

FOURTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session

7 JUN 30 P1:03

SENATE  
S. B. No. 54

RECEIVED BY: 

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Introduced by Senator Manuel "Lito" M. Lapid

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### EXPLANATORY NOTE

Republic Act 8042 or the Migrant Workers Act of 1995 has been crafted specifically to provide protection and benefits to an estimated seven (7) million documented Overseas Contract Workers (OCWs) employed in various parts of the globe. For many years now, these migrant workers have played a major role in keeping the Philippine economy from going bankrupt, particularly during the financial crunch in the early 1990s. Today, our OCWs have evolved to become the biggest Dollar earners for the country, when they used to be behind the semiconductor and garment industry. This is the reason why the government has branded the OCWs as our modern day heroes.

Be that as it may, OCWs end up in a sorry state in the foreign lands where they have been deployed for work. Several of them have become victims of injustices of their foreign employers, such as: non-payment of wages, sexual and physical abuse and maltreatment. This is not to mention risking their lives in war stricken countries like the Middle East, just to make a living.

Admittedly, our migrant workers are the ones who continue to salvage our debt-ridden economy from going down the drain. It is about time that the government payback and demonstrate its gratitude to our OCWs by providing them and their family an insurance, retirement, health and educational benefits as contained in this proposed measure to ensure their financial security in the event that they give up working abroad permanently.

I appeal to my colleagues to join me in the immediate passage of this bill.

  
MANUEL "LITO" M. LAPID  
SENATOR

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AN ACT  
PROVIDING RETIREMENT, INSURANCE, HEALTH AND EDUCATIONAL  
BENEFITS TO OVERSEAS CONTRACT WORKERS (OCWs) AND THEIR  
BENEFICIARIES AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF  
REPUBLIC ACT NO. 8042 OTHERWISE KNOWN AS "MIGRANT WORKERS  
AND OVERSEAS FILIPINOS ACT OF 1995", AND FOR OTHER PURPOSES

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

**SECTION. 1.** – Insert a new Chapter IX and new Sections 32, 33,34 and  
35 to RA 8042 to read as follows:

**IX. RETIREMENT AND INSURANCE BENEFITS**

*"SEC. 32. PENSION AND RETIREMENT BENEFIT SCHEME FOR  
MIGRANT WORKERS. – IN ORDER TO SECURE THE FUTURE OF RETIRING  
OVERSEAS CONTRACT WORKERS, SPECIALLY THOSE WHOSE  
EARNINGS DURING THEIR YEARS OF EMPLOYMENT ABROAD TURN OUT  
TO BE INSUFFICIENT, THE OWWA, THROUGH ITS ACCREDITED PRIVATE  
INSURANCE COMPANIES, SHALL DEVISE AND MANAGE A PENSION AND  
RETIREMENT PLAN FOR ALL MIGRANT WORKERS WHO HAVE BEEN  
EMPLOYED FOR AT LEAST FIFTEEN (15) YEARS ABROAD. SUCH  
BENEFITS SHALL BE DESIGNED IN SUCH A WAY SIMILAR TO THE  
RETIREMENT REMUNERATION OF GOVERNMENT EMPLOYEES UNDER  
THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS). THE SCHEME  
SHALL ENSURE MONETARY CLAIMS OF MIGRANT WORKERS OR THEIR*

LEGAL BENEFICIARIES, AFTER TWENTY YEARS FROM RETIREMENT OR UPON REACHING THE AGE OF SIXTY (60), WHICHEVER COMES FIRST.”

“SEC. 33. NON-WAGE PAYMENT INSURANCE FOR OCWs – IN ORDER TO PROTECT MIGRANT WORKERS FROM SCRUPULOUS FOREIGN EMPLOYERS AS WELL AS FREE THE SERVICE EXPORTERS COMPANIES FROM MONETARY LIABILITY IN THE EVENT OF NON-PAYMENT OF WAGES, AN INSURANCE SCHEME FOR THE PURPOSE SHALL BE PUT IN PLACE TO ASSURE WORKERS OF RECEIVING WHAT IS LEGALLY DUE THEM. THE INSURANCE SYSTEM SHALL BE PREPARED AND MANAGED BY OWWA THROUGH ITS ACCREDITED PRIVATE INSURANCE COMPANIES.

“SEC. 34. HEALTH INSURANCE FOR OCWs – FOR PURPOSES OF ENSURING THAT THE HOSPITALIZATION NEEDS AND REQUIREMENTS OF THE MIGRANT WORKERS AND THEIR LEGAL DEPENDENTS, PARTICULARLY THOSE WHOSE NATURE OF WORK RUN A HIGH RISK TO THEIR HEALTH, MEMBERSHIP TO PRIVATE HEALTH INSURANCE COMPANIES SHALL BE ACQUIRED BY OWWA FOR ALL THE MIGRANT WORKERS, WHICH WILL BE ON TOP OF THE MANDATORY MEMBERSHIP TO PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH).

“SEC. 35. FUNDING SOURCE FOR RETIREMENT AND INSURANCE BENEFITS OF MIGRANT WORKERS - FOR THE EFFECTIVE IMPLEMENTATION OF THESE BENEFITS, AN AMOUNT OF TEN DOLLARS (\$10) CONTRIBUTION FOR EVERY OCWs DEPLOYED, SHALL BE COLLECTED BY THE OWWA TO ALL ITS LICENSED SERVICE EXPORTER COMPANIES FOR A PERIOD NOT TO EXCEED TWO (2) YEARS OR UNTIL

SUCH TIME THAT AN AMOUNT OF ONE BILLION PESOS (P1,000,000,000.00) SHALL BE ACCUMULATED AS SEED FUND.

**Sec. 2.** – Section 37 of RA 8042, is hereby amended to read as follows:

*“Sec. 37. The Congressional Migrant Workers Scholarship Fund. – There is hereby created a Congressional Migrant Workers Scholarship Fund which shall benefit deserving migrant workers and/or their immediate descendants below twenty-one (21) years of age who intend to [pursue courses or training primarily in the field of science and technology] **ENROLL OR ARE CURRENTLY ENROLLED IN ANY EXISTING STATE UNIVERSITIES AND COLLEGES (SUCs) WITHIN THE PHILIPPINES.** The initial seed fund of Two hundred million pesos (P200,000,000.00) shall be constituted from the following sources:*

*(a) XXX*

*(b) XXX*

*The Congressional Migrant Workers Scholarship Fund as herein created shall be administered by the DOLE in coordination with the [Department of Science and Technology (DOST)] **DEPARTMENT OF EDUCATION (DEPED).** To carry out the objectives of this section, the DOLE and the [DOST] **DEPED** shall formulate the necessary rules and regulations.*

**Sec. 3. Repealing Clause.** - Any law, Presidential Decree, Issuance, Executive Order, Letter of Instruction, rules or regulations inconsistent with the provision of this Act is hereby repealed or modified accordingly.

**Sec. 4. Effectivity Clause.** – This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation.

Approved,