



HOUSE OF REPRESENTATIVES

H. No. 4990

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OLIVAREZ, ORTEGA (V.), PAQUIZ, RIDON, ROMULO, SUANSING,
TAN (A.), TING, MAGSAYSAY, TINIO, UY (J.) AND YU, PER COMMITTEE
REPORT NO. 427

AN ACT GOVERNING THE OPERATIONS AND ADMINISTRATION OF THE OVERSEAS WORKERS WELFARE ADMINISTRATION

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

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CHAPTER I

2

TITLE, POLICY AND OBJECTIVES

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SECTION 1. *Short Title.* — This Act shall be known as the “Overseas

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Workers Welfare Administration Act”.

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SEC. 2. *Declaration of Policy.* — It is the policy of the State to afford

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full protection to labor, local and overseas, organized and unorganized, and

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promote full employment opportunities for all. Towards this end, it shall be

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the State’s responsibility to protect the overseas Filipino workers (OFWs).

1 The Overseas Workers Welfare Administration (OWWA) shall be one of the
2 principal agencies of the State to serve and promote the interest and welfare of
3 the OFWs and their families.

4 SEC. 3. *Objectives.* — This Act is enacted to provide guidelines on
5 matters concerning the OWWA, its mandate, purposes and objectives,
6 membership, collection of contributions, and availment of benefits and
7 services. This Act also embodies the policies on fund management, programs
8 and services administration.

9 CHAPTER II

10 NATURE, SCOPE AND FUNCTIONS OF THE OWWA

11 SEC. 4. *Nature of the OWWA.* — The OWWA is a national
12 government agency vested with a special function of developing and
13 implementing welfare programs and services that respond to the needs of its
14 member-OFWs and their families. It is endowed with powers to administer a
15 trust fund to be called the OWWA Fund. Its officials and employees are
16 covered by the Salary Standardization Law.

17 The OWWA shall be an attached agency of the Department of Labor
18 and Employment (DOLE).

19 SEC. 5. *Scope.* — This Act shall apply to all OFWs who are duly
20 registered with the Philippine Overseas Employment Administration (POEA)
21 and those who will avail of the voluntary membership program of the OWWA.

22 SEC. 6. *Functions.* — The OWWA shall exercise the following
23 functions:

24 (a) To protect the interest and promote the welfare of member-OFWs
25 in all phases of overseas employment in recognition of their valuable
26 contribution to the overall development effort;

27 (b) To facilitate the implementation of the provisions of the Labor
- 28 Code of the Philippines (Presidential Decree No. 442, as amended) and the

1 Migrant Workers and Overseas Filipinos Act of 1995 (Republic Act No. 8042,
2 as amended), concerning the responsibility of the government to promote the
3 well-being of OFWs. Pursuant thereto, and in furtherance thereof, it shall
4 provide legal assistance to member-OFWs;

5 (c) To provide social and welfare programs and services to
6 member-OFWs, including social assistance, education and training, cultural
7 services, financial management, reintegration and entrepreneurial development
8 services;

9 (d) To provide prompt and appropriate response to global emergency
10 or crisis situations;

11 (e) To ensure the efficiency of collections and the viability and
12 sustainability of the OWWA Fund through sound, judicious and transparent
13 investment and management policies;

14 (f) To undertake studies and research for the enhancement of social,
15 economic and cultural well-being of member-OFWs; and

16 (g) To develop, support and finance specific projects for the welfare of
17 member-OFWs.

18 CHAPTER III

19 DEFINITION OF TERMS

20 SEC. 7. *Definition of Terms.* – As used in this Act;

21 (a) *Compensation* refers to the basic pay or salary received by an
22 officer or employee of the OWWA, pursuant to the official appointment,
23 excluding per diems, bonuses, overtime pay, honoraria, allowances and any
24 other emoluments received in addition to the basic pay which are not integrated
25 into the basic pay under existing laws;

26 (b) *Contribution or membership fee* refers to the amount paid to the
27 OWWA by an OFW or the employer in accordance with the provisions of this
28 Act;

(c) *Dependent* refers to any of the following:

(1) The legal spouse dependent for support upon the member or pensioner;

(2) The legitimate, legitimated, legally adopted child, including the illegitimate child, who is unmarried, not gainfully employed, not over the age of majority, or is over the age of majority but incapacitated and incapable of self-support due to a mental or physical defect acquired prior to age of majority; and

(3) The parents dependent upon the member-OFWs for support;

(d) *Non-Active OWWA Member* refers to an OFW whose OWWA membership has expired;

(e) *Non-Member OFW* refers to an undocumented OFW and who has not availed of the voluntary membership of the OWWA;

(f) *OWWA Member* refers to an OFW with a paid contribution or membership fee; and

(g) *Overseas Filipino Worker (OFW)* refers to a person who is to be engaged, is engaged, or has been engaged in a remunerated activity in a state of which the person is not a citizen, or on board a vessel navigating the foreign seas other than a government ship used for military or non-commercial purposes, or on an installation located offshore or on the high seas.

CHAPTER IV

MEMBERSHIP, CONTRIBUTION AND COLLECTION

SEC. 8. *Registration of Membership.* – Membership in the OWWA may be obtained in two (2) ways:

(a) By compulsory registration upon processing of employment contracts of OFWs at the POEA; and

(b) By voluntary registration of OFWs at job-sites overseas or at the OWWA Regional Welfare Offices.

1 SEC. 9. *Amount of Contribution and Effectivity of Membership.*

2 – Membership in the OWWA, either through the compulsory or voluntary
3 coverage, shall be effective upon payment of membership contribution in the
4 amount of twenty-five US dollars (US\$ 25.00) or its equivalent in the current
5 foreign exchange rates. Such membership shall be considered active until the
6 expiration of the OFW's existing employment contract.

7 In case of voluntary registration, membership coverage shall not exceed
8 two (2) years.

9 Based on actuarial studies and taking into consideration the welfare and
10 interest of the member-OFWs, the OWWA Board may adjust or modify the
11 amount of membership contribution.

12 SEC. 10. *Proof of Membership.* – Upon payment of the required
13 contribution, an OWWA member shall be issued an Official Receipt, an
14 OWWA E-Card, identification card or other proof of membership. No
15 additional or extra charges shall be levied on the member-OFW.

16 The OWWA shall maintain a comprehensive database of
17 member-OFWs which shall be updated regularly.

18 SEC. 11. *Renewal of Membership.* – Membership shall be renewed
19 upon payment of contribution on contract renewal or issuance of a new
20 contract of employment. In the case of voluntary membership, coverage shall
21 be renewed upon payment of contribution of twenty-five US Dollars
22 (US \$25.00) or its equivalent in the current foreign exchange rates.

23 SEC. 12. *Separate Accounting of Land-based and Sea-based Workers*
24 *Contributions.* – For a more effective financial management, the membership
25 contributions of land-based and sea-based members shall be accounted for in
26 two (2) separate books of accounts.

1 SEC. 13. *Authorized Collecting Officers.* –

2 (a) Membership contributions shall be collected by duly authorized
3 OWWA collecting officers, deputized collecting officers or accredited
4 collecting agents. The collection of membership contributions shall be made at
5 the POEA contract processing hub, OWWA regional and overseas offices, and
6 other accredited collection centers.

7 (b) In case of voluntary members who register at the job-site,
8 membership contributions shall be made directly to the OWWA Overseas
9 Offices located in the various Philippine Overseas Labor Offices (POLOs),
10 diplomatic stations, embassies or consulates of the Philippines.

11 SEC. 14. *Reportorial Requirements and Handling of Collections.*

12 -- The collecting officer, deputized collecting officer, or the accredited
13 collecting agent shall prepare and submit the required monthly reports to the
14 OWWA Central Office in the Philippines. Handling of collections and deposits
15 by collection officers shall be governed by the usual accounting and auditing
16 rules.

17 SEC. 15. *Sanctions for Erring Officers.* – Corresponding administrative
18 sanctions and other disciplinary measures, including recall from post,
19 suspension, or separation from service, shall be imposed upon any officer who
20 violates the preceding section.

21 SEC. 16. *Prohibition Against Discrimination on Membership.* – No
22 OFW shall be denied membership to the OWWA by reason of age, gender,
23 nationality, religious belief, or political opinion or affiliation. The OWWA
24 shall take affirmative steps to enhance the access of OFWs to its programs and
25 services.

26 SEC. 17. *Payment of Contribution or OWWA Fee by Employer.*

27 -- Contributions to the OWWA Fund must be paid by the employers or
28 principals, or in their default, by the recruitment/manning agency in the case of

1 new hires. The POEA shall ensure that this stipulation is made an integral part
2 of the overseas employment contract.

3 *SEC. 18. Penalty for Violation by Recruitment/Manning Agency.*

4 – Violation by a recruitment/manning agency of the preceding section shall
5 constitute an offense punishable by revocation of its license and all its officers
6 and directors shall be perpetually disqualified from engaging in the business of
7 recruitment/placement of overseas workers. Such penalty is without prejudice
8 to any other liability which the officers and directors may have incurred under
9 existing laws, rules and regulations.

10 *SEC. 19. Deposit and Remittance of Collection. –*

11 (a) *OWWA Central Office and Regional Offices* – The collecting
12 officer shall, on a daily basis, deposit all collected OWWA fee contributions to
13 the OWWA Capital Fund Account with the Land Bank of the Philippines. For
14 reconciliation and record purposes, bank validated deposit slips shall be
15 prepared in triplicate forms to be distributed to the: (1) servicing bank;
16 (2) collecting officer; and (3) appropriate OWWA office together with the
17 Report of Collections.

18 (b) *OWWA Overseas Officers* – The OWWA overseas collecting
19 officer shall, on a daily basis, deposit all OWWA fee contributions in the same
20 currency received, to a separate bank account for collections in the name of the
21 “Office of the Labor Attaché – OWWA Collections,” in the depository bank of
22 the Department of Foreign Affairs (DFA), or in the accredited correspondent
23 bank of the Land Bank of the Philippines. Accumulated monthly collections
24 shall be remitted to the OWWA Capital Fund Account with the Land Bank of
25 the Philippines not later than the fifth (5th) day of the following month.

26 No withdrawals, except remittances of collections, can be made from
27 the bank accounts for collections without prior written approval of the

1 Administrator or the duly authorized OWWA representative, subject to the
2 policies approved by the OWWA Board.

3 The OWWA overseas offices shall be authorized to retain the required
4 amount for the beginning and maintaining balance of the abovementioned bank
5 accounts for collections.

6 CHAPTER V

7 THE OWWA BOARD OF TRUSTEES

8 SEC. 20. *The OWWA Board of Trustees.* – To carry out the purposes
9 of this Act, the OWWA shall be directed and controlled by a Board of Trustees
10 which shall act as its policy making body. It shall be composed of the
11 following members:

- 12 (a) Secretary of Labor and Employment, as Chairperson;
- 13 (b) OWWA Administrator, as Vice Chairperson;
- 14 (c) Secretary of Foreign Affairs;
- 15 (d) Secretary of Finance;
- 16 (e) Secretary of Budget and Management;
- 17 (f) POEA Administrator;
- 18 (g) Two (2) representatives from the land-based OFWs who are
19 nominated and appointed in accordance with the provisions of Republic Act
20 No. 8042, as amended by Republic Act No. 10022;
- 21 (h) One (1) representative from the sea-based OFWs who is nominated
22 and appointed in accordance with the provisions of Republic Act No. 8042, as
23 amended by Republic Act No. 10022;
- 24 (i) One (1) representative from the women sector who is nominated
25 and appointed in accordance with the provisions of Republic Act No. 8042, as
26 amended by Republic Act No. 10022;
- 27 (j) One (1) representative from the land-based recruitment sector, who
28 is selected from among the various associations of registered overseas

1 placement and recruitment agencies based in the Philippines, who shall be
2 appointed by the President of the Philippines to serve a single term of three (3)
3 years; and

4 (k) One (1) representative from the sea-based manning sector, who is
5 selected from among the various associations of registered overseas placement
6 and manning agencies based in the Philippines, who shall be appointed by the
7 President of the Philippines to serve a single term of three (3) years.

8 The Trustees holding office as members of the OWWA Board at the
9 time of the effectivity of this Act shall continue to serve until the expiration of
10 their term of appointments.

11 In case of vacancy in any of the appointive positions in the OWWA
12 Board, the vacancy shall be filled by the subsequent nomination by the
13 respective sector concerned in the same manner as the selection of the
14 predecessor. Such successor shall hold office for the unexpired term.

15 SEC. 21. *Per Diem.* -- The members of the OWWA Board shall not
16 receive any compensation but shall be provided with per diem at rates allowed
17 under existing rules and regulations.

18 SEC. 22. *Responsibilities and Powers of the Board of Trustees.* -- The
19 Board shall exercise the following specific powers and duties:

20 (a) To define the thrusts of the OWWA and adopt broad policy
21 guidelines to ensure their implementation;

22 (b) To preserve the integrity of the OWWA Trust Fund;

23 (c) To approve programs, projects, and the organizational structure of
24 the OWWA Secretariat;

25 (d) To modify or adjust the membership fee and other necessary
26 charges based on actuarial studies;

27 (e) To formulate rules and regulations governing financial transactions
28 and fix the yearly appropriations of the Secretariat;

1 (f) To ensure the efficiency of collection and the viability and
2 sustainability of the fund through sound and judicious investment and fund
3 management policies;

4 (g) To receive and appropriate all sums as may be provided by law for
5 the support of the OWWA to the ends specified by law, and all other sums in
6 the manner it may, in its discretion, determine to carry out the purposes and
7 functions of the OWWA;

8 (h) To authorize the construction or repair of its buildings, machinery,
9 equipment and other facilities, and the purchase and acquisition of real and
10 personal properties, including the necessary supplies, materials and equipment;

11 (i) To receive in trust legacies, gifts and donations of real and personal
12 property of all kinds and to administer and dispose the same when necessary
13 for the benefit of the OWWA general membership and subject to the
14 instructions of the donor, if any;

15 (j) To delegate any of its powers to the Chairperson of the Board or to
16 any other official in cases of national emergency which affect the rights and
17 welfare of OFWs and their families;

18 (k) To prescribe such general policies, rules and regulations, not
19 contrary to law, as are consistent with the purposes of the OWWA subject to
20 due consultation with OFWs or nongovernment organizations (NGOs)
21 advocating the protection of the rights and welfare of OFWs and their families;
22 and

23 (l) To exercise such powers as may be proper and necessary to carry
24 out the objectives of this Act.

25 CHAPTER VI

26 BOARD MEETINGS, PROXIES, AND RECORDS MANAGEMENT

27 SEC. 23. *Schedule of Meetings and Quorum of the Board.* – The
28 regular meetings of the Board shall be held every last Friday of the month. If a

1 change of date becomes necessary, the meetings shall be held at the most
2 convenient time set by the Board.

3 Special Board meetings and executive meetings may be scheduled as the
4 need arises. Special Board meetings may be called upon by the Chairperson or
5 upon the instance of five (5) members of the Board.

6 The Board Secretary shall distribute to all members of the Board the
7 notice of meeting together with the discussion materials at least three (3)
8 working days prior to the scheduled meeting.

9 SEC. 24. *Proceedings of the Board.* – The proceedings of the Board
10 shall be governed by the following rules:

11 (a) *Notice of Meetings* – The Board Secretary shall distribute to all
12 members of the Board, the notice of meeting together with the discussion
13 materials at least three (3) working days prior to the scheduled meeting.

14 (b) *Quorum* – In determining the existence of a quorum, the Board
15 shall adopt the simple majority rule of one half plus one of the total filled
16 Board seats.

17 (c) *Voting* – For the approval of any policy requiring the disbursement
18 of the OWWA Fund, an affirmative vote of a majority of all the members shall
19 be required. For the approval of all other policies, an affirmative vote of a
20 majority of the members present constituting a quorum shall be necessary.

21 (d) *Attendance in Board Meetings* – Board members are responsible
22 for attending all Board meetings. The *ex officio* members of the Board of
23 Trustees may designate in writing their permanent alternate who shall have
24 voting power. The Board shall install teleconferencing facilities in order to
25 muster a quorum during Board meetings.

26 (e) *Presiding Officer* – The Chairperson shall preside over meetings of
27 the Board. In the absence of the Chairperson, the Vice Chairperson shall
28 preside.

(f) *Board Resolution* – All decisions of the Board shall be expressed in the form of Resolutions signed by all the members present. Resolutions may be modified or superseded by another resolution.

Resolutions shall take effect upon adoption and signing by the members present, subject to requisite publication.

(g) *Records Management and Archiving of Board Documents* – The Board Secretary shall ensure a complete and thorough recording of all proceedings during a Board meeting. The minutes of the previous meeting shall be made available for approval during the succeeding scheduled Board meeting.

The minutes of the meeting shall contain the attendance, business arising from the minutes, major agreements reached, corresponding resolutions, other items noted or discussed, and instructions issued by the Board.

All minutes of meetings and Board Resolutions, tape recordings, and other documents pertaining to the business of the Board shall be kept and archived pursuant to standard records management systems and procedures.

CHAPTER VII

OWWA SECRETARIAT

SEC. 25. *The OWWA Secretariat.* – The OWWA Secretariat shall be the implementing arm of the OWWA.

SEC. 26. *Duties and Responsibilities of the OWWA Secretariat.* – The OWWA Secretariat shall perform and assume the following duties and responsibilities:

(a) To manage programs and the delivery of welfare services locally and overseas to its members, supported by advocacy and information programs;

(b) To implement Board policies on investment and fund management;

1 (c) To formulate medium-term development plans responsive to the
2 welfare, needs and demands of member-OFWs;

3 (d) To submit work and financial plans for Board consideration;

4 (e) To provide policy analyses and recommendations for Board
5 consideration;

6 (f) To conduct continuing researches and studies, including impact
7 evaluation, in aid of policy and program development;

8 (g) To regularly monitor and conduct assessment and evaluation of
9 organizational performance;

10 (h) To establish and maintain an on line management information
11 system, to include database on membership;

12 (i) To establish and maintain linkages and networks with local and
13 international social and institutional partners;

14 (j) To conduct annual planning, budgeting and organizational
15 performance assessment, and render the report to the Board;

16 (k) To submit annual reports to the Board, the Congress and the
17 President of the Philippines;

18 (l) To submit written quarterly reports on the assessment and
19 evaluation of programs, projects and services, and such other reports as may be
20 required by the Board;

21 (m) To undertake the periodic review of programs, standards, thrusts
22 and policies;

23 (n) To perform other functions as may be instructed by the Board; and

24 (o) To adopt internal rules of procedure consistent with the provisions
25 of this Act.

26 SEC. 27. *The OWWA Administrator.* – The management and
27 supervision of the OWWA shall be vested in the Administrator. As the Chief
28 Executive Officer of the Secretariat, the Administrator shall oversee the overall

1 operations of the Secretariat. The Administrator exercises general supervision
 2 and control of all its personnel and resources, and assumes full responsibility
 3 and accountability thereof.

4 The Administrator must possess good leadership and managerial skills,
 5 and shall be appointed by the President of the Philippines. The Administrator
 6 shall report to the President through the Secretary of the DOLE, and shall
 7 perform the duties and functions elsewhere stated in this Act and all the usual,
 8 necessary and related functions of the office of the Administrator, subject to
 9 the policies and rules prescribed by the OWWA Board.

10 SEC. 28. *The Deputy Administrators.* – Two (2) Deputy
 11 Administrators shall assist the Administrator in the management and
 12 supervision of operations of the OWWA. They shall also be appointed by the
 13 President upon the recommendation of the Administrator. They must also
 14 possess good leadership and managerial skills. The Board may assign specific
 15 functional responsibilities to the Deputy Administrators.

16 SEC. 29. *Regional and On-site Welfare Offices.* – The OWWA shall
 17 maintain Regional Offices and On-site Welfare Offices under the POLOs of
 18 the DOLE.

19 CHAPTER VIII

20 PERSONNEL AND STAFFING PATTERN

21 SEC. 30. *Authority of the Board to Reorganize the Administration.*
 22 – Notwithstanding the provisions of existing laws, the OWWA Board shall
 23 conduct a management audit, prepare and submit to Congress a proposed
 24 reorganization plan of the OWWA not later than one (1) year after the audit,
 25 subject to the limitations provided under this Act and based on the following
 26 criteria:

27 (a) Increased OWWA visibility from the head office to the various
 28 regional offices and by the appointment and assignment of personnel to

1 positions which are purely administrative, technical, clerical or menial in
2 nature and other positions which are not actually and directly related to its
3 operation and administration; and

4 (b) Efficient and optimized delivery of OWWA services to the OFWs
5 and their respective families.

6 SEC. 31. *Qualifications Upgrading Program.* – The OWWA Board
7 shall design and establish a qualifications upgrading program for the staffing of
8 the OWWA, in coordination with the DOLE and the Civil Service Commission
9 (CSC), within one hundred twenty (120) days from the effectivity of this Act:
10 *Provided,* That those who are already in the service from the effectivity of this
11 Act shall have, not later than five (5) years, to obtain the required academic
12 degree and/or qualification counted from the implementation of the
13 qualifications upgrading program: *Provided, further,* That those who are
14 already in the service from the effectivity of this Act shall have, not later than
15 one (1) year, obtained the necessary CSC qualification required for the position
16 they are currently holding.

17 SEC. 32. *New Structure and Staffing Pattern.* –

18 (a) The new structure and staffing pattern for the OWWA shall be
19 prescribed by the OWWA Board and approved by the President of the
20 Philippines. The salaries and benefits of all personnel shall be in accordance
21 with existing compensation laws.

22 (b) The current officials and employees of the OWWA, as organized
23 under Letter of Instruction No. 537 and Presidential Decree No. 1694, as
24 amended by Presidential Decree No. 1809, and renamed under Executive
25 Order No. 126, series of 1987, shall be transferred to the appropriate unit in
26 the OWWA as determined by the Board of Trustees. There shall be no
27 demotion in ranks and positions and no diminution in salaries, benefits,
28 allowances and emoluments of all OWWA personnel.

CHAPTER IX
OWWA BENEFITS AND SERVICES

SEC. 34. *Guiding Principles.* – Pursuant to its mandate, the OWWA shall provide reintegration programs, repatriation assistance, loan and credit assistance, workers assistance on-site, death and disability benefits, health care benefits, education and skills training, social services, family welfare assistance, and other appropriate programs that provide timely social and economic services.

OWWA BENEFITS AND SERVICES

SEC. 34. *Guiding Principles.* - Pursuant to its mandate, the OWWA shall provide reintegration programs, repatriation assistance, loan and credit assistance, workers assistance on-site, death and disability benefits, health care benefits, education and skills training, social services, family welfare assistance, and other appropriate programs that provide timely social and economic services.

Nothing in this Act shall be construed as a limitation or denial of the right of an OFW to avail of any benefit plan which may be adopted in the employment contract, or offered voluntarily by employers, or by the laws of the receiving country which are over and above those provided under this Act.

SEC. 35. *Benefits and Services to OFWs.* —

(a) Reintegration of OFWs. -- The reintegration of OFWs shall be one of the core programs of the OWWA. In this regard, and for purposes of policy and program coordination, the National Reintegration Center for OFWs created under Republic Act No. 10022 shall be an attached agency of the OWWA. It shall be headed by an Executive Director who shall be under the supervision of the OWWA Administrator.

To be able to sustain the viability of this program, not less than ten percent (10%) of OWWA's collection of contribution for the immediately preceding year shall be allocated annually for the reintegration program.

1 (b) Repatriation Assistance. – Consistent with the provisions of
2 Republic Act No. 8042, as amended, members shall be repatriated and
3 provided with services necessary to facilitate repatriation.

4 (c) Loan and Credit Assistance. – The OWWA shall provide low-
5 interest loans to member-OFWs. It shall have the authority to hire experts in
6 finance or banking to assist in implementing the said loan programs.

7 (d) Workers Assistance and On-site Services. – The OWWA shall
8 sustain and maintain assistance to member-OFWs in all its overseas and
9 regional offices. Services shall include information regarding the names,
10 occupation/job categories and addresses of the member-OFWs, providing
11 guidance, developing materials for the Pre-Departure Orientation Seminars,
12 conducting psycho-social counselling, conciliation services, and outreach
13 missions, among others. The OWWA shall likewise make appropriate
14 representations with employers, agents and host government authorities to
15 assist member-OFWs obtain relief from grievances and work-related issues,
16 including claims for unpaid wages.

17 (e) Social Benefits. – A member-OFW shall be covered with the
18 following social benefits:

19 (1) Death and Disability Benefits.

20 (i) Death Benefits. – A member shall be covered with life insurance
21 for the duration of his employment contract. The coverage shall include one
22 hundred thousand pesos (P100,000.00) for natural death and two hundred
23 thousand pesos (P200,000.00) for accidental death.

24 (ii) Disability and Dismemberment Benefits. –
25 Disability/dismemberment benefits shall be included in a member's life
26 insurance policy, as provided for in the impediment schedule contained in the
27 OWWA Manual of Systems and Procedures. The coverage is within the range
28 of two thousand pesos (P2,000.00) to fifty thousand pesos (P50,000.00).

1 (iii) *Total Disability Benefit.* – In case of total permanent disability, a
2 member shall be entitled to one hundred thousand pesos (P100,000.00).

3 (iv) *Burial Benefit.* – A burial benefit of twenty thousand pesos
4 (P20,000.00) shall be provided in case of the member's death.

5 Based on actuarial studies, the Board may increase the amount of the
6 abovementioned benefits.

7 (2) *Health Care Benefits.* – Within two (2) years from the effectivity
8 of this Act, the OWWA shall develop and implement health care programs for
9 the benefit of member-OFWs and their families.

10 (f) *Education and Training Benefits.* – A member, or the member's
11 designated beneficiary, may avail any of the following scholarship programs,
12 subject to a selection process and accreditation of participating institutions:

13 (1) *Skills-for-Employment Scholarship Program.* – For technical or
14 vocational training scholarship;

15 (2) *Education for Development Scholarship Program.* – For
16 baccalaureate programs; and

17 (3) *Seafarers' Upgrading Program.* – To ensure the competitive
18 advantage of Filipino seafarers in meeting competency standards, as required
19 by the International Maritime Organization (IMO), International Labor
20 Organization (ILO) conventions, treaties and agreements, sea-based members
21 shall be entitled to one upgrading program for every three (3) membership
22 contributions.

23 The annual scholarship lists of all these programs shall be submitted to
24 the Board.

25 SEC. 36. *New Programs, Interactive Website and Extension of*
26 *Services.* – The OWWA shall continue to develop and implement new
27 programs to meet new OFW needs and requirements as they arise, and to

1 assess the effectiveness of existing services and benefits in serving the welfare
2 of OFWs.

3 The OWWA shall also maintain an interactive website to collect OFW
4 feedback, comments, suggestions and complaints on existing programs and
5 services.

6 The OWWA may also extend appropriate programs or services to
7 non-members, as may be determined by the Board.

8 CHAPTER X

9 THE OWWA TRUST FUND

10 SEC. 37. *The OWWA Fund.* – The Welfare Fund for Overseas
11 Workers created under Letter of Instruction No. 537 and Presidential Decree
12 No. 1694, as amended by Presidential Decree No. 1809, is hereinafter referred
13 to as the OWWA Fund. The OWWA Fund is a private fund held in trust by
14 the OWWA. Being a trust fund, no portion thereof or any of its income,
15 dividends or earnings shall accrue to the general fund of the National
16 Government. Neither shall any amount or portion thereof be conjoined with
17 government money, nor revert to the National Government. In the same
18 manner, it is exempted from the “one fund doctrine” of the government.

19 SEC. 38. *Purpose of the OWWA Fund.* – The OWWA Fund can only
20 be used for the purposes for which it was created, that is, to exclusively serve
21 the welfare of member-OFWs and their families. The Fund is to be used
22 exclusively to finance the core programs and services of the OWWA.

23 SEC. 39. *Source of the OWWA Fund.* – The OWWA Fund is the sum
24 total of the amounts under the management and fiscal administration of the
25 OWWA Board and the Secretariat, including the twenty-five US Dollars
26 (US\$25) contributions that shall accrue to the Fund as fees, investment and
27 interest income, and income from other sources.

SEC. 40. *Disbursement of the OWWA Fund.* - Any provision of existing law to the contrary notwithstanding, all incomes generated by the OWWA shall, upon their collection, be retained by the OWWA and disbursed at the discretion of the Board for the general welfare and other benefits of the OWWA general membership and the OWWA Secretariat personnel; for the acquisition, construction, maintenance and repair of urgently needed auxiliary facilities, equipment, buildings and other infrastructure; and for expenses necessary for the attainment of its purposes under its approved program of expenditures.

No funds shall be withdrawn from the OWWA Fund to respond, aid, supplement, or in any manner augment any required expenditure by other government agencies.

SEC. 41. *Trustees of the Fund.*— The Board is designated as the trustee of the OWWA Fund. It is bound by a fiduciary duty to manage the Fund with extra-ordinary diligence and with utmost skill, care and judiciousness.

SEC. 42. *Transparency.* -- The OWWA Fund shall be managed with full transparency and full public disclosure. The OWWA shall make available all records of how the funds are utilized, disbursed, and invested in accordance with existing laws.

SEC. 43. *Reporting of the OWWA Fund Collection and Utilization.*
 – Within fifteen (15) days after receipt of audited reports from the Commission on Audit (COA), the OWWA Board of Trustees shall submit to the Congress and the President of the Philippines a report showing the total collections of and the disbursements from, the OWWA Fund.

CHAPTER XI

INVESTMENT ADMINISTRATION: SAFEGUARDS

SEC. 44. *Safeguards of the OWWA Fund; Acquired Assets; Unredeemed Investments.* —

1 (a) The OWWA Fund shall be managed and expended in accordance
2 with the purposes stipulated in this Act and safeguarded against any possible
3 loss and misuse.

4 The OWWA shall ensure an appropriate growth rate in the Fund
5 sufficient to sustain the growing needs of member-OFWs. It shall periodically
6 conduct an inventory of its investment instruments and ensure that they are
7 properly kept at a government bank under a custodianship agreement.

8 A monthly report on all investment schedules showing the interest rates,
9 yields, discount rates, and other relevant data, shall be submitted to the Board.

10 (b) The OWWA shall administer all properties, acquired or foreclosed.
11 To ensure that the properties are safeguarded and preserved, the same must be
12 properly accounted for and documented, re-inspected, re-appraised, and
13 insured with taxes paid.

14 An asset development/disposal plan shall be submitted by the
15 Administrator for the consideration of the Board.

16 Foreclosed properties shall be registered as OWWA assets within one
17 (1) month after foreclosure.

18 (c) Unredeemed investments and other receivables shall be inventoried
19 semi-annually and corresponding redemption plan shall be submitted to the
20 Board. All receivables shall be supported by documents appropriately
21 acknowledged by the accountable party.

22 SEC. 45. *General Investment Policy.* — Upon approval of the Board,
23 all OWWA investments shall be placed only in government securities and
24 bonds which provide optimum earnings, liquidity and protection of the Fund.
25 Portfolio management of investible funds shall be outsourced to Government
26 Financial Institutions (GFIs).

1 SEC. 46. *Examination and Valuation of the Funds.* – The OWWA
2 shall make a periodic actuarial examination and valuation of its funds in
3 accordance with accepted actuarial principles.

4 CHAPTER XII

5 FISCAL AND BUDGET POLICY: MANAGEMENT

6 SEC. 47. *Operative Budget.* – The operative budget of the OWWA
7 must be sufficient to support full protection of the welfare of OFWs. The
8 budget shall be reviewed annually by the Board with emphasis on adequate
9 funding for services and agency efficiency.

10 The Board shall approve, by a majority vote of all its members, the
11 operative budget which shall support the planned work programs and
12 administrative costs to include, but shall not be limited to, salaries, emoluments
13 and transportation expenses for the OWWA personnel, office rentals, office
14 supplies, equipment, technological support, communications and utilities,
15 requirements for personal services, and maintenance: *Provided,* That
16 appropriations for personal services (PS) and regular maintenance and other
17 operating expenses (MOOE) shall not exceed twenty percent (20%) of the total
18 member contributions realized in the immediately preceding year.

19 SEC. 48. *Benefits and Services Budget.* – The annual budget shall
20 include all benefits and services to OFWs and shall prioritize the protection of
21 the welfare of OFWs.

22 SEC. 49. *Budget Preparation and Approval.* – In preparing the annual
23 budget, the OWWA shall follow the national government budget system,
24 format and cycle.

25 SEC. 50. *Re-enacted Budget.* – In case the proposed annual budget
26 has not been approved by the Board at the start of the year, the OWWA shall
27 operate within the budget level of the previous year allocated on a

1 month-to-month basis. All savings realized in the previous year shall be
2 deducted from the current year's budget.

3 SEC. 51. *Work and Financial Plans.* — All cost centers/offices/units of
4 the OWWA shall submit their annual work and financial plans (WFP), which
5 should correspond to the approved budget. The Directors shall endorse the
6 WFP of their respective units for approval of the Administrator. The
7 consolidated OWWA-WFP shall be reported to the Board.

8 SEC. 52. *Budget Realignment.* — Realignment of funds including
9 adjustments in targets shall be submitted to the Board for approval. Similarly,
10 in the event that extra-ordinary circumstances may occur which require
11 additional funds beyond the coverage of the approved budget, the same shall
12 be submitted to the Board for approval.

13 SEC. 53. *Branch Accounting System; Financial Reports; Auditing*
14 *Procedures; Annual Reports.* — The OWWA Regional Units shall maintain
15 their respective books of accounts which shall be consolidated by the central
16 office.

17 The OWWA shall install sound internal control and monitoring systems
18 and submit quarterly prescribed Financial Statements to the COA, such as
19 income statement, balance sheet, and cash flow as prescribed in post auditing
20 reports by the COA.

21 The OWWA Secretariat shall submit a monthly fund utilization report to
22 the Board, copies of which shall be made available to Congress. It shall also
23 submit an Annual Report on its overall performance for the previous year
24 within the first sixty (60) days of the following year to the OWWA Board, the
25 Congress and the President of the Philippines, through the Department of
26 Budget and Management (DBM).

27 SEC. 54. *Chart of Accounts.* — The OWWA shall adopt the appropriate
28 and standard chart of accounts as prescribed by the COA.

CHAPTER XIII

MISCELLANEOUS PROVISIONS

SEC. 55. *Rebates for Long-time Members.* -- In recognition of the contribution of long-time members to the OWWA Fund, the OWWA shall develop and implement a program for the grant of rebates or some form of financial assistance to OFWs who have been members of the OWWA for at least five (5) years and who, along with their families, have not availed of any service or benefit from the OWWA.

SEC. 56. *Procurement System.* -- The OWWA procurement system shall be governed by Republic Act No. 9184, also known as the "Government Procurement Reform Act".

SEC. 57. *Transitory Provision.* -- All facilities, equipment, supplies, records, files, appropriations and funds under the OWWA, as organized under Letter of Instruction No. 537 and Presidential Decree No. 1694, as amended by Presidential Decree No. 1809, and renamed under Executive Order No. 126, series of 1987, shall remain with the OWWA.

SEC. 58. *Implementing Rules and Regulations.* -- Within sixty (60) days from the effectivity of this Act, the present OWWA Board, in consultation with the Senate Committee on Labor and Employment and the House Committee on Overseas Workers Affairs, shall promulgate the rules and regulations implementing the provisions of this Act. The implementing rules and regulations issued pursuant to this section shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

SEC. 59. *Separability Clause.* -- If any provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in full force and effect.

1 SEC. 60. *Repealing Clause.* — Letter of Instruction No. 537,
2 Presidential Decree No. 1694 and Presidential Decree No. 1809 are hereby
3 repealed. All other laws, decrees, executive orders, rules and regulations
4 inconsistent with the provisions of this Act are likewise repealed.

5 SEC. 61. *Effectivity.* — This Act shall take effect fifteen (15) days after
6 its publication in the *Official Gazette* or in two (2) newspapers of general
7 circulation.

 Approved,

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