



SENATE
S.B. NO. 1598

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Introduced by Senator Maria Lourdes Nancy S. Binay

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**AN ACT GRANTING THE SOCIAL SECURITY SYSTEM THE AUTHORITY TO
CONDONE PENALTIES FOR UNREMITTED OR DELINQUENT
CONTRIBUTIONS BY EMPLOYERS OF DOMESTIC WORKERS FOR THE
PURPOSE OF ENCOURAGING COMPLIANCE WITH SOCIAL SECURITY LAWS**

EXPLANATORY NOTE

Republic Act No. 10361 also known as the "Batas Kasambahay" was enacted to promote the fundamental rights of domestic workers, ensure safe and healthful working conditions, establish labor standards towards decent employment and income as well as enhanced coverage of social protection.

One of the salient features of the Republic Act No. 10361 is the grant of social benefits to qualified domestic workers allowing them to be covered by the Social Security System (SSS), the Philippine Health Insurance Corporation (PhilHealth), and the Home Development Mutual Fund or Pag-IBIG. More importantly, under Section 30 of the said Act, employers are required to shoulder the premium payments or contributions of the *kasambahay* whose wage is below five thousand pesos (P5,000.00) per month. If the *kasambahay* is receiving a wage of five thousand pesos (P5,000.00) and above per month, the domestic worker is required to pay the proportionate share in the premium payments or contributions.

However, it has come to this representation's attention that some employers who have domestic workers in their employ for several years at the time the law was enacted are burdened by this social benefit provision. With regard to SSS contributions, in particular, employers are required to pay huge arrears and penalties incurred for failing to remit the supposed SSS contributions for their domestic workers from the time said contributions supposedly fell due. Section 22 of the Social Security Act provides a penalty of three percent (3%) per month from the date the contribution falls due until it is paid, in addition to the unpaid SSS contributions. Employers are also threatened by possible sanctions for non-remittance of these contributions. On the other hand, domestic workers whose wage is P5,000 or more will also be compelled to pay their proportionate share in the payment of these arrears and penalties as provided in the second paragraph of Section 30 of the Batas Kasambahay.

As a result, employers are deterred from registering their domestic workers with the SSS in direct violation of the Batas Kasambahay. This deprives the domestic workers of years of SSS contributions to which they have been supposedly entitled. Worse, this dilemma on the part of employers oftentimes results in unintended layoffs in several households.

Thus, this representation believes that there is a need to provide incentives to employers in settling their arrears and penalties in the form of condonation and the option to pay by installments. This will encourage the employers of domestic workers to comply with these essential social benefit provisions and promote membership of domestic workers in the SSS.

The passage of this bill is earnestly requested.



MARIA LOURDES NANCY S. BINAY
Senator



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

1 **SECTION 1. Short Title.** – This Act shall be known as the “*Batas Kasambahay Social*
2 *Security Condonation Law of 2017*”.

3
4 **SECTION 2. Condonation of Penalty.** – Any employer of domestic workers who is
5 delinquent or has not remitted all contributions due and payable to the Social Security
6 System (SSS) pursuant to Section 30 of Republic Act No. 10361 also known as the “*Batas*
7 *Kasambahay*”, including those with pending cases either before the Social Security
8 Commission, courts or Office of the Prosecutor involving collection of contributions and/or
9 penalties, may within six (6) months from the effectivity of this Act:

10
11 (a) remit said contributions; or

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13 (b) submit a proposal to pay the same in installments, subject to the implementing
14 rules and regulations which the Social Security Commission may
15 prescribe: *Provided*, That the delinquent employer submits the corresponding
16 collection lists together with the remittance or proposal to pay
17 installments: *Provided, further*, That upon approval and payment in full or in
18 installments of contributions due and payable to the SSS, all such pending cases
19 filed against the employer shall be withdrawn without prejudice to the refile of
20 the case in the event the employer fails to remit in full the required delinquent
21 contributions or defaults in the payment of any installment under the approved
22 proposal.

23
24 **SECTION 3. Installment Proposal.** - In the event that a delinquent employer chooses to
25 submit an installment proposal, the SSS shall give due course to approve and grant the same,
26 subject to the implementing rules and regulations as the Social Security Commission shall
27 prescribe: *Provided*, That the employer shall remit, upon submission of the installment
28 proposal, a down payment of not less than five percent (5%) of its total contribution
29 delinquency: *Provided, further*, That the employer shall remit the balance thereof in equal
30 monthly installments within a period not exceeding forty - eight (48) months from the date of

1 approval of the proposal: *Provided*, finally, That the installment payments shall bear an
2 interest of three percent (3%) per annum.

3
4 **SECTION 4. *Effectivity of Condonation.*** - The penalty provided under Section 22(a) of
5 Republic Act No. 8282 shall be condoned by virtue of this Act when and until all the
6 delinquent contributions are remitted by the employer of the domestic worker to the
7 SSS: *Provided*, That, in case the employer fails to remit in full the required delinquent
8 contributions, or defaults in the payment of any installment under the approved proposal,
9 within the availment period provided in this Act, the penalties are deemed reimposed from
10 the time the contributions first become due, to accrue until the delinquent account is paid in
11 full: *Provided, further*, That for reason of equity, employers who settled arrears in
12 contributions before the effectivity of this Act shall likewise have their accrued penalties
13 waived.

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15 **SECTION 5. *Implementing Rules and Regulations.*** - Within thirty (30) days after the
16 effectivity of this Act, the Social Security Commission shall issue the necessary rules and
17 regulations for the effective implementation of this Act.

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19 **SECTION 6. *Separability Clause.*** - In the event that any provision of this Act is declared
20 unconstitutional, the validity of the other provisions shall not be affected by such declaration.

21
22 **SECTION 7. *Repealing Clause.*** - All laws, decrees, orders, rules and regulations and other
23 issuances or parts thereof which are inconsistent with the provisions of this Act are hereby
24 repealed or modified accordingly.

25
26 **SECTION 8. *Effectivity.*** - This Act shall take effect fifteen (15) days following its
27 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

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30 *Approved.*