

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

THIRTEENTH CONGRESS  
First Regular Session

HB NO. 1357

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Introduced by Rep. Roseller L. Barinaga

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**EXPLANATORY NOTE**

This proposed bill seeks to provide for an OWWA Charter that shall govern the operation and administration of the Overseas Workers Welfare Administration (OWWA) and prescribe for public accountability on the OWWA administrators and officials. This is consistent with Section 28, Article II of the 1987 Philippine Constitution which requires the adoption and implementation of a policy of full public disclosure of all government transactions involving public interest.

For the past years now, the OWWA has been bombarded by questions and intrigues ranging from mismanagement to the issues involving graft and corruption. The OFWs who have put their greater stakes through their monetary contributions are filled with skepticisms as to the public accountability of those who are administering the disbursements of their hard earned money.

They deserve to be given attention. Their concerns are not irrelevant. The OWWA Funds deserves to be protected because they consist and signify the difficulties, the tears and sweat of hundreds and thousands of our OFWs.

OWWA's operation and administration has to be made professional. That can only be done through the passage of the OWWA Charter.

Urgent approval of this bill, therefore, is earnestly sought.



**ROSELLER L. BARINAGA**

Representative

2<sup>nd</sup> District, Zamboanga del Norte

Congress of the Philippines    )  
Thirteenth Congress            )  
First Regular Session          )

## HOUSE OF REPRESENTATIVES

### HB NO. 1357

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Introduced by **Rep. Roseller L. Barinaga**

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**AN ACT**  
**TO PROVIDE FOR AN OWWA CHARTER TO GOVERN THE OPERATION AND**  
**ADMINISTRATION OF THE OVERSEAS WORKERS WELFARE**  
**ADMINISTRATION, PRESCRIBE FOR PUBLIC ACCOUNTABILITY ON THE**  
**OWWA ADMINISTRATORS AND OFFICIALS THEREOF AND FOR OTHER**  
**PURPOSES**

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

### PART I

#### GENERAL PROVISIONS

##### Article I

##### Title, Policy And Objectives

**SECTION 1.** *Title.* This Act shall be known as the “OWWA Charter Act of 2004”.

**SEC. 2.** *Declaration of Policy.* It is hereby declared the policy of the State to protect and promote the welfare of the overseas Filipino workers and to uplift the their respective families' living standards consistent with the separate provisions of Republic Act No. 7111, otherwise known as the "Overseas Workers' Investment (OWI) Fund Act", Republic Act 8042, otherwise known as the “Overseas Filipinos and Migrant Workers’ Act of 1995” and the UN Convention on the Rights of Migrant Workers. Pursuant to this, the State shall endeavor to regulate the operation of the Overseas Workers Welfare Administration (OWWA) and ensure that the benefits and programs it provides to its members are trickled down to the greatest number of its clienteles.

**SEC. 3.** *Scope.* This Act shall apply to all overseas Filipino workers, who are duly registered with the Philippine Overseas Employment Administration (POEA), and their beneficiaries in the Philippines: *Provided*, That the additional benefits as enumerated in

Section 8 of Republic Act No. 7111 shall not apply to migrant Filipinos who have already acquired immigrant status in their host countries as defined in Section 2 of Batas Pambansa Blg. 79, notwithstanding the enactment of the Dual Citizens Law of the Philippines.

## **Article II**

### **Definitions**

**SEC. 4. *Definition of terms.*** For purposes of this Act, the following terms shall mean:

a) *Bonafide OWWA Member* refers to any person who fulfills the conditions to be employed or engaged in a productive employment overseas and who has paid the required annual membership fee through the Philippine Overseas Employment Administration (POEA). This term includes the overseas seafarers serving on foreign maritime offshore units.

b) *Dependents* refer either of the following: (a) the legitimate spouse dependent for support upon the member or pensioner; (b) the legitimate, legitimated, legally adopted child, including the illegitimate child, who is unmarried, not gainfully employed, not over the age of majority, or is over the age of majority but incapacitated and incapable of self-support due to a mental or physical defect acquired prior to age of majority; and (c) the parents dependent upon the member for support;

c) *Compensation* refers to the basic pay or salary received by an employee, pursuant to his election/appointment, excluding per diems, bonuses, overtime pay, honoraria, allowances and any other emoluments received in addition to the basic pay which are not integrated into the basic pay under existing laws;

d) *Contribution* refers to the amount payable to the OWWA by a bonafide OFW and the employer in accordance with the provisions of this Act;

e) *Disability* refers to any loss or impairment of the normal functions of the physical and/or mental faculty of a member which reduces or eliminates his/her capacity to continue with his/her current gainful occupation or engage in any other gainful occupation;

f) *DOLE* refers to the Department of Labor and Employment

g) *GSIS* refers to the Government Service Insurance System created by Commonwealth Act No. 186;

h) *Pensioner* refers to any bonafide OFW receiving old-age permanent total disability pension or any bonafide OFW who has received the lump sum excluding one receiving survivorship pension benefits as defined under this Act;

i) *Primary beneficiaries* refer to the legal dependent spouse until he/she remarries and the dependent children;

j) *Secondary beneficiaries* refer to the dependent parents and, subject to the restrictions on dependent children, the legitimate descendants;

k) *SSS* refers to the Social Security System;

l) *OWWA* refers to the Overseas Workers Welfare Administration;

m) *POEA* refers to the Philippine Overseas Employment Agency created under Executive Order No. 797;

m) *Total Disability* refers to the complete incapacity to continue with his present employment or engage in any gainful occupation due to the loss or impairment of the normal functions of the physical and/or mental faculties of the member;

## **Chapter I Membership**

### **Article I Contribution and Collection**

**SEC. 5. *Registration of membership.*** Registration/enrollment and recording of members shall be in accordance with the provisions of this Act. Enrollees must meet the following requirements in order to be considered bonafide members:

a) Those enrolling while within the country

1. have submitted properly accomplished enrollment form;
2. enrollment papers were processed thru POEA or its duly designated processing centers;
3. have paid corresponding premiums.

b) On the job-site

1. have submitted properly accomplished registration form to OWWA or its duly designated collection center;
2. have paid corresponding premiums. (*Rule II, Sec. 2 (a) & (b), IRR of EO No. 195*)

All bonafide members shall be issued Official Receipt and OWWA E-Card upon payment of the required contribution. No extra charges shall be levied on bonafide members upon the issuance of the OWWA E-Card. The POEA and the OWWA are mandated to maintain an updated database of bonafide OFWs.

**SEC. 6. *Effectivity of Membership.*** Membership to the OWWA, either through the compulsory or voluntary coverages, shall be effective upon payment of membership contribution in the amount of Twenty-five US Dollars (US\$25.00) or its equivalence in the current foreign exchange rates. Such membership shall be considered active until the expiration of the OFWs' existing employment contract.

In case of voluntary members who register on-site, membership coverage shall not exceed two (2) years.

The membership contribution shall be collected on a per contract basis. *(modified from OWWA Omnibus Policies)*

**SEC. 7. *Renewal of Membership.*** Membership shall be renewed upon payment of contribution on contract renewal/issuance of new contract. In the case of voluntary membership, coverage shall be renewed upon payment of contribution of Twenty-five US Dollars (US\$25.00) or its equivalence in the current foreign exchange rates. *(Modified from OWWA Omnibus Policies)*

**SEC. 8. *Separation of Sea-based and Land-based Workers Contributions.*** To effect a more efficient fund management between the two (2) sub-sectoral groups, the collection of membership contribution shall be accounted for in two (2) separate books of account. *(OWWA Omnibus Policies)*

**SEC. 9. *Authorized Collecting Officers.*** a) Membership contributions shall be collected by duly authorized OWWA Collecting Officers, deputized collecting officers or accredited agents.

The collection of membership contributions shall be made at the Philippine Overseas Employment Administration (POEA) contract processing hub, OWWA regional and overseas offices, and other accredited collection centers.

Upon payment of OWWA membership contribution, the designated Collecting Officer shall issue an Official Receipt. *(Modified from OWWA Omnibus Policies)*

b) In case of voluntary members who register on-site, membership contributions shall be made directly to the OWWA Overseas Offices located in the various diplomatic stations or embassies or consulate offices of the Philippines.

Upon payment of OWWA membership contribution, the designated Collecting Officer shall issue an Official Receipt. *(New)*

## **Article II**

### **Other Provisions**

**SEC. 10. *Reportorial Requirements.*** The Collecting Officer/deputized collecting officer, or the accredited collecting agent shall prepare and submit the required monthly reports to the OWWA Office in the Philippines. *(Modified from OWWA Omnibus Policies)*

**SEC. 11. *Sanctions.*** Handling of collections and deposits by Collection Officers shall be governed by the usual accounting and auditing rules. Corresponding administrative sanctions and other disciplinary measures shall be imposed, including recall from post/suspension/or separation from service. *(OWWA Omnibus Policies)*

**SEC. 12. *Prohibition against discrimination on membership to the OWWA.*** No bonafide OFW shall be denied admission to the OWWA by reason of age, gender, nationality,

religious belief, or political opinion or affiliation. The OWWA shall take affirmative steps to enhance the access of overseas Filipinos and migrant Filipino workers to its programs and services. *(New)*

## **Chapter II** **OWWA Board of Trustees**

### **Article I** **Composition, Honoraria and Powers and Responsibilities**

**SEC. 13.** *The OWWA Board of Trustees.* The administrative operation of the OWWA is vested in the Board of Trustees known as the “OWWA Board of Trustees” which is constituted of:

- a) Secretary of Labor and Employment; *(Existing)*
- b) OWWA Administrator; *(Existing)*
- c) POEA Administrator; *(Existing)*
- d) The Chairperson of the Senate Committee on Labor and Employment, as *ex officio* member; *(New)*
- e) The Chairperson of the House Committee on Labor and Employment, as *ex officio* member; *(New)*
- f) A Representative from the management sector, who is selected from among the various associations of registered overseas placement and recruitment agencies based in the Philippines and nominated by the President, to serve for a term of two (2) years;
- g) Two (2) Land-based OFW Trustees, who has rendered at least five (5) years of productive employment overseas, selected and nominated by registered OFW organizations or associations, to serve for a term of two (2) years; *(New)*
- h) Two (2) Sea-based OFW Trustees, who has rendered at least five (5) years of productive employment overseas, selected and nominated by registered OFW organizations or associations, to serve for a term of two (2) years; *(New)*
- i) Two (2) Trustees from the OFW-women Sector, who has rendered at least five (5) years of productive employment overseas, selected and nominated by registered OFW organizations or associations, to serve for a term of two (2) years; *(New)*

The Trustees holding office as members of the OWWA Board at the time of the effectivity of this Act shall continue to serve until the expiration of their term of appointments.

In case of vacancy in the OWWA Board of any appointive position, such vacancy shall be filled by the subsequent selection and nomination by the respective sector concerned.

The successor shall be chosen in the same manner as provided for the predecessor and such successor shall hold office for the unexpired term.

Members of the Board shall serve without compensation other than actual and necessary expenses incurred in attendance of meetings of the Board or other official business authorized by the Board. *(New)*

**SEC. 14.** *Honoraria, per diem, and other emoluments.* The members of the OWWA Board shall not receive any compensation but shall be provided with honoraria, per diem, and other emoluments as may be allowed by accounting and auditing rules and procedures. He/she shall also be entitled to reimbursements of personal expenses incurred during actual performance of his/her official functions. *(New)*

**SEC. 15.** *Responsibilities and Powers of the Board of Trustees.* The Board shall exercise the following specific powers and duties:

a) To define the thrusts of the OWWA and adopt broad policy guidelines to ensure their implementation;

b) To preserve the integrity of the OWWA Trust Fund;

c) To fix the membership fee and other necessary charges, as the Board may deem proper to impose;

d) To ensure the efficiency of collection and the viability and sustainability of the fund through sound and judicious investment and fund management policies;

e) To receive and appropriate all sums as may be provided by law for the support of the OWWA to the ends specified by law, and all other sums in the manner it may, in its discretion, determine to carry out the purposes and functions of the OWWA;

f) To authorize the construction or repair of its buildings, machinery, equipment and other facilities, and the purchase and acquisition of real and personal properties, including the necessary supplies, materials and equipment;

g) To receive in trust legacies, gifts and donations of real and personal property of all kinds and to administer and dispose the same when necessary for the benefit of the OWWA general membership and subject to the instructions of the donor, if any;

h) The provisions of law to the contrary notwithstanding, to authorize any of its Board member to travel abroad for certain specific purpose relative to his/her functions: *Provided*, That such travel is within the scope and functions of the mandate of OWWA, as prescribed herein;

i) To exercise the general powers set out in the Corporation Code;

j) To delegate any of its powers to the Chairperson of the OWWA Board or any other officials or officers as it may deem necessary;

k) To prescribe such general policies, rules and regulations, not contrary to law, as are consistent with the purposes of the OWWA; and

l) To exercise such powers as may be proper and necessary to carry out the objectives of this Act. (*Overhauled; New*)

## **Article II**

### **Meetings, Proxies, and Records Management**

**SEC. 16. *Schedule of Meetings and Quorum of the Board of Trustees.*** The regular meetings of the Board shall be held every last Friday of the month. If a change of date becomes necessary, the same shall be held at the most convenient time set by the Board. Special Board meetings and executive meetings may be scheduled as the need arises.

A simple majority of all members of the Board holding office at the time the meeting is called shall constitute a quorum. (*modified from OWWA Omnibus Policies*)

**SEC. 17. *Attendance of Proxies.*** Members of the Board may designate their permanent alternate representative in writing subject to the acceptance of the Board. The designated alternate shall have voting rights. His decision shall be deemed the decision of his/her principal.

The alternate representative cannot further delegate such representation. However, in the event that the member and his permanent alternate representative are absent, any representative sent shall be on observer status. (*OWWA Omnibus Policies*)

**SEC. 18. *Procedures in the Board.*** All decisions of the Board shall be expressed in the form of Resolutions signed by all members present. The Resolution shall be sequentially numbered and dated. Resolutions may be modified or superseded by another resolution. Resolutions shall take effect upon adoption and signing by the members present, subject to requisite publication. (*OWWA Omnibus Policies*)

**SEC. 19. *Records Management and Archiving of Board Documents.*** The Board Secretary shall ensure a thorough recording of all proceedings during a Board meeting. The minutes of the previous meeting shall be made available for approval during the scheduled Board Meeting. (*OWWA Omnibus Policies*)

The Minutes of the Meeting shall basically contain the attendance, business arising from the minutes, major agreements reached, corresponding resolutions, and other items noted or discussed, and instructions issued by the Board. (*OWWA Omnibus Policies*)

All minutes, tapes, and other documents pertaining to the business of the Board shall be kept and archived pursuant to standard records management systems and procedures and shall be made open to public at any time. (*New*)



### **Article III**

#### **Presiding Officer and Secretariat**

**SEC. 20.** *The Secretary of DOLE.* The Secretary of the DOLE is the *ex officio* chairperson of the OWWA Board. As such, he/she shall exercise the powers specifically provided for in this Act, those determined by the Board, and those which are related or necessary to its functions. *(New)*

The Chairperson of the OWWA Board shall preside over meetings of the Board. In the absence of the Chair, a duly designated representative, with a rank of an Undersecretary, shall preside. The Administrator acts as the Vice Chairman. *(modified from OWWA Omnibus Policies)*

The Chairperson of the OWWA Board shall not receive any compensation but shall be provided with honoraria, per diem, and other emoluments as may be allowed by accounting and auditing rules and procedures. He/she shall also be entitled to reimbursements of personal expenses incurred during actual performance of his/her official functions. *(modified from OWWA Omnibus Policies)*

**SEC. 21.** *The OWWA Secretariat and of the Board of Trustees.* The OWWA Secretariat shall also function as the Secretariat of the Board. As such, it shall keep records of the OWWA Board as may be designated. As the OWWA Secretariat, the Secretariat shall likewise function as the implementing arm of OWWA. *(Modified from the OWWA Omnibus Policies)*

**SEC. 22.** *Duties and Responsibilities of the OWWA Secretariat.* The OWWA Secretariat shall perform and assume the following duties and responsibilities:

- a) To manage programs and the delivery of welfare services locally and overseas to its members, supported by advocacy and information programs;
- b) To implement Board policies on investment and fund management;
- c) To formulate medium term development plans responsive to the welfare, needs and demands of member-OFWs;
- d) To submit work and financial plans for Board consideration;
- e) To provide policy analyses and recommendations for Board consideration;
- f) To conduct continuing researches and studies, including impact evaluation, in aid of policy and program development;
- g) To regularly monitor and conduct assessment and evaluation of organizational performance;
- h) To establish and maintain an on line management information system, to include database on membership;

i) To establish and maintain linkages and networks with local and international social and institutional partners;

j) To conduct annual planning, budgeting and organizational performance assessment and render the report to the Board.

j) To submit written quarterly reports on the assessment, and evaluation of programs, projects and services and such other reports as may be required by the Board;

k) To render annual report to the President;

l) Undertake the periodic review of programs, standards, thrusts and policies;

m) To perform other functions as may be instructed by the Board; and

n) Adopt internal rules of procedure consistent with the provisions of this Act. *(Overhauled; New)*

#### **Article IV Administrator**

**SEC. 23.** *The OWWA Administrator.* The administration of the OWWA is vested in the Administrator insofar as authorized by the Board and the Secretary of DOLE. As the Chief Executive Officer of the Secretariat, the administrator administers the overall operations of the Secretariat. He exercises general supervision and control of all its personnel and resources, and assumes full responsibility and accountability thereof. *(modified from the OWWA Omnibus Policies)*

The Administrator of the OWWA shall be nominated by the President. The Administrator shall report to the President through Secretary of DOLE, and shall perform the duties and functions elsewhere stated in this Act, and all the usual, necessary and related functions of the office of the administrator, subject to the policies and rules prescribed by the Board. The Board shall determine the term and compensation of the Administrator. *(New)*

**SEC. 24.** *The Deputy Administrator.* The Deputy Administrator shall assist the Administrator in the administration and supervision of operations. The Board may assign specific functional responsibilities to the Deputy Administrator. *(modified from the OWWA Omnibus Policies)*

#### **Article V Personnel and Staffing Pattern *(New)***

**SEC. 25.** *New Structure and Pattern.* (a) Upon effectivity of this Act, the officers and employees of the OWWA shall, in a holdover capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service. The new structure and staffing pattern for the OWWA shall be approved and prescribed by the OWWA Board, not later than one (1) year from the effectivity of this Act and the authorized staff positions created thereunder shall be filled with regular appointments by the OWWA Board. *(New)*

(b) Those incumbents whose positions are not included therein or who are not reappointed shall be deemed separated from the service. Those separated from the service shall receive the retirement benefits to which they may be entitled under existing laws, rules and regulations. Otherwise, they shall be paid the equivalent of one-and-a-half month salary for every year of service, or fraction thereof, computed on the basis of the highest salary received, but in no case shall such payment exceed the equivalent of twelve (12) months salary. *(New)*

**SEC. 26. *Qualifications Upgrading Program.*** Pursuant to the provision of paragraph (1) of the immediately preceding section, the OWWA Board shall design and establish a qualifications upgrading program for the staffing of the OWWA, in coordination with the DOLE and the Civil Service Commission (CSC), within one hundred twenty (120) days from the effectivity of this Act: *Provided*, That those who are already in the service from the effectivity of this Act shall have not later than five (5) years to obtain the required academic degree and/or qualification counted from the implementation of the qualifications upgrading program: *Provided, further*, That those who are already in the service from the effectivity of this Act shall have not later than one (1) year to obtain the necessary CSC qualification required for the position they are currently holding. *(New)*

**SEC. 27. *Authority of the Board to Reorganize the Administration.*** Notwithstanding the provisions of existing law, the OWWA Board shall conduct a management audit, and prepare and submit to Congress a proposed reorganization plan of the OWWA not later than one (1) year, subject to the limitations provided under this Act and based on the following criteria:

a) increased OWWA visibility from the head office to the various regional offices and by the appointment and assignment of personnel to positions which are purely administrative, technical, clerical or menial in nature and other positions which are not actually and directly related to its operation and administration; and

b) efficient and optimized delivery of OWWA services to the OFWs and their respective families. *(New)*

**SEC. 28. *General qualifications for appointment.*** No person shall be appointed as staff or personnel of the OWWA unless he/she possesses the following minimum qualifications:

a) a citizen of the Philippines;

b) a person of good moral conduct;

c) must have passed the psychiatric/ psychological, drug and physical tests to be administered by the PNP-accredited government hospital for the purpose of determining physical and mental health;

d) must possess a formal baccalaureate degree from a recognized institution of learning;

e) must be eligible in accordance with the standards set by the OWWA Board;

f) must not have been dishonorably discharged from any private employment or dismissed for cause from any civilian, police or military position in the government; and

g) must not have been convicted by final judgment of an offense or crime involving moral turpitude. *(New)*

**SEC. 29. *Adherence to Attrition Law.*** Pursuant to the provisions of Republic Act No. 7430, otherwise known as the Attrition Law, which gives highest priority to measures that promote morale, efficiency, integrity, responsiveness, progressiveness and the optimum utilization of personnel in the civil service,

no appointment shall be made to fill vacated positions at the OWWA as a result of the implementation of this Act or as a result of resignation, retirement, dismissal, death or transfer to another office of an officer or employee within five (5) years from the effectivity of this Act: *Provided, however,* That this prohibition shall not apply in the following instances:

(a) Where the position is head of a primary organic unit such as chief of division;

(b) Where the position is the lone position in the organizational unit and it corresponds to a particular expertise that is intrinsic to the desired basic capability of the unit concerned;

(c) Where the positions are basic positions for the initial operations or where the positions are vital and necessary for the continued and efficient operation of said agencies;

(d) Where the positions are difficult to fill considering the qualifications required therefor;

(e) Appointments or designations extended by the President; and

(f) Where the replacement come from existing employees.

*Provided, further,* That exemptions from this prohibition shall require authorization by the OWWA Board and concurred by the CSC: *Provided, finally,* That no appointment shall be issued by the appointing authority nor approved by the Civil Service Commission without said authorization.

Appointments made in violation of this Act shall be null and void. *(New)*

**SEC. 30. *Rationalized Promotion System.*** Within one (1) year after the effectivity of this Act, the OWWA Board shall establish a system of promotion for OWWA personnel and staff which shall be based on merits and on the availability of vacant positions in the OWWA staffing pattern. Such system shall be gender fair and shall ensure that women personnel shall enjoy equal opportunity for promotion. *(New)*

**SEC. 31. *Status of Personnel and Staff.*** The personnel and staff of the OWWA shall be considered employees of the OWWA as a government-controlled institution and shall

draw their salaries therefrom. They shall have the same salary grade level as that prescribed in the Salary Standardization Law: *Provided*, That they may be paid financial incentive by the OWWA Regional Office concerned subject to the availability of funds. *(New)*

**SEC. 32. *Early Retirement Program.*** Within three (3) years after the effectivity of this Act, any OWWA personnel and staff may retire and be paid separation benefits corresponding to one-and-a-half month salary for every year of service, or fraction thereof, computed on the basis of the highest salary received, but in no case shall such payment exceed the equivalent of twelve (12) months salary subject to the following conditions:

a) that, at the time when a personnel or staff applies for retirement, he/she has already rendered at least ten (10) years of continuous service at the OWWA;

b) the applicant is not scheduled for separation or retirement from the OWWA service due to the attrition system or separation for cause;

c) the applicant has no pending administrative or criminal case; and

d) the applicant has at least three (3) more years in the service before reaching the compulsory retirement age and at least a year before his/her maximum tenure in position. *(New)*

**SEC. 33. *Rationalization of Retirement and Separation Benefits.*** The OWWA Board shall formulate a rationalized retirement and separation benefits schedule and program within one (1) year from the effectivity of this Act for approval by Congress: *Provided*, That the approved schedule and program shall have retroactive effect in favor of personnel or staff and officers retired or separated from the time specified in the law, unless the retirement or separation is for cause and the decision denies the grant of benefits. *(New)*

## **TITLE II THE OWWA TRUST FUND**

### **Chapter I Fiscal Management**

#### **Article I Nature, Source, and Administration**

**SEC. 34. *Nature of the Fund.*** The OWWA Fund shall remain as the private funds of the OFWs and shall be utilized exclusively for their benefit.

All funds of the OWWA Trust Fund shall, upon collection thereof, be immediately deposited, interest free, by the OWWA with the bank acquired for the benefit of the OFWs under such terms and conditions as will insure that said bank can service in full the credit requirements of the OFWs. *(New)*

**SEC. 35. *The OWWA Trust Fund, Source.*** Pursuant to Section 2 of PD No. 1694, all monetary contributions, fees and other charges imposed pursuant to the provisions of the

Letter of Instructions No. 537 issued on May 1, 1977 and its related issuances shall be accrued to the OWWA Trust Fund, as defined under this Title. The said fund shall be used to finance the legitimate benefits and programs administered by the OWWA under this Act, including providing social and welfare services to OFWs such as, but not limited to, insurance coverage, legal assistance, placement assistance, and remittance services. The OWWA shall maintain the required reserves to guarantee the fulfillment of its obligations under this Act. *(New) (PD No. 1694; modification of Sec. 34, GSIS Act)*

The OWWA Trust fund is a single trust fund composed of membership contributions of land-based and sea-based workers, investment and interest income, and income from other sources.

Out of the membership contribution of Twenty-five US Dollars (US\$25.00) per overseas employment contract, P165.00 shall be allocated as Insurance Benefit Program Fund to service all insurance claims. *(Modified from the OWWA Omnibus Policies)*

**SEC. 36. Administration.** The OWWA Trust Fund shall be administered by the OWWA Board of Trustees. No disbursements from said Fund shall be made except those which have passed the approval of the Board. *(New)*

Transactions in the OWWA Trust Fund shall be subject to such rules and regulations as may be formulated by its Board of Trustees consistent with the provisions of this Act. The Board of Trustees shall fix the yearly appropriation of the Secretariat. *(Sec. 5, PD No. 1694 as amended by PD No. 1809)*

The annual budget of the OWWA, including the compensation of OWWA personnel and the operating expenses of the secretariat shall be charged to the OWWA Fund and incorporated in the annual General Appropriations Act, subject to the approval by the Congress. *(New)*

The OWWA Trust Fund shall not be used for purposes other than what are provided for under this Act. No portion of such Fund or income thereof shall accrue to the General Fund of the national government and its political subdivisions, instrumentalities and other agencies including government-owned and controlled corporations except as may be allowed under this Act. *(modification of Sec. 34, GSIS Act)*

**SEC. 37. Reporting of the Fund.** Within thirty (30) days after the end of each calendar year, the OWWA Board of Trustees shall submit to the President a statement showing the total collections of, and the disbursements from, the OWWA Trust Fund, copies of which report shall be furnished to Congress. *(New)*

**SEC. 38. Declaration of Dividends.** Pursuant to Section 1 of Presidential Decree No. 270, the OWWA is hereby mandated to declare and distribute the excess profits as dividends to stockholders, pursuant to such rules and regulations as the Securities and Exchange Commission (SEC), which is hereby authorized to promulgate, may issue with the approval of the Department of Trade and Industry (DTI). *(Sec. 1, PD No. 270) (New)*

**SEC. 39. Disbursement of OWWA Collection.** Any provision of existing law to the contrary notwithstanding, all incomes generated by the OWWA shall, upon their collection, be retained by the OWWA and disbursed at the discretion of the Board for the general

welfare and other benefits of the OWWA general membership and the OWWA Secretariat personnel; for the acquisition, construction, maintenance and repair of urgently needed auxiliary facilities, equipment, buildings and other infrastructure; and for expenses necessary for the attainment of its purposes under its approved program of expenditures.

Fees and charges charged to any OWWA members shall constitute the special trust funds and shall be deposited in any authorized government depository bank. Any and all interests that shall accrue therefrom shall form part of the same funds for the use of the Insurance Benefit Program Fund, as prescribed herein.

**SEC. 40. *Establishment of the OFW Bank.*** Subject to the approval of the Congress, an OFW Bank that is solely owned by the OFWs may be established to provide credit, commercial, development and savings banking facilities at reasonable terms to the overseas Filipino workers which shall have its principal places of business in every province.

### **TITLE III TENURE AND TERMINATION OF OVERSEAS EMPLOYMENT**

#### **Chapter I Computation of Tenure of Service**

##### **Article I Effects of Termination of Overseas Employment**

**SEC. 41. *Computation of Service.*** The computation of service for the purpose of determining the amount of benefits payable under this Act shall be from the date of first and original membership to the OWWA, including periods of employment, whether contracted directly or hired through the POEA accredited placement agency or those overseas agencies that may be prescribed by the POEA.

All service credited for retirement, resignation or separation for which corresponding benefits have been awarded under this Act or other laws shall be excluded in the computation of service in case of reinstatement in the service of an employer and subsequent retirement or separation which is compensable under this Act.

For the purpose of this section, the term service shall include full-time service with compensation: *Provided*, that contract-based services or employment with compensation may be included under such rules and regulations as may be prescribed by the OWWA. (*modification of Sec. 10, Republic Act 8291*)

**SEC. 42. *Separation from Employment.*** a) When the overseas employment of a bonafide OWWA member ceases he/she may elect to continue his/her Medicare Membership by giving a written notice to the OWWA and paying the same annual contribution.

b) The option to continue membership shall be allowed when exercised not later than within six (6) months following the lapse of his/her last annual Medicare coverage. If he/she

fails to exercise the option within said period, the option is forfeited. (*Rule VIII, Sec. 1, IRR of EO No. 195*)

**SEC. 43. *Transfer of Membership.*** When an OFW accepts a local private or government employment after termination of his/her overseas work, his/her medical care coverage under OWWA shall continue for the unexpired period corresponding to his/her premium payment. In case of dual membership, whatever medical care benefits available to him/her as a result of his/her GSIS/SSS membership must first be applied before applying the OWWA Medicare Program benefits. The OFW shall notify the OWWA of such change of employment. (*Rule VIII, Sec. 2, IRR of EO No. 195*)

## **Article II Benefits and Services**

**SEC. 44. *Benefits and Services for OWWA Members.*** a) The OWWA shall provide for social insurance benefits, loan assistance, education and training, social services and family welfare assistance subject to the qualification requirements and availability of OWWA funds. All benefits and services shall be over and above the provisions of the employment contract, offer of employers, or the laws of the receiving country.

b) A bonafide OWWA member shall be entitled to the following benefits and services:

### 1) Insurance and Health-Care Benefits (*New*)

- i) Involuntary Separation Benefits
- ii) Permanent Disability Benefits
- iii) Temporary Disability Benefits
- iv) Survivorship Benefits
- v) Funeral Benefits
- vi) Life Insurance

### 2) Loan Guarantee Fund

- i) Pre-Departure Loan
- ii) Family Assistance Loan

### 3. Education and Training Benefits

- i) Skills-for-Employment Scholarship Program
- ii) Education for Development Scholarship Program



iii) Seafarers' Upgrading Program

4. Social Services and Family Welfare Assistance

i) Repatriation Program

ii) Reintegration Program

5. Workers Assistance and On-Site Services (*modified Secs. 1 & 2, OWWA Omnibus Policies*)

**Article 1II**

**Insurance and Health-Care Benefits (*New*)**

***A. Involuntary Separation Benefits***

**SEC. 45. *Unemployment or Involuntary Separation Benefits.*** A bonafide OFW member shall be entitled to apply for loan from the OWWA Funds in case of involuntary separation from overseas employment. Unemployment benefits in the form of monthly cash payments equivalent to fifty percent (50%) of the average monthly compensation shall be made to a bonafide OFW member who is involuntarily separated from employment due to permanent disability: *Provided*, That he/she has been paying integrated contributions for at least two (2) full years prior to separation. Unemployment benefits shall be paid in accordance with the following schedules:

<u><i>Contributions Made</i></u>	<u><i>Benefit Duration</i></u>
2 years but less than 3 years	2 months
3 years or more but less than 6 years	3 months
6 years or more but less than 9 years	4 months
9 years or more but less than 11 years	5 months
11 years or more but less than 15 years	6 months

The first payment shall be equivalent to two (2) monthly benefits. A seven-day (7) waiting period shall be imposed on succeeding monthly payments.

All accumulated unemployment benefits paid to the employee during his/her entire membership with the OWWA shall be deducted from voluntary separation benefits.

The OWWA shall prescribe the detailed guidelines in the operationalization of this section in the rules and regulations implementing this Act. (*modification of Sec. 12, Republic Act 8291*)

**SEC. 46. *Conditions for Entitlement.*** A member who is involuntarily separated from overseas employment shall be entitled to the involuntary separation benefits enumerated in the preceding section hereof: *Provided*, That:

1) he/she has rendered the annual contributions to the OWWA at least two (2) full years, either as a regular member or voluntarily; and

2) he/she is not receiving a monthly pension benefit from permanent total disability.

### ***B. Permanent Disability Benefits***

**SEC. 47. General Conditions for Entitlement.** A bonafide OWWA member who suffers permanent disability for reasons not due to his grave misconduct, notorious negligence, habitual intoxication, or willful intention to kill himself or another, shall be entitled to the benefits provided for under the immediately following sections, subject to the corresponding conditions thereof. (*see Sec. 15, Republic Act 8291*)

**SEC. 48. Permanent Total Disability Benefits.** a) If the permanent disability is total, he shall receive a monthly income benefit for life equal to the basic monthly pension effective from the date of disability: *Provided, That:*

1) he/she is productively employed as an OFW at the time of disability; or

2) if separated from overseas employment, he/she has paid at least thirty-six (36) monthly contributions within the five (5) year period immediately preceding disability, or has paid a total of at least one hundred eighty (180) monthly contributions, prior to his/her disability: *Provided, further,* That if at the time of disability, he/she was in the service and has paid a total of at least one hundred eighty (180) monthly contributions, in addition to the monthly income benefit, he/she shall receive a cash payment equivalent to eighteen (18) times his/her basic monthly pension: *Provided, finally,* That a member cannot enjoy the monthly income benefit for permanent disability and the old-age retirement simultaneously.

b) If a member who suffers permanent total disability does not satisfy conditions (1) and (2) in paragraph (a) of this section but has rendered at least three (3) years of service at the time of his/her disability, he/she shall be advanced the cash payment equivalent to one hundred percent (100%) of his/her average monthly compensation for each year of service he/she paid contributions, but not less than Twelve thousand pesos (P12,000.00) which should have been his/her separation benefit.

c) Unless the member has reached the minimum retirement age, disability benefit shall be suspended when:

1) he/she is reemployed; or

2) he/she recovers from his disability as determined by the OWWA, whose decision shall be final and binding; or

3) he/she fails to present himself/herself for medical examination when required by the OWWA.

d) The following disabilities shall be deemed total and permanent:

1) complete loss of sight of both eyes;

2) loss of two (2) limbs at or above the ankle or wrist;

3) permanent complete paralysis of two (2) limbs;

4) brain injury resulting in incurable imbecility or insanity; and

5) such other cases as may be determined by the GSIS. (*modification of Sec. 16, Republic Act 8291*)

**SEC. 49. *Permanent Partial Disability Benefits.*** a) If the disability is partial, he/she shall receive a cash payment in accordance with a schedule of disabilities to be prescribed by the OWWA: *Provided*, That he/she satisfies either conditions (1) or (2) as stipulated in the prior section

b) The following disabilities shall be deemed permanent partial:

1) complete and permanent loss of the use of:

i) any finger

ii) any toe

iii) one arm

iv) one hand

v) one foot

vi) one leg

vii) one or both ears

viii) hearing of one or both ears

ix) sight of both eyes

2) such other cases as may be determined by the OWWA.

**SEC. 50. *Entitlement benefit for total permanent disability.*** In case of total permanent disability, a bonafide OWWA member shall be entitled to P100,000.00. (*Adopted from the OWWA Omnibus Policies*)

**SEC. 51. *Entitlement benefit for partial disability/dismemberment.*** A member shall be entitled to partial disability/dismemberment benefits as a rider provision of his life insurance as provided for in the impediment schedule contained in the Manual of Systems and Procedures. The coverage is within the range of P2,000.00 to P50,000.00. (*Adopted from the OWWA Omnibus Policies*)

### ***C. Temporary Disability Benefits***

**SEC. 52. *Temporary Total Disability Benefits.*** a) A bonafide OWWA member who suffers temporary total disability for reasons not due to any of the conditions enumerated in the preceding section hereof shall be entitled to seventy-five percent (75%) of his/her current daily compensation for each day or fraction thereof of temporary disability benefit not exceeding one hundred twenty (120) days in one calendar year after exhausting all his sick leave credits and collective bargaining agreement sick leave benefits, if any, but not earlier than the fourth day of his temporary total disability: *Provided, That:*

1) he is in the service at the time of his disability; or

2) if separated, he has rendered at least three (3) years of service and has paid at least six (6) monthly contributions in the twelve-month period immediately preceding his disability.

*Provided, however,* That a member cannot enjoy the temporary total disability benefit and sick leave pay simultaneously: *Provided, further,* That if the disability requires more extensive treatment that lasts beyond one hundred twenty (120) days, the payment of the temporary total disability benefit may be extended by the OWWA but not to exceed a total of two hundred forty (240) days.

b) The temporary total disability benefit shall in no case be less than Seventy pesos (P70.00) a day.

c) The notices required of the member and the employer, the mode of payment, and the other requirements for entitlement to temporary total disability benefits shall be provided in the rules and regulations to be prescribed by the OWWA.

**SEC. 53. *Non-scheduled Disability.*** For injuries or illnesses resulting in a disability not listed in the schedule of partial/total disability provided herein, the OWWA shall determine the nature of the disability and the corresponding benefits therefor.

#### ***D. Survivorship Benefits***

**SEC. 54. *Survivorship Benefits.*** When a bonafide OFW member, the beneficiaries shall be entitled to survivorship benefits provided in the immediately following sections hereunder subject to the conditions therein provided for. The survivorship pension shall consist of:

1) the basic survivorship pension which is fifty percent (50%) of the basic monthly pension; and

2) the dependent children's pension not exceeding fifty percent (50%) of the basic monthly pension.

**SEC. 55. *Death of a Member.*** a) Upon the death of a member, the primary beneficiaries shall be entitled to:

1) survivorship pension: *Provided, That* the deceased:

(i) was in the service at the time of his death; or

(ii) if separated from the service, has at least three (3) years of service at the time of his death and has paid thirty-six (36) monthly contributions within the five-year period immediately preceding his death; or has paid a total of at least one hundred eighty (180) monthly contributions prior to his death; or

2) the survivorship pension plus a cash payment equivalent to one hundred percent (100%) of his average monthly compensation for every year of service: *Provided*, That the deceased was in the service at the time of his death with at least three (3) years of service; or

3) a cash payment equivalent to one hundred percent (100%) of his average monthly compensation for each year of service he paid contributions, but not less than Twelve thousand pesos (P12,000.00): *Provided*, That the deceased has rendered at least three (3) years of service prior to his death but does not qualify for the benefits under item (1) or (2) of this paragraph.

b) The survivorship pension shall be paid as follows:

1) when the dependent spouse is the only survivor, he/she shall receive the basic survivorship pension for life or until he/she remarries;

2) when only dependent children are the survivors, they shall be entitled to the basic survivorship pension for as long as they are qualified, plus the dependent children's pension equivalent to ten percent (10%) of the basic monthly pension for every dependent child not exceeding five (5), counted from the youngest and without substitution;

3) when the survivors are the dependent spouse and the dependent children, the dependent spouse shall receive the basic survivorship pension for life or until he/she remarries, and the dependent children shall receive the dependent children's pension mentioned in the immediately preceding paragraph hereof.

c) In the absence of primary beneficiaries, the secondary beneficiaries shall be entitled to:

1) the cash payment equivalent to one hundred percent (100%) of his average monthly compensation for each year of service he paid contributions, but not less than Twelve thousand pesos (P12,000.00): *Provided*, That the member is in the service at the time of his death and has at least three (3) years of service; or

2) in the absence of secondary beneficiaries, the benefits under this paragraph shall be paid to his legal heirs.

d) For purposes of the survivorship benefits, legitimate children shall include legally adopted and legitimated children.

**SEC. 56. *Death of a Pensioner.*** Upon the death of an old-age pensioner or a member receiving the monthly income benefit for permanent disability, the qualified beneficiaries shall be entitled to the survivorship pension defined herein, subject to the provisions of paragraph (b) of the preceding section hereof. When the pensioner dies within the period covered by the lump sum, the survivorship pension shall be paid only after the expiration of the said period.

### ***E. Funeral Benefits***

**SEC. 57. *Funeral Benefits.*** The amount of the funeral benefits shall be determined and specified by the OWWA in the rules and regulations but shall not be less than Twenty thousand pesos (P20,000.00): *Provided*, That it shall be increased to at least twenty-five thousand pesos (P25,000.00) after five (5) years and shall be paid upon the death of:

- a) an active bonafide OWWA member as defined under this Act; or
- b) a bonafide OWWA member who has been separated from overseas employment, but who may be entitled to future benefit pursuant to the provisions of this Act; or
- c) a pensioner, as defined under this Act; or
- d) a retiree who at the time of his/her retirement was of pensionable age under this Act. *(New)*

### ***F. Life Insurance Benefits***

**SEC. 58. *Compulsory Life Insurance.*** All bonafide OWWA members shall, under such terms and conditions as may be promulgated by the OWWA, be compulsorily covered with life insurance, which shall automatically take effect as follows:

- 1) for those employed after the effectivity of this Act, their insurance shall take effect on the date of their employment;
- 2) for those whose insurance will mature after the effectivity of this Act, their insurance shall be deemed renewed on the day following the maturity or expiry date of their insurance;
- 3) for those without any life insurance as of the effectivity of this Act, their insurance shall take effect following said effectivity. *(New)*

**SEC. 59. *Insurance Benefit Program Fund.*** Any bonafide OWWA member, as defined herein this Act, shall pay his/her contribution to the Insurance Benefit Program Fund anytime, *Provided that*, at the time of payment the maximum required contribution is paid to the OWWA Trust Fund. The amount of One hundred sixty-five pesos (Php 165.00) from the Twenty-five US Dollars (US\$25.00) contribution to the OWWA Trust Fund shall be applied to the Insurance Benefit Program Fund. *(New)*

Any bonafide OWWA may continue paying the contribution under the OWWA Trust Fund even after the termination of his/her overseas employment to be able to enjoy corresponding benefits as provided for under the schedule of the Insurance Benefit Program Fund. However, the grant of such benefits under the Insurance Benefit Program Fund shall cease upon filing of a final claim under the regular OWWA program. *(New)*

**SEC. 60. *Insurance Benefits.*** A bonafide OWWA member shall be covered with life insurance for the duration of his employment contract. The coverage shall include P100,000.00 for natural death and P200,000.00 for accidental death. *(New)*

**SEC. 61. *Dividends.*** An annual dividend may be granted to all bonafide members of the OWWA whose life insurance is in force for at least one (1) year in accordance with a dividends allocation formula to be determined by the OWWA. *(New)*

**SEC. 62. *Optional Insurance.*** Subject to the rules and regulations prescribed by the OWWA Board, a bonafide OWWA member may apply for insurance and/or pre-need coverage embracing life, health, hospitalization, education, memorial plans, and such other plans as may be designed by the OWWA, for himself/herself and/or his/her dependents. Any employer may likewise apply for group insurance coverage for its employees. The payment of the premiums/installments for optional insurance and pre-need products may be made by the insured or his/her employer and/or any person acceptable to the OWWA. *(New)*

**SEC. 63. *Reinsurance.*** The OWWA may reinsure any of its interests or part thereof with any private company or reinsurer whether domestic or foreign: *Provided*, That the OWWA shall submit an annual report on its reinsurance operations to the Insurance Commission. *(New)*

## **Article IV Loan Guarantee Fund**

**SEC. 64. *Loan Guarantee Fund.*** In compliance with Article III, Section 21 of RA 8042, the OWWA shall provide Pre-Departure Loan (PDL) and Family Assistance Loan (FAL), in coordination with government financing institutions (GFIs) in the amount of P100,000,000.00 as a revolving Loan Guarantee Fund. The loan shall not exceed P40,000.00.

The PDL shall service ready-to-leave newly hired OFWs whose employers or agents have already paid the compulsory membership contribution to OWWA. The loan is designed to assist members in their pre-departure needs such as payment of placement fees, clothing requirements, pocket money, and other pre-departure expenses.

The FAL is available for emergency and other family needs as endorsed by the member. *(Adopted from the OWWA Omnibus Policies)*

## **Chapter 2 Programs and Benefits for OFWs**

### **Article I Education and Training**

**SEC. 65. *Education and Training Benefits.*** A member may avail for himself or his duly designated beneficiary any of the following scholarship program, subject to a selection process and accreditation of participating institutions. Annual scholarship lists shall be submitted to the Board.

1) *Skills-for-Employment Scholarship Program.* The OWWA shall allocate P6M annually for technical or vocational training scholarship.

2) *Education for Development Scholarship Program.* The OWWA shall allocate one hundred (100) baccalaureate slots annually. A maximum of P10,000.00 for school fees and P20,000.00 for allowances per semester shall be provided.

3) *Seafarers' Upgrading Program.* An annual amount of P10M shall be allocated for this program. To ensure the competitive advantage of Filipino seafarers in meeting International Maritime Organization (IMO) competency standards, sea-based members shall be entitled to one upgrading program for every three (3) membership contributions. Qualified grantees shall be provided with training assistance from P 1,200.00 to a maximum of P 7,500.00.

## **Article II**

### **Social Services and Family Welfare Assistance**

**SEC. 66. *Social Services and Family Welfare Assistance.***

1) Repatriation Program. – Consistent with the provisions of RA No. 8042, bonafide OWWA members shall be repatriated and provided with services necessary to facilitate repatriation.

2) Reintegration Program. – A Reintegration Program shall be implemented by the DOLE through the OWWA in coordination with the LGUs and NGOs.

Community organizing, capability-building and other social preparations shall be incorporated in this program.

Livelihood loans shall be made available to bonafide OWWA members subject to the policies formulated by the Board.

An annual budget for the Reintegration Program shall be approved by the Board.  
(*modified from the OWWA Omnibus Policies*)

## **Article III**

### **Workers Assistance and On-Site Services**

**SEC. 67. *Workers Assistance and On-site Services.*** The OWWA shall sustain and maintain assistance to its bonafide members in all its regional and overseas offices. Services shall include locating the OFW, providing information and guidance, developing materials of the Pre-Departure Orientation Seminars, conducting psycho-social counseling, conciliation



services, medical and legal assistance, and outreach missions, among others. On behalf of the OFW, the OWWA may provide appropriate representation with employers, agents, and host government authorities. (*modified from the OWWA Omnibus Policies*)

#### **Article IV**

##### **OWWA Medicare Program Fund**

**SEC. 68. *The Fund.*** The fund shall be known as the OFW Medicare Program Fund which shall consist of all contributions and accrual to said fund including the seed money provided for this Program. The OFW Medicare Program Fund shall be kept distinct and separate from other funds administered by the OWWA.

Deposit, disbursement and investment of the fund shall be in the same manner and under the same conditions, requirements and safeguards applicable to the other funds being administered by the OWWA.

The fund shall be used for claims payments and operating expenses. The annual operating expenses shall not exceed 12% of the collection and accruals for the year. (*Rule VI, Sec. 1 (a) & (b), IRR of EO No. 195*)

**SEC. 69. *Compulsory Coverage.*** The OWWA Medicare Program Fund created under Executive Order No. 195 shall compulsorily cover the following:

a) Filipinos recruited for employment abroad, herein referred to as Overseas Filipino Workers (OFWs) or members; and ( *Sec. 1, EO No. 195*)

b) Dependents of OFWs. (*Sec. 2, EO No. 195*)

The compulsory coverage shall not apply to Filipino Overseas Contract Workers with existing coverage of the Philippine Medical Care Program acquired thru the SSS voluntary basis coverage pursuant to Section 9(b) of R.A. 1161, as amended, known as the SSS Law. (*Sec. 4, EO No. 195*)

**SEC. 70. *Amount of Contributions.*** All bonafide OWWA members shall pay a uniform amount of Nine Hundred pesos (P900.00) only for a one (1) year program coverage. For initial payments, the amount shall cover the Medicare coverage of each member and his legal dependents starting the first day of the fourth month after payment. In the case of renewals of membership, the coverage of succeeding annual payments shall commence on the first day after expiration of the immediately preceding coverage, provided payment is made before said expiration. If payment is made after expiration, the rule on initial payments shall apply. Option to pay more than one (1) year of coverage shall be allowed, provided payment shall be made on an annual basis. The corresponding period of coverage shall be reflected in the Medicare Eligibility Certificate to be issued for the purpose. (*Rule V, Sec. 1, IRR of EO No. 195*)

**SEC. 71. *Collection.*** a) Enrollment or renewal of membership to the Program shall be a pre-requisite to the processing of OFWs' employment documents and issuance of OEC.

b) OFWs on site shall pay their annual premium contributions directly to the OWWA or its designated collection centers;

c) Succeeding annual premium contributions shall be paid by the member or his dependent directly to the OWWA or its designated collection centers. (*Rule V, Sec. 2 (a), (b) & (c), IRR of EO No. 195*)

**SEC. 72. *Premium Contributions.*** Pursuant to Executive Order No. 195, the premium contributions and benefits of the OFWs and their dependents shall be the same as those provided for SSS members under Program I of the Philippine Medical Care Plan. (*Sec. 3, EO No. 195*)

**SEC. 73. *Benefits.*** The benefits under the OFW Medicare Program Fund shall consist of the benefits prescribed Executive Order No. 195 and defined under Rule III of the Implementing Rules and Regulations of EO No. 195. (*see Rule III, IRR of EO No. 195*)

## **TITLE IV**

### **LEGAL REMEDIES OF OFW CASES**

#### **Chapter I Adjudication**

##### **Article I Claims And Disputes**

**SEC. 74. *Prescription.*** Claims for benefits under this Act except for life and retirement shall prescribe after four (4) years from the date of contingency.

**SEC. 75. *Facility of Payment.*** The OWWA shall prescribe rules and regulations to facilitate payment of benefits, proceeds, and claims under this Act and any other laws administered by the OWWA. Payments made by the OWWA prior to its receipt of an adverse claim, to a beneficiary or claimant subsequently found not entitled thereto, shall not bar the legal and eligible recipient to his/her right to demand the payment of benefits, proceeds, and claims from the OWWA, who shall, however, have a right to institute the appropriate action in a court of law against the ineligible recipient.

**SEC. 76. *Settlement of Disputes.*** The OWWA shall have original and exclusive jurisdiction to settle any disputes arising under this Act and any other laws administered by the OWWA.

The OWWA Board may designate any member of the Board, or official of the OWWA who is a lawyer, to act as hearing officer to receive evidence, make findings of fact and submit recommendations, together with all documentary and testimonial evidence to the Board within thirty (30) working days from the time the parties have closed their respective evidence and filed their last pleading. The Board shall decide the case within thirty (30) days from the receipt of the hearing officer's findings and recommendations. The cases heard

directly by the Board shall be decided within thirty (30) working days from the time they are submitted by the parties for decision.

**SEC. 77. Appeals.** Appeals from any decision or award of the Board shall be governed by Rules 43 and 45 of the 1997 Rules of Civil Procedure adopted by the Supreme Court on April 8, 1997 which will take effect on July 1, 1997: *Provided*, That pending cases and those filed prior to July 1, 1997 shall be governed by the applicable rules of procedure: *Provided, further*, That the appeal shall take precedence over all other cases except criminal cases when the penalty of life imprisonment or death or *reclusion perpetua* is imposable.

The appeal shall not stay the execution of the order or award unless ordered by the Board, by the Court of Appeals or by the Supreme Court and the appeal shall be without prejudice to the special civil action of certiorari when proper.

**SEC. 78. Execution of Decision.** When no appeal is perfected and there is no order to stay by the Board, by the Court of Appeals or by the Supreme Court, any decision or award of the Board shall be enforced and executed in the same manner as decisions of the Regional Trial Court. For this purpose, the Board shall have the power to issue to the city or provincial sheriff or its appointed sheriff such writs of execution as may be necessary for the enforcement of such decision or award, and any person who shall fail or refuse to comply with such decision, award, writ or process after being required to do so shall, upon application by the OWWA, be punished for contempt.

**SEC. 79. Oaths, Witnesses, and Production of Records.** When authorized by the Board, an official or employee of the OWWA shall have the power to administer oath and affirmation, take deposition, certify to official acts, and issue *subpoena ad testificandum* and *subpoena duces tecum* to compel the attendance of witnesses and the production of books, papers, correspondences, and other records deemed necessary as evidence in connection with any question arising under this Act. Any case of contumacy shall be dealt with in accordance with the provisions of Section 580 of the Revised Administrative Code.

## **TITLE IV**

### **FUND MANAGEMENT AND INVESTMENT POLICY**

#### **Chapter I**

#### **Investment Administration**

#### **Article I**

#### **Safeguards**

**SEC. 80. Safeguards of OWWA Trust Fund; Acquired Assets: Unredeemed Investments and Other Receivables.** a) The OWWA Trust Fund shall be managed and expended in accordance with the purpose of the Fund and safeguarded against any possible loss and misuse. (*modified Art. VI, OWWA Omnibus Policies*)

The OWWA shall ensure an appropriate growth rate in the fund sufficient to sustain the growing needs of OFW members. It shall ensure that all investment instruments are

periodically inventoried and properly kept at a government bank under a custodianship agreement. (*Secs. 6 & 7, Art. VI, OWWA Omnibus Policies*)

A monthly report on all investment schedules showing the interest rates, yields, discount rates, and other relevant data, shall be submitted to the Board. (*Sec. 8, Art. VI, OWWA Omnibus Policies*)

b) The OWWA shall administer all properties, acquired or foreclosed. To ensure that the properties are safeguarded and preserved, the same must be properly accounted for and documented; re-inspected, re-appraised, and insured with taxes paid.

An asset development/disposal plan shall be submitted by the Administrator for the consideration of the Board.

Foreclosed properties shall be registered as OWWA assets within one (1) month after foreclosure. (*Sec. 9, Art. VI, OWWA Omnibus Policies*)

c) Unredeemed investments and other receivables shall be inventoried semi-annually and corresponding redemption plan shall be submitted to the Board. All receivables shall be supported by documents appropriately acknowledged by the accountable party. (*Sec. 10, Art. VI of the OWWA Omnibus Policies*)

## **Article II**

### **General Investment Policy**

**SEC. 81. *General Investment Policy.*** As a Trust Fund, all OWWA investments shall be placed in government securities which provide optimum earnings, liquidity and protection of the Fund. The Board shall provide the policies and approve all investment decisions. (*OWWA Omnibus Policies*)

Portfolio management of investible fund shall be outsourced to government financial institutions (GFIs). (*Modified from Sec. 3, Art. VI of the OWWA Omnibus Policies*)

The Administrator may, upon the approval of the Board, roll-over time deposits and/or re-invest matured securities/placements, provided that the original types of securities/placements are not altered. The Administrator shall advise the Board in writing prior to and after such actions. (*Modified from Sec. 3, Art. VI of the OWWA Omnibus Policies*)

## **Article III**

### **Determination of Investible Fund**

**SEC. 82. *Determination of Investible Fund.*** This Fund shall refer to the net amount available for investment after deducting the projected monthly operating, program, and contingency fund allocations. (*Art. VI, OWWA Omnibus Policies*)

A portion of the OWWA Trust Fund which are not needed to meet the current obligations may be invested under such terms and conditions and rules and regulations as

may be prescribed by the OWWA Board: *Provided*, That investments shall satisfy the requirements of liquidity, safety/security and yield in order to ensure the actuarial solvency of the OWWA Trust Fund: *Provided, further*, That the OWWA shall submit an annual report on all investments made to both Houses of Congress of the Philippines, to wit:

a) in interest-bearing bonds or securities or other evidence of indebtedness of the Government of the Philippines;

b) in interest-bearing deposits or securities in any domestic bank doing business in the Philippines: *Provided*, That in the case of such deposits, there shall not exceed at any time the unimpaired capital and surplus or total private deposits of the depository bank, whichever is smaller: *Provided, further*, That the said bank has prior designation as a depository for the purpose by the Monetary Board of the Central Monetary Authority;

c) in direct housing loans to members and group housing projects secured by first mortgage, giving priority to the low income groups and in short and medium term loans to members such as salary, policy, educational, emergency stock purchase plan and other similar loans: *Provided*, That no less than forty percent (40%) of the investible fund of the OWWA Fund shall be invested for these purposes;

d) in bonds, securities, promissory notes or other evidence of indebtedness of educational or medical institutions to finance the construction, improvement and maintenance of schools and hospitals;

e) in real estate property including shares of stocks involving real state property and investments secured by first mortgages on real estate or other collaterals acceptable to the OWWA: *Provided*, That such investment shall, in the determination of the OWWA Board, redound to the benefit of the OWWA and its bonafide members;

f) in debt instruments and other securities traded in the secondary markets;

g) in loans to, or in bonds, debentures, promissory notes or other evidence of indebtedness of any solvent corporation created or existing under the laws of the Philippines;

h) in common and preferred stocks of any solvent corporation or financial institution created or existing under the laws of the Philippines listed in the stock exchange with proven track record of profitability over the last three (3) years and payment of dividends at least once over the same period;

i) in domestic mutual funds including investments related to the operations of mutual funds; and

j) in foreign mutual funds and in foreign currency deposits or foreign currency-denominated debts, non-speculative equities and other financial instruments or other assets issued in accordance with existing laws of the countries where such financial instruments are issued: *Provided*, That these instruments or assets are listed in bourses of the respective countries where these instruments or assets are issued: *Provided, further*, That the issuing company has proven track record of profitability over the last three (3) years and payment of dividends at least once over the same period. (*modification of Sec. 36, GSIS Act*)

**SEC. 83. *Investment Plan and Strategy.*** The OWWA shall formulate medium-term investment and asset management plan that shall include projected yield sufficient to sustain program and service delivery, and programmed growth for capital formation. An annual plan shall be developed to support the investment plan and strategy. Any change in the plan shall require the approval from the Board. (*modified Art. VI, OWWA Omnibus Policies*)

#### **Article IV Records and Reports of Investments**

**SEC. 84. *Records and Reports.*** The OWWA shall keep and cause to keep such records as may be necessary for the purpose of making actuarial studies, calculations and valuations of the OWWA Funds including such data needed in the computation of rates of disability, mortality, morbidity, separation and retirement among the members and any other information useful for the adjustment of the benefits of the members. The OWWA shall maintain appropriate books of accounts to record its assets, liabilities, income, expenses, receipts and disbursement of funds and other financial transactions and operations. (*modification of Sec. 37, GSIS Act*)

#### **Article V Others**

**SEC. 85. *Examination and Valuation of the Funds.*** The OWWA shall make a periodic actuarial examination and valuation of its funds in accordance with accepted actuarial principles. (*modification of Sec. 38, GSIS Act*)

**SEC. 86. *Exemption from Tax, Legal Process and Lien.*** It is hereby declared to be the policy of the State that the actuarial solvency of the OWWA Funds shall be preserved and maintained at all times and that contribution rates necessary to sustain the benefits under this Act shall be kept as low as possible in order not to burden existing OWWA members and other prospective members. Taxes imposed on the OWWA tend to impair the actuarial solvency of its funds and increase the contribution rate necessary to sustain the benefits of this Act.

Notwithstanding any laws to the contrary, the OWWA, its assets, revenues including all accruals thereto, and benefits paid, shall be exempt from all taxes, assessments, fees, charges, or duties of all kinds. These exemptions shall continue unless expressly and specifically revoked and any assessment against the OWWA as of the approval of this Act is hereby considered paid.

All laws, ordinances, regulations, issuances, opinions or jurisprudence contrary to or in derogation of this provision are hereby deemed repealed, superseded and rendered ineffective and without legal force and effect.

Moreover, these exemptions shall not be affected by subsequent laws to the contrary unless this section is expressly, specifically and categorically revoked or repealed by law and a provision is enacted to substitute or replace the exemption referred to herein as an essential factor to maintain or protect the solvency of the fund, notwithstanding and independently of the guaranty of the national government to secure such solvency or liability.

The funds and/or the properties referred to herein as well as the benefits, sums or monies corresponding to the benefits under this Act shall be exempt from attachment, garnishment, execution, levy or other processes issued by the courts, quasi-judicial agencies or administrative bodies including Commission on Audit (COA) disallowances and from all financial obligations of the members, including his pecuniary accountability arising from or caused or occasioned by his exercise or performance of his official functions or duties, or incurred relative to or in connection with his position or work except when his monetary liability, contractual or otherwise, is in favor of the OWWA. (*modification of Sec. 39, GSIS Act*)

## **TITLE V**

### **FISCAL AND BUDGET POLICY**

#### **Article I Management**

**SEC. 87. *Fiscal and Budget Policy.*** The OWWA Secretariat shall prepare its annual budget for operational requirements and estimated claims on insurance following the national government budget system.

The operating budget shall support planned work programs and priorities for the year. It shall include the requirements for personal services, maintenance and other operating expenses, commitments, and capital outlay.

The Board shall set the annual budget at a level sufficient to meet the needs of membership obligations to be appropriated from the OWWA Trust Fund. The proposed budget for any given year shall observe annual allocation pattern where the cost of service provision shall not exceed the cost of programs, claims and benefits.

A budget cap for an incoming year shall be determined by the Board to ensure fund viability. The budget cap will be reviewed annually with the end in view of achieving comparative efficiency levels of other similar agencies. (*modified Secs. 1, 2, 3, 4 & 5, Art. VII, OWWA Omnibus Policies*)

**SEC. 88. *Automatic Appropriation.*** In case the proposed annual budget has not been approved by the Board at the start of the year, OWWA shall operate within the budget level of the previous year allocated on a month to month basis. All savings realized within a previous year shall be deducted from a current year's budget. (*Sec.6, Art. VII, OWWA Omnibus Policies*)

**SEC. 89. *Work and Financial Plans.*** All cost centers/offices/units of OWWA shall submit their annual work and financial plans (WFP), which should correspond to the approved budget. The Directors shall endorse the WFP of their respective units for approval of the Administrator. The consolidated OWWA-WFP shall be reported to the Board. (*Sec.7, Art. VII, OWWA Omnibus Policies*)

**SEC. 90. *Budget Realignment.*** Realignment of funds including adjustments in targets shall be submitted to the Board for approval. Similarly, in the event that extra ordinary circumstances may occur which require additional funds beyond the coverage of the approved budget, the same shall be submitted for approval by the Board. (*Sec.8, Art. VII, OWWA Omnibus Policies*)

**SEC. 91. *Branch Accounting System; Financial Reports; Auditing Procedures; Annual Reports.*** The OWWA Regional Units shall maintain their respective books of account which shall be consolidated by the central office.

The OWWA shall install sound internal control and monitoring systems and submit quarterly prescribed Financial Statements to COA such as income statement, balance sheet, and cash flow as prescribed in post auditing reports by the COA.

The OWWA Secretariat is mandated to submit a monthly fund utilization report to the Board. It is further mandated to render an Annual Report on its overall performance for the previous year within the first sixty (60) days of the following year. Copies of the said report shall be submitted to the Board and the President. (*Secs 11, 12, 13, 14 & 15, Art. VII, OWWA Omnibus Policies*)

## **Article II Miscellaneous Provisions**

**SEC. 92. *Auditing of Accounts.*** All accounts and disbursements of the University shall be audited by the Commission on Audit.

**SEC. 93. *Institutional Autonomy.*** To provide greater flexibility to the OWWA, it shall be treated in a manner consistent with its institutional requirements insofar as this Charter prescribes.

**SEC. 94. *Rules of Construction.*** No statutory or other issuances shall diminish the powers, rights, privileges, and benefits accorded to the OWWA under this Act or enjoyed at present by the OWWA under other issuances not otherwise modified or repealed under this Act, unless subsequent legislation expressly provides for their repeal, amendment or modification. Any case of doubt in the interpretation of any of the provisions of this Charter shall be resolved in favor of the benefits of the OFWs.

## **TITLE VI**

### **FINAL PROVISIONS**

**SEC. 95. *Penalty.*** (a) Any person found to have participated directly or indirectly in the commission of fraud, collusion, falsification, or misrepresentation in any transaction with the OWWA, whether for him or for some other persons, shall suffer the penalties provided for in Article 172 of the Revised Penal Code.

(b) Whoever shall obtain or receive any money or check invoking any provision of this Act or any agreement thereunder, without being entitled thereto with the intent to defraud



any member, the OWWA, or any third party, shall be punished by a fine of not less than Twenty-five thousand pesos (P25,000.00) nor more than Fifty thousand pesos (P50,000.00) or by imprisonment of not less than six (6) years and one (1) day to twelve (12) years, or both, at the discretion of the court.

(c) Whoever fails or refuses to comply with the provisions of this Act or with the rules and regulations adopted by the OWWA, shall be punished by a fine of not less than Twenty-five thousand pesos (P25,000.00) nor more than Fifty thousand pesos (P50,000.00) or imprisonment of not less than six (6) years and one (1) day to twelve (12) years, or both, at the discretion of the court.

d) The treasurer, finance officer, cashier, disbursing officer, budget officer or other official or employee who fails to include in the annual budget the amount corresponding to the employer and employee contributions, or who fails or refuses or delays by more than thirty (30) days from the time such amount becomes due and demandable, or to deduct the monthly contributions of the employee shall, upon conviction by final judgment, suffer the penalties of imprisonment from six (6) months and one (1) day to six (6) years, and a fine of not less than Ten thousand pesos (P10,000.00) but not more than Twenty thousand pesos (P20,000.00), and in addition, shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.

e) Any employee or member who receives or keeps fund or property belonging, payable or deliverable to the OWWA and appropriates the same, or takes or misappropriates or uses the same for any purpose other than authorized by this Act, or permits another person to take, misappropriate or use said fund or property by expressly consenting thereto, or through abandonment or negligence, or is otherwise guilty of the misappropriation of said fund or property, in whole or in part, shall suffer the penalties provided in Article 217 of the Revised Penal Code, and in addition, shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.

f) Any employee who, after deducting the monthly contribution or loan amortization from a member's compensation, fails to remit the same to the OWWA within thirty (30) days from the date they should have been remitted, shall be presumed to have misappropriated such contribution or loan amortization and shall suffer the penalties provided in Article 315 of the Revised Penal Code, and in addition, shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.

g) OWWA officers and personnel stationed in other countries who are involved in the collection of premium contributions, loan amortization and other accounts due the OWWA who shall fail, refuse or delay the payment, turnover, remittance or delivery of such accounts to the OWWA within thirty (30) days from the time that the same shall have been due and demandable shall, upon conviction by final judgment, suffer the penalties of imprisonment of not less than one (1) year nor more than five (5) years and a fine of not less than Ten thousand pesos (P10,000.00) nor more than Twenty thousand pesos (P20,000.00), and in addition, shall suffer absolute perpetual disqualification from holding public office and from practicing any profession or calling licensed by the government.

h) The officers and/or personnel referred to in paragraph (g) of this section shall be liable not only criminally but also civilly to the OWWA or to the employee or member concerned in the form of damages, including surcharges and interests.

i) For the charges or complaints referred to in paragraph (g) of this section, the liabilities therein set forth shall be construed as waiver of the State of its immunity from suit, hence, the above-mentioned officials and/or personnel may not invoke the defense of non-suability of the State.

j) Failure of the members of the OWWA Board, including the chairperson and the vice-chairperson (OWWA Administrator), to collect or recover all indebtedness, liabilities and/or accountabilities, including unpaid premiums or contributions in favor of the OWWA arising from any cause or source whatsoever, due from obligors, whether public or private, shall subject them to imprisonment of not less than six (6) months nor more than one (1) year or a fine of not less than Five thousand pesos (P5,000.00) nor more than Ten thousand pesos (P10,000.00) without prejudice to any civil or administrative liability which may also arise therefrom.

k) Criminal actions arising from violations of the provisions of this Act may be commenced by the OWWA or by the aggrieved member, either under this Act or, in appropriate cases, under the Revised Penal Code.

**SEC. 96. *Implementing Rules and Regulations.*** The implementing rules and regulations to carry out the provisions of this Act shall be adopted and promulgated by the OWWA not later than ninety (90) days after the approval of this Act.

**SEC. 97. *Non-impairment of Benefits, Powers, Jurisdiction, Rights, Privileges, Functions and Activities.*** Nothing in this Act shall be construed to repeal, amend or limit any provision of existing laws, Presidential Decrees and Letters of Instructions, not otherwise specifically inconsistent with the provisions of this Act.

**SEC. 98. *Exclusiveness of Benefits.*** Whenever other laws provide similar benefits for the same contingencies covered by this Act, the member who qualifies to the benefits shall have the option to choose which benefits will be paid to him. However, if the benefits provided by the law chosen are less than the benefits provided under this Act, the OWWA shall pay only the difference.

**SEC. 99. *Separability Clause.*** Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

**SEC. 100. *Repealing Clause.*** All Board Resolutions, Administrative Orders, Memoranda of Instructions, Special Orders, and other issuances, or part/s thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

**SEC. 101. *Effectivity.*** This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation in the Philippines.

Approved.