

13th CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
FIRST REGULAR SESSION)

'04 JUL -6 AM 11:46

SENATE

RECEIVED BY: AY

S. BILL NO. 1384

INTRODUCED BY HONORABLE RALPH G. RECTO

EXPLANATORY NOTE

This bill seeks to amend RA 8042 otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995 thereby allowing contract workers to rationalize the payment of placement fees. It is proposed that contract workers will directly pay the manpower broker a placement fee equivalent to one month salary proportionate to one year of service or employment as opposed to the prevailing practice of paying the placement fee prior to the deployment of the OCW thus, situating the OCWs in a very uncompromising financial situation vulnerable to nefarious practices of illegal recruiters.

Records showed that in January to August 2002 a total of 636,024 landbased and seabased OFWs were deployed to different countries around the world. According to the *Bangko Sentral ng Pilipinas*, the OCWs remitted for the first quarter of 2002 a total of \$1.96 B and such contribution reportedly has helped stabilize the peso and contributed greatly to the GNP growth earning them the stature of 'Ang Bagong Bayani'.

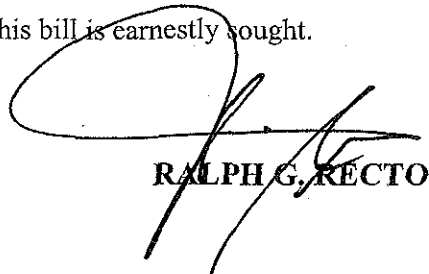
There is the phenomenon of overseas contract workers that has left homes without a father or a mother or sadly both for a significant period of time. It is a delicate balance that confronts the families: to be able to survive the economic crises and dream of every parent to see their children become achievers through good education and to be able to contribute in the society. The Commission on Filipinos Overseas reported that 7.29M overseas Filipinos, 2.98 M are overseas Filipino workers, 2.37 M are permanent residents and 1.94 M are classified as undocumented.

Under this bill, an equitable amount shall be charged by a private employment agency from an OCW for its recruitment and placement services, exclusive of documentation cost, which is equivalent to the following:

For those earning less than \$1000	-	½ month salary
\$1000 – \$2000	-	75% monthly salary
\$2000 above	-	1 month's salary

This bill also set sights on institutionalizing help desks introducing new provisions in the ceiling on placement fees imposed upon Filipino overseas contract workers

It is in this light that immediate passage of this bill is earnestly sought.


RALPH G. RECTO

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S. BILL NO. 1384 RECEIVED BY: [Signature]

Introduced by SENATOR RALPH G. RECTO

AN ACT

**RATIONALIZING THE PAYMENT OF PLACEMENT FEES OF OVERSEAS
FILIPINO WORKERS AND INSTITUTIONALIZING HELP DESKS ABROAD**

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

1 SECTION 1 *Placement Fees.* - An equitable amount shall be
2 charged by a private employment agency from an OCW for its recruitment and placement
3 services, exclusive of documentation cost, which is equivalent to the following:

4	
5	
6	For those earning less than \$1000 - ½ month salary
7	\$1000 – \$2000 - 75% monthly salary
8	\$2000 above - 1 month's salary
9	

10 SEC. 2. *Service Desk.* - Institutionalizing help desks located abroad
11 providing appropriate and suitable provisions in the ceiling on placement fees imposed
12 upon Filipino overseas contract workers

13 SEC. 3. *Implementing Rules and Regulations.* - The Department of Labor
14 and Employment (DOLE), and other appropriate government agencies shall promulgate
15 rules and regulations necessary for the effective implementation of this Act.

16 SEC. 4. *Repealing Clause.* - All other laws, decrees, orders, issuances
17 and rules and regulations or parts thereof inconsistent with this Act are hereby amended
18 or repealed accordingly.

19 SEC. 5. *Separability Clause.* - The provisions of this Act are hereby
20 declared to be separable and, in the event any of such provisions is declared
21 unconstitutional, the order provision which is not affected thereby shall remain in full
22 force and effect.

1 SEC. 6. *Effectivity.* - This Act shall take effect fifteen (15) days after its
2 complete publication in at least two (2) newspapers of general circulation.

3 Approved,