

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

S. No. 43

Introduced by SENATOR JINGGOY EJERCITO ESTRADA

AN ACT
PROVIDING FOR THE CONDONATION OF PENALTIES FOR UNPAID SOCIAL SECURITY SYSTEM CONTRIBUTIONS OF HOUSEHOLD EMPLOYERS RELATIVE TO REPUBLIC ACT NO. 7655, ENTITLED "AN ACT INCREASING THE MINIMUM WAGE OF HOUSEHELPERS, AMENDING FOR THE PURPOSE ARTICLE 143 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED" AND REPUBLIC ACT NO. 10361, ALSO KNOWN AS THE "DOMESTIC WORKERS ACT" OR "BATAS KASAMBAHAY"

EXPLANATORY NOTE

Republic Act No. 7655 or "An Act Increasing the Minimum Wage of Househelpers" was signed into law on August 19, 1993 to amend Article 143 of Presidential Decree No. 442, as amended, otherwise known as the "Labor Code of the Philippines". It increased the minimum wage rates of househelpers in the country and mandated the coverage by the Social Security System (SSS) of those who are receiving at least One thousand pesos (P1,000.00) a month.

On June 18, 2013, Republic Act No. 10361 or the "Domestic Workers Act" or "Batas Kasambahay" was enacted into law to promote the protection of the rights and welfare of our kasambahays. Section 30 of the said law provides that the domestic workers who have rendered at least one (1) month of service shall be covered by social benefits including the Social Security System (SSS).


Pursuant to this mandate, the Department of Labor and Employment (DOLE) in coordination with the concerned agencies, implemented the Kasambahay Unified

Registration System (KURS) which is a "program wherein the respective registration processes of SSS, PhilHealth and Pag-Ibig are integrated into a web service for the registration of household employers and their house helpers into a 'One-Stop Shop' or '3-in-1' system". Extensive information campaign was also undertaken by various agencies and local government units (LGUs) to inform the employers and kasambahays about the provisions of the law. As a result of these concerted efforts, there were 105,000 kasambahays who were enrolled in SSS in just a year after Batas Kasambahay was enacted.

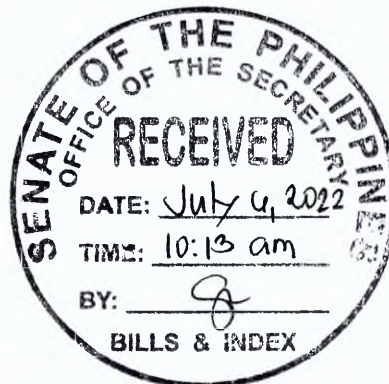
On October 2019, DOLE and the Philippine Statistics Authority (PSA) conducted a survey which revealed, among others, that "83% of the 1.4 million are not covered by any social security benefit". This undeniably runs counter to the intent and purpose of Batas Kasambahay; but instead of taking a punitive stance against delinquent employers, there is a need to build a more collaborative partnership with them. Besides, the ultimate goal of the law is to promote the welfare of the Kasambahays and ensure their healthy and productive relationship with their employers.

This measure seeks to grant SSS the authority to condone penalties for unremitted or delinquent contributions by employers of domestic workers. This will encourage them to comply with the laws and continue its contributing for their kasambahays. For easier terms, it allows the installment payment of the same, subject to the implementing rules and regulations that will be prescribed by the Social Security Commission.

In this light, the immediate passage of this bill is highly recommended.


JINGGOY EJERCITO ESTRADA

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

S. No. 43

Introduced by SENATOR JINGGOY EJERCITO ESTRADA

AN ACT
PROVIDING FOR THE CONDONATION OF PENALTIES FOR UNPAID SOCIAL SECURITY SYSTEM CONTRIBUTIONS OF HOUSEHOLD EMPLOYERS RELATIVE TO REPUBLIC ACT NO. 7655, ENTITLED "AN ACT INCREASING THE MINIMUM WAGE OF HOUSEHELPERS, AMENDING FOR THE PURPOSE ARTICLE 143 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED" AND REPUBLIC ACT NO. 10361, ALSO KNOWN AS THE "DOMESTIC WORKERS ACT" OR "BATAS KASAMBAHAY"

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

1 Section 1. *Social Security Condonation Program.* – Any household employer
2 who is delinquent or has not remitted all contributions due and payable to the Social
3 Security System (SSS) pursuant to Republic Act No. 7655, entitled, "An Act Increasing
4 the Minimum Wage of Househelpers, Amending for the Purpose Article 143 of
5 Presidential Decree No. 442, as Amended" and Republic Act No. 10361, also known
6 as the "Domestic Workers Act" or "Batas Kasambahay", may, within six (6) months
7 from the effectivity of this Act remit said contributions or submit a proposal to pay the
8 same in installments as provided under Section 3 of this Act: *Provided*, That the
9 household employer submits the corresponding collection lists together with the
10 remittance or proposal to pay in installments: *Provided, further*, That in case the
11 household employer fails to remit contributions within the six-month grace period or
12 defaults in the payment of any amortization provided in the approved proposal, the
13 prescribed penalty shall be imposed from the time the contributions first became due

1 as provided in Section 22 of Republic Act No. 1161, otherwise known as the "Social
2 Security Law", as amended by Republic Act No. 8282.

3 Sec. 2. *Coverage.* – Any household employer who is delinquent or has not
4 remitted all contributions due and payable to the SSS may avail of the Condonation
5 program under Section 1 of this Act, including the following:

6 a) Those not yet registered with the SSS but will register as a household
7 employer after the effectivity of this Act but within the twelve-month grace
8 period provided in Section 1 of this Act;

9 b) Those with cases pending before the courts or Office of the Prosecutor
10 involving collection of contributions or penalties; and,

11 c) Those who, before the effectivity of this Act, have remitted all contributions
12 due and payable to the SSS but have not paid the corresponding penalties.

13 Sec. 3. *Installment Proposal.* – In the event that a delinquent employer
14 chooses to submit an installment proposal, the SSS shall given due course to approve
15 and grant the same, subject to the implementing rules and regulations as the Social
16 Security Commission (SSC) shall prescribe: *Provided,* That the employer shall remit,
17 upon submission of the installment proposal, a down payment of not less than five
18 percent (5%) of its total contribution delinquency: *Provided, further,* That the
19 employer shall remit the balance thereof in equal monthly installments within a period
20 not exceeding twenty-four (24) months from the date of the approval of the proposal:
21 *Provided, finally,* That the installment payments shall bear an interest, the rate of
22 which shall be prescribed by the SSC but shall not exceed three percent (3%) per
23 annum.

24 Sec. 4. *Unregistered Household Employer.* – To qualify for the condonation
25 program under this Act, an unregistered household employer shall register with the
26 SSS branch having jurisdiction over the household address of the household employer
27 and comply with the requirements under Section 1 and those that may be required by
28 the implementing rules and regulations of this Act.

29 Sec. 5. *Guaranty of Entitlement.* – The failure or refusal of the employer to pay
30 or remit the contributions under this condonation program shall not prejudice the right
31 of the employee to the benefits of the coverage under the SSS Law.

1 Sec. 6. *Implementing Rules and Regulations.* – Within thirty (30) days after
2 the approval of this Act, the SSC shall issue the necessary rules and regulations for
3 the effective implementation of this Act.

4 Sec. 7. *Separability Clause.* – If any provision or part hereof is held invalid or
5 unconstitutional, the remainder of the law or the provision or part not otherwise
6 affected shall remain valid and subsisting.

7 Sec. 8. *Repealing Clause.* – Any law, presidential decree or issuance, executive
8 order, letter of instruction, administrative order, rule, or regulation contrary to or
9 inconsistent with the provisions of this Act are hereby repealed, modified, or amended
10 accordingly.

11 Sec. 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its
12 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,