

FOURTEENTH CONGRESS OF THE )  
 REPUBLIC OF THE PHILIPPINES )  
 Second Regular Session )

8 JUL -8 2152

SENATE

RECEIVED BY: *[Signature]*

S.B. No. 2430

Introduced by Senator Loren Legarda

**EXPLANATORY NOTE**

Our Overseas Filipino Workers (OFWs), often referred to as “modern day heroes,” serve as blood support of our economy. From January to October 2007, they had remitted a total of US\$ 11,865,982, 00 through banks accounting for only 79.3 percent of the total cash remittances. During the first quarter of this year, remittances sent through banks increased by 13.2 percent (US\$ 4,000 000.00) from similar period the previous year. For March alone, remittances surged to a record high of 9.4 percent equivalent to US\$ 1.4 billion. Profits obtained from this vital flow of foreign exchange are channeled to programs and activities for the promotion of nation building. Moreover, it kept the Philippine economy alive by sustaining the consumption of families and cushioning the world-wide economic slowdown through increased purchasing power of Filipinos.

However, a vast majority of our so called “modern day heroes” suffers reintegration problems mostly attributed to scarce opportunities for re-employment. Also, there is a high failure rate among personal businesses engaged by returning OFWs. Though with ready capital, most of them do not possess the necessary skills in handling finances and marketing strategies exhibited by a limited few who succeeded. The negative effects of the inability to acquire new income sources were further magnified by an economy characterized by high unemployment rate and skyrocketing prices.

There is therefore a need to aid our OFWs, particularly those who returned home to stay and make a living in the country. Acknowledging the magnitude of their positive contribution, it is necessary that we return the favor to our modern day heroes.

This bill seeks to grant benefits and special privileges to former Overseas Filipino Workers. Such privileges include:

- a. Twenty percent (20%) discount from all transportation services, hotel and lodging establishments, restaurants and recreation centers and purchase of medicine;
- b. Twenty percent (20%) discount on admission fees charged by places of culture, leisure and amusement;
- c. Exemption from payment of individual income taxes;

- d. Free medical and dental consultations in private or public hospitals and similar establishments;
- e. Priority in existing livelihood programs; and
- f. Priority in national housing programs

This measure further proposes to establish the Office for Former Overseas Filipino Workers (OFOFW), which shall serve as a general information and liaison center of OFWs and shall issue nationally uniform identification cards to returning OFWs.


In view of the foregoing, approval of this bill is earnestly sought.



**LOREN LEGARDA**  
Senator

FOURTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
Second Regular Session

)  
) 8 JUL -8 8:15:52  
)

RECEIVED BY: 

S E N A T E

S. No. 2430

---

Introduced by Senator Loren Legarda

---

AN ACT  
GRANTING BENEFITS AND SPECIAL PRIVILEGES TO FORMER  
OVERSEAS FILIPINO WORKERS AND FOR OTHER PURPOSES

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

1       **SECTION 1. Declaration of Policies and Objectives.** — Pursuant to  
2 Article XIII, Section 3 of the Constitution, the State adopts a policy of giving full  
3 protection to labor. In addition, Section 18 of the Declaration of Principles and  
4 State Policies provides that "The State affirms labor as a primary social economic  
5 force." Consonant with these constitutional principles the following are the  
6 declared policies of this Act:

- 7       a) to recognize the magnitude of contribution to the economy of overseas  
8       Filipino workers whose lonely sacrifices in foreign lands bring in a  
9       considerable amount of foreign exchange;
- 10       b) to motivate and assist former overseas Filipino workers to contribute  
11       to nation building;

12       In accordance with those policies, this Act aims to grant former overseas  
13 Filipino workers with a package of benefits and incentives.

14       **SEC. 2. Definition of Terms.** — As used in this Act, the term "former  
15 overseas Filipino worker (OFW)" shall mean any resident citizen of the

1 Philippines at least fifty (50) years old, previously certified by the Department of  
2 Labor and Employment/Philippine Overseas Employment Agency for overseas  
3 employment purposes and has an income of not more than sixty thousand pesos  
4 (P60,000.00) per annum subject to review by the National Statistics Coordination  
5 Board (NSCB) every three (3) years. It covers all nationals who have worked in a  
6 foreign country under employment contracts for a period not less than 10 years,  
7 including but not limited to, professionals, seamen, entertainers, domestic  
8 helpers, regardless of their employment status in the foreign country.

9 **SEC. 3. Privileges for former OFWs.** – Any qualified former OFW as  
10 determined by the Office for Former Overseas Filipino Workers (OFOFW) shall  
11 be entitled to the following:

- 12 a) the grant of twenty percent (20%) discount from all establishments  
13 relative to utilization of transportation services, hotels and similar  
14 lodging establishment, restaurants and recreation centers and  
15 purchase of medicine anywhere in the country: Provided, That  
16 private establishments may claim the cost as tax credit;
- 17 b) a minimum of twenty percent (20%) discount on admission fees  
18 charged by theaters, cinema houses and concert halls, circuses,  
19 carnivals and other similar places of culture, leisure, and  
20 amusement;
- 21 c) exemption from the payment of individual income taxes: Provided,  
22 That their annual taxable income does not exceed the income level  
23 as determined by the National Economic and Development  
24 Authority (NEDA) for that year;
- 25 d) free medical and dental consultations in private or public hospitals  
26 and similar establishments anywhere in the country and medical

1 insurance program to be provided by the Philippine Health  
2 Insurance Corporation (PHIC);

3 e) to the extent practicable and feasible, the continuance of the same  
4 benefits and privileges given by the Government Service Insurance  
5 System (GSIS), Social Security System (SSS) and PAG-IBIG, as the case  
6 may be, as are enjoyed by those in actual service;

7 f) priority in existing livelihood programs being undertaken by various  
8 government agencies subject to the guidelines and qualifications by the  
9 implementing body; and

10 g) priority in national housing programs, affordable "pabahay" loans and  
11 other housing opportunities subject to the guidelines and  
12 qualifications set by the National Housing Authority (NHA) or the  
13 Home Development Mutual Fund (HDMF).

14 Such privately-owned establishments shall enjoy tax credits equivalent to  
15 the discounts extended to former OFWs.

16 **SEC. 4. Retirement Benefits.** — To the extent practicable and feasible,  
17 retirement benefits from both the Government and the private sectors shall be  
18 upgraded to be at par with the current scale enjoyed by those in actual service.

19 **SEC. 5. The Office for Former Overseas Filipino Workers (OFOFW).** —  
20 There shall be established in the Office of the Mayor an OFOFW to be headed by  
21 a Councilor who shall be designated by the Sangguniang Bayan and assisted by  
22 the Community Development Officer in coordination with the Department of  
23 Labor and the Department of Social Welfare and Development. The functions of  
24 this office are:

25 a) to maintain and regularly update on a quarterly basis the list of  
26 former OFWs and to issue nationally uniform individual identification  
27 cards which shall be valid anywhere in the country;

- 1           b)     to serve as a general information and liaison center to cater to the  
2                   needs of former OFWs; and
- 3           c)     to issue nationally uniform individual identification cards which  
4                   shall be valid anywhere in the country.

5           **SEC. 6. *Municipal Responsibility.*** — It shall be the responsibility of the  
6 municipality through the mayor to ensure that the provisions of this Act are  
7 implemented to its fullest.

8           **SEC. 7. *Penalties.*** — Any person or company who violates the provision  
9 of this Act by denying or hindering a former OFW from availing of any of the  
10 benefits of this Act shall be penalized by a fine of not less than fifty thousand  
11 pesos (PHP 50, 000.00) for the first violation; one hundred thousand pesos (PHP  
12 100, 000.00) for the second violation; and for two hundred thousand pesos (PHP  
13 200, 000.00) for the third violation. In addition, the said business may be ordered  
14 closed by the appropriate implementing agency.

15           **SEC. 8. *Implementing Rules and Regulations.*** — The Secretary of Social  
16 Welfare and Development, jointly with the Department of Labor and  
17 Employment, Department of Finance, the Department of Tourism, the  
18 Department of Health, the Department of Transportation and Communications  
19 and the Department of Interior and Local Government shall issue the necessary  
20 rules and regulations to carry out the objectives of this Act.

21           **SEC. 9. *Appropriation.*** — The necessary appropriation for the operation  
22 and maintenance of the OFOFW shall be appropriated and approved by the local  
23 government units concerned. The National Government shall appropriate such  
24 amount, as may be necessary to carry out the objectives of this Act.

25           **SEC. 10. *Repealing Clause.*** — All provisions of laws, orders, decrees,  
26 including rules and regulations inconsistent herewith are hereby repealed  
27 and/or modified accordingly.

1           **SEC. 11. *Separability Clause.*** – If any part or provision of this Act shall  
2 be held to be unconstitutional or invalid, other provisions hereof which are not  
3 affected thereby shall continue to be in full force and effect.

4           **SEC. 12. *Effectivity.*** – This Act shall take effect fifteen (15) days  
5 following its publication in one (1) national newspaper of general circulation.

6           Approved,