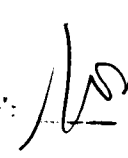


SEVENTEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
First Regular Session]

Office of the Secretary
16-110-8 25-133


SENATE
S.B. No. 1006

Introduced by SEN. WIN GATCHALIAN

AN ACT
PROVIDING FOR THE CONDONATION OF PENALTIES FOR UNPAID SOCIAL SECURITY SYSTEM CONTRIBUTIONS OF HOUSEHOLD EMPLOYERS RELATIVE TO REPUBLIC ACT NO. 7655, ENTITLED "AN ACT INCREASING THE MINIMUM WAGE OF HOUSEHELPERS, AMENDING FOR THE PURPOSE ARTICLE 143 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED" AND REPUBLIC ACT NO. 10361, ALSO KNOWN AS THE "DOMESTIC WORKERS ACT" OR "BATAS KASAMBAHAY"

EXPLANATORY NOTE

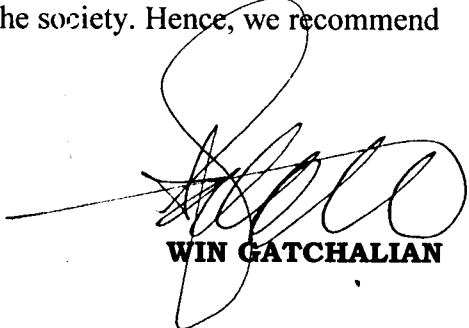
The enactment of RA 10361 or the "Kasambahay Law" in 2013 was intended to extend social protection coverage to the househelp in every Filipino home. The implementation however of the same law created an abyss which by operation presented an unforeseen hardship for the low and middle income families to comply with. While all laws must essentially be made prospective in its application, the impending registration of the kasambahay in every household which is mandated by the said law brought to fore its legal implication with an earlier crafted law - *Republic Act 7655, entitled "An Act Increasing the Minimum Wage of Househelpers, Amending for the Purpose Article 143 of Presidential Decree No. 442, as Amended"* which mandatorily required for the membership of the kasambahay under the SSS law. The contract of employment and the act of registration in the barangays reflecting the actual date of employment of the kasambahays will now give rise for action by SSS to demand from the employers the payment of contributions in arrears, impose sanctions by way of interests and penalties for delinquencies and maybe upon finding by courts of refusal to pay these contributions, by imprisonment under Section 28 (e) of the SSS Law.

According to the records of the SSS, the number of househelpers who have

registered for membership in 1993 when RA 7655 was enacted, was merely 5,175. In the year 2013 when the law took effect, registrants rose to 114,580. By the end of 2014, total household kasambahays who have become SSS members were a total of 123,402. The numbers would still be rising if the government provides an incentive for employers through the implementation of a program that will lay-out easier payment plans, waiving the sanctions for delinquent contributions, and providing greater access for enrollment of their househelp under the SSS law. This was in fact the recommendation of the National Tripartite Industrial Peace Council (NTIPC), acting as the oversight body implementing the IRR of the Kasambahay Law in its Resolution No. 9 issued in 2013.

It is the intent of this bill to make a prospective application of the law while at the same time affording the kasambahays the benefit and mantle of protection which the social insurance extends. It will likewise help employers in the low and middle-income families to consolidate their resources to be able to pay for the contributions that may have fallen due even before the year 2013, in order to extend to their kasambahays the coverage benefit of the SSS law.

The fundamental precept of social justice is that "those who have less in life must have more in law." Social justice commands the protection by the state, as well as its forgiveness of the less fortunate members of the society. Hence, we recommend the immediate passage of this bill

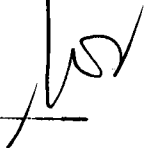


WIN GATCHALIAN

SEVENTEENTH CONGRESS OF THE 1
REPUBLIC OF THE PHILIPPINES 1
First Regular Session 1

Office of the Secretary

16 AUG -8 P5:33



SENATE

S.B. No. 1006

Introduced by SEN. WIN GATCHALIAN

AN ACT
PROVIDING FOR THE CONDONATION OF PENALTIES FOR UNPAID SOCIAL
SECURITY SYSTEM CONTRIBUTIONS OF HOUSEHOLD EMPLOYERS
RELATIVE TO REPUBLIC ACT NO. 7655, ENTITLED "AN ACT INCREASING
THE MINIMUM WAGE OF HOUSEHELPERS, AMENDING FOR THE PURPOSE
ARTICLE 143 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED" AND
REPUBLIC ACT NO. 10361, ALSO KNOWN AS THE "DOMESTIC WORKERS
ACT" OR "BATAS KASAMBAHAY"

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

1 SECTION 1. *Social Security Condonation Program* - Any household
2 employer who is delinquent or has not remitted all contributions due and
3 payable to the Social Security System (SSS) pursuant to Republic Act No. 7655,
4 entitled "*An Act Increasing the Minimum Wage of Househelpers, Amending for the*
5 *Purpose Article 143 of Presidential Decree No. 442, as Amended*" and Republic
6 Act No. 10361, also known as the "*Domestic Workers Act*" or "*Batas*
7 *Kasambahay*" may, within twelve (12) months from the effectivity of this Act
8 remit said contributions or submit a proposal to pay the same in installments
9 within a period of not more than twenty-four (24) months from the approval of
10 the proposal without incurring the prescribed penalty, subject to the
11 implementing rules and regulations which the SSC may prescribe: *Provided*, That the
12 household employer submits the corresponding collection lists together with the remittance or
13 proposal to pay in installments: *Provided, further*, That in case the household employer fails to
14 remit contributions within the twelve-month grace period or defaults in the payment
15 of any amortization provided in the approved proposal, the prescribed penalty
16 shall be imposed from the time the contributions first became due as provided

1 in Section 22 of Republic Act No. 1161, otherwise known as the "Social Security
2 Law, " as amended by Republic Act No. 8282.
3

4 **SEC. 2. Coverage.** – Any household employer who is delinquent or has not remitted
5 all contributions due and payable to the SSS may avail of the Condonation program under
6 Section 1 of this Act, including the following:

7 a) Those not yet registered with the SSS but will register as a household employer after
8 the effectivity of this Act but within the twelve-month grace period provided in Section 1 of
9 this Act;

10 b) Those with cases pending before the courts or Office of the Prosecutor involving
11 collection of contributions or penalties; and

12 c) Those who, before the effectivity of the Act, have remitted all
13 contributions due and payable to the SSS but have not paid the corresponding
14 penalties.
15

16 **SEC. 3. Unregistered Household Employer.** - To qualify for the
17 condonation program under this Act, an unregistered household employer shall
18 register with the SSS branch having jurisdiction over the household address of
19 the household employer and comply with the requirements under Section 1 and
20 those that may be required by the implementing rules and regulations of this
21 Act.
22

23 **SEC. 4. Guaranty of Entitlement.** - The failure or refusal of the employer
24 to pay or remit the contributions under this condonation program shall not
25 prejudice the right of the employee to the benefits of the coverage under the SSS
26 Law.
27

28 **SEC. 5. Implementing Rules and Regulations.** - Within thirty (30) days
29 after the approval of this Act, the SSC shall issue the necessary rules and regulations for the
30 effective implementation of this Act.
31

32 **SEC. 6. Effectivity Clause.** - This Act shall take effect fifteen (15) days
33 following its publication in the *Official Gazette* or in at least two (2) newspapers
34 of general circulation.

Approved,