

Republic Act No. 10801

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Congress of the Philippines
Metro Manila

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Third Regular Session

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[REPUBLIC ACT NO. **10801**]

AN ACT GOVERNING THE OPERATIONS AND ADMINISTRATION OF THE OVERSEAS
WORKERS WELFARE ADMINISTRATION

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

CHAPTER I

TITLE, POLICY AND OBJECTIVES

SECTION 1. *Short Title.* – This Act shall be known as the “Overseas Workers Welfare Administration Act”.

SEC. 2. *Declaration of Policy.* – It is the policy of the State to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment opportunities for all. Towards this end, it shall be the State’s responsibility to protect the Overseas Filipino Workers (OFWs).

The Overseas Workers Welfare Administration (OWWA) shall be one of the principal agencies of the State to serve and promote the rights, interest and welfare of the OFWs and their families.

Welfare assistance, services, and programs provided by the OWWA shall be gender-responsive, taking into consideration the different impacts of labor migration to men and women.

SEC. 3. *Objectives.* – This Act is enacted to provide guidelines on matters concerning the OWWA, its mandate, purposes and objectives, membership, collection of contributions, and availment of benefits and services. This Act also embodies the policies on fund management, programs and services administration.

CHAPTER II

NATURE, SCOPE AND FUNCTIONS OF THE OWWA

SEC. 4. *Nature of the OWWA.* – The OWWA is a national government agency vested with the special function of developing and implementing welfare programs and services that respond to the needs of its member-OFWs and their families. It is

endowed with powers to administer a trust fund to be called the OWWA Fund. Being a chartered institution, the OWWA shall not fall under any of the following categories: government instrumentalities with corporate powers (GICPs), government corporate entities (GCEs), government financial institutions (GFIs) and/or government-owned or -controlled corporations (GOCCs).

The OWWA shall be an attached agency of the Department of Labor and Employment (DOLE). Its officials and employees are covered by the Salary Standardization Law.

SEC. 5. *Scope.* – This Act shall apply to the OWWA, the OWWA Secretariat, the OWWA Fund, to its member-OFWs and those who will avail of the voluntary membership program of the OWWA, and to overseas recruitment/manning agencies/employers who are duly registered with the Philippine Overseas Employment Administration (POEA).

SEC. 6. *Functions.* – The OWWA shall exercise the following functions:

(a) To protect the interest and promote the welfare of member-OFWs in all phases of overseas employment in recognition of their valuable contribution to the overall national development effort;

(b) To facilitate the implementation of the provisions of the Labor Code of the Philippines (Presidential Decree No. 442, as amended) and the Migrant Workers and Overseas Filipinos Act of 1995 (Republic Act No. 8042, as amended), concerning the responsibility of the government to promote the well-being of OFWs. Pursuant thereto, and in furtherance thereof, it shall provide legal assistance to member-OFWs;

(c) To provide social and welfare programs and services to member-OFWs, including social assistance, education and training, cultural services, financial management, reintegration, and entrepreneurial development services;

- (d) To provide prompt and appropriate response to global emergencies or crisis situations affecting OFWs and their families;
- (e) To ensure the efficiency of collections and the viability and sustainability of the OWWA Fund through sound, judicious, and transparent investment and management policies;
- (f) To undertake studies and researches for the enhancement of the social, economic, and cultural well-being of member-OFWs and their families;
- (g) To develop, support and finance specific projects for the welfare of member-OFWs and their families; and
- (h) To ensure the implementation of all laws and ratified international conventions within its jurisdiction.

CHAPTER III

DEFINITION OF TERMS

SEC. 7. *Definition of Terms.* – As used in this Act:

- (a) *Compensation* refers to the basic pay or salary received by an officer or employee of the OWWA, pursuant to the official appointment, excluding *per diems*, bonuses, overtime pay, honoraria, allowances and any other emoluments received that are not integrated into the basic pay under existing laws;
- (b) *Contribution or membership fee* refers to the amount paid to the OWWA by the employer or by an OFW in accordance with the provisions of this Act;
- (c) *Dependent* refers to any of the following:
 - (1) The legal spouse;

(2) The legitimate, illegitimate, legitimated, and legally adopted child, who is unmarried, not gainfully employed, and 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; and

(3) The parents who rely primarily upon the member-OFWs for support;

(d) *Non-active OWWA member* refers to an OFW whose OWWA membership has expired;

(e) *Non-OWWA member* refers to an undocumented OFW and who has not availed of the voluntary membership of the OWWA;

(f) *OWWA member* refers to an OFW with a paid contribution or membership fee;

(g) *Overseas Filipino Worker (OFW)* refers to a person who is to be engaged, is engaged, or has been engaged in a remunerated activity in a State of which the person is not a citizen, or on board a vessel navigating the foreign seas other than a government ship used for military or noncommercial purposes, or on an installation located offshore or on the high seas; and

(h) *Voluntary OWWA member* refers to the OFW who has availed of the voluntary membership of the OWWA at job sites or through electronic registration.

CHAPTER IV

MEMBERSHIP, CONTRIBUTION AND COLLECTION

SEC. 8. *Registration of Membership.* – Membership in the OWWA may be obtained in two (2) ways:

(a) By compulsory registration upon processing of employment contracts of OFWs at the POEA; and

(b) By voluntary registration of OFWs at job sites, or through electronic registration.

SEC. 9. *Amount of Contribution and Effectivity of Membership.* – Membership in the OWWA, either through the compulsory or voluntary coverage, shall be effective upon payment of membership contribution in the amount of twenty-five US dollars (US\$ 25.00) or its equivalent in the prevailing foreign exchange rates. Such membership shall be considered active until the expiration of the OFWs existing employment contract or after two (2) years from contract effectivity, whichever comes first.

In case of voluntary registration, membership shall be considered active until the expiration of the OFWs existing employment contract or after two (2) years from the date of voluntary registration, whichever comes first.

The OWWA shall be allowed to collect a subsequent membership contribution from the member-OFW only after every two (2) years from the last membership contribution made.

SEC. 10. *Power of the Board to Adjust the Membership Contribution.* – Based on actuarial studies and taking into consideration the welfare and interest of the member-OFWs, the OWWA Board may adjust or modify the amount of membership contribution.

SEC. 11. *Proof of Membership.* – Upon payment of the required contribution, an OWWA member shall be issued an official receipt, an OWWA E-Card, identification card, or other proof of membership. No additional or extra charges shall be levied on the member-OFW.

The OWWA shall maintain a comprehensive database of member-OFWs, which shall be updated regularly.

SEC. 12. *Separate Accounting of Land-Based and Sea-Based Members' Contributions.* – For a more effective financial management, the membership contributions of land-based and sea-based members shall be accounted for in two (2) separate books of accounts.

SEC. 13. *Authorized Collecting Officers.* –

(a) Membership contributions shall be collected by duly authorized OWWA collecting officers, deputized collecting officers, or accredited collecting agents. The collection of membership contributions shall be made at the POEA contract processing hub, OWWA regional and overseas offices, and other accredited collection centers.

(b) In case of voluntary members who register at the job site, membership contributions shall be made directly to the OWWA Overseas Offices located in the respective foreign service posts of the Philippines.

SEC. 14. *Reportorial Requirements.* – The collecting officer, deputized collecting officer, or the accredited collecting agent shall prepare and submit the required monthly reports to the OWWA Central Office in the Philippines.

SEC. 15. *Handling, Deposit and Remittance of Collection.* – The OWWA shall ensure that the handling, deposit and remittance of collections shall be in accordance with the existing rules and regulations of the Commission on Audit (COA), Department of Budget and Management (DBM), and other concerned agencies.

SEC. 16. *Sanctions for Erring Officers.* – Corresponding administrative sanctions and other disciplinary measures, including recall from post, suspension, or separation from service, shall be imposed upon any officer who violates Sections 14 and 15 of this Act.

SEC. 17. *Prohibition Against Discrimination on Membership.* – No OFW shall be denied membership to the OWWA by reason of age, gender, religious belief, or political affiliation. The OWWA shall take affirmative steps to enhance the access of OFWs to its programs and services.

SEC. 18. *Payment of Contribution or OWWA Fee by Employer.* – Contributions to the OWWA Fund must be paid by the employers or principals, or in their default, by the recruitment/manning agency in the case of new hires. The POEA shall ensure that this stipulation is made an integral part of the overseas employment contract.

SEC. 19. *Penalty for Violation by Recruitment/Manning Agency.* – Violation by a recruitment/manning agency of the preceding section shall constitute an offense punishable by revocation of its license and all its officers and directors shall be perpetually disqualified from engaging in the business of recruitment/placement of overseas workers. Such penalty is without prejudice to any other liability which the officers and directors may have incurred under existing laws, rules and regulations.

CHAPTER V

THE OWWA BOARD OF TRUSTEES

SEC. 20. *The OWWA Board of Trustees.* – To carry out the purposes of this Act, the OWWA shall be directed and controlled by a Board of Trustees which shall act as its policy-making body. It shall be composed of the following members:

- (a) Secretary of Labor and Employment, as Chairperson;
- (b) OWWA Administrator, as Vice Chairperson;
- (c) Secretary of Foreign Affairs;
- (d) Secretary of Finance;
- (e) Secretary of Budget and Management;
- (f) POEA Administrator;
- (g) Two (2) representatives from the land-based OFWs who are nominated and appointed in accordance with the provisions of Republic Act No. 8042, as amended by Republic Act No. 10022;
- (h) Two (2) representatives from the sea-based. OFWs who are nominated and appointed in accordance with the provisions of Republic Act No. 8042, as amended by Republic Act No. 10022;

(i) One (1) representative from the women sector who is nominated and appointed in accordance with the provisions of Republic Act No. 8042, as amended by Republic Act No. 10022;

(j) One (1) representative from the land-based recruitment sector who is selected from among the various associations of registered overseas placement and recruitment agencies based in the Philippines, who shall be appointed by the President of the Philippines to serve a single term of three (3) years; and

(k) One (1) representative from the sea-based manning sector, who is selected from among the various associations of registered overseas placement and manning agencies based in the Philippines, who shall be appointed by the President of the Philippines to serve a single term of three (3) years.

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 any of the appointive positions in the OWWA Board, the vacancy shall be filled by the subsequent nomination of the respective sector concerned, in the same manner as the selection of the predecessor. Such successor shall hold office for the unexpired term.

SEC. 21. *Per Diem.* – The members of the OWWA Board shall not receive any compensation but shall be provided with *per diem* at rates allowed under existing rules and regulations.

SEC. 22. *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 policy guidelines to ensure their implementation;

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

- (c) To approve programs, projects, and the organizational structure of the OWWA Secretariat;
- (d) To modify or adjust the membership contribution and other necessary charges based on periodic reviews and actuarial studies, subject to due consultation with OFWs or nongovernment organizations (NGOs) advocating the protection of the rights and welfare of OFWs and their families;
- (e) To formulate rules and regulations governing financial transactions and prepare the annual and supplemental budget of the Secretariat for submission to the DBM;
- (f) To formulate rules and regulations governing the conduct and discipline of OWWA officials and employees in accordance with civil service rules;
- (g) To ensure the efficiency of collection and the viability and sustainability of the fund through sound and judicious investment and fund management policies;
- (h) To receive and appropriate all sums to carry out the purposes and functions of the OWWA;
- (i) 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;
- (j) 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;
- (k) To delegate any of its powers to the Chairperson of the Board or to the Administrator of the OWWA Secretariat in case of any national emergency that affects the rights and welfare of its member-OFWs and their families;

(l) To prescribe such general policies, rules and regulations, not contrary to law, consistent with the purposes of the OWWA subject to due consultation with OFWs or NGOs advocating the protection of the rights and welfare of OFWs and their families; and

(m) To exercise such, powers as may be proper and necessary to carry out the objectives of this Act.

CHAPTER VI

BOARD MEETINGS, PROXIES, AND RECORDS MANAGEMENT

SEC. 23. *Schedule of Meetings.* – The regular meetings of the Board shall be held every last Friday of the month. If a change of date becomes necessary, the meetings 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. Special Board meetings may be called upon by the Chairperson or upon the instance of five (5) members of the Board.

SEC. 24. *Proceedings of the Board.* – The proceedings of the Board shall be governed by the following rules:

(a) Notice of Meetings – The Board Secretary shall distribute to all members of the Board the notice of meeting, together with the discussion materials, at least three (3) working days prior to the scheduled meeting;

(b) Quorum – In determining the existence of a quorum, the Board shall adopt the simple majority rule or one-half (1/2) of the total filled Board seats plus one (1);

(c) Voting – For the approval of any policy requiring the disbursement of at least one hundred million pesos (P100,000,000.00) of the OWWA Fund, an affirmative vote of the absolute majority of all the members shall be required. For the approval of all

other policies, an affirmative vote of a majority of the members present constituting a quorum shall be necessary;

(d) Attendance in Board Meetings – Board members are responsible for attending all Board meetings. The *ex officio* members of the Board of Trustees may designate in writing their permanent alternate who shall have voting power. The Board shall install teleconferencing facilities in order to muster a quorum during Board meetings;

(e) Presiding Officer – The Chairperson shall preside over meetings of the Board. In the absence of the Chairperson, the Vice Chairperson shall preside;

(f) Board Resolution – All decisions of the Board shall be expressed in the form of Resolutions and shall take effect upon adoption and signing by all the members present, subject to requisite publication, as may be required by existing laws, rules and regulations; *Provided*, That resolutions may be modified or superseded by another resolution; and

(g) Records Management and Archiving of Board Documents – The Board Secretary shall ensure a complete and thorough recording of all proceedings during a Board meeting. The minutes of the previous meeting shall be made available for approval during the succeeding scheduled Board meeting.

The minutes of the meeting shall contain the attendance, business arising from the minutes of the previous meeting, agreements reached, corresponding resolutions, other items noted or discussed, and instructions issued by the Board.

All minutes of meetings and Board Resolutions, tape recordings, and other documents pertaining to the business of the Board shall be kept and archived pursuant to standard records management systems, procedures and shall be made accessible to the public at all times.

CHAPTER VII

OWWA SECRETARIAT

SEC. 25. *The OWWA Secretariat.* – The OWWA Secretariat shall be the implementing arm of the OWWA.

SEC. 26. *Duties and Responsibilities of the OWWA Secretariat.* – The OWWA Secretariat shall perform and assume the following duties and responsibilities:

- (a) To implement all decisions and policies promulgated by the Board including investment and fund management;
- (b) To manage programs and implement the delivery of welfare services to its members, both local and overseas, supported by advocacy and information campaign programs;
- (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 research 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, which shall include a database on membership;
- (i) To establish and maintain linkages and networks with social and institutional partners, both local and international;

- (j) To submit written quarterly reports on the assessment and evaluation of programs, projects and services, and such other reports as maybe required by the Board;
- (k) To conduct an annual planning, budgeting and organizational performance assessment, and render the corresponding report to the Board;
- (l) To submit annual reports to the Board, the Congress and the President of the Philippines;
- (m) To undertake a periodic review of programs, standards, thrusts, and policies;
- (n) To perform other functions as may be instructed by the Board; and
- (o) To adopt internal rules of procedure consistent with the provisions of this Act.

SEC. 27. *The OWWA Administrator.* – The management and supervision of the OWWA shall be vested in the Administrator. As the Chief Executive Officer of the Secretariat, the Administrator shall oversee the overall operations of the Secretariat, which shall include the general supervision and control of all its personnel and resources, and the assumption of full responsibility and accountability thereof.

The Administrator must possess good leadership and managerial skills, and shall be appointed by the President of the Philippines. The Administrator shall report to the President, through the Secretary of the DOLE, and shall perform the duties and functions stated in this Act and all the necessary and related functions of the office of the Administrator, subject to the policies and rules prescribed by the OWWA Board.

SEC. 28. *The Deputy Administrators.* – Two (2) Deputy Administrators shall assist the Administrator in the management and supervision of operations of the OWWA. There shall be one (1) Deputy Administrator for Administration and Fund Management, and one (1) Deputy Administrator for Operations. They shall also be

appointed by the President upon the recommendation of the Administrator. They must also possess good leadership and managerial skills. The Board may assign specific functional responsibilities to the Deputy Administrators.

SEC. 29. *Regional and On-site Welfare Offices.* – The OWWA shall maintain Regional and On-site Welfare Offices under the Philippine Overseas Labor Offices (POLOs) of the DOLE.

CHAPTER VIII

PERSONNEL AND STAFFING PATTERN

SEC. 30. *Authority of the Board to Reorganize the Administration.* – Notwithstanding the provisions of existing laws, the OWWA Board shall conduct a management audit within one hundred twenty (120) days from the effectivity of this Act and submit to the DBM a proposed reorganization plan of the OWWA not later than one (1) year after the audit, 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 that are purely administrative, technical, clerical in nature, and other positions that 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. The OWWA shall endeavor to assign its representatives in every foreign post of the Philippines to, among others, ensure the provision of services to member-OFWs and the promotion of voluntary membership to non-members.

SEC. 31. *Qualifications Upgrading Program.* – 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, obtained the required academic degree and/or qualifications 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, obtained the necessary CSC qualification required for the position they are currently holding: *Provided, finally,* That said personnel have obtained at least a satisfactory performance rating.

SEC. 32. *New Structure and Staffing Pattern.* –

(a) The new structure and staffing pattern for the OWWA shall be prescribed by the OWWA Board and shall be submitted to the Secretary of the DBM for approval. The salaries and benefits of all personnel shall be in accordance with existing compensation laws.

(b) The current officials and employees of the OWWA, as organized under Letter of Instruction No. 537 and Presidential Decree No. 1694, as amended by Presidential Decree No. 1809, and renamed under Executive Order No. 126, series of 1987, and OWWA Board Resolution No. 001, series of 2004, shall be appointed, reappointed, or transferred to the appropriate unit in the new OWWA organizational structure, as determined by the Board, and subject to the qualifications provided in Section 31 of this Act. There shall be no gender discrimination, no demotion in ranks and positions and no diminution in salaries, benefits, allowances and emoluments of all OWWA personnel.

SEC. 33. *General Qualifications for Appointment.* – The general qualifications for appointment of OWWA personnel shall be in accordance with the minimum qualification standards requirements set by the CSC. The OWWA may hire experts in actuarial studies, information technology, finance and investment, and such other fields as may be deemed necessary in the implementation of its programs and services.

CHAPTER IX

OWWA BENEFITS AND SERVICES

SEC. 34. *Guiding Principles.* – Pursuant to its mandate, the OWWA shall provide gender-responsive reintegration programs, repatriation assistance, loan and credit assistance, on-site workers assistance, death and disability benefits, health care benefits, education and skills training, social services, family welfare assistance, programs and services for women migrant workers and other appropriate programs that provide timely social and economic services.

Nothing in this Act shall be construed as a limitation or denial of the right of an OFW to avail of any benefit plan which may be adopted in the employment contract, or offered voluntarily by employers, or by the laws of the receiving country, over and above those provided under this Act.

SEC. 35. *Benefits and Services to OFWs.* –

(a) Reintegration of OFWs. – The reintegration of OFWs, taking into consideration the needs of women migrant workers, shall be one of the core programs of the OWWA. In this regard, and for purposes of policy and program coordination, the National Reintegration Center for OFWs created under Republic Act No. 10022 shall be an attached office of the OWWA. It shall be headed by an Executive Director who shall be under the supervision of the OWWA Administrator.

To be able to sustain the viability of this program, not less than ten percent (10%) of OWWA's collection of contribution for the immediately preceding year shall be allocated annually for the reintegration program,

(b) Repatriation Assistance. – Consistent with the provisions of Republic Act No. 8042, as amended, the OWWA shall assist the Department of Foreign Affairs in providing OFWs with services necessary to facilitate repatriation, as may be required.

(c) Loan and Other Credit Assistance. – The OWWA shall provide low-interest loans to member-OFWs. It shall have the authority to hire experts in finance or banking to assist in implementing the said loan programs.

(d) Workers Assistance and On-site Services. – The OWWA shall sustain and maintain assistance to member-OFWs in all its overseas and regional offices. Services shall be gender-responsive and shall include information regarding the names, occupation/job categories and addresses of the member-OFWs; legal assistance providing guidance and information on protection of migrant rights, including the prevention of gender-based violence; developing materials for the predeparture orientation seminars; conducting psycho-social counseling services; conciliation services; appropriate services and intervention for victims of gender-based violence, and outreach missions, among others. The OWWA shall likewise make competent representations with employers, agents, and host government authorities to assist member-OFWs in obtaining relief from grievances and work-related issues, including claims for unpaid wages, and illegal recruitment cases among others.

(e) Social Benefits. – A member-OFW shall be covered with the following social benefits:

(1) Death and Disability Benefits:

(i) Death Benefits. – A member shall be covered with life insurance for the duration of his or her employment contract. The coverage shall include one hundred thousand pesos (P100,000.00) for natural death and two hundred thousand pesos (P200,000.00) for accidental death;

(ii) Disability and Dismemberment Benefits. – Disability and dismemberment benefits shall be included in a member's life insurance policy, as provided for in the impediment schedule contained in the OWWA Manual of Systems and Procedures. The coverage is within the range of two thousand pesos (P2,000.00) to fifty thousand pesos (P50,000.00);

(iii) Total Disability Benefit. – In case of total permanent disability, a member shall be entitled to one hundred thousand pesos (P100,000.00); and

(iv) Burial Benefit. – A burial benefit of twenty thousand pesos (P20,000.00) shall be provided in case of the member's death.

Based on actuarial studies, the Board may increase the amount of the abovementioned benefits.

(2) Health Care Benefits. – Within two (2) years from the effectivity of this Act, the OWWA shall develop and implement health care programs for the benefit of member-OFWs and their families, taking into consideration the health care needs of women as provided for in Republic Act No. 9710, or the Magna Carta of Women, and other relevant laws.

(3) Education and Training Benefits. – A member, or the member's designated beneficiary, may avail any of the following scholarship programs, subject to a selection process and accreditation of participating institutions:

(i) Skills-for-Employment Scholarship Program. – For technical or vocational training scholarship;

(ii) Education for Development Scholarship Program. – For baccalaureate programs; and

(iii) Seafarers' Upgrading Program. – To ensure the competitive advantage of Filipino seafarers in meeting competency standards, as required by the International Maritime Organization (IMO), International Labor Organization (ILO) conventions, treaties and agreements, sea-based members shall be entitled to one upgrading program for every three (3) membership contributions.

The annual scholarship lists of all these programs shall be submitted to the Board.

SEC. 36. *New Programs, Interactive Website and Extension of Services.* – The OWWA shall continue to develop and implement new programs to meet new OFW needs and requirements as they arise, and to assess the effectiveness of existing services and benefits in serving the welfare of OFWs.

The OWWA shall also maintain an interactive website to collect OFW feedbacks, comments, suggestions, and complaints on existing programs and services.

The OWWA may also extend appropriate programs or services to non-members, as may be determined by the Board.

CHAPTER X

THE OWWA TRUST FUND

SEC. 37. *The OWWA Fund.* – The Welfare Fund for Overseas Workers created under Letter of Instruction No. 537 and Presidential Decree No. 1694, as amended by Presidential Decree No. 1809, is hereinafter referred to as the OWWA Fund. The OWWA Fund is a private fund held in trust by the OWWA. Being a trust fund, no portion thereof or any of its income, dividends or earnings shall accrue to the general fund of the National Government. Neither shall any amount or portion thereof be conjoined with government money, nor revert to the National Government. In the same manner, it is exempted from the “one fund doctrine” of the government.

SEC. 38. *Purpose of the OWWA Fund.* – The OWWA Fund can only be used for the purposes for which it was created, that is, to serve the welfare of member-OFWs and their families which shall include the financing of core programs and services of the OWWA.

No funds shall be withdrawn from the OWWA Fund to respond, aid, supplement, or in any manner augment any required expenditure by other government agencies.

SEC. 39. *Source of the OWWA Fund.* – The OWWA Fund is the sum total of the amounts under the management and fiscal administration of the OWWA Board and the Secretariat, including the twenty-five US dollars (US\$25.00) contributions that shall accrue to the Fund as fees, investment and interest income, and income from other sources.

SEC. 40. *Disbursement of the OWWA Fund.* – 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 providing services and other benefits of the OWWA general membership and their families.

SEC. 41. *Trustees of the Fund.* – The Board is designated as the trustee of the OWWA Fund. It is bound by a fiduciary duty to manage the Fund with extraordinary diligence and with utmost skill, care and judiciousness.

SEC. 42. *Transparency.* – The OWWA Fund shall be managed with full transparency and full public disclosure. The OWWA shall make available all records of how the funds are utilized, disbursed, and invested, in accordance with existing laws.

SEC. 43. *Reporting of the OWWA Fund Collection and Utilization.* – Within fifteen (15) days after receipt of audited reports from the COA, the OWWA Board of Trustees shall submit to the Congress and the President of the Philippines a report showing the total collections of, and the disbursements from, the OWWA Fund and shall publish the electronic copy of the report and make them available online, in a format that is searchable, accessible and useful to the public.

CHAPTER XI

INVESTMENT ADMINISTRATION: SAFEGUARDS

SEC. 44. *Safeguards of the OWWA Fund; Acquired Assets; Unredeemed Investments.*

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(a) The OWWA Fund shall be managed and expended in accordance with the purposes stipulated in this Act and safeguarded against any possible loss and misuse.

The OWWA shall ensure an appropriate growth rate in the Fund sufficient to sustain the growing needs of member-OFWs. It shall periodically conduct an inventory of its investment instruments and ensure that they are properly kept at a government bank under a custodianship agreement.

A monthly report on all investment schedules showing the interest rates, yields, discount rates, and other relevant data, shall be submitted to the Board.

(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, reinspected, reappraised, and insured.

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.

(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. 45. *General Investment Policy.* – Upon approval of the Board, all OWWA investments shall be placed only in government securities and bonds which provide optimum earnings, liquidity and protection of the Fund. Portfolio management of investible funds shall be outsourced to GFIs.

SEC. 46. *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.

FISCAL AND BUDGET POLICY: MANAGEMENT OF OWWA FUND

SEC. 47. *Budget for Benefits and Services.* – The annual budget for benefits and services to OWWA members and their families shall be sourced from the OWWA funds.

SEC. 48. *Budget Preparation and Approval.* – In preparing the annual budget for benefits and services, the OWWA shall follow the national government budget system, format and cycle.

The Board shall approve the annual budget, by a majority vote of all its members.

SEC. 49. *Reenacted Budget.* – In case the proposed annual budget sourced from the OWWA Fund has not been approved by the Board at the start of the year, the OWWA shall operate within the budget level of the previous year allocated on a month-to-month basis. All savings realized in the previous year shall be deducted from the current year's budget.

SEC. 50. *Budget Realignment.* – Realignment of funds sourced from the OWWA Fund including adjustments in targets shall be submitted to the Board for approval. Similarly, in the event that extraordinary circumstances may occur which require sourcing of additional funds from the OWWA Fund beyond the coverage of the approved budget, the same shall be submitted to the Board for approval.

SEC. 51. *Branch Accounting System; Financial Reports; Auditing Procedures; Annual Reports.* – The OWWA Regional Units shall maintain their respective books of accounts 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 the COA, such as income statement, balance sheet, and cash flow as prescribed in post auditing reports by the COA.

The OWWA Secretariat shall submit a monthly fund utilization report to the Board, copies of which shall be made available to Congress. It shall also submit an Annual Report on its overall performance for the previous year within the first sixty ' (60) days of the following year to the OWWA Board, the Congress and the President of the Philippines, through the DBM.

SEC. 52. *Chart of Accounts.* – The OWWA shall adopt the appropriate and standard chart of accounts as prescribed by the COA

CHAPTER XIII

APPROPRIATION FROM THE NATIONAL GOVERNMENT

SEC. 53. *Appropriation from the National Government.* – The amount needed to carry out the initial implementation of this Act shall be charged against the current operative budget sourced from the internal funds of the OWWA. Thereafter, such lump sum representing the responsibility of the National Government for the continued operations and maintenance of the OWWA shall be included in the annual General Appropriations Act (GAA).

Congress shall annually appropriate the necessary amount to meet the funding requirement for personal services (PS) and the maintenance and other operating expenses (MOOE) of the OWWA. Nothing in this Act shall prevent the National Government from allocating funds for the operation or implementation of any of the programs or services stated herein, including the budget for capital outlay (CO).

CHAPTER XIV

MISCELLANEOUS PROVISIONS

SEC. 54. *Rebates for Long-time Members.* – In recognition of the contribution of long-time members to the OWWA Fund, the OWWA shall develop and implement a program for the grant of rebates or some form of financial assistance to OFWs who have been members of the OWWA for at least ten (10) years and who, along with

their families, have not availed of any service or benefit from the OWWA. The provision and the amount of rebates shall be based on actuarial study commissioned by the OWWA for this purpose.

SEC. 55. *Procurement System.* – The OWWA procurement system shall be governed by Republic Act No. 9184, also known as the “Government Procurement Reform Act”.

SEC. 56. *Exemption from Tax, Legal Process and Lien.* – All laws to the contrary notwithstanding, the OWWA and all its assets and properties, all contributions collected and all accruals thereto and income or investment earnings therefrom as well as all supplies, equipment, papers or documents shall be exempt from any tax, assessment, fee, charge, or customs or import duty. All benefit payments made by the OWWA shall likewise be exempt from all kinds of taxes, fees or charges, and shall not be liable to attachments, garnishments, levy or seizure by or under any legal or equitable process, either before or after receipt by the person or persons entitled thereto, except to pay any debt of the member to the OWWA. No tax measure of whatever nature enacted shall apply to the OWWA, 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. Any tax assessment imposed against the OWWA shall be null and void.

SEC. 57. *Transitory Provision.* – All facilities, equipment, supplies, records, files, appropriations and funds under the OWWA, as organized under Letter of Instruction No. 537 and Presidential Decree No. 1694, as amended by Presidential Decree No. 1809, and renamed under Executive Order No. 126, series of 1987, shall remain with the OWWA.

Current officials and employees of the OWWA shall continue to draw their salaries, benefits and emoluments from the OWWA Fund until such time, but not later than one (1) year from the effectivity of this Act, that the corresponding funds from the National Government shall have been appropriated and released to the OWWA.

SEC. 58. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the present OWWA Board shall promulgate the rules and regulations implementing the provisions of this Act. The implementing rules and regulations issued pursuant to this section shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

SEC. 59. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in full force and effect.

SEC. 60. *Repealing Clause.* – Letter of Instruction No. 537, Presidential Decree No. 1694 and Presidential Decree No. 1809 are hereby repealed. All other laws, decrees, executive orders, rules and regulations inconsistent with the provisions of this Act are likewise repealed.

SEC. 61. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,

(Sgd.) **FRANKLIN M. DRILON**
President of the Senate

(Sgd.) **FELICIANO BELMONTE JR.**
*Speaker of the House
of Representatives*

This Act which is a consolidation of House Bill No. 4990 and Senate Bill No. 2955 was finally passed by the House of Representatives and the Senate on February 2, 2016.

(Sgd.) **OSCAR G. YABES**
Secretary of the Senate

(Sgd.) **MARILYN B. BARUA-YAP**
*Secretary General
House of Representatives*

Approved: **MAY 10 2016**

RESOURCES

- [PDF] Republic Act No. 10801, May 10, 2016
(<http://www.officialgazette.gov.ph/downloads/2016/05may/20160510-RA-10801-BSA.pdf>).

This entry was posted under Laws and Issuances (<https://www.officialgazette.gov.ph/section/laws/>), Republic Acts (<https://www.officialgazette.gov.ph/section/laws/republic-acts/>) and tagged Benigno S. Aquino III (<https://www.officialgazette.gov.ph/tag/benigno-s-aquino-iii/>), Laws (<https://www.officialgazette.gov.ph/tag/laws-2/>), Overseas Workers Welfare Administration (<https://www.officialgazette.gov.ph/tag/overseas-workers-welfare-administration/>), Republic Acts (<https://www.officialgazette.gov.ph/tag/republic-acts/>). Bookmark the permalink (<https://www.officialgazette.gov.ph/2016/05/10/republic-act-no-10801/>).



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GOVERNMENT LINKS

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[Office of the President \(http://op-proper.gov.ph/\)](http://op-proper.gov.ph/)

[Office of the Vice President \(https://ovp.gov.ph/\)](https://ovp.gov.ph/)

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[House of Representatives \(http://www.congress.gov.ph/\)](http://www.congress.gov.ph/)

[Supreme Court \(http://sc.judiciary.gov.ph/\)](http://sc.judiciary.gov.ph/)

[Court of Appeals \(http://ca.judiciary.gov.ph/\)](http://ca.judiciary.gov.ph/)

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