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Republic of the Philippines
SENATE OF THE PHILIPPINES
Pasay City

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SIXTEENTH CONGRESS
First Regular Session

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S. B. No. 59

Introduced by SENATOR JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

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.

As a bill of rights for new graduates, this bill aims to provide each new graduate with such opportunities. 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. Through the passing of a law which requires technical and financial assistance in start-up businesses, as well as mandate job placement for new graduates, these new graduates are assured that their hard work in school will pay off with generous rewards.

Finally, the bill aims to recognize new graduates by awarding them with incentives, discounts and benefits for graduating from institutions of higher learning.

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


JUAN EDGARDO "SONNY" M. ANGARA

1 SIXTEENTH CONGRESS OF THE)
2 REPUBLIC OF THE PHILIPPINES)
3 First Regular Session)
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16 JUN 1973
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13 JUL 1973

6 S. B. No. 59

7 REGISTERED BY: *ja*

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9 Introduced by Senator JUAN EDGARDO "SONNY" M. ANGARA
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13 AN ACT
14 PROVIDING INCENTIVES FOR NEW GRADUATES OF COLLEGES, UNIVERSITIES
15 AND ACCREDITED INSTITUTIONS OFFERING TECHNICAL-VOCATIONAL
16 COURSES, OTHERWISE KNOWN AS THE "BILL OF RIGHTS FOR NEW
17 GRADUATES"
18

19 *Be it enacted by the Senate and House of Representatives of the Philippines in*
20 *Congress assembled:*
21

22 SECTION 1. *Short Title.* This Act shall be known as the "*Bill of Rights for New*
23 *Graduates.*"
24

25 SEC. 2. *Coverage.* This Bill of Rights shall apply to new graduates from all colleges and
26 universities, and from accredited institutions offering technical-vocational courses. A new
27 graduate is a Filipino who just finished a bachelor's degree from any college or university, or
28 completed a technical-vocational course from any accredited institution in the Philippines. He
29 shall be considered as such for a period of one (1) year from the date of graduation or
30 completion, as evidenced by the date indicated on his diploma or certificate.
31

32 SEC. 3. *Declaration of Policy.* The State recognizes the role of the youth in nation-
33 building. As such, it shall promote and protect their rights, interests and well-being. The State
34 will, thus, endeavor to provide new graduates of higher learning with opportunities for growth
35 and development by creating policies that protect their welfare.
36

37 SEC. 4. *New Graduate's Incentive Card.* Upon showing proof of graduation, the
38 Public Employment Service Office (PESO) of the Department of Labor and Employment shall
39 issue to the new graduate a "New Graduate's Incentive Card," which shall be used to avail of all
40 the privileges enumerated in the succeeding provisions of this Act.
41

42 SEC. 5. *Basic Rights of New Graduates.* In consonance with the above-stated policy,
43 the State shall provide the necessary requirements, conditions and opportunities to ensure
44 proper adherence to the following basic rights of a new graduate:
45
46

1 **5.1. Right to a good start.**

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

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

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

16 3) Every new graduate who is a a sponsored member of the Pag-Ibig Fund
17 under this law may, within one year from the date of his graduation, avail
18 of a home loan upon (1) complete advanced payment of two years'
19 voluntary contribution, and (2) presentation of proof of employment. The
20 contribution payments for the first year shall be advanced by the
21 government.

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

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

36
37 c) The State shall establish new programs that provide funding and technical
38 support to business ventures of a new graduate, while strenghtening existing programs.
39 Awarding of such assistance to a new graduate shall be based on the innovative

1 features of a product or service, and its business viability and economic contribution to
2 the country:

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

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

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

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

33
34

1 **5.2 Right to a choice of opportunities.**
2

- 3 a) To assist a new graduate in selecting and securing employment, all government
4 agencies that are mandated to generate employment and protect workers' rights,
5 such as DOLE, POEA, PESO and other attached agencies, shall provide listings
6 of job openings within the country and abroad, on their websites and offices. To
7 effectively implement this, the said agencies shall closely coordinate with private
8 and public higher education institutions (HEIs) to provide updated and relevant
9 information on job opportunities. The HEIs shall post in conspicuous places
10 inside their school campuses a listing of such job opportunities. The DOLE,
11 POEA, PESO and other attached agencies shall also facilitate the scheduling of
12 job interviews with prospective employers.
13
- 14 b) To expand the employment opportunities of new graduates, those belonging to
15 the top 10% of their school/college shall (1) be exempted from taking the Civil
16 Service Eligibility Exam, should they opt to join the government sector, or (2) be
17 qualified to undergo internship or on-the-job training in private institutions that
18 have registered with the PESO, should they choose to be employed in the private
19 sector.
20
- 21 c) Any allowance or wage received by new graduates from employers who allow
22 on-the-job-training or internship shall be an allowable deduction from the
23 employer's gross income.
24

25 **5.3 Right to a fair assessment.**
26

- 27
- 28 a) It shall be unlawful for any employer to discriminate against a new graduate in
29 the hiring process, as well as in the terms and conditions of his employment,
30 solely on the account of his lack of work experience and perceived inability to
31 perform tasks satisfactorily. Hiring should be focused on his capability, creativity,
32 and potential contribution to the company and industry based on his academic
33 and extra-curricular records, as well as his performance in a company's
34 qualifying examinations and interviews. Employers shall take into consideration
35 the unique perspective and fresh ideas that a new graduate will bring into the
36 company.
37
- 38 b) A new graduate shall have equal chance to promotion, as with other employees
39 of a company or institution, giving emphasis on skills, merit and potential, and not
40 merely on length of tenure.
41

- 1 c) A new graduate shall have the right to be informed of his career path within the
2 company he is employed in. Thus, the employer must inform the new graduate
3 upon hiring of its company policies and plans for potential advancement and
4 promotion of the new graduate
5

6 **5.4 Right to a truly supportive wage.**
7

- 8 a) The State shall ensure that a new graduate shall be properly compensated
9 based on his skills, workload and output. Payment of a lesser compensation to a
10 new graduate as against a more senior employee, for work that is of equal value
11 and with the same output, shall be a violation of this Act. This is without prejudice
12 to company benefits relating to length of tenure of existing employees, such as,
13 but not limited to, longevity pay.
14
- 15 b) A new graduate earning purely compensation income shall be given additional
16 P10,000.00 personal exemption on his income tax, over and above the amount
17 provided under RA 8424 or the National Internal Revenue Code of 1997, as
18 amended.
19
- 20 c) Employers of a new graduate employed in a public or private institution who opt
21 to establish and contribute to a personal equity and retirement account must
22 match the graduate's contribution. Such contribution shall form part of the
23 graduate's employment benefits
24

25 **5.5 Right to a secure tenure.**
26

- 27 a) In consonance with the provision of the Labor Code, newly-hired employees
28 have a right to a permanent position after six (6) months of satisfactory
29 performance. Extension of probationary status of a new graduate shall be
30 deemed as a violation of this provision. Moreover, employers are mandated to
31 inform a new graduate hired of this right upon start of his employment. Thus, an
32 employee who continues to be employed by his employer after a period of six (6)
33 months shall automatically become a permanent employee.
34
- 35 b) The DOLE and Civil Service Commission shall make a random audit of
36 employees' tenure in both private and public institutions, respectively. Any
37 employee who has been employed by his employer after a period of six (6)
38 months shall be entitled to become a permanent employee.
39

40 **5.6 Right to further training.**
41
42

- 1 a) It shall be the State's policy to encourage a new graduate's further training in the
2 field of study he has specialized in. In the event that a new graduate employed in
3 a private or public institution is offered further training, by way of continuing
4 education, seminar or conference or on-the-job training , which would necessitate
5 taking a leave of absence, he shall be allowed to attend such without loss of
6 seniority rights.
7
- 8 b) A new graduate shall be given equal opportunity and access to further training
9 within the institution. A new graduate's status in any public or private institution
10 (whether temporary, contractual, casual or probationary) shall not be a bar to his
11 participation in any offered course or training within the institution. An employer
12 is prohibited from limiting participation of courses or training to regular or tenured
13 employees.
14
- 15 c) A new graduate from disciplines crucial to national development, such as
16 agriculture, science and technology, education, including promotion of culture
17 and the arts, shall be given priority in further training, provided, that said
18 graduates commit to stay and serve the country for a minimum of 5 years. Such
19 training will be facilitated by DOLE, TESDA, and NCCA.
20
- 21 d) To assist a new graduate, employed or unemployed, gain the necessary skills
22 and training to be more competitive with experienced employees, DOLE and
23 PESO are mandated to strengthen their programs on employment and
24 occupational counselling, career guidance and training..
25

26 **5.7 Right to fair credit.**

- 27
- 28 a) It shall be the State's policy to ensure that every new graduate is given the
29 opportunity to build his credit. A new graduate who does not possess negative
30 credit information shall be eligible to apply for a short-term, multi-purpose or car
31 loan from any financial institution despite the lack of a long credit history.
32

33 1) A new graduate who is applying for a credit line or a loan in any
34 financial institution may use two (2) current consecutive pay slips as proof
35 of income, which shall be prima facie evidence that the new graduate has
36 the capacity to repay or make good on the financial obligation he is
37 applying for.
38

- 39 b) The new graduate shall also be allowed to defer payment of any outstanding
40 student loan obligation without interest within six (6) months of his graduation
41 date in order to allow him time to seek employment. Thereafter, the new

1 graduate may apply with the financial institution for an extension of deferment of
2 his student loan obligation for another six (6) months on account of hardship.
3 During the extension, the graduate must be allowed to pay only the interest on
4 his outstanding loan obligation.
5

6 1) The graduate may apply for forbearance on his student loan obligation
7 at any time until full payment of the loan, provided that he informs the
8 financial institution within 30 days from the first month he intends to ask
9 for forbearance. The forbearance may be for a period of up to one year.
10 The graduate must continue to pay interest on the loan during the period
11 of forbearance.
12

13 c) The State shall encourage commercial and government banks to appropriate a
14 portion of their loans, with lower interest rates, to new graduates who need
15 capital to start-up a business, without prejudice to non-new graduates' loan
16 applications. To encourage participation, the "lost amount" arising from the
17 granting of lower interest rates on loans given to new graduates shall be
18 considered as an allowable deduction from the participating banks' gross
19 income in the computation of its income tax.
20

21 **5.8 Right to recognition.** A new graduate, as with other employees, shall be
22 recognized as an important part of the Philippine workforce. They
23 should be valued and given proper recognition for their vital contribution to the
24 country's economy. The DOLE shall initiate a New Graduates' Rewards Program to
25 provide discounts and incentives to new graduates.
26

27 a) A new graduate shall be able to continue to avail of the student discount on
28 transportation fees within one (1) year from his graduation date.
29

30 b) A new graduate who will be travelling outside of the country within one (1) year
31 from his date of graduation shall also be exempt from payment of travel tax and
32 airport terminal fee.
33

34 c) A new graduate who will be travelling within the country within one (1) year from
35 his date of graduation shall likewise be exempt from payment of airport terminal
36 fees.
37

38 **SEC. 6. One Stop Shop** - The Public Employment Service Office (PESO) in different
39 cities and municipalities shall serve as a One Stop Shop for a new graduate to secure
40 any or all documents necessary for employment application. The PESO shall provide the
41 step by step procedure in applying for the different documents needed. It shall likewise

1 be responsible for his registration and/or enrolment in the government agencies
2 mentioned in Section 5.1.b.

3
4 Upon application for a New Graduate's Incentive Card, PESO shall encourage
5 the new graduate to:

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

9 (b) Attend an orientation seminar/workshop on basic labor laws and rights, and
10 other useful information on public and private employment.

11
12 **SEC. 7. Implementation.** The DOLE, Civil Service Commission and concerned attached
13 agencies shall be responsible for the administration and monitoring of the implementation of the
14 provisions of this act, and shall promulgate the necessary implementing rules and regulations
15 within thirty (30) days from its effectivity.

16
17 **SEC. 8. Appropriations.** To carry out the provisions of this Act, such sum as may be
18 necessary is hereby authorized to be appropriated from the National Treasury. Thereafter, the
19 sum necessary for the continuous operation of this Act shall be included in the annual
20 appropriation of DOLE.

21
22 **SEC. 9. Separability Clause.** If any provision, or part hereof, is held invalid or
23 unconstitutional, the remainder of the law or the provision shall remain valid and subsisting.

24
25 **SEC. 10. Repealing Clause.** Any law, presidential decree or issuance, executive order,
26 letter of instruction, administrative order, rule or regulation contrary to or inconsistent with, the
27 provision of this Act is hereby repealed, modified or amended accordingly.

28
29 **SEC. 11. Effectivity Clause.** This Act shall take effect fifteen (15) days after its
30 publication in at least two (2) newspaper of general circulation.

31
32 Approved,