

TRIPARTITE INDUSTRIAL PEACE COUNCIL

RESOLUTION NO. 9

Series of 2013

“Recommending the Development of a Specialized Payment Scheme Allowing Kasambahay and their Employers to Comply with the Mandate of Existing Laws on SSS and PhilHealth Contributions Since 1993 and 1995, Respectively”

WHEREAS, President Benigno S. Aquino III has signed into law Republic Act No. 10361 or ‘An Act Instituting Policies for the Protection and Welfare of Domestic Workers’, commonly known as the “*Kasambahay Law*” on 18 January 2013;

WHEREAS, the Implementing Rules and Regulations (IRR) of the “*Kasambahay Law*” was likewise issued and took effect on 04 June 2013;

WHEREAS, the IRR sets a standard salary for domestic workers, defines their labor rights, and reiterates the entitlement to social benefits provided under Social Security System (SSS) and PhilHealth. Thus, Rule IV, Section 9 of the IRR of Kasambahay Law specifically states that “*A kasambahay who has rendered at least one (1) month of service shall be covered by the SSS, Employees Compensation Commission (ECC), PhilHealth and Pag-IBIG, and shall be entitled to all the benefits in accordance with their respective policies, laws, rules and regulations*”;

WHEREAS, under the same section, the SSS, PhilHealth and Pag-IBIG are mandated to “*develop a unified system of registration and enrolment within six (6) months from the promulgation of the IRR*”;

WHEREAS, even prior to the enactment of the “*Kasambahay Law*”, Republic Act No. 7655 (*An Act Increasing the Minimum Wage of Househelpers, Amending for the Purpose Article 143 of Presidential Decree No. 442, as Amended*) mandates the SSS coverage of househelpers receiving at least P1,000 since 1993. Likewise, Republic Act No. 7875, as amended by Republic Act No. 9241 (*National Health Insurance Act of 1995*), also mandates the health coverage of househelpers since 1995;

WHEREAS, with the requirement of the “*Kasambahay Law*” to execute an employment contract and the declaration in the unified registration form of the date of engagement of the *kasambahay*, the SSS can determine the premiums or arrears from the said date as well as possible findings of non-registration of *kasambahay* by his/her employers;

WHEREAS, both labor and employers’ representatives in the Tripartite Industrial Peace Council (TIPC) likewise believe that retroactive payment of premiums or contributions including interests and penalties poses issues and difficulties particularly to covered Kasambahays and employers belonging to the middle and low-income groups, who may

neither have the financial capacity to comply nor proof to show the existence of employer-employee relationship;

WHEREAS, in a plenary meeting on 15 July 2013, the TIPC believes that remittance of unpaid SSS and PhilHealth premiums or contributions, including interests and penalties, is obligatory under existing laws unless Congress enacts amendatory measures to condone non-payment of arrears from 1993 and 1995, respectively, to June 2013;

WHEREAS, in a TIPC-Tripartite Executive Committee (TIPC-TEC) meeting on 02 September 2013, the tripartite stakeholders believe that in order to uphold the rights of the *kasambahay* while also taking into account the concerns of employers, only the penalties and interests on unpaid contributions must be condoned;

WHEREAS, unless an amendatory law is enacted condoning the entire obligation to pay unremitted contributions, the satisfaction of unpaid SSS and PhilHealth contributions since 1993 and 1995, respectively, shall still be sought albeit through a payment scheme that would enable employers in all income levels to comply (e.g. payment by installment, compromise agreement, etc.);

WHEREAS, the tripartite partners likewise agree that employers who have already paid the accrued contributions and penalties and those are financially-able shall be exempted from this Resolution;

NOW, THEREFORE, BE IT RESOLVED, AS WE HEREBY RESOLVE, that we, the members of the TIPC, constituted through Republic Act No. 10395 (An Act Strengthening Tripartism, Amending for the Purpose Article 275 of the Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines), and with oversight functions to ensure the implementation of labor, social and economic policies, including pertinent rules and regulations which affect the tripartite stakeholders recommend that:

1. Office of the President issue a directive instructing the SSS and PhilHealth to defer payment of penalties due to defaults in the payment of premiums or contributions until June 2013;
2. SSS and PhilHealth develop a specialized payment scheme to cover payment of contribution, penalties and arrears, incorporating the concepts of installment-type payment and compromise agreement, to enable compliance by the employers in all income levels with the mandated SSS and PhilHealth contributions since 1993 and 1995, respectively, and temporarily suspend until June 2013 the implementation of payment of interests and penalties by employers of *kasambahay*.
3. The Senate and the House of Representatives enact amendatory measures allowing condonation/amnesty/abatement of unpaid SSS and PhilHealth contributions including interests and penalties due to failure of employers of the *kasambahay* to comply with existing laws since 1993 and 1995, respectively, until June 2013; and


4. Payment of SSS and PhilHealth premiums or contributions shall commence on the day of actual engagement of the *kasambahay* which must be reflected in the contract of employment, pursuant to the Kasambahay Law.

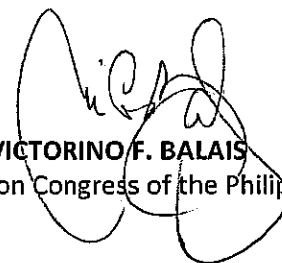
Further, let a copy of this resolution be furnished the following Offices:

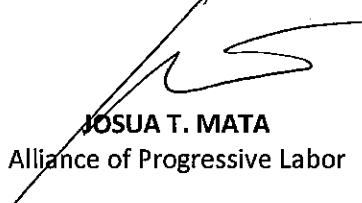
1. The Office of the Republic of the Philippines, His Excellency, Benigno S. Aquino III;
2. The Office of the Senate President, Hon. Franklin M. Drilon;
3. The Office of the Speaker of the House of Representative, Hon. Feliciano R. Belmonte, Jr.;
4. The Office of the Chairman of the Senate Committee on Labor, Employment and Human Resources Development, Hon. Jinggoy Ejercito Estrada;
5. The Office of the Chairman of the House Committee on Labor and Employment, Hon. Karlo Alexei B. Nograles;
6. The Office of the SSS, President and CEO Emilio S. de Quiros, Jr.;
7. The Office of the PhilHealth, President and CEO Alexander A. Padilla.

Approved this 10th day of October 2013, at The Bayleaf, Intramuros, Manila.

LABOR SECTOR

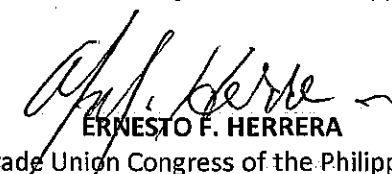

DANIEL L. EDRALIN
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VICTORINO F. BALAIS
Trade Union Congress of the Philippines

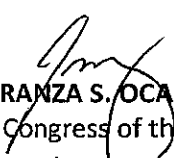

JOSUA T. MATA
Alliance of Progressive Labor

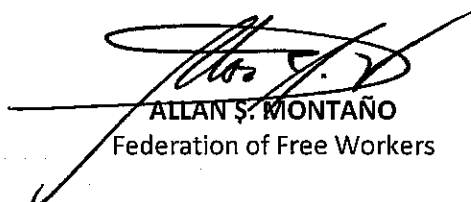
ZOILO V. DELA CRUZ, JR.
Trade Union Congress of the Philippines

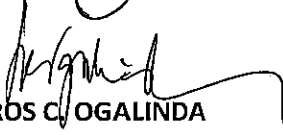

ANGELITO P. CALDERON
Alliance of Filipino Workers


ERNESTO F. HERRERA
Trade Union Congress of the Philippines


JOSE SONNY G. MATULA
Federation of Free Workers



ESPERANZA S. OCAMPO
Trade Union Congress of the Philippines


ALLAN S. MONTAÑO
Federation of Free Workers


MILAGROS C. OGALINDA
Trade Union Congress of the Philippines




DAVID L. DIWA
Lakas Manggagawa Labor Center



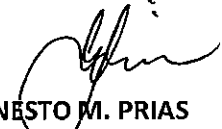
GERARD R. SENO
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JESUS B. VILLAMOR
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ERNESTO M. PRIAS
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Workers Union

VLADIMIR R. TUPAZ
Trade Unions of the Philippines and Allied
Services

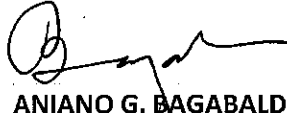
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Employers Confederation of the Philippines



ANIANO G. BAGABALDO
Employers Confederation of the Philippines

RANULFO P. PAYOS
Employers Confederation of the Philippines



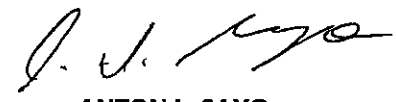
ERNESTO O. CECILIA
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GOVERNMENT SECTOR

ROSALINDA DIMAPILIS-BALDOZ

Secretary

Department of Labor and Employment

Dept. of Labor & Employment
Office of the Secretary



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