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**S E N A T E**

S. No. 1755

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**Introduced by Senator S. R. Osmeña III**

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**EXPLANATORY NOTE**

In 2003, Bangko Sentral ng Pilipinas data showed that the Overseas Filipino Workers' (OFW) remittances amounted to US\$ 7.6 billion. In the first four months of this year, it reached US\$ 2.6 billion. OFW remittances are considered a vital flow of foreign exchange into the financial system that provides support for the peso. Also, it spurs investment, cushions the impact of worldwide economic recession when private capital dries up and helps alleviate poverty.

With the magnitude of contribution of OFWs to the economy of the country, it is but fair to recognize this contribution by granting them a package of *benefits and special privileges* to returning OFWs when they decide to retire or go back to their homeland. Every OFW is expected to return to the country after his contract abroad expires. Some return for other reasons such as unbearable homesickness, abuse, or emergency situations in the host countries. The numbers are expected to increase as the world continues to experience the economic recession that many analysts predict will continue for a long time.

A study conducted by non-government organizations also showed that a vast majority or around 70-80% of the returning OFWs still lack enough savings for their future after decades of overseas employment. And many come home to realities that remain unchanged, including the dependence on dole-outs by their own families and relatives and an economy that is suffering from a high unemployment rate and cannot accommodate them. With a labor market that gives priority to younger applicants, returning OFWs have a problem competing with other applicants due to their advanced age. This bill seeks to address those issues, thus, the urgent need for the government to create the best and viable *measures toward the reintegration program for the returning OFWs*.

In view of the foregoing, approval of this bill is earnestly requested.

  
**SERGIO OSMEÑA III**  
Senator



1 Philippines at least fifty (50) years old, previously certified by the Department of  
2 Labor and Employment/Philippine Overseas Employment Agency for overseas  
3 employment purposes and has an income of not more than sixty thousand pesos  
4 (P60,000.00) per annum subject to review by the National Statistics Coordination  
5 Board (NSCB) every three (3) years. It covers all nationals who have worked in a  
6 foreign country under employment contracts for a period not less than 10 years,  
7 including but not limited to, professionals, seamen, entertainers, domestic  
8 helpers, regardless of their employment status in the foreign country.

9       **SEC. 3. *Privileges for former OFWs.*** — Any qualified former OFW as  
10 determined by the Office for Former Overseas Filipino Workers (OFOFW) shall  
11 be entitled to the following:

- 12       a) the grant of twenty percent (20%) discount from all establishments  
13       relative to utilization of transportation services, hotels and similar  
14       lodging establishment, restaurants and recreation centers and  
15       *purchase of medicine anywhere in the country: Provided, That*  
16       private establishments may claim the cost as tax credit;
- 17       b) a minimum of twenty percent (20%) discount on admission fees  
18       charged by theaters, cinema houses and concert halls, circuses,  
19       carnivals and other similar places of culture, leisure, and  
20       amusement;
- 21       c) exemption from the payment of individual income taxes: Provided,  
22       That their annual taxable income does not exceed the income level  
23       as determined by the National Economic and Development  
24       Authority (NEDA) for that year;
- 25       d) free medical and dental consultations in private or public hospitals  
26       and similar establishments anywhere in the country and medical  
27       insurance program to be provided by the Philippine Health  
28       Insurance Corporation (PHIC);

1 e) to the extent practicable and feasible, the continuance of the same  
2 benefits and privileges given by the Government Service Insurance  
3 System (GSIS), Social Security System (SSS) and PAG-IBIG, as the  
4 case may be, as are enjoyed by those in actual service;

5 f) priority in existing livelihood programs being undertaken by various  
6 government agencies subject to the guidelines and qualifications by  
7 the implementing body; and

8 g) (f) priority in national housing programs, affordable "pabahay" loans  
9 and other housing opportunities subject to the guidelines and  
10 qualifications set by the National Housing Authority (NHA) or the Home  
11 Development Mutual Fund (HDMF).

12 Such privately-owned establishments shall enjoy tax credits equivalent to  
13 the discounts extended to former OFWs.

14 **SEC. 4. *Retirement Benefits.*** — To the extent practicable and feasible,  
15 retirement benefits from both the Government and the private sectors shall be  
16 upgraded to be at par with the current scale enjoyed by those in actual service.

17 **SEC. 5. *The Office for Former Overseas Filipino Workers (OFOFW).***  
18 — There shall be established in the Office of the Mayor an OFOFW to be headed  
19 by a Councilor who shall be designated by the Sangguniang Bayan and assisted  
20 by the Community Development Officer in coordination with the Department of  
21 Labor and the Department of Social Welfare and Development. The functions of  
22 this office are:

23 a) to maintain and regularly update on a quarterly basis the list of  
24 former OFWs and to issue nationally uniform individual identification cards  
25 which shall be valid anywhere in the country;

26 b) to service as a general information and liaison center to serve the  
27 needs of former OFWs; and

28 c) to issue nationally uniform individual identification cards which shall  
29 be valid anywhere in the country.

1           SEC. 6. **Municipal Responsibility.** — It shall be the responsibility of the  
2 municipality through the mayor to ensure that the provisions of this Act are  
3 implemented to its fullest.

4           SEC. 7. **Penalties.** — Violation of any provision of this Act for which no  
5 penalty is specifically provided under any other law, shall be punished by  
6 imprisonment not exceeding one (1) month or a fine not exceeding One thousand  
7 pesos (P1,000.00) or both.

8           SEC. 8. **Implementing Rules and Regulations.** — The Secretary of  
9 Social Welfare and Development, jointly with the Department of Labor and  
10 Employment, Department of Finance, the Department of Tourism, the  
11 Department of Health, the Department of Transportation and Communications  
12 and the Department of Interior and Local Government shall issue the necessary  
13 rules and regulations to carry out the objectives of this Act.

14           SEC. 9. **Appropriation.** — The necessary appropriation for the operation  
15 and maintenance of the OFOFW shall be appropriated and approved by the local  
16 government units concerned. The National Government shall appropriate such  
17 amount, as may be necessary to carry out the objectives of this Act.

18           SEC. 10. **Repealing Clause.** — All provisions of laws, orders, decrees,  
19 including rules and regulations inconsistent herewith are hereby repealed and/or  
20 modified accordingly.

21           SEC. 11. **Separability Clause.** — If any part or provision of this Act shall  
22 be held to be unconstitutional or invalid, other provisions hereof which are not  
23 affected thereby shall continue to be in full force and effect.

24           SEC. 12. **Effectivity.** — This Act shall take effect fifteen (15) days  
25 following its publication in one (1) national newspaper of general circulation.

26           Approved,