

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

'22 JUL 25 A11 :40

SENATE

S.B. No. 823

RECEIVED BY: 

Introduced by SEN. WIN GATCHALIAN

AN ACT
PROVIDING FOR THE CONDONATION OF PENALTIES FOR UNPAID SOCIAL
SECURITY SYSTEM, PHILIPPINE HEALTH INSURANCE CORPORATION,
AND THE HOME DEVELOPMENT MUTUAL FUND CONTRIBUTIONS OF
HOUSEHOLD EMPLOYERS RELATIVE TO REPUBLIC ACT NO. 10361, ALSO
KNOWN AS THE "DOMESTIC WORKERS ACT" OR "BATAS KASAMBAHAY"

EXPLANATORY NOTE

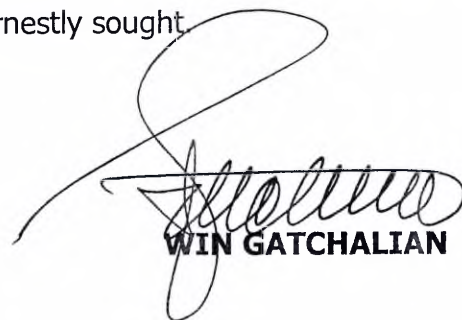
The enactment of RA No. 10361 or the "Kasambahay Law" in 2013 was intended to extend social security benefits protection coverage to the kasambahays of Filipino homes. Section 30 of the said law provides that Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), and Home Development Mutual Fund or Pag-IBIG premium payments or contributions of kasambahays shall be shouldered by the employer. However, the domestic worker will pay a proportionate share for such contributions if he/she is receiving P5,000.00 and above per month.

According to the Department of Labor and Employment (DOLE) and Philippine Statistics Authority (PSA) survey conducted in October 2019, there are 1.4 million Filipinos who are working as kasambahays, 83% or 1.2 million of which are not

covered by any social security benefit. The survey had also shown other multiple violations of the Kasambahay Law that need to be addressed by the DOLE.¹

Thus, this measure intends to provide an additional policy tool to improve on the dismal numbers of kasambahays who are not receiving any social security benefits. This proposed condonation program covers penalties imposed for unpaid premium contributions of employers for their kasambahays, to start on the effectivity of the Republic Act No. 10361, also known as the "Domestic Workers Act" or "Batas Kasambahay", from June 4, 2013 or until six (6) months from the effectivity of this proposed Act, if approved.

In view of the paramount need to provide the social security benefits for Kasambahays, the passage of this measure is earnestly sought.



WIN GATCHALIAN

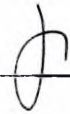
¹ Department of Labor and Employment - National Wages and Productivity Commission. https://nwpc.dole.gov.ph/press_room/dole-and-psa-survey-1-4-million-kasambahays-in-the-country-72-on-live-out-arrangement/#:~:text=There%20are%201.4%20million%20Filipinos,survey%20conducted%20in%20October%202019.

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**AN ACT
PROVIDING FOR THE CONDONATION OF PENALTIES FOR UNPAID
SOCIAL SECURITY SYSTEM, PHILIPPINE HEALTH INSURANCE
CORPORATION, AND THE HOME DEVELOPMENT MUTUAL FUND
CONTRIBUTIONS OF HOUSEHOLD EMPLOYERS RELATIVE TO
REPUBLIC ACT NO. 10361, ALSO KNOWN AS THE "DOMESTIC
WORKERS ACT" OR "BATAS KASAMBAHAY"**

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

1 SECTION 1. *Title.* - This Act shall be known as the "Condonation of
2 Penalties Incurred by Employers for Unpaid Social Benefits Contributions for
3 Kasambahays".

4
5 SEC. 2. *Social Benefits Penalty Condonation Program for Employers of*
6 *Kasambahays* - Any household employer who is delinquent or has not remitted
7 all premium contributions due and payable to the Social Security System (SSS),
8 Philippine Health Insurance Corporation (PhilHealth), and Home Development
9 Mutual Fund or Pag-IBIG, pursuant to Section 30 of Republic Act No. 10361,
10 also known as the "Domestic Workers Act" or "Batas Kasambahay" may, within
11 six (6) months from the effectivity of this Act, remit said premium contributions,
12 or submit a proposal to pay the same in installments within a period of not

1 more than twenty-four (24) months from the approval of the proposal, without
2 incurring the prescribed penalties imposed under RA No. 10361; RA No. 1161,
3 otherwise known as the "Social Security Law", as amended by Republic Act No.
4 8282; Republic Act No. 9679, or the "Home Development Mutual Fund Law of
5 2009, otherwise known as Pag-IBIG (Pagtutulungan sa kinabukasan: Ikaw,
6 Bangko, Industriya at Gobyerno) Fund"; Republic Act No. 7875, or the "National
7 Health Insurance Act of 1995", as amended by Republic Act No. 10606,
8 otherwise known as the "National Health Insurance Act of 2013"; and other
9 rules and regulations, subject to the implementing rules and regulations for this
10 Act: Provided, That the household employer submits the corresponding
11 collection lists together with the remittance or proposal to pay in installments:
12 *Provided, further,* That in case the household employer fails to remit premium
13 contributions within the six-month grace period mandated by this Section, or
14 defaults in the payment of any amortization provided in the approved proposal,
15 the prescribed penalties shall be imposed from the time the premium
16 contributions shall have been first became due, and/or when the employer's
17 obligation to contribute to these social benefits shall have become due and
18 payable, as provided under the penalty provisions of RA No. 1161, as amended;
19 RA No. 9679; and RA No. 7875, as amended.

20

21 SEC. 3. *Coverage.* - Any household employer who is delinquent or has
22 not remitted all premium contributions due and payable to the SSS, PhilHealth
23 and Pag-IBIG since June 4, 2013, may avail of the Condonation Program for
24 Penalties under this Act, including the following:

25 a) Those not yet registered with the SSS-PhilHealth-Pag-IBIG Unified
26 Registration System for Kasambahays, pursuant to RA No. 10361, but
27 will register as a household employer after the effectivity of this Act but
28 within the six-month grace period provided in Section 2 of this Act;

29 b) Those with cases pending before the courts or before the Office of
30 the Prosecutor, involving collection of premium contributions and/or
31 penalties; and

32 c) Those who, before the effectivity of the Act, have remitted all

1 premium contributions due and payable to the SSS, PhilHealth and Pag-
2 IBIG, but have not paid the corresponding penalties.

3

4 SEC. 4. *Unregistered Household Employer.* - To qualify for the
5 condonation program for penalties under this Act, an unregistered household
6 employer shall register with the unified registration system branch having
7 jurisdiction over the household address of the household employer, and comply
8 with the requirements under Section 2 hereof, and those that may be required
9 by the implementing rules and regulations of this Act.

10

11 SEC. 5. *Guaranty of Entitlement.* - The failure or refusal of the employer
12 to pay or remit the premium contributions under this condonation program
13 shall not prejudice the right of the employee to the benefits of the coverage
14 under RA No. 1161, as amended; RA No. 9679; and RA No. 7875, as amended.

15

16 SEC. 6. *Implementing Rules and Regulations.* - Within thirty (30) days
17 after the approval of this Act, the Social Security Commission, the Board of
18 Trustees of the PAG-IBIG Fund, the Board of Directors of PhilHealth, and any
19 other government agencies relevant to the implementation of the Batas
20 Kasambahay, shall issue the necessary rules and regulations for the effective
21 implementation of this Act.

22

23 SEC. 7. *Separability Clause.* - If any provision of this Act is declared
24 invalid or unconstitutional, the provisions not affected thereby shall remain in
25 full force and effect.

26

27 SEC. 8. *Repealing Clause.* - All laws, presidential decrees, executive
28 orders, presidential proclamations, rules and regulations or parts thereof
29 contrary to or inconsistent with this Act are hereby repealed or modified
30 accordingly.

31

1 SEC. 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its
2 publication in the *Official Gazette* or in a newspaper of general circulation in the
3 Philippines.

Approved,