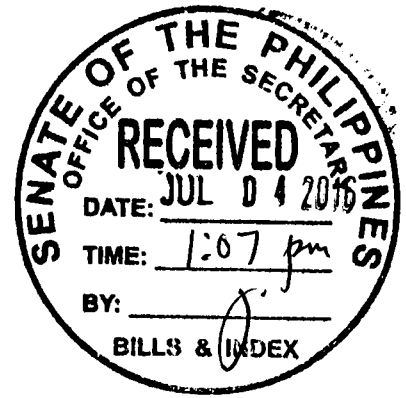


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

S.B. No. 313

Introduced by Senator SONNY ANGARA

**AN ACT
PROVIDING INCENTIVES FOR NEW GRADUATES OF COLLEGES, UNIVERSITIES AND
ACCREDITED INSTITUTIONS OFFERING TECHNICAL-VOCATIONAL COURSES,
OTHERWISE KNOWN AS THE "BILL OF RIGHTS FOR NEW GRADUATES"**

EXPLANATORY NOTE

The October 2015 Labor Force Survey (LFS) showed that about half or 48 percent of the unemployed persons belong to age group 15 to 24 years, while age group 25 to 34 accounted for 32.2 percent. The same report provides that by educational attainment, 22.5 percent of the unemployed were college graduates. Accounting for one-half of the total unemployed in our country, the youth are almost three times more likely than their adult counterparts to be unemployed. As such, the Philippine unemployment challenge is primarily a youth phenomenon, which this bill seeks to address, among others.

The State recognizes the role of the youth in nation building. The State will, thus, endeavor to provide new graduates of higher learning with opportunities for growth and development by creating policies that protect their welfare, increase their chances of immediate employment, and readily provide employment benefits equal to those of regular employees.

By providing various incentives to new graduates, the students are encouraged to stay in school, finish their respective courses of learning, whether it be a technical-vocational course, or a bachelor's degree, and look forward to a fruitful and meaningful life after school.

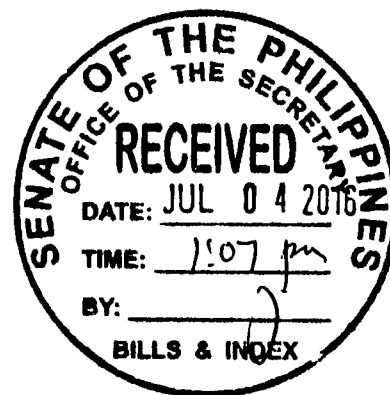
The bill also aims to assist each new graduate with employment and business opportunities to ensure that their hard work in school will pay off with generous rewards. The approval of this bill will require technical and financial assistance in start-up businesses, as well as mandate job placement for new graduates.

Finally, the bill aims to recognize new graduates by awarding them with incentives, discounts and benefits.

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


SONNY ANGARA

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

1 **SECTION 1. Short Title.** This Act shall be known as the "*Bill of Rights for New*
2 *Graduates.*"

3
4 **SEC. 2. Coverage.** This Bill of Rights shall apply to new graduates from all colleges and
5 universities, and from accredited institutions offering technical-vocational courses. A new
6 graduate is a Filipino who just finished a bachelor's degree from any college or university, or
7 completed a technical-vocational course from any accredited institution in the Philippines. He or
8 she shall be considered as such for a period of one (1) year from the date of graduation or
9 completion, as evidenced by the date indicated on his or her diploma or certificate.

10
11 **SEC. 3. Declaration of Policy.** The State recognizes the role of the youth in nation-building. As
12 such, it shall promote and protect their rights, interests and well-being. The State will, thus,
13 endeavor to provide new graduates of higher learning with opportunities for growth and
14 development by creating policies that protect their welfare.

15
16 **SEC. 4. New Graduate's Incentive Card.** Upon showing proof of graduation, the Public
17 Employment Service Office (PESO) through the assistance of the Bureau of Local Employment of
18 the Department of Labor and Employment shall issue to the new graduate a "New Graduate's
19 Incentive Card," which shall be used to avail of all the privileges enumerated in the succeeding
20 provisions of this Act.

21
22 **SEC. 5. Basic Rights of New Graduates.** In consonance with the above-stated policy, the
23 State shall provide the necessary requirements, conditions and opportunities to ensure proper
24 adherence to the following basic rights of a new graduate:

25
26 **5.1. Right to a good start.**

1
2 a) The State shall provide each new graduate with health, housing and social
3 security benefits upon graduation. Thus, a new graduate shall be allowed to enroll
4 himself as a sponsored member of the Philippine Health Insurance Corporation, Pag-
5 ibig and Social Security System . As such, he shall be exempted from paying monthly
6 contributions that fall within one (1) year of the graduate's date of graduation.

7 1) Every new graduate who is a sponsored member of the Social Security
8 System under this law may, within one year from the date of his
9 graduation, avail of a salary loan equivalent to one (1) month's salary
10 upon presentation of proof of employment.

11 2) Every new graduate who is a sponsored member of the Philippine Health
12 Insurance Corporation under this law may, within one year from the date
13 of his graduation, avail of the same benefits of an individually paying
14 member to cover the graduate's health and medical needs.

15 3) Every new graduate who is a a sponsored member of the Pag-Ibig Fund
16 under this law may, within one year from the date of his graduation, avail
17 of a home loan upon (a) complete advanced payment of two years'
18 voluntary contribution, and (b) presentation of proof of employment. The
19 contribution payments for the first year shall be advanced by the
20 government.

21
22 b) A new graduate who is securing government-issued documents usually
23 required in the course of his employment application shall be given priority and shall
24 likewise be exempted from payment of fees and charges, if any in connection with
25 securing such documents, provided it is secured within one (1) year from his date of
26 graduation. This includes, but is not limited to: (a) one copy of his birth certificate from
27 the National Statistics Office, (b) tax identification number (TIN) from the Bureau of
28 Internal Revenue (BIR), (c) clearance from the National Bureau of Investigation (NBI),
29 (d) passport from the Department of Foreign Affairs (DFA), and (e) barangay clearance
30 or certificate of residency from the local government units.

31 This exemption from payment of fees and charges shall likewise apply to a new
32 graduate who will venture into business or self-employment, in relation to securing
33 business or self-employment permits from the Department of Trade and Industry (DTI),
34 the Securities and Exchange Commission (SEC), the BIR, and the City or Municipal Hall.

35
36 c) The State shall establish new programs that provide funding and technical
37 support to business ventures of a new graduate, while strengthening existing programs.
38 Awarding of such assistance to a new graduate shall be based on the innovative
39 features of a product or service, and its business viability and economic contribution to
40 the country:

1
2 1) Each new graduate who ventures into a technology-based enterprise
3 shall be able to avail of the programs under the Department of Science and
4 Technology's Technology Application and Promotion Institute, including financial
5 and technical assistance in the areas of setting-up and operation of pilot ventures
6 for micro, small and medium enterprises (MSMEs), upon submission of a
7 feasibility study. Any loan granted under this program shall not be charged any
8 interest.

9
10 2) Each new graduate who ventures into the production, processing or
11 manufacturing of products or commodities shall be able to avail of the benefits
12 under Republic Act 9178, or the Barangay Micro Business Enterprises (BMBEs)
13 Act of 2002, including exemption from income tax and coverage of the minimum
14 wage law.

15 3) Each new Agriculture-related graduate who ventures into an
16 agribusiness enterprise shall be granted a loan not exceeding one hundred
17 thousand pesos (P100,000.00) upon submission of a feasibility study. Provided
18 that such funding is secured by a chattel mortgage of assets acquired from the
19 loan and that the said graduate does not possess a negative credit information.
20 He will be given priority in the granting of loans by the Land Bank of the
21 Philippines, Development Bank of the Philippines, other government banks, rural
22 and cooperative banks. To promote agricultural development in the country and
23 encourage youth involvement in advancing agriculture-based enterprises, income
24 derived from such ventures shall be exempt from income tax payment.

25
26 d.) The State shall likewise provide each new graduate the opportunity to
27 participate in low-cost housing programs. Upon presentation of proof of employment,
28 each new graduate shall be eligible to apply under the different programs of the National
29 Housing Authority (NHA), particularly Core Housing and Medium Rise Housing
30 Programs.

31
32 **5.2 Right to a choice of opportunities.**

33
34 a) To assist a new graduate in selecting and securing employment, all
35 government agencies that are mandated to generate employment and protect workers'
36 rights, such as DOLE, PESO, POEA, DTI, Department of Tourism (DoT), Department of
37 Public Works and Highways (DPWH), and other government agencies, shall provide
38 listings of job openings within the country and abroad (in the case of the POEA), on their
39 websites and offices. To effectively implement this, the said agencies shall closely
40 coordinate with private and public higher education institutions (HEIs) to provide updated

1 and relevant information on job opportunities. The HEIs shall post in conspicuous places
2 inside their school campuses a listing of such job opportunities. The DOLE, PESO,
3 POEA, DTI, DoT, DPWH and other attached agencies shall also facilitate the scheduling
4 of job interviews with prospective employers.
5

6 b) To expand the employment opportunities of new graduates, those
7 belonging to the top 10% of their school/college/institution shall (1) be exempted from
8 taking the Civil Service Eligibility Exam, should they opt to join the government sector, or
9 (2) be qualified to undergo internship or on-the-job training in private institutions that
10 have registered with the PESO in coordination with DOLE and TESDA, should they
11 choose to be employed in the private sector.
12

13 c) Any allowance or wage received by new graduates from employers who
14 allow on-the-job-training or internship shall be an allowable deduction from the
15 employer's gross income.
16

17 **5.3 Right to a fair assessment.**

18

19
20 a) It shall be unlawful for any employer to discriminate against a new
21 graduate in the hiring process, as well as in the terms and conditions of his or her
22 employment, solely on the account of his or her lack of work experience and perceived
23 inability to perform tasks satisfactorily. Hiring should be focused on his or her capability,
24 creativity, and potential contribution to the company and industry based on his or her
25 academic and extra-curricular records, as well as his or her performance in a company's
26 qualifying examinations and interviews. Employers shall take into consideration the
27 unique perspective and fresh ideas that a new graduate will bring into the company.
28

29 b) A new graduate shall have equal chance to promotion, as with other
30 employees of a company or institution, giving emphasis on skills, merit and potential,
31 and not merely on length of tenure.
32

33 c) A new graduate shall have the right to be informed of his or her career
34 path within the company he or she is employed in. Thus, the employer must inform the
35 new graduate upon hiring of its company policies and plans for potential advancement
36 and promotion of the new graduate.
37

38 **5.4 Right to a truly supportive wage.**

39

40 a) The State shall ensure that a new graduate shall be properly
41 compensated based on his or her skills, workload and output. Payment of a lesser
42 compensation to a new graduate as against a more senior employee, for work that is of

1 equal value and with the same output, shall be a violation of this Act. This is without
2 prejudice to company benefits relating to length of tenure of existing employees, such
3 as, but not limited to, longevity pay.
4

5 b) A new graduate earning purely compensation income shall be given
6 additional P10,000.00 personal exemption on his income tax, over and above the
7 amount provided under RA 8424 or the National Internal Revenue Code of 1997, as
8 amended.
9

10 c) Employers of a new graduate employed in a public or private institution
11 who opt to establish and contribute to a personal equity and retirement account must
12 match the graduate's contribution. Such contribution shall form part of the graduate's
13 employment benefits
14

15 **5.5 Right to a secure tenure.**

16

17 a) In consonance with the provision of the Labor Code, newly-hired
18 employees have a right to a permanent position after six (6) months of satisfactory
19 performance. Extension of probationary status of a new graduate shall be deemed as a
20 violation of this provision. Moreover, employers are mandated to inform a new graduate
21 hired of this right upon start of his or her employment. Thus, an employee who
22 continues to be employed by his or her employer after a period of six (6) months shall
23 automatically become a permanent employee.
24

25 b) The DOLE and Civil Service Commission shall make a random audit of
26 employees' tenure in both private and public institutions, respectively. Any employee
27 who has been employed by his or her employer after a period of six (6) months shall be
28 entitled to become a permanent employee.
29

30 **5.6 Right to further training.**

31

32 a) It shall be the State's policy to encourage a new graduate's further
33 training in the field of study he or she has specialized in. In the event that a new
34 graduate employed in a private or public institution is offered further training, by way of
35 continuing education, seminar or conference or on-the-job training, which would
36 necessitate taking a leave of absence, he or she shall be allowed to attend such without
37 loss of seniority rights.
38

39 b) A new graduate shall be given equal opportunity and access to further
40 training within the institution. A new graduate's status in any public or private institution
41 (whether temporary, contractual, casual or probationary) shall not be a bar to his
42

1 participation in any offered course or training within the institution. An employer is
2 prohibited from limiting participation of courses or training to regular or tenured
3 employees.

4
5 c) A new graduate from disciplines crucial to national development, such as
6 agriculture, science and technology, education, including promotion of culture and the
7 arts, shall be given priority in further training, provided, that said graduates commit to
8 stay and serve the country for a minimum of 5 years. Such training will be facilitated by
9 DOLE, TESDA, and NCCA.

10
11 d) To assist a new graduate, employed or unemployed, gain the necessary
12 skills and training to be more competitive with experienced employees, DOLE, TESDA
13 and PESO are mandated to strengthen their programs on employment and occupational
14 counselling, career guidance and training.

15
16 **5.7 Right to fair credit.**

17
18 a) It shall be the State's policy to ensure that every new graduate is given
19 the opportunity to build his or her credit. A new graduate who does not possess
20 negative credit information shall be eligible to apply for a short-term, multi-purpose or car
21 loan from any financial institution despite the lack of a long credit history.

22 1) A new graduate who is applying for a credit line or a loan in any
23 financial institution may use two (2) current consecutive pay slips as proof of
24 income, which shall be prima facie evidence that the new graduate has the
25 capacity to repay or make good on the financial obligation he or she is applying
26 for.

27
28 b) The new graduate shall also be allowed to defer payment of any
29 outstanding student loan obligation without interest within six (6) months of his or her
30 graduation date in order to allow him or her time to seek employment. Thereafter, the
31 new graduate may apply with the financial institution for an extension of deferment of his
32 or her student loan obligation for another six (6) months on account of hardship. During
33 the extension, the graduate must be allowed to pay only the interest on his outstanding
34 loan obligation.

35
36 1) The graduate may apply for forbearance on his student loan obligation
37 at any time until full payment of the loan, provided that he or she informs the
38 financial institution within 30 days from the first month he or she intends to ask
39 for forbearance. The forbearance may be for a period of up to one year. The
40 graduate must continue to pay interest on the loan during the period of
41 forbearance.

1
2 c) The State shall encourage commercial and government banks to
3 appropriate a portion of their loans, with lower interest rates, to new graduates who need
4 capital to start-up a business, without prejudice to non-new graduates' loan applications.
5 To encourage participation, the "lost amount" arising from the granting of lower interest
6 rates on loans given to new graduates shall be considered as an allowable deduction
7 from the participating banks' gross income in the computation of its income tax.
8

9 **5.8 Right to recognition.** A new graduate, as with other employees, shall be
10 recognized as an important part of the Philippine workforce. They should be valued and
11 given proper recognition for their vital contribution to the country's economy. The DOLE
12 shall initiate a New Graduates' Rewards Program to provide discounts and incentives to
13 new graduates.
14

15 a) A new graduate shall be able to continue to avail of the student discount on
16 transportation fees within one (1) year from his or her graduation date.
17

18 b) A new graduate who will be travelling outside of the country within one (1) year
19 from his or her date of graduation shall also be exempt from payment of travel
20 tax and airport terminal fees.
21

22 c) A new graduate who will be travelling within the country within one (1) year from
23 his date of graduation shall likewise be exempt from payment of airport terminal
24 fees.
25
26

27 **SEC. 6. One Stop Shop** - The Public Employment Service Office (PESO) in different provinces,
28 cities and municipalities shall serve as a One Stop Shop for a new graduate to secure any or all
29 documents necessary for employment application. The PESO shall provide the step by step
30 procedure in applying for the different documents needed. It shall likewise be responsible for
31 his registration and/or enrolment in the government agencies mentioned in Section 5.1.b.
32

33 Upon application for a New Graduate's Incentive Card, PESO shall encourage the new
34 graduate to:

35 (a) Submit a curriculum vitae in order for the PESO to include his or her name in
36 a database and enable them to link him with the appropriate companies or employers,
37 as well as facilitate easier tracking of the number of new graduates in every industry.

38 (b) Attend an orientation seminar/workshop on basic labor laws and rights, and
39 other useful information on public and private employment including appropriate career
40 and life coaching.

1 **SEC. 7. *Implementation.*** The DOLE, Civil Service Commission and concerned attached
2 agencies shall be responsible for the administration and monitoring of the implementation of the
3 provisions of this Act, and shall promulgate the necessary implementing rules and regulations
4 within thirty (30) days from its effectivity.
5

6 **SEC. 8. *Appropriations.*** To carry out the provisions of this Act, such sum as may be necessary
7 is hereby authorized to be appropriated from the National Treasury. Thereafter, the sum
8 necessary for the continuous operation of this Act shall be included in the annual appropriation
9 of DOLE.
10

11 **SEC. 9. *Separability Clause.*** If any provision, or part hereof, is held invalid or unconstitutional,
12 the remainder of the law or the provision shall remain valid and subsisting.
13

14 **SEC. 10. *Repealing Clause.*** Any law, presidential decree or issuance, executive order, letter
15 of instruction, administrative order, rule or regulation contrary to or inconsistent with, the
16 provision of this Act is hereby repealed, modified or amended accordingly.
17

18 **SEC. 11. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its publication in at
19 least two (2) newspaper of general circulation.

Approved,