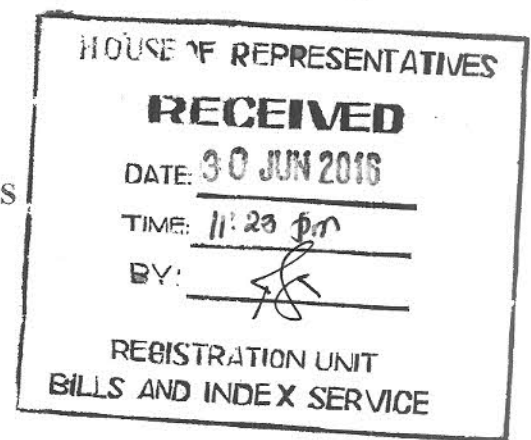


Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila

SEVENTEENTH CONGRESS  
First Regular Session

House Bill No. **738**



Introduced by **DIWA Party-list Representative Emmeline Y. Aglipay – Villar**

#### EXPLANATORY NOTE

Our Constitution states that, “The State affirms labor as a primary social economic force”. This notwithstanding, we are still far from resolving our unemployment and underemployment problems. In order to help address this issue, we have to be creative in devising different strategies and exploring new ideas in approaching this problem.

This bill, a re-filing of House Bill No. 6414 based on Committee Report No. 992 of the House Committee on Labor and Employment last 16<sup>th</sup> Congress, seeks to amend Republic Act No. 9547 entitled, “Special Program for the Employment of Students” such that the employment opportunities provided by any entity employing at least 10 persons have been extended to out-of-school youth and dependents of displaced workers or would-be displaced workers, who intend to enroll in any secondary, tertiary, or technical-vocational institutions.

Furthermore, the bill also states that 60% of the salary of the employee shall be paid by the employer in cash and 40% by the government also in cash directly to the student or through financial facilities, subject to the existing rules on procurement which shall be applicable in the payment for the student’s tuition fees, books, and other education-related expenses including their daily allowance in going to school.

Other significant improvements to the existing law has been incorporated into this bill with the intention of empowering our youth and improving their quality of life by providing them with adequate employment and training opportunities. For these reasons, approval of this bill is earnestly sought.

*Emmeline Y. Villar*  
**EMMELINE Y. AGLIPAY – VILLAR**  
Representative, DIWA Party-list

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**AN ACT STRENGTHENING FURTHER THE SPECIAL PROGRAM FOR  
EMPLOYMENT OF STUDENTS, AMENDING FOR THE PURPOSE SECTIONS  
1, 2, 3 AND 5, AND REPEALING SECTION 4 OF R.A. 9547, AMENDING R.A.  
7323, OTHERWISE KNOWN AS THE "SPECIAL PROGRAM FOR  
EMPLOYMENT OF STUDENTS" (SPES)**

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

**SECTION 1.** Section 1 of R.A. No. 9547 is hereby further amended to read as  
follows:

"SECTION 1. Any provision of law to the contrary notwithstanding, any person or entity employing at least ten (10) persons may employ poor but deserving students, OUT-OF-SCHOOL YOUTH OR DEPENDENTS OF DISPLACED OR WOULD-BE DISPLACED WORKERS DUE TO BUSINESS CLOSURES OR WORK STOPPAGES INTENDING TO ENROLL IN ANY SECONDARY, TERTIARY OR TECHNICAL-VOCATIONAL INSTITUTION, fifteen (15) years of age but not more than [twenty-five (25)] THIRTY (30) years old, paying them a salary or wage not lower than the minimum wage for private employers and the applicable hiring rate for the national and local government agencies: Provided, that students enrolled in the secondary level shall only be employed during summer and/or Christmas vacations, while those enrolled in tertiary, vocational or technical education may be employed at any time of the year. Provided, further, That their period of employment shall be from twenty (20) to [fifty-two (52)] SEVENTY-EIGHT (78) working days only, except that during Christmas vacation, employment shall be from ten (10) to fifteen (15) days which may be counted as part of the students' probationary period should they apply in the same company or agency after graduation: Provided, finally, That students employed in activities related to their course may earn equivalent academic AND PRACTICUM OR ON-THE-JOB TRAINING credits as may be determined by the appropriate government agencies.

"For purposes of this Act, poor but deserving students, OUT OF SCHOOL YOUTH, AND DEPENDENTS OF DISPLACED OR WOULD-BE DISPLACED WORKERS DUE TO BUSINESS CLOSURES OR WORK STOPPAGES INTENDING TO ENROLL IN ANY SECONDARY, TERTIARY OR TECHNICALVOCATIONAL INSTITUTION refer to those whose parents' combined

income, together with their own, if any, does not exceed the annual regional poverty threshold level for a family of six (6) for the preceding year as may be determined by the National Economic and Development Authority (NEDA). Employment facilitation services for applicants to the program shall be done by the Public Employment Service Office (PESO).

"Participating employers, in coordination with the PESO, must inform their SPES employees of their rights, benefits, and privileges under existing laws, company policies, and employment contracts."

**SECTION 2.** Section 2 of the same Act is hereby further amended to read as follows:

"SECTION 2. Sixty per centum (60%) of the said salary or wage shall be paid by the employer in cash and forty per centum (40%) by the government [in the form of a voucher.] ALSO IN THE FORM OF CASH DIRECTLY TO THE STUDENT OR THROUGH FINANCIAL INSTITUTIONS OR OTHER PAYMENT FACILITIES, SUBJECT TO THE EXISTING RULES ON PROCUREMENT which shall be applicable in the payment for the student's tuition fees, [and] books, AND OTHER EDUCATION-RELATED EXPENSES, INCLUDING THEIR DAILY ALLOWANCE IN GOING TO SCHOOL [in any educational institution for secondary, tertiary, vocational or technical education]: Provided, That local government units (LGUs) may assume responsibility for paying in full [his] THE salary or wages. THE FORTY PER CENTUM (40%) SHARE SHALL BE PAID WITHIN THIRTY (30) WORKING DAYS UPON SUBMISSION OF THE PARTNER-EMPLOYER OR PARTICIPATING ESTABLISHMENT OF THEIR REPORT ON PAYMENT OF SALARY OR WAGES WHICH SHALL BE THE BASIS OF THE FORTY PER CENTUM (40%) SALARY OR WAGES TO BE PAID BY THE GOVERNMENT THROUGH THE DEPARTMENT OF LABOR AND EMPLOYMENT. [The amount of the education voucher shall be paid by the government to the educational institution concerned within thirty (30) days from its presentation to the officer or agency designated by the Secretary of Finance.]

**"IN CASE OF SICKNESS, ABSENCE, OR DEATH OF THE SPES BENEFICIARY, THE IMMEDIATE HEIRS MAY CLAIM THE SALARY, PROVIDED, THAT PROOF TO THIS EFFECT HAS BEEN CLEARLY ESTABLISHED.**

"LIKEWISE, THE SPES BENEFICIARY SHALL BE ENTITLED TO SOCIAL PROTECTION BY VIRTUE OF AN INSURANCE COVERAGE WITH THE GOVERNMENT SERVICE AND INSURANCE COMMISSION (GSIS) FOR A PERIOD OF ONE YEAR.

"[The voucher shall not be transferable except when the payee thereof dies or for a justifiable cause stops in his duties, in which case it can be transferred to his brothers or sisters. If there be none, the amount thereof shall be paid his heirs or to the payee himself, as the case may be.]"

**SECTION 3.** Section 3 of the same Act is hereby further amended to read as follows:

"SECTION 3. [The Secretary of Labor and Employment, the Secretary of Education, the Chairman of the Commission on Higher Education, the Secretary of Budget and Management, the Secretary of Social Welfare and Development and the Secretary of Finance shall issue the corresponding rules and regulations to carry out the purposes of this Act.

"The Secretary of Labor and Employment shall be the Program Chairman.]"

"THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL ISSUE THE IMPLEMENTING RULES AND REGULATIONS TO CARRY OUT THE PURPOSES OF THIS ACT. FURTHER, THE SECRETARY OF THE DEPARTMENT OF LABOR AND EMPLOYMENT, MAY ISSUE ADDITIONAL GUIDELINES WHICH MAY BE DEEMED APPROPRIATE AND AS NECESSITY ARISES; PROVIDED THAT THE ISSUANCE BE IN THE FORM OF A DEPARTMENT ORDER."

**SECTION 4.** Section 4 of the same Act is hereby repealed.

"[SECTION 4. Any persons or entity who refuses to honor education vouchers or makes any fraudulent or fictitious claim under this Act, regardless of whether payment has been made, shall upon conviction be punished with imprisonment of not less than six (6) months and not more than one (1) year and a fine of not less than Ten thousand pesos (P10,000.00), without prejudice to their prosecution and punishment for any other offense punishable under the Revised Penal Code or any other penal statute.

"In case of partnerships or corporations, the managing partner, general manager, general manager, or chief executive officer, as the case may be, shall be criminally liable.]"

**SECTION 5.** Section 5 of the same Act is hereby amended to read as follows:

"SECTION [5] 4. The Secretary of the Department of Labor and Employment shall include in the Department's program the operationalization of the expanded Special Program for the Employment of Students, INCLUDING THE MAINTENANCE OF AN ONLINE DATABASE REGISTRY FOR MONITORING OF SPES BENEFICIARIES, THE FUNDING OF WHICH SHALL BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT: PROVIDED, THAT NOT MORE THAN FIVE PER CENTUM (5%) OF THE AMOUNT APPROPRIATED FOR THE PROGRAM SHALL BE USED TO FUND THE ADMINISTRATIVE COST.

"[The amount necessary to carry out the purposes of this Act is hereby authorized to be appropriated in the General Appropriations Act for 1992 and the subsequent annual general appropriations acts: Provided. That the appropriation, for the purposes of this Act, shall not be reduced by Congress below the amount appropriated for the previous year and, after approval, shall be automatically and regularly released: Provided, further, That the appropriation herein shall be increased by at least twenty percentum (20%) annually.]"

**SECTION 6. Separability Clause.** - Should any provision of this Act be declared unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

**SECTION 7. Repealing Clause.** - All existing laws, presidential decrees, executive orders, proclamations or administrative regulations that are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

**SECTION 8. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,