

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 2368**



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**INTRODUCED BY HONORABLE CHERYL P. DELOSO-MONTALLA**

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**AN ACT**  
**CREATING THE DEPARTMENT OF OVERSEAS FILIPINO WORKERS,**  
**DEFINING ITS POWERS AND FUNCTIONS,**  
**APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

According to the Department of Labor and Employment (DOLE), "active and systemic migration" of Filipinos for temporary employment began by the 1960s, when the United States Government, contractors of the United States Armed Forces, and civilian agencies began recruiting Filipinos to work in jobs in the construction and service sector. Filipinos also worked in select areas in the Pacific and Southeast Asia, namely Japan, Thailand, Vietnam, and the U.S. territories of Guam and Wake Island.<sup>1</sup>

More Filipino medical workers also began to search for work in Australia, Canada, and the United States, which caused the Philippine government to come up with a new Labor Code in 1974, which included Filipino migrant workers in its scope. This Labor Code, also known as Presidential Decree 442, was issued by then-President Ferdinand Marcos shortly after the declaration of martial law in the Philippines. The decree formally established a recruitment and placement program "to ensure the careful selection of Filipino workers for the overseas labor market to protect the good name of the Philippines abroad". Three government agencies were created to tend to the needs of Filipino migrant workers: the National Seamen Board, Overseas Employment Development Board, and the Bureau of Employment Services, which were later merged in 1978 to create the Philippine Overseas Employment Administration (POEA). President Marcos' labor policy was meant to be a short-term employment program and decrease the country's need for foreign exchange.<sup>2</sup>

Construction workers and engineers, at that time, also began to be recruited by multinational companies in oil-rich nations in the Middle East, which were then experiencing an economic boom.<sup>3</sup>

After decades of exporting our country's human capital, we are now presently being sustained by the remittances of our OFWs.

According to the data from the Philippine Statistics Authority (PSA), the number of Overseas Filipino Workers (OFWs) who worked abroad at anytime during the period from April to September 2018 was estimated at 2.3 million. Overseas Contract Workers (OCWs) with existing

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<sup>1</sup> Medina, Andrei; Pulumbarit, Veronica (21 September 2012). "How Martial Law helped create the OFW phenomenon". *GMA News*. Retrieved 16 May 2018

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

work contract comprised 96.2 percent of the total OFWs during the period April to September 2018. The rest (3.8%) worked overseas without contract.<sup>4</sup>

There were more females than males among the OFWs, with the female OFWs comprising 55.8 percent of the total OFWs. Female OFWs were generally younger than male OFWs, with about half (47.5%) of the female OFWs belonging to the age group 25 to 34 years. In comparison, male OFWs in this age group made up 38.9 percent. Male OFWs aged 45 years and older accounted for 21.2 percent of all male OFWs while their female counterparts in this age group made up 14.5 percent.


Among occupation groups, elementary occupations (37.1%) was the biggest group of OFWs. Other large occupation groups were the service and sales workers (18.8%) and plant and machine operators and assemblers (13.8%). More than half of the female OFWs were in elementary occupations (58.7%). Among the male OFWs, the largest groups were plant and machine operators and assemblers workers (27.8%).

CALABARZON reported the biggest share of OFWs with 17.9 percent followed by Central Luzon with 14.3 percent, and the National Capital Region and Ilocos Region each with 9.7 percent share. Fifty percent of the total OFWs came from these four regions. One out of four (24.3%) OFWs worked in Saudi Arabia, which remained to be the top destination of OFWs in April to September 2018. OFWs who worked in United Arab Emirates comprised 15.7 percent. Hongkong (6.3%), Kuwait (5.7%), Taiwan (5.5%) and Qatar (5.2%) were the other popular destinations of OFWs.<sup>5</sup>

The total remittance sent by OFWs during the period April to September 2018 was estimated at 235.9 billion pesos. These remittances included cash sent home (169.4 billion pesos), cash brought home (55.2 billion pesos) and remittances in kind (11.2 billion pesos). The majority of OFWs sent their remittance through banks (52.8%) while the rest through money transfer services (45.0%), agencies or local offices (2.0%) and the rest at 0.1 percent, respectively. The remittances sent by OFWs to their respective families may just be a part of the total salary received by the OFWs. Data on remittances in the report of the PSA are based on the answers given by the survey respondents to the questions on how much cash remittance was received by the family during the period April to September 2018 from a family member who is an OFW and how much cash did this member bring home during the reference period, if any.<sup>6</sup>

It is in full cognizance of the contributions of the Overseas Filipino Worker to keep the economy of the country robust as enumerated above, this bill is being filed in order that a specific agency under the executive department may look after and protect the welfare of our new unsung heroes, the Overseas Filipino Worker.

Immediate passage of this bill is earnestly sought.



**CHERYL P. DELOSO-MONTALLA**  
Representative  
2<sup>nd</sup> District, Zambales

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<sup>4</sup> "2017 Survey on Overseas Filipinos (Results from the 2017 Survey on Overseas Filipinos)". 18 May 2018. Retrieved 28 May 2018

<sup>5</sup> Medenilla, Samuel (1 January 2018). "POEA lists 24 countries off-limits to OFWs". *Manila Bulletin*. Retrieved 14 May 2018

<sup>6</sup> <https://psa.gov.ph/statistics/survey/labor-force/sof-index>



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**CREATING THE DEPARTMENT OF OVERSEAS FILIPINO WORKERS,**  
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*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

**SECTION 1. *Short Title.*** - This Act shall be known as the “Department of Overseas Filipino Workers (OFW) Act of 2019”.

**SEC. 2. *Declaration of Policy.*** - It shall be the policy of the State to enhance its institutional capacity to deliver public goods and services in a more efficient, effective and accountable manner. It shall also be the policy of the State to ensure the protection of the rights of our overseas Filipino workers and promotion of their welfare and safety. In view of this, State shall effect the necessary and proper changes in the agencies and instrumentalities promoting, managing, and protecting the Filipino international migrant workers in order to rationalize and promote efficiency and effectiveness in the delivery of services to our OFWs.

**SEC. 3. *Creation of the Department of Overseas Filipino Workers.*** - There shall be created a Department of Overseas Filipino Workers, hereinafter referred to as the Department, which shall be organized structurally and functionally, in accordance with the provisions of this Act.

**SEC. 4. *Mandate.*** - The Department shall be the primary policymaking, planning, coordinating, implementing, and administrative entity of the Executive Branch of the government in the field of overseas labor and employment. It shall formulate and undertake a systematic program for promoting the welfare of OFWs and monitoring their overseas employment, taking into consideration domestic manpower requirements and the need to protect their rights to fair and equitable employment practices.

**SEC. 5. *Powers and Functions of the Department.*** - The Department shall have the following powers and functions:

(a) Formulate and recommend national policies and guidelines and conduct in-depth studies on all policy areas and options that will ensure protection of OFWs in consultation with relevant stakeholders;

(b) Assess, review, harmonize and coordinate all OFW- related local policies and procedures and international agreements to ensure overall consistency and implementation of national policies;

(c) Promote, advance and implement general and specific government objectives regarding OFW activities, programs, welfare and interests;

(d) Build a strong and harmonious partnership with foreign countries and the private sectors to formulate strategies and implement the same;

(e) Represent and negotiate for Philippine interest on matters pertaining to OFW affairs in international bodies;

(f) Develop, implement and improve coordination with other countries with OFW presence and monitor foreign developments to ensure the most reasonable working conditions for the OFWs and create a proactive approach in providing assistance to them especially in times of war and civil unrest, whether potential or apparent;

(g) Promote knowledge, information and resource sharing, and develop a database to assist OFWs anywhere in the world;

(h) Assist and provide technical expertise in the troubleshooting of the OFWs in distress and tap the services of personnel, foreign and local, with expertise on the formulation of strategies and plans concerning OFW activities, if needed;

(i) Promote, develop and monitor the continuing education, training and qualification, availability and deployment of OFWs and coordinate with agencies concerned in the training of OFWs to improve their global competitiveness;

(j) Coordinate with government agencies concerned in the training and support of Filipinos who have worked abroad and are returning to the country;

(k) Regulate and guide the business activities relative to the deployment of Filipino workers and other related activities;

(l) Promulgate rules and regulations for the implementation of its guidelines, policies and related laws;

(m) Administer, accept, hold and utilize property, both personal and real, subject to constraints by existing laws, for the purpose of assisting and expediting the work of the Department; and

(n) To perform such other functions as maybe needed to achieve its goals and objectives to the fullest and as may be needed to achieve its goals and objectives to the fullest and as may be provided by this Act.

**SEC. 6. *Composition.*** - The Department shall be headed by a Secretary. The Department proper shall be composed of the Office of the Secretary, the Offices of the Undersecretaries and the Assistant Secretaries.

**SEC. 7. *The Secretary.*** - The Secretary shall be appointed by the President, subject to confirmation by the Commission on Appointments. The Secretary shall have the following functions:

(a) Provide executive direction and supervision over the entire operations of the Department and its attached agencies,

(b) Establish policies and standards for the effective, efficient and economical operation of the Department, in accordance with the programs of government;

(c) Review and approve requests for financial and manpower resources of all operating offices of the Department:



(d) Designate and appoint officers and employees of the Department, excluding the undersecretaries, assistant secretaries, and regional directors and assistant regional directors, in accordance with the civil service laws, rules and regulations;

(e) Exercise disciplinary powers over officers and employees of the Department in accordance with law, including their investigation and the designation of a committee or officer to conduct such investigation:

(f) Coordinate with local government units (LGUs), other agencies and public and private interest groups, including nongovernment organizations (NGOs) and people's organizations (POs) on Department policies and initiatives;

(g) Prepare and submit to the President through the Department of Budget and Management (DBM) an estimate of the necessary expenditures of the Department during the next fiscal year, on the basis of the reports and estimates submitted by bureaus and offices under him/her;

(h) Advise the President on the promulgation of executive and administrative orders and formulation of regulatory and legislative proposals on matters pertaining to the OFWs.

(i) Formulate such rules and regulations and exercise such other powers as may be required to implement the objectives of this Act: *and*

(k) Perform such other tasks as may be provided by law or assigned by the President.

**SEC. 8. *The Undersecretaries.*** - The Secretary shall be assisted by three (3) undersecretaries, who shall be appointed by the President upon the recommendation of the Secretary: *Provided*, That two (2) of the undersecretaries shall be career officers.

**SEC. 9. *Assistant Secretaries.*** - The Secretary shall be assisted by four (4) assistant secretaries who shall be appointed by the President upon the recommendation of the Secretary: *Provided*, That two (2) of the assistant secretaries shall be career officers.

**SEC. 10. *Qualifications.*** - No person shall be appointed Secretary, Undersecretary, or Assistant Secretary of the Department unless he or she is a citizen and resident of the Philippines, of good moral character, of proven integrity and with competence and expertise in the plans, programs, projects and activities of the government relative to overseas employment.

**SEC. 11. *Regional Offices.*** - The Department may establish, operate, and maintain a regional office in the different administrative regions of the country as the need arises. Each regional office shall be headed by a Regional Director, who may be assisted by one (1) Assistant Regional Director. The Regional Director and Assistant Regional Director shall be appointed by the President. The regional offices shall have, within their respective administrative regions, the following functions:

(a) Implement laws, policies, plans, programs, projects, rules and regulations of the Department:

(b) Provide efficient and effective service to the people;

(c) Coordinate with regional offices of other departments, offices, and agencies;

(d) Coordinate with the LGUs; *and*

(e) Perform such other functions as may be provided by law or assigned by the Secretary.

**SEC. 12. *Sectoral and Industry Task Forces.*** - The Department may create sectoral and industry task forces, technical working groups, advisory bodies or committees for the furtherance



of its objectives. Additional private sector representatives, such as from the academe, NGOs, POs and federation of private industries directly engaged in the deployment of OFWs, as well as representatives of other National Government Agencies (NGAs), LGUs and government owned or controlled corporations (GOCCs) may be appointed to these working groups.

**SEC. 13. *Transfer of Agencies and Personnel.* -**

(a) The following agencies are hereby abolished, and their powers and functions, applicable funds and appropriations, records, equipment, property, and personnel transferred to the Department:

- (1) Overseas Workers Welfare Administration;
- (2) Philippine Overseas Employment Administration; and
- (3) Commission on Filipino Overseas.

(b) The laws and rules on government reorganization as provided for in Republic Act No. 6656, otherwise known as the Reorganization Law, shall govern the reorganization process of the Department.

**SEC. 14. *Transitory Provisions.* -** The Department shall carry out the reorganization of the aforesaid agencies in such a manner that personnel of the agencies absorbed by the Department shall continue to perform their respective duties and responsibilities in a holdover capacity so as not to unduly delay the services provided to the OFWs.

**SEC. 15. *Structure and Staffing Pattern.* -** Subject to the approval of the DBM, the Department shall determine its organizational structure and create new divisions or units as it may deem necessary, and shall appoint officers and employees of the Department in accordance with the civil service law, rules, and regulations.

**SEC. 16. *Early Retirement, Separation Pay and Other Benefits.* -** Personnel of the merged agencies who will not be absorbed into the new staffing pattern due to redundancy or failure to comply with the standards of competence and proficiency, or who will be offered positions under the new staffing pattern but who decline such appointment by reason of diminution in rank, benefits and work conditions, or who are offered positions under the new staffing pattern without any diminution in rank, benefits and work conditions but who decline such appointment, if qualified, shall be given the option to avail themselves of any of the following, whichever is beneficial to them:

(a) Retirement gratuity provided under Republic Act No. 1616 (An Act Further Amending Section Twelve Of Commonwealth Act Numbered One Hundred Eighty-Six, As Amended, By Prescribing Two Other Modes Of Retirement And For Other Purposes), as amended, payable by the last employer of the affected personnel, plus the refund of retirement premiums payable by the Government Service Insurance System (GSIS), without the incentive herein provided.

(b) Retirement benefit under Republic Act No. 660 (An Act To Amend Commonwealth Act Numbered One Hundred And Eighty-Six, Entitled "An Act To Create And Establish A Government Service Insurance System, To Provide For Its Administration, And To Appropriate The Necessary Funds Therefor," And To Provide Retirement Insurance And For Other Purposes) or applicable retirement, separation or unemployment benefit provided under Republic Act No. 8291 (An Act Amending Presidential Decree No. 1146, As Amended, Expanding And Increasing The Coverage And Benefits Of The Government Service Insurance System, Instituting Reforms Therein And For Other Purposes) if qualified, plus the following applicable incentives:

(b.1.) 1/2 month of the present basic salary for every year of government service and a fraction thereof, for those who have rendered twenty (20) years of service and below;

(b.2.) 3/4 month of the present basic salary for every year of government service and a fraction thereof, computed starting from the 1st year, for those who have rendered twenty-one (21) to less than thirty-one (31) years of service; and

(b.3.) 1 month of the present basic salary for every year of government service and a fraction thereof, computed starting from the 1st year, for those who have rendered thirty-one (31) years of service and above.

In addition, the affected personnel shall be entitled to the refund of Pag- IBIG contributions, and the commutation of unused vacation and sick leave credits.

**SEC. 17. *Appropriation.*** - The amount necessary for the effective implementation of the provisions of this Act shall be taken from funds available to the agencies enumerated in Section 13 hereof. Additional requirements shall be charged to the appropriations under the current General Appropriations Act. Thereafter, such sum as may be needed for the continued implementation of this Act shall be included in the annual General Appropriations Act.

**SEC. 18. *Implementing Rules and Regulations.*** - The Department of Labor and Employment, Department of Foreign Affairs, Department of Budget and Management, Overseas Workers Welfare Administration, Philippine Overseas Employment Administration and Commission on Filipino Overseas shall formulate the implementing rules and regulations of this Act within ninety (90) days after its approval. Such rules and regulations shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Philippines.

**SEC. 19. *Separability Clause.*** - If any part, section or provision of this Act is declared invalid or unconstitutional, no other parts, sections or provisions hereof shall be affected thereby.

**SEC. 20. *Repealing Clause.*** - All laws, decrees, ordinances, rules, regulations, other issuances or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

**SEC. 21. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation or the *Official Gazette*.

*Approved,*