

SENATE

'19 JUL 24 A11 :53

S.B. No. 744

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Introduced by SEN. WIN GATCHALIAN

AN ACT

PROVIDING FOR THE CONDONATION OF PENALTIES FOR UNPAID SOCIAL SECURITY SYSTEM CONTRIBUTIONS OF HOUSEHOLD EMPLOYERS RELATIVE TO REPUBLIC ACT NO. 7655, ENTITLED "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, ALSO KNOWN AS THE "DOMESTIC WORKERS ACT" OR "BATAS KASAMBAHAY"

EXPLANATORY NOTE

The enactment of RA 10361 or the "Kasambahay Law" in 2013 was intended to extend social protection coverage to the househelp in every Filipino home. The implementation however of the same law created an abyss which by operation presented an unforeseen hardship for the low and middle income families to comply with. While all laws must essentially be made prospective in its application, the impending registration of the kasambahay in every household which is mandated by the said law brought to fore its legal implication with an earlier crafted law - *Republic Act 7655, entitled "An Act Increasing the Minimum Wage of Househelpers, Amending for the Purpose Article 143 of Presidential Decree No. 442, as Amended"* which mandatorily required for the membership of the kasambahay under the SSS law. The contract of employment and the act of registration in the barangays reflecting the actual date of employment of the kasambahays will now give rise for action by SSS to demand

from the employers the payment of contributions in arrears, impose sanctions by way of interests and penalties for delinquencies and maybe upon finding by courts of refusal to pay these contributions, by imprisonment under Section 28 (e) of the SSS Law.

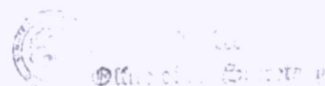
According to the records of the SSS, the number of househelpers who have registered for membership in 1993 when RA 7655 was enacted, was merely 5,175. In the year 2013 when the law took effect, registrants rose to 114,580. By the end of 2014, total household kasambahays who have become SSS members were a total of 123,402. The numbers would still be rising if the government provides an incentive for employers through the implementation of a program that will lay-out easier payment plans, waiving the sanctions for delinquent contributions, and providing greater access for enrollment of their househelp under the SSS law. This was in fact the recommendation of the National Tripartite Industrial Peace Council (NTIPC), acting as the oversight body implementing the IRR of the Kasambahay Law in its Resolution No. 9 issued in 2013.

It is the intent of this bill to make a prospective application of the law while at the same time affording the kasambahays the benefit and mantle of protection which the social insurance extends. It will likewise help employers in the low and middle-income families to consolidate their resources to be able to pay for the contributions that may have fallen due even before the year 2013, in order to extend to their kasambahays the coverage benefit of the SSS law.

The fundamental precept of social justice is that "those who have less in life must have more in law." Social justice commands the protection by the state, as well as its forgiveness of the less fortunate members of the society. Hence, we recommend the immediate passage of this bill



SHERWIN T. GATCHALIAN



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AN ACT
PROVIDING FOR THE CONDONATION OF PENALTIES FOR UNPAID SOCIAL
SECURITY SYSTEM CONTRIBUTIONS OF HOUSEHOLD EMPLOYERS
RELATIVE TO REPUBLIC ACT NO. 7655, ENTITLED "*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, ALSO KNOWN AS THE "DOMESTIC WORKERS
ACT" OR "BATAS KASAMBAHAY"*

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

1 SECTION 1. ***Social Security Condonation Program*** - Any household
2 employer who is delinquent or has not remitted all contributions due and
3 payable to the Social Security System (SSS) pursuant to Republic Act No. 7655,
4 entitled "*An Act Increasing the Minimum Wage of Househelpers, Amending for the
5 Purpose Article 143 of Presidential Decree No. 442, as Amended*" and Republic
6 Act No. 10361, also known as the "*Domestic Workers Act*" or "*Batas
7 Kasambahay*" may, within twelve (12) months from the effectivity of this Act
8 remit said contributions or submit a proposal to pay the same in installments
9 within a period of not more than twenty-four (24) months from the approval of

1 the proposal without incurring the prescribed penalty, subject to the
2 implementing rules and regulations which the SSC may prescribe: *Provided*, That the
3 household employer submits the corresponding collection lists together with the
4 remittance or proposal to pay in installments: *Provided, further*, That in case the
5 household employer fails to remit contributions within the twelve- month grace
6 period or defaults in the payment of any amortization provided in the approved
7 proposal, the prescribed penalty shall be imposed from the time the contributions
8 first became due as provided in Section 22 of Republic Act No. 1161, otherwise
9 known as the "*Social Security Law*, " as amended by Republic Act No. 8282.

10 SEC. 2. **Coverage.** – Any household employer who is delinquent or has not
11 remitted all contributions due and payable to the SSS may avail of the Condonation
12 program under Section 1 of this Act, including the following:

13 a) Those not yet registered with the SSS but will register as a household
14 employer after the effectivity of this Act but within the twelve-month grace period
15 provided in Section 1 of this Act;

16 b) Those with cases pending before the courts or Office of the Prosecutor
17 involving collection of contributions or penalties; and

18 c) Those who, before the effectivity of the Act, have remitted all
19 contributions due and payable to the SSS but have not paid the corresponding
20 penalties.

21 SEC. 3. **Unregistered Household Employer.** - To qualify for the
22 condonation program under this Act, an unregistered household employer shall
23 register with the SSS branch having jurisdiction over the household address of
24 the household employer and comply with the requirements under Section 1 and
25 those that may be required by the implementing rules and regulations of this
26 Act.

27 SEC. 4. **Guaranty of Entitlement.** - The failure or refusal of the employer
28 to pay or remit the contributions under this condonation program shall not
29 prejudice the right of the employee to the benefits of the coverage under the SSS
30 Law.

31 SEC. 5. **Implementing Rules and Regulations.** - Within thirty (30) days
32 after the approval of this Act, the SSC shall issue the necessary rules and

1 regulations for the effective implementation of this Act.

2 SEC. 6. **Effectivity Clause.** - This Act shall take effect fifteen (15) days
3 following its publication in the *Official Gazette* or in at least two (2) newspapers
4 of general circulation.

Approved,