

Malacanang
Manila

LETTER OF INSTRUCTIONS NO. 537

TO: THE SECRETARY OF LABOR

In view of the national policy to protect the interest and promote the welfare of Filipino overseas workers in recognition of their valuable contribution to the overall development effort and in order to facilitate the implementation of the provisions of the Labor Code, as amended, concerning the responsibility of the Department of Labor and its bureaus and attached agencies to promote the well being of such workers, you are hereby instructed to create a Welfare and Training Fund for Overseas Workers in the Department of Labor, the main objectives and purposes of which are:

1. To provide social and welfare services to Filipino overseas workers, including insurance coverage, social work assistance, legal assistance, placement assistance, cultural services, remittance services and the like;
2. To provide skills and career development services to Filipino overseas workers and their placements in order to insure adequate supply of manpower for national economy as well as for export;
3. To undertake studies and researches for enhancement of their social, economic, and cultural well being; and,
4. To develop, support, and finance specific projects for the benefit of Filipino overseas workers.

The fund shall be financed from:

1. All earnings of the OEDB from travel services and Welfare Fund collections;
2. All Welfare Fund collection of the BES;
3. All Welfare fund collections of the NSB;
4. All training Fund collections of the BES, the OEDB, and the NSB;
5. Collections and other contributions from employers served by the BES, the OEDB, and the NSB; and,
6. Other donations, contributions, and other sources of income as may be determined by the Board of Trustees of the Fund.

The BES, the OEDB, and the NSB are hereby directed to collect contributions for the Welfare and Training Fund for Overseas Workers in accordance with rules and regulations promulgated by the Secretary of Labor.

For the Administration of the Fund, a Board of Trustees to be composed of the Secretary of Labor, as Chairman; the Undersecretary of Labor, as Vice Chairman; the Executive Director of the OEDB, the Executive Director of the NSB, the Director of the BES, the Director General of the NMYC and two representatives of the construction industry is hereby established. The Board shall be assisted by a Secretariat, the composition and functions of which shall be determined by it.

The Board shall promulgate rules and regulations for the implementation of these instructions.

The Fund shall be attached to the Department of Labor for policy and program coordination. The Commission on Audit shall assign a representative to audit the Fund.

Done in the City of Manila, this 1st day of May, 1977.

(SGD.) FERDINAND E. MARCOS

President
Republic of the Philippines

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PAGGAWA

RULES AND REGULATIONS

IMPLEMENTING LETTER OF INSTRUCTIONS NO. 537

Pursuant to PRESIDENTIAL LETTER OF INSTRUCTIONS NO. 537 dated May 01, 1977, the following rules and regulations are hereby promulgated for the guidance of all concerned:

SECTION 1. WORKERS' WELFARE FUND. A Welfare and Training Fund is hereby created in the Department of Labor, the main objectives and purposes of which are:

1. To protect the interest and promote the welfare of Filipino overseas workers in recognition of their valuable contribution to the overall development effort;
2. To facilitate the implementation of the provisions of the Labor Code concerning the responsibility of the Government to promote the well-being of Filipino overseas workers;
3. To provide social and welfare services to Filipino overseas workers, including insurance, social work assistance, legal assistance, cultural services, remittance services;
4. To provide skills development services to Filipino overseas workers and their replacement in order to insure adequate supply of manpower for the national economy as well as for export;
5. To undertake studies and researches for the enhancement of their social, economic and cultural well-being;
6. To develop, support and finance specific projects for the welfare of Filipino overseas workers.

SECTION 2. A. ORGANIZATION OF THE FUND. A Board of Trustees composed of the Secretary of Labor as Chairman, Undersecretary of Labor as Vice Chairman, the Executive Director of the OEDB, the Executive Director of the NSB, the Director of the BES, the Director General of the NMYC and the two representatives from the Private Sector shall administer the FUND.

B. THE DUTIES AND POWERS OF THE BOARD ARE:

1. To adopt policies, rules and regulations to implement the objectives and purposes of the Fund;
2. To approve programs, projects as well as the organizational structure of the Fund;
3. Perform any other act to attain the objectives and purposes of the Fund.

C. THE OEDB, AND NSB SHALL EACH ESTABLISH A WELFARE SERVICES

UNIT IN THEIR RESPECTIVE AGENCIES, THE UNITS SHALL HAVE THE FOLLOWING DUTIES AND RESPONSIBILITIES:

1. To provide action and recommendation on welfare assistance to workers hired through the agency;
2. To monitor the social and living conditions of the workers at worksite and to recommend to the Fund necessary action programs thereof;
3. To design and implement programs to enhance the socio-cultural well-being of the overseas workers hired through the agency;
4. To collect and transfer all welfare and training contributions to the FUND.

SECTION 3. APPROPRIATIONS: The requirements of the Fund for operations, personnel services, equipment and others for the current fiscal year shall be funded out of the welfare fund collections of the OEDB, BES, and NSB.

SECTION 4. SOURCES OF THE FUND. The Fund shall be financed from the following, which shall be constituted into one fund and deposited in a government bank for the account of the Fund:

1. As authorized in the instructions, an initial endowment of P1,000,000.00 from the Special Activities Fund of the General Appropriations of Budget for the organization and maintenance of the Fund for one year;
2. All Welfare Fund Collections of the OEDB, BES, and NSB;
3. Donations and other contributions to the Fund through the OEDB, BES and NSB;
4. Earnings or a portion thereof. derived from the travel services rendered by the OEDB;
5. Income as may be determined by the Trustees.

SECTION 5. SCHEDULE OF CONTRIBUTIONS:

A. ALL EMPLOYERS HIRING THROUGH THE OEDB, BES AND NSB SHALL CONTRIBUTE TO THE FUND IN ACCORDANCE WITH THE FOLLOWING RATES:

1. Foreign Employer	US\$50 per worker
2. Foreign Employer Hiring Filipino Seamen, Domestic; Entertainers	US\$25 per worker
3. Filipino employer	P100.00 per worker
4. Workers hired for UK and US Markets	US\$25 per worker
5. Foreign Government Hiring for the Public Service	US\$25 per worker
6. Members of the Diplomatic Corps, United Nations Agencies and Instrumentalities and Other Internationally Accredited Civic and Religious Organizations	US\$25 per worker

B. IN NO WAY SHALL THE ABOVE FEES BE CHARGED OR

COLLECTED FROM THE WORKER (highlight provided)

SECTION 6. TRAINING FUND: A portion of the collections of OEDB, BES AND NSB and such other levies specifically for the training and development of skills for overseas and domestic replacements shall be promulgated in a separate issuance by the Board.

SECTION 7. COLLECTING OFFICES. The Fund may deputize personnel of the OEDB, BES and NSB to collect the contributions and donations, the collecting officers shall transfer their collections monthly to the Fund through the bank referred to in SECTION 4, hereof, and accordingly advise the Fund through the head of agency of the transfer.

SECTION 8. **BENEFICIARIES OF THE SERVICES OF THE FUND**. **All Filipino workers, hired for overseas placement through the OEDB, BES and NSB shall be entitled to the services and assistance provided of the Fund. The Board of Trustees of the Fund may nominate other recipients or beneficiaries of Fund services. (highlighted provided)**

SECTION 9. AUDITING REQUIREMENTS. As provided under the instruction, the Commission on Audit shall assign a representative to audit the Fund.

SECTION 10. REPEALING CLAUSE. All Department Orders, Circulars, Instructions inconsistent with there rules and regulations are hereby repealed.

SECTION 11. EFFECTIVITY. These rules and regulations shall take effect immediately.

(SGD.) BLAS F. OPLE
Secretary