

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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 4472



Introduced by **Representative RAYMOND ADRIAN SALCEDA**

AN ACT
INSTITUTIONALIZING A FINANCIAL LITERACY PROGRAM FOR OVERSEAS
FILIPINO WORKERS AND THEIR FAMILIES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Overseas Filipino Workers (OFWs) are often called the country's modern-day heroes. Their remittances continue to provide lifeblood to the Philippine economy, with inflows reaching US\$37.2 billion in 2023, accounting for around 9 percent of gross domestic product (GDP), according to the Bangko Sentral ng Pilipinas (BSP). These remittances not only support household consumption but also contribute significantly to foreign exchange reserves and macroeconomic stability.

Despite the scale of these inflows, studies by the BSP and the World Bank show that a large proportion of OFW remittances are spent mainly on daily household needs, with only a small fraction being allocated to savings, investments, or asset-building. This consumption-heavy pattern has limited the long-term developmental impact of remittances, both on the families of OFWs and on the national economy.

Financial literacy is therefore essential. Many OFWs and their families face difficulties in budgeting, fall prey to scams and predatory lending, or lack awareness of secure and productive financial instruments such as Pag-IBIG savings, Social Security System (SSS) programs, government bonds, cooperatives, or legitimate MSME opportunities. As a result, many OFWs return home with little to show for years of hard work abroad.

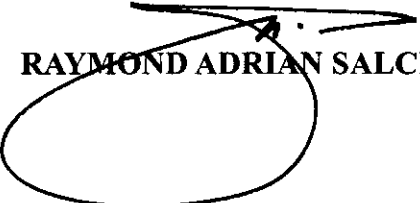
This proposed measure seeks to institutionalize a comprehensive financial literacy program for OFWs and their families, making such training a mandatory component of pre-departure orientation seminars and reintegration programs. The measure directs the Department of Labor and Employment (DOLE), the Overseas Workers Welfare Administration (OWWA), and the Philippine Overseas Employment Administration (POEA), in coordination

with the Bangko Sentral ng Pilipinas (BSP), to deliver structured training on savings mobilization, investment planning, entrepreneurship, and retirement security.

To ensure that financial literacy translates into concrete results, the bill also provides incentives for participation. OFWs and families who complete training shall be given priority access to OWWA livelihood grants, Department of Trade and Industry (DTI) financing programs, Department of Agriculture (DA) credit facilities, and preferential schemes under the SSS and Pag-IBIG Fund.

By equipping OFWs and their families with financial knowledge and linking them to opportunities, this measure will help transform remittances from short-term consumption into long-term wealth creation. It will also strengthen the contribution of OFWs to national development by fostering a culture of savings, investment, and enterprise.

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


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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 “OFW Financial Literacy Act.”

SEC. 2. *Declaration of Policy.* It is hereby declared the policy of the State to promote the welfare of Overseas Filipino Workers (OFWs) and their families by ensuring that they are equipped with the necessary financial knowledge and skills to manage remittances, savings, investments, and retirement planning, thereby maximizing the developmental impact of overseas employment on the Philippine economy.

SEC. 3. *Mandatory Financial Literacy Training.*

(a) The Department of Labor and Employment (DOLE), through the Overseas Workers Welfare Administration (OWWA) and the Philippine Overseas Employment Administration (POEA), in coordination with the Bangko Sentral ng Pilipinas (BSP), shall ensure that all OFWs undergo financial literacy training prior to deployment.

(b) The training shall cover, at a minimum:

- (1) Budgeting and money management;
- (2) Remittance channels and cost efficiency;
- (3) Savings mobilization;
- (4) Entrepreneurship and micro, small, and medium enterprise (MSME) opportunities;
- (5) Investment instruments, including government bonds, cooperatives, and mutual funds;
- (6) Insurance, health, and retirement planning; and
- (7) Avoidance of scams and predatory lending.

SEC. 4. *Family-Oriented Financial Literacy.* OWWA shall establish programs to extend financial literacy to the immediate families of OFWs, particularly spouses and adult children, to ensure that remittances are productively used for long-term household security.

SEC. 5. *Integration with Reintegration Programs.* All reintegration programs for returning OFWs shall include mandatory modules on financial literacy, investment opportunities in the Philippines, and long-term asset-building.

SEC. 6. *Incentives for Participation.*

(a) OFWs and families who complete financial literacy training shall be given priority access to the following programs:

- (1) OWWA livelihood assistance grants;
- (2) Department of Trade and Industry (DTI) MSME financing programs;
- (3) Agricultural credit programs of the Department of Agriculture (DA) and Land Bank of the Philippines; and
- (4) Preferential enrollment in government savings and investment instruments.

(b) The Social Security System (SSS) and Pag-IBIG Fund shall design preferential schemes for OFWs who complete training to encourage higher savings rates.

SEC. 7. *Partnership with Financial Institutions.* The BSP shall accredit banks, cooperatives, and financial institutions to provide supplementary financial literacy seminars, subject to safeguards against product misrepresentation and abusive marketing practices.

SEC. 8. *Funding.* The program shall be funded from: (1) OWWA funds, pursuant to its mandate to promote the welfare of OFWs; and (2) Appropriations from the annual General Appropriations Act (GAA), sourced from the budgets of DOLE and BSP, as may be necessary.

SEC. 9. *Implementing Rules and Regulations (IRR).* Within ninety (90) days from the effectivity of this Act, DOLE, in coordination with OWWA, POEA, BSP, SSS, and Pag-IBIG Fund, shall promulgate the necessary rules and regulations to implement this Act.

SEC. 10. *Separability Clause.* If any provision of this Act is declared unconstitutional, the remainder shall not be affected thereby.

SEC. 11. *Repealing Clause.* All laws, decrees, executive orders, and rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 12. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,