

THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

04 JUN 30 P4 59

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S E N A T E

S. No. 383

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Introduced by Senator S. R. Osmeña III

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### EXPLANATORY NOTE

Evaluating the country's economic numbers, it becomes evident that our economy is primarily consumption driven. In 1988, Real Personal Consumption Expenditures was estimated at P480.5B, and was approximately 73% of the country's Real Gross Domestic Product. By 2002, this figure had reached P810.7B or 78% of the Real Gross Domestic Product, growing at an average of 4% per year for the period 1988 to 2002 and comprising an average of 77% of GDP.

However, based on preliminary data as of January 2004 released by the Department of Labor and Employment, the national unemployment rate stood at 11%, up from the 2003 rate of 10.6%. Furthermore, as published in the 2003 National Statistical Yearbook, in 1992, unemployment stood at 8.6% increasing to 10.2% in 2002, representing some 33.6 million individuals.

Without increasing employment numbers, such growth in consumption expenditures is not sustainable, thus placing in jeopardy the country's economic health. It thus becomes increasingly important to provide a kind of safety net for workers, especially those displaced due to industry slumps.

It is with this in mind that this bill is hereby being proposed. This bill seeks to provide monetary benefits not exceeding P3,000.00 per month to dismissed or terminated employees provided they qualify with the requirements set forth in this bill.

To avert further damage or trauma to dismissed or terminated employees, early passage of this bill is earnestly requested.

  
SERGIO OSMEÑA III  
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC )  
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04 JUN 30 P5:00

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S E N A T E

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AN ACT  
INSTITUTING AN UNEMPLOYMENT WELFARE PROGRAM FOR DISMISSED,  
TERMINATED OR SEPARATED EMPLOYEES AND FOR OTHER  
PURPOSES

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

1 SECTION 1. Title. – This Act shall be known and may be cited as the  
2 **“Unemployment Welfare Benefits Act of 2004.”**

3 SECTION 2. Unemployment Welfare Program – An employment welfare  
4 program for dismissed, terminated, or separated employees from the private and  
5 public sector is hereby instituted.

6 SECTION 3. Coverage. – Any employee who is dismissed, separated, or  
7 whose employment is terminated and who has been a member of the Social  
8 Security System (SSS) and Government Service Insurance System (GSIS) for  
9 the private and public sector respectively for at least five (5) years or for whom  
10 sixty (60) monthly contributions have been paid prior to the semester of  
11 unemployment shall be entitled to monthly unemployment benefits equivalent to  
12 seventy (70) percent of the highest monthly salary credit in the last twelve month-  
13 period prior to the semester of unemployment, but in no case be less than one  
14 thousand (P1,000) or exceeding three thousand pesos (P3,000) a month.

15 SECTION 4. Conditions. – The payments of benefits herein granted shall  
16 be subject to the following conditions:

- 1 a) No benefit shall be paid before the lapse of thirty (30) days from the  
2 date of separation;
- 3 b) The benefit shall be paid only for the period on unemployment but not  
4 more than one hundred eighty (180) days from separation; and
- 5 c) The right to the benefit shall be barred if the claim is filed beyond one  
6 hundred eighty (180) days from separation; and
- 7 d) The right to unemployment insurance shall be availed of only once  
8 every five (5) years.

9 SECTION 5. Funding. – The benefits herein granted shall be sourced  
10 from the funds of the SSS or GSIS reserved for retirement benefits. Fifty (50)  
11 percent of the total amount availed of under this Act shall be repaid by said  
12 employee within five (5) years upon his reemployment under such liberalized  
13 conditions as the SSS or GSIS may prescribe, provided however that any benefit  
14 arising therefrom shall be deducted from any back wages that the employee may  
15 receive if he is reinstated to his former work within one (1) year from his  
16 separation.

17 SECTION 6. Administering Body. – The benefits herein granted shall be  
18 administered and disbursed by the Social Security System (SSS) and the GSIS  
19 which shall, within sixty (60) days from the approval of this Act, promulgate such  
20 rules and regulations as may be necessary to implement the provisions of this  
21 Act.

22 SECTION 7. Penal Clause. – a) Any person who for the purpose of  
23 securing entitlement to unemployment benefit or payment under this Act or the  
24 issuance of any certificate or document for any purpose connected with this Act,  
25 whether for him or for some other person, commits fraud, collusion, falsification,  
26 misrepresentation of facts, or nay other kind of anomaly, shall be punished with a  
27 fine of not less than ten thousand pesos (P10,000) nor more than twenty five  
28 thousand pesos (P25,000) and imprisonment of not less than twelve (12) years  
29 and one (1) day nor more than twenty (20) years; and b) whoever fails or refuses

1 to comply with the provisions of this Act or with the rules and regulations  
2 promulgated thereunder by the administrating body, shall be punished by a fine  
3 not less than ten thousand pesos (P10,000), nor more than twenty five thousand  
4 pesos (P25,000) and imprisonment of not less than twelve (12) years and one (1)  
5 day nor more than twenty (20) years,

6 SECTION 8. Effectivity Clause. – This Act shall take effect fifteen (15)  
7 days after its complete publication in the Official Gazette or in at least two (2)  
8 national newspapers of general circulation, whichever comes earlier.

9 Approved,