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REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

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S E N A T E
S. B. No. 1180

BY:

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.¹

There are about two million Filipinos working as domestic helpers in the country as of January 2016.² However, data from the Department

¹Article 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."

² *CNN Philippines*.

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

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

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

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

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

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

1 **SECTION 5. *Repealing Clause.*** – All laws, decrees, order and
2 issuances, or portions thereof, which are inconsistent with the provisions
3 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,