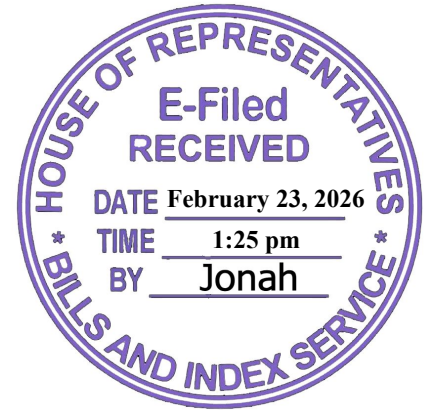


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
TWENTIETH CONGRESS
First Regular Session
HOUSE BILL NO. 7938



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

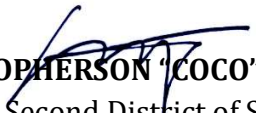
EXPLANATORY NOTE

Many children under State care grow up abandoned, neglected, or voluntarily committed, and while their basic needs are provided for during childhood, they often leave care at adulthood with no financial support to help them start independent lives. This sudden transition exposes them to poverty, exploitation, and instability, despite years of public effort to protect and nurture them.

This bill establishes a national program and special trust fund that provides modest, regular government contributions for each covered child, to be held in trust and accessed upon reaching eighteen (18) years of age. The measure promotes transparency and accountability through a national registry, strict fund management, and audit safeguards, while ensuring that family reunification, foster care, and adoption remain the preferred permanent solutions.

By equipping vulnerable youth with a small but meaningful financial foundation, the State fulfills its duty to protect children and act in their best interest, helping them transition with dignity, opportunity, and hope for a better future.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
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HOUSE BILL NO. 7938

Introduced by:

HON. CHRISTOPHERSON “COCO” M. YAP

AN ACT
ESTABLISHING A NATIONAL PROGRAM AND SPECIAL TRUST FUND FOR THE
BENEFIT OF ABANDONED, NEGLECTED, AND VOLUNTARILY COMMITTED
CHILDREN UNDER STATE CARE, AND FOR OTHER PURPOSES

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 “*Trust Fund for the Abandoned, Neglected, or Voluntarily Committed Children.*”

SECTION 2. Declaration of Policy. — It is the policy of the State to ensure special protection and assistance to children who are abandoned, neglected, or voluntarily committed, including those under the care of the Department of Social Welfare and Development (DSWD) and licensed/accredited child-caring institutions, consistent with the **best interest of the child** and the State’s role as *parens patriae*.

The State shall institutionalize a national program to (a) identify and monitor covered children, and (b) build a modest financial resource for their transition to independent living upon reaching majority age, **without undermining** family-based care, foster care, and adoption as preferred permanent solutions.

SECTION 3. Definition of Terms. — For purposes of this Act, the following terms are defined:

(a) “**Child**” refers to a person below eighteen (18) years of age;

- (b) “**Abandoned Child**” refers to a child who has no proper parental care or guardianship, or whose parents have deserted him/her for a period of at least three (3) continuous months, and has been declared abandoned with applicable laws, rules and issuances;
- (c) “**Neglected Child**” refers to a child whose basic needs (including food, shelter, clothing, education, health care, and emotional support) have been deliberately unattended or inadequately attended, resulting in harm or risk of harm, as determined by DSWD through social case study and applicable standards.
- (d) “**Voluntarily Committed Child**” refers to one whose parents or legal guardian knowingly and willingly relinquished parental authority to the Department of Social Welfare and Development (DSWD) or to any duly accredited child-placement or child-caring agency, in accordance with law;
- (e) “**Child-Caring Agency/Institution**” refers to a duly licensed and accredited agency by the DSWD that provides twenty-four (24)-hour residential care services for the abandoned, orphaned, neglected, or voluntarily committed children.
- (f) “**Covered child**” refers to an abandoned, neglected, or voluntarily committed child who is (i) under the care/custody of the DSWD or a DSWD-licensed and accredited child-caring agency/institution, and (ii) included in the official registry established under this Act.
- (g) “**Trust entity**” refers to a government financial institution or a regulated financial institution authorized to perform trust and fiduciary functions under Philippine law, duly selected by the DSWD pursuant to the standards and procurements/selection rules provided in this Act and its IRR;
- (h) “**Trust Fund Account**” refers to the individual trust/fiduciary account created for each covered child under this Act, administered by the trust entity under a trust agreement approved by the DSWD.

SECTION 4. Coverage. — This Act shall cover all **covered children** as defined in Section 3(f), including those placed in DSWD-licensed and accredited child-caring agencies/institutions, subject to verification and inclusion in the registry under Section 5.

SECTION 5. National Registry and Monitoring System. — The DSWD, shall establish and maintain a **National Registry and Monitoring System** for covered children, in coordination with relevant agencies and local government units (LGUs), for the purpose of:

- (a) maintaining updated, verified data on the number, location, and status of covered children;
- (b) profiling and monitoring licensed and accredited child-caring agencies/institutions; and
- (c) providing an accountable mechanism for the establishment, funding, management, and release of benefits under this Act.

The registry shall be administered with due regard to confidentiality, data privacy, and child protection standards.

SECTION 6. Establishment of Trust Fund Accounts; Trust Agreement. — Within a period to be specified in the IRR, the DSWD shall cause the opening of a **Trust Fund Account** in the name of each covered child with the selected trust entity.

The DSWD and the trust entity shall execute a trust agreement or memorandum of agreement that, at a minimum, provides for: (a) fiduciary duties, (b) allowable trust fees (if any), (c) investment parameters prioritizing capital preservation and liquidity, (d) reporting and statement of account delivery, (e) audit access, and (f) safeguards against unauthorized withdrawals.

SECTION 7. Contributions; Inflation Indexing. —

- (a) **Regular Contributions.** Subject to appropriations, the National Government shall contribute Twelve Thousand Five Hundred Pesos (PHP 12,500.00) quarterly to each Trust Fund Account of a covered child during the period of coverage, under rules set by the DSWD.
- (b) **Period of Coverage.** Contributions shall accrue only for quarters during which the child remains a covered child under Section 3(f), and until the child reaches eighteen (18) years of age, unless earlier terminated under this Act and the IRR.

- (c) **Indexing.** To maintain real value, the DSWD shall review the contribution amount every three (3) years and may recommend adjustments based on the average inflation rate for the period as certified by the **Philippine Statistics Authority (PSA)**, subject to fiscal sustainability and appropriations.

SECTION 8. Effect of Foster Care, Adoption, or Reunification. — Consistent with the State policy favoring family-based care and the role of foster care as an alternative family arrangement, a child who is placed under foster care, reunified with family, or adopted shall:

- (a) retain ownership of contributions already credited to the Trust Fund Account during the period the child was covered; and
- (b) be governed, as to future contributions (if any), by eligibility rules in the IRR to ensure that this Act does not create incentives for prolonged institutionalization.

SECTION 9. Release of Benefits; Tranches; Permitted Uses. —

- (a) **General Rule.** Benefits shall be released starting when the beneficiary reaches eighteen (18) years of age.
- (b) **Tranche Release.** Release shall be in tranches under the IRR to reduce dissipation risk and to support transition needs (e.g., education, skills training, livelihood, rental deposits, basic needs, health care). The IRR shall provide minimum documentary requirements and counseling/transition support.
- (c) **Direct Payment Option.** The IRR may allow direct payment to schools, training centers, health providers, or other service providers where this better protects the beneficiary's interest.

SECTION 10. Ineligibility, Suspension, and Disqualification; Due Process. — The DSWD shall issue guidelines on ineligibility, suspension, or disqualification, provided that:

- (a) no disqualification shall be imposed without written notice and an opportunity to be heard;
- (b) the beneficiary shall have an administrative remedy/appeal within the DSWD; and

- (c) the standards shall be consistent with the best interest of the child and child protection principles.

SECTION 11. Death of Beneficiary; Unclaimed and Forfeited Funds. — The DSWD shall incorporate the budgetary requirements of this Act in their annual budget proposal.

- (a) **Death Before Majority.** If a covered child dies before reaching eighteen (18), the Trust Fund Account shall be closed and the balance shall be disposed of pursuant to the IRR, with preference for rechanneling to the program's pool fund for the benefit of other covered children, subject to audit rules.
- (b) **Death After Majority.** If the beneficiary dies after reaching eighteen (18), disposition shall follow applicable succession laws unless otherwise provided by the trust agreement and consistent with law.
- (c) **Unclaimed Benefits.** Unclaimed benefits after a reasonable period to be provided in the IRR shall be transferred to a program pool fund, without prejudice to the beneficiary's right to claim subject to conditions in the IRR.

SECTION 12. Program Administration; Reporting; Audit. — The DSWD shall administer the program and shall:

- (a) submit an annual report to Congress on program coverage, fund utilization, and outcomes;
- (b) ensure transparency and accountability measures, including publication of aggregated statistics (without personally identifying information); and
- (c) ensure that the program and trust arrangements are subject to **Commission on Audit (COA)** rules and audit.

SECTION 13. Appropriations. — The amounts necessary to implement this Act shall be included in the annual General Appropriations Act. The DSWD shall incorporate the budgetary requirements of this Act in its annual budget proposal.

SECTION 14. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the DSWD, in consultation with the Department of the Interior and Local Government (DILG), the Council for the Welfare of Children (CWC),

the trust entity/ies, child-caring agencies/institutions, and relevant civil society organizations, shall promulgate the implementing rules and regulations (IRR).

SECTION 15. Liberal Construction. — The provisions of this Act and its IRR shall be liberally construed in favor of the **best interest of the child**.

SECTION 16. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected shall remain in full force and effect.

SECTION 17. Repealing Clause. — All laws, decrees, orders, issuances or portions thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 18. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,