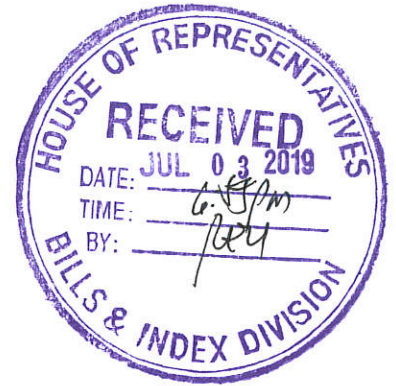


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
First Regular Session

HOUSE BILL NO. 2067



Introduced by **Representative JOEY SARTE SALCEDA**

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

EXPLANATORY NOTE

The Philippine economy is in a sound position today and in part because of the steady growth and size of remittances of Overseas Filipino workers (OFW) to the country. The volume of these remittances has continually grown over time as more and more Filipino workers have found jobs abroad, contributing Php 3.4 trillion annual non-resident income. The OFWs was estimated at 2.3 million in 2018. Overseas Contract Workers (OCWs) with existing work contract comprised 96.2 percent of the total OFWs, while the rest (3.8%) worked overseas without contract. The demographic data shows that females and generally younger than male OFWs dominate the world jobs at 55.8 percent.

OFWs remittances are transferred to their home sent through the international banking system and are immediately caught in the country's balance of payments which is tracked by the Bangko Sentral ng Pilipinas (BSP). Thus, their contribution shows the magnitude of the impact on the country's net dollar receipts, raised domestic living standards and contributes to country's macro-fundamentals.

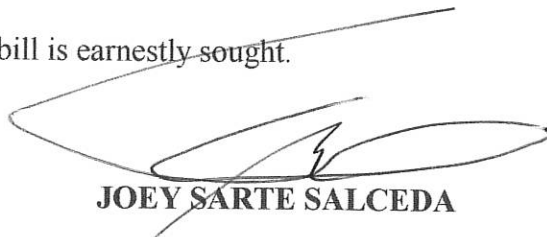
The OFWs total remittances in 2018 was \$32 billion, and for the first quarter of 2019 was at \$8.1 billion, higher by 3.7 percent compared to the \$7.8 billion posted in the same period last year. The significance of these numbers can be compared with the country's earnings from exports of goods and services. Exports have improved the structure and competitiveness of the Philippine economy. However, remittances from labor when compared with export earnings have steadily increased in proportion to export earnings. Philippine exports respond to market boom and bust conditions but OFW remittances have, however, been much steadier in their rise in volume, partly explaining the increase in the proportion. Another way of comparison of remittances is with the country's export of services dominated by the booming BPO (business process outsourcing) service exports. Still remittances from OFW are still ahead by 1.35 times as much as earnings from the export of services.

Not to be taken for granted, the OFW remittances have contributed to the strengthening of the nation's balance of payments position, bolstering the surpluses on current accounts, raising the living standards across the country and translate into income flows to support the consumption of OFW families and their households. It has impact on the typical household's educational choices, better opportunities for higher quality education for their children.

This bill proposes the creation of the Department of Overseas Filipino Workers to harmonize all national policies and guidelines to ensure the protection of OFWs, among other functions. It is envisioned to serve our OFWs better as their concerns would be given primary attention. It will also result in better management of our resources as processes will be streamlined and redundancies will be reduced thereby promoting efficient and effective service that will adequately serve the needs of our OFWs. No less than President Rodrigo Duterte himself, speaking to our OFWs in Doha last April 15, 2017, recognized the need for a separate department that would focus on the concerns of our overseas Filipino workers.

This bills also propose for the establishment of Overseas Filipino Workers Hospital. Our OFWs have always been hailed as "*Bagong Bayani*" by the past and present administrations. An improved health care through the establishment of a OFWs hospital is our fitting contribution to their important contribution to our nation. The proposed OFW Hospital will provide comprehensive and total health care services to all migrant workers who are Overseas Workers Welfare Administration (OWWA) contributors, whether active or non-active, including their legal dependents to conduct medical examinations to ensure the physical and mental capability of would-be overseas contract workers duly covered by an approved job order.

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



JOEY SARTE SALCEDA

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THEREFOR, AND FOR OTHER PURPOSES

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 (OFWs) Act.

SEC. 2. *Declaration of Policy.* –

- (a) 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.
- (b) It is also the policy of the State to protect and promote the right to health of the Filipino people and to instill health consciousness among them. The State shall adopt an integrated and comprehensive approach to health development. Further, the state shall protect the interest and promote the well-being of Overseas Filipino

Workers (OFW) as recognition of their importance and contribution on economic development and nation building

CHAPTER 1

DEPARTMENT OF OVERSEAS FILIPINO WORKERS

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
- (j) 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:

- 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;
- 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
- 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.

CHAPTER 2

OVERSEAS FILIPINO WORKERS HOSPITAL

SEC. 17. *Establishment of the Overseas Filipino Workers (OFWs) Hospital.* – There shall be established a hospital with at least tertiary level of care to be known as OFWs Hospital, here in after referred to as the Hospital. The Hospital shall be developed consistent with the health care needs of the OFWs and their dependents. The Hospital shall be under full administrative and technical supervision and technical supervision of the Department of Health (DOH).

SEC. 18. *Objectives.* – To ensure the availability, accessibility and affordability of quality health care, the hospital shall have the following main objectives:

- (a) Provide comprehensive and total health care services to all migrant workers including Overseas Workers Welfare Administration (OWWA) contributors, whether active or non-active, and their legal dependent
- (b) Conduct medical examinations to ensure the physical and mental capability of would-be overseas contract workers duly covered by an approved job order;
- (c) Serve as primary referral hospital for repatriated OFWs needing medical assistance and support;
- (d) Set up systems that will effectively monitor condition of patients and to generate relevant health information and data for policy formulation; and

- (e) Participate in the health care provider networks and arrangements relative to the implementation of Republic Act No. 11223, or the Universal Health Care Act.

SEC. 19. *Medical Assistance.* – The Secretary of Labor and Employment (SLE), as Chairperson of the Overseas Workers Welfare Administration (OWWA) Board, shall ensure that existing health benefits and medical assistance programs are strengthened to include, among others, subsidies on hospitalization and medical procedures for OFWs and qualified dependents.

SEC. 20. *Joint Executive Oversight Committee.* – There is hereby created a Joint Executive Oversight Committee on OFWs Hospital to review and recommend hospital development plans and ensure implementation of this Act.

The Committee shall be co-chaired by the Secretary of Health and the Secretary of Labor and Employment. It shall be composed of seven (7) members including the co-chairs. The members shall be appointed by the Secretary of Health upon consultation with the Secretary of Labor and Employment.

SEC. 21. *Tax Exemption.* – All grants, bequests, endowments, donations and contributions made to the OFWs Hospital to be used actually, directly and exclusively by the OFWs Hospital shall be exempt from donor's tax and the same shall be considered as allowable deduction from the gross income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

The important of equipment, machinery and spare parts which are used solely and exclusively for the operation of the OFWs Hospital and are not available locally shall be exempt from value-added tax and customs duty.

CHAPTER 3 GENERAL PROVISIONS

SEC. 22. *Appropriations.* – 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. Further,

the OWWA shall also include in their benefits and medical assistance programs for OFWs the line item budget necessary to improve the access of OFWs and dependents to healthcare services.

SEC. 23. *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. 24. *Repealing Clause.* – All laws, decrees, executive orders and proclamations, rules and regulations or parts thereof inconsistent with this Act, are hereby repealed, or amended or modified accordingly.

SEC. 25. *Separability Clause.* – If any provision of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 26. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,