

## SEVENTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES

First Regular Session

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S E N A T E S. B. No. <u>11</u>80

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## Introduced by Senator Aquilino "Koko" Pimentel III

#### AN ACT

DECLARING A ONE-TIME AMNESTY FOR UNPAID SOCIAL SECURITY SYSTEM CONTRIBUTIONS, INCLUSIVE OF FEES, FINES, PENALTIES, INTEREST AND OTHER ADDITIONS THERETO, BY EMPLOYERS OF HOUSEHELPERS UNDER REPUBLIC ACT NO. 7655, OTHERWISE KNOWN AS "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, OTHERWISE KNOWN AS "AN ACT INSTITUTING POLICIES FOR THE PROTECTION AND WELFARE OF DOMESTIC WORKERS," AND FOR OTHER PURPOSES

#### **EXPLANATORY NOTE**

Republic Act No. 10361, otherwise known as "An Act Instituting Policies for the Protection and Welfare of Domestic Workers" or the Batas Kasambahay, which took effect on June 4, 2013, breathes life to the Constitutional mandate for the State to protect the rights of workers and promote their welfare.<sup>1</sup>

There are about two million Filipinos working as domestic helpers in the country as of January 2016.<sup>2</sup> However, data from the Department

Retrieved from http://cnnphilippines.com/news/2016/01/24/many-domestic-workers-still-without-insurance-kasambahay-day.html. Retrieved on September 21, 2016.

<sup>&</sup>lt;sup>1</sup>Article II, Section 18 of the Constitution provides that "[T]he State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare."

<sup>&</sup>lt;sup>2</sup> CNN Philippines.

of Labor and Employment (DOLE) reflect that only a few of the estimated two million domestic helpers or *kasambahays* nationwide are members of the Social Security System (SSS), Philippine Health Insurance Corp. (PhilHealth) and Pag-IBIG Fund.

Republic Act No. 7655 or "An Act Increasing the Minimum Wage of Househelpers, Amending for the Purpose Article 143 of Presidential Decree No. 442, as amended," which was enacted in 1993, made compulsory the SSS coverage for househelpers earning at least One Thousand Pesos (P1,000) a month. From that time until the effectivity date of the Batas Kasambahay which spans about twenty years, the record of househelp employers who complied with the required compulsory SSS coverage is quite low as shown by the DOLE statistics. Notably, Section 22 of Republic Act No. 8282 or the Social Security Law provides that "xxx [E]very employer required to deduct and to remit such contributions shall be liable for their payment and if any contribution is not paid to the SSS as herein prescribed, he shall pay besides the contribution a penalty thereon of three percent (3%) per month from the date the contribution falls due until paid." (underscoring supplied)

Due to this penalty provision in the *Social Security Law*, a significant number of *kasambahay* employers who wanted to comply with the registration requirements under the *Batas Kasambahay*, were imposed huge unpaid SSS contribution and penalties dating back to 1993, thus deterring them from continuing with the SSS registration of their *kasambahays*. As a result, the implementation of the *Batas Kasambahay*, particularly the SSS coverage of the househelpers was stunted significantly.

Thus, this measure seeks to provide employers with a one-time amnesty to settle their SSS contributions under the aforesaid laws without any penalty imposed thereon. This financial relief will hopefully jumpstart the long delayed compliance of the *kasambahay* employers to cover their househelpers with the SSS benefits.

In view of the foregoing, the passage of this measure is earnestly requested.

AQUILINO "KOKO" PIMENTEL III



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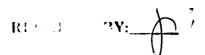
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**S ENATE** S. B. No. 1180

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## Introduced by Senator Aquilino "Koko" Pimentel III

AN ACT
DECLARING A ONE-TIME AMNESTY FOR UNPAID SOCIAL
SECURITY SYSTEM CONTRIBUTIONS, INCLUSIVE OF FEES,
FINES, PENALTIES, INTEREST AND OTHER ADDITIONS
THERETO, BY EMPLOYERS OF HOUSEHELPERS UNDER
REPUBLIC ACT NO. 7655, OTHERWISE KNOWN AS "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, OTHERWISE KNOWN AS "AN
ACT INSTITUTING POLICIES FOR THE PROTECTION AND
WELFARE OF DOMESTIC WORKERS," AND FOR OTHER
PURPOSES

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

SECTION 1. Amnesty of Employer's Share in the SSS 14 Contributions of the Kasambahay. - Any employer as defined in Section 15 4(d) of Republic Act No. 10361 or the "Batas Kasambahay" who is 16 delinquent or has not remitted all contributions due and payable to the 17 Social Security System (SSS) under the Batas Kasambahay or Republic 18 Act No. 7655, otherwise known as "An Act Increasing The Minimum 19 Wage of Househelpers, Amending For The Purpose Article 143 of 20 Presidential Degree No. 442, As Amended," may, within three (3) 21 months from the effectivity of the Implementing Rules and Regulations 22

of this Act, settle all premium payments or contributions without 1 incurring the prescribed penalty provided for in Section 22 of Republic 2 Act No. 8282 or the "Social Security Law" by remitting a one-time full 3 payment of Five Thousand Pesos (P5,000); Provided, That in case the 4 employer fails to remit the said one-time payment within the availment 5 period provided for in this Act, the penalties are deemed re-imposed from 6 the time the contributions first became due, to accrue until the delinquent 7 account(s) is/are paid in full; Provided, further, that employers who have 8 settled arrears in premiums or contributions before the effectivity of this 9 Act shall likewise have their accrued penalties waived. 10

SECTION 2. Immunities and Privileges. – Those who have availed themselves of the amnesty and have fully complied with all its conditions shall be relieved of any civil, criminal, and/or administrative liabilities arising from or incident to the non-payment of the SSS contributions and penalties.

SECTION 3. Implementing Rules and Regulations. – Within thirty (30) days after the effectivity of this Act, the Social Security Commission, in coordination with the Department of Labor and Employment, shall issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 4. Separability Clause. – Should any provision of this
Act or part hereof be declared unconstitutional, the other provisions or
parts not affected thereby shall remain valid and effective.

- SECTION 5. Repealing Clause. All laws, decrees, order and
- 2 issuances, or portions thereof, which are inconsistent with the provisions
- of this Act, are hereby repealed, amended, or modified accordingly.
- 4 SECTION 6. Effectivity Clause. This Act shall take effect after
- 5 fifteen (15) days from its publication in two (2) newspapers of general
- 6 circulation.

Approved,