


SENATE OF THE PHILIPPINES)
SIXTEENTH CONGRESS)
First Regular Session)



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SENATE

RECEIVED BY: 

Senate Bill No. 1235

Introduced by **SENATOR JOSEPH VICTOR G. EJERCITO**

EXPLANATORY NOTE

The 1987 Philippine Constitution provides under Article II, Section 18, that "The State affirms labor as primary social economic force. It shall protect the rights of workers and promote their welfare."

Furthermore, this constitutional provision on the promotion of the rights and welfare of the workers has further enshrined in the Migrant Workers Act of 1995, which provides, "The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all. Towards this end, the State shall provide adequate and timely social, and economic legal services to Filipino migrant workers in particular."

In recognition of this mandate, it is intended that the services would be more responsive, interests amply protected, and the welfare be most promoted if a comprehensive organizational structure is accorded the Overseas Workers Welfare Administration.

Since its inception, through Letter of Instruction No. 537, issued in May 1, 1997, creating the Welfare and Training Fund for Overseas Workers, an attached agency to the Department of Labor and Management, to Presidential Decree No. 1694, issued in May 1, 1980, formalizing LOI 537, establishing the organization and administration of Welfare Fund for Overseas Workers and then the Presidential Decree No. 1809 - a clear, unequivocal concept of its obligations, duties, and scope of its administrative functions have not so far been established yet. Its collections and receipt of membership fees have drawn serious concerns on fund management and lenient disbursements without clear-cut guidelines. Thus, legislative inquiries and investigations on how the agency judiciously keen and manage these hard-earned contributions have cropped-up time and again.

One clear realization that has emerged, which is of paramount importance from these legislative inquiries and investigation is the creation of a charter that shall govern the operation and administration of OWWA - clarify the mission of its creation, define the membership base and coverage of benefits, identify the programs for availment of its members, fund management and public accountability of its administrators and officials.

This bill seeks to fulfill this crucial policy demand and imperative. The passage of the OWWA Charter will certainly contribute to a more effective and efficient delivery of services to accord a greater mantle of protection to Overseas Filipino Workers as well as the advancement of their rights and welfare.

Thus, the support and approval of this landmark legislation is equally prayed for.

A handwritten signature in black ink, appearing to read 'J. Ejercito', with a horizontal line extending to the left.

JOSEPH VICTOR G. EJERCITO

SENATE OF THE PHILIPPINES)
SIXTEENTH CONGRESS)
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Senate
Office of the Secretary

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SENATE

RECEIVED BY: *jin*

Senate Bill No. 1235

Introduced by **SENATOR JOSEPH VICTOR G. EJERCITO**

**AN ACT TO GOVERN THE OPERATIONS AND ADMINISTRATION OF
THE OVERSEAS WORKERS WELFARE ADMINISTRATION**

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

CHAPTER 1

TITLE, POLICY AND OBJECTIVES

SECTION 1. *Sort Title.* – This Act shall be known as the “OWWA
Act of 2013”.

SECTION 2. *Declaration of Policy.* – It is the policy of the State to
afford full protection to labor, local and overseas, organized and
unorganized, and promote full employment opportunities for all. Towards
this end, it shall be the State’s responsibility to protect the overseas
Filipino workers (OFWs). The Overseas Workers Welfare Administration
(OWWA) shall be one of the principal agencies of the State to serve and
promote the interest and welfare of the OFWs and their families.

SECTION 3. *Objectives.* – This Act is enacted to provide guidelines
on matters concerning the OWWA, its mandate, purposes and objectives,
membership, collection of contributions, and availment of benefits and
services. This Act also embodies the policies on fund management,
programs and services administration.

CHAPTER II

NATURE, SCOPE AND FUNCTIONS OF THE OWWA

SECTION 4. *Nature of the OWWA.* – The OWWA is a national
government agency vested with a special function of developing and
implementing welfare programs and services that respond to the needs of
its member-OFWs and their families. It shall have the powers to
administer a trust fund. Being a national government agency, the OWWA
shall not fall under the category of any of the following: (a) government
instrumentalities with corporate powers; (b) government corporate
entities; (c) government financial institutions; and/or (d) government-
owned or -controlled corporations.

The OWWA shall be an attached agency of the Department of Labor and Employment (DOLE). Its officials and employees are covered by the Salary Standardization Law.

SECTION 5. Scope. – This Act shall apply to all OFWs who are duly registered with the Philippine Overseas Employment Administration (POEA) and those who will avail of the voluntary membership program of the OWWA.

SECTION 6. Functions. – The main functions of the OWWA are:

(a) To protect the interest and promote the welfare of member-OFWs in all phases of overseas employment in recognition of their valuable contribution to the overall development effort;

(b) To facilitate the implementation of the provisions of the Labor Code and Republic Act No. 8042, as amended, concerning the responsibility of the government to promote the well-being of OFWs. Pursuant thereto, and in furtherance thereof, it shall provide legal assistance to its members;

(c) To provide social and welfare programs and services to member-OFWs including, but not limited to, social assistance, education and training, cultural services, financial management, reintegration and entrepreneurial development services;

(d) To provide prompt and appropriate response to global emergency or crisis situations;

(e) To ensure the efficiency of collections and the viability and sustainability of the Fund through sound, judicious and transparent investment and management policies;

(f) To undertake studies and research for the enhancement of social, economic and cultural well-being of member-OFWs; and

(g) To develop, support and finance specific projects for the welfare of member-OFWs.

CHAPTER III

DEFINITIONS

SECTION 7. Definition of Terms. – For purposes of this Act, the following terms shall mean:

(a) *Overseas Filipino Worker (OFW)* refers to a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a State of which he or she is not a citizen, or on board a vessel navigating the foreign seas other than a government ship used for military or noncommercial purposes, or on an installation located offshore or on the high seas.

(b) *Dependent* refers to any of the following: (1) the legal spouse dependent for support upon the member or pensioner; (2) the legitimate, legitimated, legally adopted child, including the illegitimate child, who is

unmarried, not gainfully employed, not over the age of majority, or is over the age of majority but incapacitated and incapable of self-support due to a mental or physical defect acquired prior to age of majority; and (3) the parents dependent upon the member for support.

(c) *Compensation* refers to the basic pay or salary received by an employee, pursuant to his or her appointment, excluding *per diems*, bonuses, overtime pay, honoraria, allowances and any other emoluments received in addition to the basic pay which are not integrated into the basic pay under existing laws.

(d) *Contribution or membership fee* refers to the amount payable to the OWWA by an OFW or the employer in accordance with the provisions of this Act.

(e) *OWWA member* refers to an OFW with a paid contribution or membership fee.

(f) *Non-active OWWA member* refers to an OFW whose OWWA membership has expired.

(g) *Non-member OFW* refers to an undocumented OFW and who has not availed of the voluntary membership of the OWWA on-site.

CHAPTER IV

MEMBERSHIP, CONTRIBUTION AND COLLECTION

SECTION 8. *Registration of Membership.* – Registration or enrolment of members shall be in accordance with the provisions of this Act. Membership in the OWWA may be obtained in two (2) ways:

(a) By compulsory registration upon processing of employment contracts of OFWs at the POEA; and

(b) By voluntary registration of OFWs at job-sites overseas or at the OWWA regional welfare offices.

SECTION 9. *Proof of Membership.* – All members shall be issued official receipt upon payment of the required contribution. They shall likewise be issued an OWWA E-Card, identification card or other proof of OWWA membership. No additional or extra charges shall be levied on members.

The OWWA is mandated to maintain an updated database of member-OFWs and to update this regularly.

SECTION 10. *Amount of Contribution and Effectivity of Membership.* – Membership to the OWWA, either through the compulsory or voluntary coverage, shall be effective upon payment of membership contribution in the amount of Twenty-five U.S. dollars (US\$25.00) or its equivalent in the current foreign exchange rates. Such membership shall be considered active until the expiration of the OFW's existing employment contract.

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

Based on actuarial studies and taking into consideration the welfare and interest of the members, the Board may adjust or modify the amount of membership contribution.

SECTION 11. *Renewal of Membership.* – Membership shall be renewed upon payment of contribution on contract renewal or issuance of a new contract of employment. In the case of voluntary membership, coverage shall be renewed upon payment of contribution of Twenty-five U.S. dollars (US \$25.00) or its equivalent in the current foreign exchange rates.

There shall be a grace period of two (2) months in both instances.

SECTION 12. *Separation of Sea-based and Land-based Workers' Contributions.* – To effect a more efficient fund management between the two (2) subsectoral groups of land-based and sea-based workers, the collection of membership contributions shall be accounted for in two (2) separate books of account.

SECTION 13. *Authorized Collecting Officers.* – (a) Membership contributions shall be collected by duly authorized OWWA collecting officers, deputized collecting officers or accredited collecting agents. The collection of membership contributions shall be made at the POEA contract processing hub, the OWWA regional and overseas offices and other accredited collection centers.

(b) In case of voluntary members who register on-site, membership contributions shall be made directly to the OWWA overseas offices located in the various diplomatic stations, embassies or consulate offices of the Philippines.

SECTION 14. *Reportorial Requirements and Handling of Collections.* – The collecting officer, deputized collecting officer or the accredited collecting agent shall prepare and submit the required monthly reports to the OWWA Central Office in the Philippines. Handling of collections and deposits by collection officers shall be governed by the usual accounting and auditing rules.

SECTION 15. *Sanctions for Erring Officers.* – Corresponding administrative sanctions and other disciplinary measures, including recall from post/suspension or separation from service, shall be imposed upon any officer who violates the provision of the preceding section.

SECTION 16. *Prohibition Against Discrimination on Membership.* – No OFW shall be denied membership to the OWWA by reason of age, gender, nationality, religious belief, or political opinion or affiliation. The OWWA shall take affirmative steps to enhance the access of OFWs to its programs and services.

SECTION 17. *Payment of Contribution or OWWA Fee by Employer.* – Contributions to the OWWA Fund must be paid by the employers/principal, or in their default, the recruitment/manning agency in the case of new-hires. The POEA shall ensure that a provision

to this effect shall be made an integral part of the overseas employment contract.

SECTION 18. *Penalty for Violation by Recruitment/Manning Agency.*

– Violation by a recruitment/manning agency of the preceding section shall constitute an offense punishable by revocation of its license and all its officers and directors shall be perpetually disqualified from engaging in the business of recruitment/placement of overseas workers. Such penalty is without prejudice to any other liability, which such officers and directors may have incurred under existing laws, rules and regulations.

SECTION 19. *Deposit and Remittance of Collection.* –

(a) OWWA Central Office and Regional Offices – The collecting officer shall, on a daily basis, deposit all OWWA fee contributions to the OWWA Capital Fund Account with the Land Bank of the Philippines. For reconciliation and record purposes, bank validated deposit slips shall be prepared in triplicate forms to be distributed to the (1) servicing bank; (2) OWWA, together with the Report of Collections; and (3) collecting officer.

(b) OWWA Overseas Officers – The collecting officer shall, on a daily basis, deposit all OWWA fee contributions in the same currency received to a separate bank account for collections in the name of the “Office of the Labor Attaché – OWWA Collections”, in the depository bank of the Department of Foreign Affairs (DFA), or in the accredited correspondent bank of the Land Bank of the Philippines. Accumulated monthly collections shall be remitted to the OWWA Capital Fund Account with the Land Bank of the Philippines not later than the fifth (5th) day of the following month.

No withdrawals, except remittances of collections, can be made from the bank accounts for collections without prior written approval of the Administrator or his or her duly authorized representative, subject to the policies approved by the Board.

Overseas offices shall be authorized to retain the required amount for the beginning and maintaining balance of the abovementioned bank accounts for collections.

CHAPTER V

THE OWWA BOARD OF TRUSTEES

SECTION 20. *The OWWA Board of Trustees.* – To carry out the purposes of this Act, the OWWA shall be directed and controlled by a Board of Trustees as its policy-making body. It shall be composed of the following members:

- (a) Secretary of the DOLE, as Chairperson;
- (b) OWWA Administrator, as Vice Chairperson;
- (c) Secretary of the DFA;
- (d) Secretary of the Department of Finance;

(e) Secretary of the Department of Budget and Management (DBM);

(f) POEA Administrator;

(g) Two (2) representatives of land-based OFWs who are nominated and appointed in accordance with the provisions of Republic Act No. 10022, which amended Republic Act No. 8042 or the Migrant Workers and Overseas Filipinos Act of 1995;

(h) One (1) representative of the sea-based OFWs who are nominated and appointed in accordance with the provisions of Republic Act No. 10022;

(i) One (1) representative of the women sector who is nominated and appointed in accordance with the provisions of Republic Act No. 10022;

(j) One (1) representative of the land-based recruitment sector who is selected from among the various associations of registered overseas placement and recruitment agencies based in the Philippines who shall be appointed by the President to serve a single term of three (3) years; and

(k) One (1) representative of the sea-based manning sector who is selected from among the various associations of registered overseas placement and manning agencies based in the Philippines who shall be appointed by the President to serve a single term of three (3) years.

The Trustees holding office as members of the OWWA Board at the time of the effectivity of this Act shall continue to serve until the expiration of their term of appointments.

In case of vacancy in any of the appointive positions in the OWWA Board, the vacancy shall be filled by the subsequent nomination by the respective sector concerned in the same manner as the selection of the predecessor. Such successor shall hold office for the unexpired term only.

SECTION 21. *Per Diem.* – The members of the OWWA Board shall not receive any compensation but shall be provided with *per diem* at rates allowed under existing rules and regulations.

SECTION 22. *Responsibilities and Powers of the Board of Trustees.* – The OWWA Board shall exercise the following specific powers and duties:

(a) To define the thrusts of the OWWA and adopt broad policy guidelines to ensure their implementation;

(b) To preserve the integrity of the OWWA Trust Fund;

(c) To approve programs, projects and the organizational structure of the OWWA Secretariat;

(d) To modify or adjust the membership fee and other necessary charges based on actuarial studies;

(e) To formulate rules and regulations governing financial transactions and fix the yearly appropriations of the Secretariat;

(f) To ensure the efficiency of collection and the viability and sustainability of the fund through sound and judicious investment and fund management policies;

(g) To receive and appropriate all sums as may be provided by law for the support of the OWWA to the ends specified by law, and all other sums in the manner it may, in its discretion, determine to carry out the purposes and functions of the OWWA;

(h) To authorize the construction or repair of its buildings, machinery, equipment and other facilities, and the purchase and acquisition of real and personal properties, including the necessary supplies, materials and equipment;

(i) To receive in trust legacies, gifts and donations of real and personal property of all kinds and to administer and dispose the same when necessary for the benefit of the OWWA general membership and subject to the instructions of the donor, if any;

(j) To delegate any of its powers to the Chairperson of the OWWA Board or any other officials or officers as it may deem necessary;

(k) To prescribe such general policies, rules and regulations not contrary to law, as are consistent with the purposes of the OWWA; and

(l) To exercise such powers as may be proper and necessary to carry out the objectives of this Act.

CHAPTER VI

BOARD MEETINGS, PROXIES AND RECORDS MANAGEMENT

SECTION 23. *Schedule of Meetings and Quorum of the Board.* – The regular meetings of the OWWA Board shall be held every last Friday of the month. If a change of date becomes necessary, the same shall be held at the most convenient time set by the Board.

Special Board meetings and executive meetings may be scheduled as the need arises. Special Board meetings may be called upon by the Chairperson or by five (5) members of the Board.

The Board Secretary shall distribute to all members of the Board the notice of meeting, together with the discussion materials, at least three (3) working days prior to the scheduled meeting.

SECTION 24. *Board Proceedings.* – The Board proceedings shall be guided by the following rules:

(a) Notice of Meetings – The Board Secretary shall distribute to all members of the Board the notice of meeting, together with the discussion materials at least three (3) working days prior to the scheduled meeting.

(b) Quorum – In determining the existence of a quorum, the Board shall adopt the simple majority rule of one-half plus one of the total filled Board seats.

(c) Voting – For the approval of any policy requiring the disbursement of the OWWA Fund, an affirmative vote of a majority of all the members shall be required. For the approval of all other policies, an affirmative vote of a majority of the members present constituting a quorum shall be necessary.

(d) Attendance in Board Meetings – Board members are responsible for attending all Board meetings. The *ex officio* members of the Board of Trustees may designate in writing their permanent alternate who shall have voting power. The Board shall install teleconferencing facilities in order to muster quorum during Board meetings.

(e) Presiding Officer – The Chairperson shall preside over meetings of the Board. In the absence of the Chair, the Vice Chairperson shall preside.

(f) Board Resolution – All decisions of the Board shall be expressed in the form of resolutions signed by all the members present.

Resolutions may be modified or superseded by another resolution.

Resolutions shall take effect upon adoption and signing by the members present, subject to requisite publication.

(g) Records Management and Archiving of Board Documents – The Board Secretary shall ensure a complete and thorough recording of all proceedings during a Board meeting. The minutes of the previous meeting shall be made available for approval during the succeeding scheduled Board meeting.

The minutes of the meeting shall contain the attendance, business arising from the minutes, major agreements reached, corresponding resolutions and other items noted or discussed, and instructions issued by the Board.

All minutes of meetings and Board resolutions, tape recordings and other documents pertaining to the business of the Board shall be kept and archived pursuant to standard records management systems and procedures.

CHAPTER VII

OWWA SECRETARIAT

SECTION 25. *The OWWA Secretariat.* – The OWWA Secretariat is the implementing arm of the OWWA.

SECTION 26. Duties and Responsibilities of the OWWA Secretariat.

-The OWWA Secretariat shall perform and assume the following duties and responsibilities:

(a) To manage programs and the delivery of welfare services locally and overseas to its members, supported by advocacy and information programs;

(b) To implement Board policies on investment and fund management;

(c) To formulate medium-term development plans responsive to the welfare, needs and demands of member-OFWs;

(d) To submit work and financial plans for Board consideration;

(e) To provide policy analyses and recommendations for Board consideration;

(f) To conduct continuing researches and studies, including impact evaluation, in aid of policy and program development;

(g) To regularly monitor and conduct assessment and evaluation of organizational performance;

(h) To establish and maintain an on-line management information system, to include database on membership;

(i) To establish and maintain linkages and networks with local and international social and institutional partners;

(j) To conduct annual planning, budgeting and organizational performance assessment and render the report to the Board;

(k) To submit annual reports to the Board, Congress and the President;

(l) To submit written quarterly reports on the assessment and evaluation of programs, projects and services and such other reports as may be required by the Board;

(m) To undertake the periodic review of programs, standards, thrusts and policies;

(n) To perform other functions as may be instructed by the Board; and

(o) To adopt internal rules of procedure consistent with the provisions of this Act.

SECTION 27. The OWWA Administrator. – The administration of the OWWA is vested in the Administrator. As the Chief Executive Officer of the Secretariat, the Administrator shall exercise general supervision and control of all OWWA personnel and resources, and assume full responsibility and accountability thereof.

The Administrator must possess good leadership and managerial skills. The Administrator shall be appointed by the President. The Administrator shall report to the President through the Secretary of the DOLE, and shall perform the duties and functions elsewhere stated in this Act and all the usual, necessary and related functions of the Office of the Administrator, subject to the policies and rules prescribed by the OWWA Board.

SECTION 28. *The Deputy Administrators.* – Two (2) Deputy Administrators shall assist the Administrator in the administration and supervision of operations of the OWWA. They shall be appointed by the Board upon the recommendation of the Administrator. They must also possess good leadership and managerial skills. The Board may assign specific functional responsibilities to the Deputy Administrators.

SECTION 29. *Regional and On-Site Welfare Officers.* – The OWWA shall maintain regional offices and on-site welfare offices under the Philippine Overseas Labor Offices of the Department of Labor and Employment.

CHAPTER VIII

PERSONNEL AND STAFFING PATTERN

SECTION 30. *New Structure and Staffing Pattern* – Upon the effectivity of this Act, the officers and employees of the OWWA shall, in a holdover capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service. The new structure and staffing pattern for the OWWA shall be prescribed by the OWWA Board and approved by the President of the Philippines. The salaries and benefits of all personnel shall be in accordance with existing compensation laws.

Those incumbents whose positions are not included therein or who are not reappointed shall be deemed separated from the service. Those separated from the service shall receive the retirement benefits to which they may be entitled under existing laws, rules and regulations.

SECTION 31. *Qualifications Upgrading Program.* – Pursuant to the provision of paragraph (1) of the immediately preceding section, the OWWA Board shall design and establish a qualifications upgrading program for the staffing of the OWWA, in coordination with the DOLE and the Civil Service Commission (CSC), within one hundred twenty (120) days from the effectivity of this Act: *Provided*, That those who are already in the service from the effectivity of this Act shall have, not later than five (5) years, to obtain the required academic degree and/or qualification counted from the implementation of the qualifications upgrading program: *Provided, further*, That those who are already in the service from the effectivity of this Act shall have, not later than one (1) year, to obtain the necessary CSC qualification required for the position they are currently holding.

SECTION 32. *Authority of the Board to Reorganize the Administration.* – Notwithstanding the provisions of existing laws, the

OWWA Board shall conduct a management audit, prepare and submit to Congress a proposed reorganization plan of the OWWA not later than one (1) year, subject to the limitations provided under this Act and based on the following criteria:

- (a) Increased OWWA visibility from the head office to the various regional offices and by the appointment and assignment of personnel to positions which are purely administrative, technical, clerical or menial in nature and other positions which are not directly related to its operation and administration; and
- (b) Efficient and optimized delivery of OWWA services to the OFWs and their respective families.

SECTION 33. *General Qualifications for Appointment.* – The general qualifications for appointment of OWWA personnel shall be in accordance with the minimum requirements set by the CSC. The OWWA may hire experts in actuarial studies, information technology, finance and investment, and such other fields as may be deemed necessary in the implementation of programs and services.

CHAPTER IX

OWWA BENEFITS AND SERVICES

SECTION 34. *Guiding Principles.* – Pursuant to its mandate, the OWWA shall provide reintegration programs, repatriation assistance, loan and credit assistance, workers assistance on-site, death and disability benefits, health care benefits, education and skills training, social services, family welfare assistance, and other appropriate programs that provide timely social and economic services.

Nothing in this Act shall be construed as a limitation or denial of the right of the OFW to avail of any benefit plan, which may be adopted in the employment contract, or offered voluntarily by employers, or by the laws of the receiving country, which are over and above those provided under this Act.

SECTION 35. *Benefits and Services to OFWs.* –

(a) Reintegration of OFWs – Reintegration of OFWs shall be one of the core programs of the OWWA.

To be able to sustain the viability of this program, not less than ten percent (10%) of the OWWA's collection of contribution for the immediately preceding year shall be allocated annually for reintegration program.

(b) Repatriation Assistance – Consistent with the provisions of Republic Act No. 8042, as amended, members shall be provided with all the services necessary for repatriation.

(c) Loan and Credit Assistance – The OWWA shall provide low-interest loans to member-OFWs. It shall have the authority to hire experts in finance or banking to assist in implementing the said loan programs.

(d) Workers Assistance and On-site Services – The OWWA shall sustain and maintain assistance to OFWs in all its overseas and regional offices. Services shall include information regarding the names, occupation/job category and addresses of OFWs, providing guidance, developing materials for the Pre-departure Orientation Seminars, conducting psycho-social counselling, conciliation services and outreach missions, among others. On behalf of the OFWs, the OWWA may provide appropriate representation with employers, agents and host government authorities including, but not limited to, assisting OFWs to regain unpaid wages.

(e) Social Benefits – A member-OFW shall be covered with the following social benefits:

(1) Death and Disability Benefits:

(i) Death Benefits – A member shall be covered with life insurance for the duration of one's employment contract. The coverage shall include One hundred thousand pesos (P100,000.00) for natural death and Two hundred thousand pesos (P200,000.00) for accidental death;

(ii) Disability and Dismemberment Benefits – A member shall be entitled to disability/dismemberment benefits as a rider provision of one's life insurance as provided for in the impediment schedule contained in the Manual of Systems and Procedures. The coverage is within the range of Two thousand pesos (P2,000.00) to Fifty thousand pesos (P50,000.00);

(iii) Total Disability Benefit – In case of total permanent disability, a member shall be entitled to One hundred thousand pesos (P100,000.00); and

(iv) Burial Benefit – A burial benefit of Twenty thousand pesos (P20,000.00) shall be provided in case of the member's death.

Based on actuarial studies, the Board may increase the amount of the abovementioned benefits.

(2) Health Care Benefits – Within two (2) years from the effectivity of this Act, the OWWA is mandated to develop and implement health care programs for the benefit of member-OFWs and their families.

(f) Education and Training Benefits – A member or a designated beneficiary may avail of the following scholarship programs, subject to a selection process and accreditation of participating institutions. Annual scholarship lists shall be submitted to the Board.

(1) Skills-for-Employment Scholarship Program – For technical or vocational training scholarship.

(2) Education for Development Scholarship Program – For baccalaureate programs.

(3) Seafarers' Upgrading Program - To ensure the competitive advantage of Filipino seafarers in meeting International Maritime Organization (IMO) competency standards, sea-based members shall be entitled to one (1) upgrading program for every three (3) membership contributions.

SECTION 36. *Extension of Services to Non-members.* - The OWWA may also extend appropriate programs or services to non-members, as may be determined by the Board.

The OWWA shall continue to develop and implement new programs to meet new OFW needs and requirements as they arise, and to assess the effectiveness of existing services and benefits in serving OFW welfare. The OWWA shall also maintain an interactive website to collect OFW feedbacks, comments, suggestions and complaints on existing programs and services.

CHAPTER X

THE OWWA TRUST FUND

SECTION 37. *The OWWA Fund.* - The OWWA Fund is a private fund held in trust by the OWWA. The OWWA Fund, being a trust fund, is not government's money. No portion thereof or any of its income, dividends or earnings shall accrue to the general fund of the national government. Neither shall any amount or portion thereof be conjoined with the government money nor revert to the national government. In the same manner, it is exempted from the "one fund doctrine" of the government.

SECTION 38. *Purpose of the OWWA Fund.* - The OWWA Fund can only be used for the purposes for which it was created; that is, to exclusively serve the welfare of member-OFWs and their families. The Fund is to be used exclusively to finance the core programs and services of the OWWA.

SECTION 39. *Reporting of the Fund.* - Within fifteen (15) days after receipt of audited reports from the Commission on Audit (COA), the OWWA Board of Trustees shall submit to the President and Congress a report showing the total collections of, and the disbursements from, the OWWA Fund.

SECTION 40. *Disbursement of the OWWA Fund.* - Any provision of existing law to the contrary notwithstanding, all incomes generated by the OWWA shall, upon their collection, be retained by the OWWA and disbursed at the discretion of the Board for the general welfare and other benefits of the OWWA general membership and the OWWA Secretariat personnel; for the acquisition, construction, maintenance and repair of urgently needed auxiliary facilities, equipment, buildings and other infrastructure; and for expenses necessary for the attainment of its purposes under its approved program of expenditures.

No fund shall be withdrawn from the OWWA Fund to respond, aid, supplement or in any manner augment any required expenditure by other government agencies.

SECTION 41. *Source of the OWWA Fund.* – The OWWA Fund is the sum total of the amounts under the management and fiscal administration of the OWWA Board and the Secretariat, including the Twenty-five U.S. dollars (US \$25) contributions that shall accrue to the Fund as fees, investment and interest income, and income from other sources.

SECTION 42. *Trustees of the Fund.* – The OWWA Board is designated as the trustee of the OWWA Fund. It shall be bound by a fiduciary duty to manage the Fund with extraordinary diligence and with utmost skill, care and judiciousness.

SECTION 43. *Transparency.* – The OWWA Fund shall be managed with full transparency and full public disclosure. It shall make available all records of how the funds are utilized, disbursed and invested in accordance with existing laws.

CHAPTER XI

INVESTMENT ADMINISTRATION: SAFEGUARDS

SECTION 44. *Safeguards of the OWWA Fund; Acquired Assets; Unredeemed Investments.* – (a) The OWWA Trust Fund shall be managed and expended in accordance with the purpose of the Fund and safeguarded against any possible loss and misuse.

The OWWA shall ensure an appropriate growth rate in the fund sufficient to sustain the growing needs of OFW members. It shall ensure that all investment instruments are periodically inventoried and properly kept at a government bank under a custodianship agreement.

A monthly report on all investment schedules showing the interest rates, yields, discount rates and other relevant data shall be submitted to the Board.

(b) The OWWA shall administer all properties, acquired or foreclosed. To ensure that the properties are safeguarded and preserved, the same must be properly accounted for and documented; re-inspected, re-appraised and insured with taxes paid.

An asset development/disposal plan shall be submitted by the Administrator for the consideration of the Board. Foreclosed properties shall be registered as OWWA assets within one (1) month after foreclosure.

Unredeemed investments and other receivables shall be inventoried semi-annually and corresponding redemption plan shall be submitted to the Board. All receivables shall be supported by documents appropriately acknowledged by the accountable party.

SECTION 45. *General Investment Policy.* – Upon approval of the Board, all OWWA investments shall be placed only in government securities and bonds which provide optimum earnings, liquidity and protection of the Fund. Portfolio management of investible funds shall be outsourced to government financial institutions (GFIs).

SECTION 46. *Examination and Valuation of the Funds.* – The OWWA shall make a periodic actuarial examination and valuation of its funds in accordance with accepted actuarial principles.

CHAPTER XII

FISCAL AND BUDGET POLICY: MANAGEMENT

SECTION 47. *Operative Budget.* – The operative budget must be sufficient to support full protection of the OFW welfare. The budget shall be reviewed annually by the Board with emphasis on adequate funding for services and agency efficiency.

The Board shall approve, by a majority vote of all its members, the operating budget which shall support the planned work programs and administrative costs to include, but shall not be limited to, salaries, emoluments and transportation expenses for OWWA personnel, office rentals, office supplies, equipment, technological support, communications and utilities, requirements for personal services and maintenance: *Provided*, That appropriations for personal services (PS) and its regular maintenance and other operating expenses (MOOE) shall not exceed twenty percent (20%) of the total member contributions realized in the immediately preceding year.

The approved operating budget shall be drawn from the OWWA Trust Fund.

SECTION 48. *Benefits and Services Budget.* – The annual budget shall include all benefits and services to OFWs. The budget shall prioritize protecting the OFW welfare. The amount necessary to defray the cost of these benefits and services shall be drawn from the OWWA Trust Fund.

SECTION 49. *Budget Preparation and Approval.* – In preparing the annual budget, the OWWA shall follow the national government budget system, format and cycle.

SECTION 50. *Re-enacted Budget.* – In case the proposed annual budget has not been approved by the Board at the start of the year, the OWWA shall operate within the budget level of the previous year allocated on a month-to-month basis. All savings realized within a previous year shall be deducted from a current year's budget.

SECTION 51. *Work and Financial Plans.* – All cost centers/offices/units of the OWWA shall submit their annual work and financial plans (WFP), which should correspond to the approved budget.

The Director shall endorse the WFP of their respective units for approval of the Administrator. The consolidated OWWA-WFP shall be reported to the Board.

SECTION 52. *Budget Realignment.* – Realignment of funds including adjustments in targets shall be submitted to the Board for approval. Similarly, in the event that extra ordinary circumstances may occur which require additional funds beyond the coverage of the approved budget, the same shall be submitted for approval by the Board.

SECTION 53. *Branch Accounting System; Financial Reports; Auditing Procedures; Annual Reports.* – The OWWA regional units shall maintain their respective books of account which shall be consolidated by the central office.

The OWWA shall install sound internal control and monitoring systems and submit quarterly prescribed financial statements to the COA such as income statement, balance sheet and cash flow, as prescribed in post auditing reports by the COA.

The OWWA Secretariat is mandated to submit a monthly fund utilization report to the Board, copies of which shall be made available to Congress. It is further mandated to submit an Annual Report on its overall performance for the previous year within the first sixty (60) days of the following year to the OWWA Board, Congress and the President, through the DBM.

SECTION 54. *Chart of Accounts.* – The OWWA shall adopt the appropriate and standard chart of accounts as prescribed by the COA.

SECTION 55. *Appropriation from the National Government.* – Nothing in this Act shall prevent the national government from allocating funds for the operation or implementation of any of the programs or services stated herein, including the budget for MOOE.

CHAPTER XIII

MISCELLANEOUS PROVISIONS

SECTION 56. *Rebates for Long-time Members.* – In recognition of the contribution of long-time members on the OWWA Trust Fund, the OWWA is mandated to develop and implement a program for the grant of rebates or some form of financial assistance to OFWs who have been members of the OWWA for at least five (5) years and who have not availed of any services or benefits, including their families, from the OWWA.

SECTION 57. *Procurement System.* – The OWWA procurement system shall be governed by Republic Act No. 9184, also known as the “Government Procurement Reform Act”.

SECTION 58. *Implementing Rules and Regulations.* – The present OWWA Board, in consultation with the Senate Committee on Labor and Employment and the House Committee on Overseas Workers Affairs, shall, within sixty (60) days from the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 59. *Separability Clause.* – If any provision or part of this Act, or the application thereof, is held invalid, the remainder of this Act, or the application of such provision, shall not be affected thereby.

SECTION 60. *Repealing Clause.* – All laws not adopted as part of this Act, either directly or indirectly, are hereby repealed. All provisions of existing laws, orders, rules and regulations inconsistent herewith are likewise repealed.

SECTION 61. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,