and regulations or parts thereof inconsistent with any provision of this Act are hereby repealed, modified, superseded or amended accordingly.

SEC. 12. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,