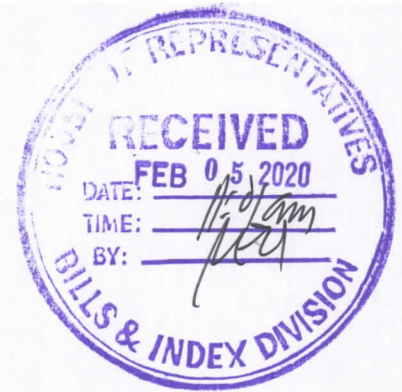


**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**EIGHTEENTH CONGRESS
First Regular Session**

House Bill No. 6186



Introduced by Representative Ron P. Salo

EXPLANATORY NOTE

The government is considered to be the biggest employer, considering the size of government bureaucracy. Based on the 2019 staffing summary of the Department of Budget and Management (DBM), the entire government structure has a total of 1,863,361 permanent positions, including the President down to the lowest-paid employee. Further, there are those positions whose term of employment are considered to be temporary, contractual or fixed term, casual, or job order, or simply referred to as contractual employees or 'endo' in the government.

Based on the 2017 data provided by the Civil Service Commission (CSC), there are more than 660,000 contractual employees in the government. From these 660,000 contractual employees, seventy percent (70%) were hired by the LGUs which comprise roughly about 460,000 thousand 'endo' personnel.

Although the latest available government data points to the fact that our unemployment rate has steadied at 5.4% in recent times, finding or landing on another job still requires time and normally results to financial constraints that will certainly impact the lives of these displaced employees, as well as that of their families.

With the current Administration being sensitive to the sentiments of the people over the issue of 'endo', the government already made some efforts to prioritize contractual and job order employees in filling up vacant positions in the government through a joint circular (Joint Circular No. 1, S. 2017) issued by the CSC, COA, and DBM in June 15, 2017.

On the part of Congress, House Bill 00953 was recently filled by the undersigned providing for the automatic civil service eligibility to those who have rendered at least three consecutive years of government service or at least five non-consecutive years, and whose appointment is either contractual, casual, or job order.

Notwithstanding the above measures, the government should implement more measures aimed at the regularization of as many government employees as possible, in order for the government to have the moral ascendancy to call for an end

to the practice of 'endo' in the private sector. Nonetheless, it is noted that regularizing all these 'endos' in the government will pose a great challenge, especially on the aspect of fiscal management.

With the regularization of all government employees still being a work in progress, it is necessary that a financial assistance be extended to these employees upon the termination of their contract in order to assist them as they seek other employment opportunities. For this purpose, it is proposed that a "Government Unemployment Assurance Mutual Fund" be created for these contractual, casual and job order employees in the government.

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



RON P. SALO
KABAYAN Party List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session
6186
House Bill No. _____

Introduced by Representative Ron P. Salo

AN ACT
CREATING THE GOVERNMENT UNEMPLOYMENT ASSURANCE MUTUAL
FUND FOR THE BENEFIT OF SEPARATED GOVERNMENT EMPLOYEES AND
FOR OTHER PURPOSES

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

SECTION 1. Short Title. – This Act shall be known as “The Government Unemployment Assurance Mutual Fund”.

SEC. 2. Declaration of Policy – The State affirms the role of those in the civil service as its primary partners in delivering efficient government services to the people. To ensure the welfare of government employees, particularly those who are contractual, casuals and job orders, the State hereby creates a mutual fund that will provide displaced or separated government employees belonging to these groups with the unemployment financial assistance during the period of their unemployment.

SEC. 3. Definition of Terms –

- a. Casual Employment – an appointment issued only for essential and necessary services where there are not enough regular staff to meet the demands of the service and for emergency cases and intermittent period, not to exceed one year.
- b. Contractual Employment – an appointment issued to a person whose employment in the government is in accordance with a special contract to undertake local or foreign assisted projects, or a specific work or job requiring special or technical skills not available in the employing agency, to be accomplished within a specific period.
- c. Job Order – refers to piece work, intermittent or emergency jobs such as clearing of debris on the roads, canals, waterways, etc., after natural/man-made disasters/occurrences and other manual/trades

and crafts services such as carpentry, plumbing, electrical and the like. These jobs are of short duration and for a specific piece work.

- d. Employer – shall mean the Government of the Republic of the Philippines, its political subdivisions including the various Local Government Units (LGUs), agencies, instrumentalities, and Government Owned and Controlled Corporations (GOCCs) with original charter.
- e. Government Employees – for the purpose of this Act, the term Government Employees shall refer to any person working for the Government of the Republic of the Philippines, its political subdivisions including the various Local Government Units (LGUs), agencies, instrumentalities, including Government Owned and Controlled Corporations (GOCCs) with original charter, who are employed as casual, contractual, or job order.
- f. Unemployment Financial Assistance (UFA) - shall refer to the financial assistance which shall be given to the displaced or separated government employee during the period of unemployment.
- g. Separation – shall refer to the severance of the employment relationship of the government employee without cause on the part of the government employee.

SEC. 4. Creation of the Assurance Fund. – There is hereby created an Assurance Fund for displaced government employees covered by this Act. The Fund shall be sourced from the mandatory contributions of both the employer and the employee as provided under Section 6 of this Act.

SEC. 5. Covered Employees – For the purpose of this Act, covered employees shall include all employees of the Government of the Republic of the Philippines, its agencies, its political subdivisions including the various Local Government Units (LGUs), and its instrumentalities including Government Owned and Controlled Corporations with original charter, who are considered contractual, casual or job orders, who have completed their employment contract or their contract was pre-terminated by the government without the consent of the employee concerned.

SEC. 6. Duty to Contribute, Withhold, and Remit to the Mutual Fund - Within the period of seven (7) days from the end of each month, the employer shall remit to the mutual fund an amount equivalent to twenty (20) per cent of the employee's monthly basic compensation which shall be the employer's share to the mutual fund. Likewise, the employer is mandated to withhold and remit to the mutual fund within the same period stated above, an amount equivalent to five (5) per cent of the employee's basic compensation which shall be the employee's share to the mutual fund. Said duty to contribute shall cease upon regularization of the employee concerned.

SEC. 7. Administration of the Assurance Fund – The contributions to the mutual fund shall be managed by a non-profit entity engaged by the Civil Service

Commission. It shall serve as the mutual fund administrator subject to the supervision of the Insurance Commission, and audit by the Commission on Audit. The Civil Service Commission shall issue the appropriate guidelines, outlining the criteria, in selecting the fund administrator.

SEC. 8. Benefits of the Assurance Fund – Government employees covered by this Act who have been separated from work by virtue of the completion of his or her employment contract shall be entitled to an unemployment financial assistance if such separated employee remains unemployed for a period of at least thirty (30) days from the date of separation. The separated employee shall be entitled to receive the following: an amount equivalent to forty percent (40%) of the monthly compensation of the separated employee from his or her last employment to be given on the 35th day of unemployment; an amount equivalent to forty percent (40%) of said monthly compensation he or she received from his or her last employment to be given on the 65th day of unemployment; and an amount equivalent to forty percent (40%) of the monthly compensation he or she received from his or her last employment to be given on the 95th day of unemployment.

SEC. 9. Cessation of Benefits. - The benefits under this Act shall not be given in case the employment contract is renewed. Once already given, it shall cease as soon as the employee gets employed whether in the government or in the private sector.

SEC. 10. Separability Clause – If any provision or portion of this Act is declared unconstitutional, the remainder of this Act or any provision not thereby affected shall remain in full force and effect.

SEC. 11. Repealing Clause. – all laws, decrees, executive orders, ordinances, rules, regulations, or other issuances, or parts thereof which are inconsistent with any of the provisions of this Act are hereby repealed, amended, and/or modified accordingly.

SEC. 12. Implementing Rules and Regulations. – The Civil Service Commission (CSC), and the Insurance Commission (IC), shall issue the Implementing Rules and Regulations (IRR) within ninety (90) days from the effectivity of this Act.

SEC. 13. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved.