

## PRESIDENTIAL DECREE NO. 1694

### ORGANIZATION AND ADMINISTRATION OF THE WELFARE FOR OVERSEAS WORKERS

WHEREAS, the overseas employment development of the Government undertaken through the Ministry of Labor has generated an explosion of the presence abroad of the Filipino workers, now estimated to be around 1.7 million in 107 countries of the world;

WHEREAS, there is every indication that the overseas demand for the Filipino workers would continue to increase in coming years;

WHEREAS, because of the volatile situation in many countries hosting this labor force, the Government is continually under stress in efforts to provide overseas Filipino workers adequate protection;

WHEREAS, in response to the distressed conditions of many of these workers, the Government, under Letter of Instructions NO. 537 Issued on May 1, 1977, authorized the creation in the Ministry of Labor of a Welfare and Training Fund for Overseas Workers to be funded with contributions from overseas employer of Filipino workers:

WHEREAS, it is deemed that the objectives and purposes of the fund as set forth in LOI NO. 537 can best be served by now formalizing operations into a comprehensive Welfare Fund.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested by the Constitution, do hereby order and decree:

**Section 1. Welfare Fund for Overseas Workers**

There is hereby created a "Welfare Fund for Overseas Workers", HEREINAFTER REFERRED TO AS THE welfund which shall be used for the purpose of providing social and welfare services to Filipino overseas workers, including insurance coverage, legal assistance, placement assistance, and remittance services.

**Section 2. Fund Source.** All contributions to the Welfare and Training Fund collected pursuant to Letter of Instructions No. 537 issued on May 1, 1977 shall be transferred to the Welfund. Fees and other charges may be imposed by the Overseas Employment Development Board, the Bureau of employment Services, and the National Seamen Board, subject to the approval of the Minister of Finance. Such fees, charges and other collections shall accrue to the Welfare and Training Fund.

Section 3. Administration. The Welfund shall be administered by a Board of Trustees consisting of the Minister of Labor as Chairman, the Deputy Minister of Labor as Vice Chairman, and the Executive Director of the National Seamen Board, the Director of the Bureau of Employment Services, The Administrator of the Welfund, and one representative each from the management and labor sector who shall be appointed by the President, as members.

An Administrator shall be appointed by the President upon recommendation of the Minister of Labor, who shall have the qualifications, rank and compensation of a Bureau of Director.

Section 4. Responsibility and Powers. The Board of Trustees of the Welfund shall have the following responsibilities and powers:

- a. To formulate and implement measures and programs to attain the fund's objectives and purposes;
- b. To enter into agreement and contracts in connection with its operation and objectives;
- c. To manage fund resource subject to the provisions of Sec. 5 hereof; and
- d. To issue rules and regulations to carry out the objectives and purposes of the welfund and the provisions of this Decree.

Section 5. Fund Management. The Welfund shall be recorded as Special account in the General Fund and transactions in it shall be subject to such rules and regulations and regulations as may be formulated by the Minister of Finance, who shall act in consultation with the Minister of Labor and Minister of the budget. A maximum of five per cent (5%) of any investment income earned by the Fund may be utilized for operational expenses, except as may be approved by the President. Such operational expenses shall be subject to the usual budgetary process established by Sec. 40 of PD No. 1177 and to rules on organization, compensation and honoraria determined for agencies of the government under PD No. 985.

A fund staff shall be formed within the Office of the Minister of Labor, whose compensation and operating expenses shall be charged to fund income, subject to the limits provided under this Section.

Section 6. Repeal Clause. Letter of Instructions No. 537 and any and all laws, decrees, executive orders, rules and regulations or parts thereof in consistent with this Decree are hereby repealed and/or modified accordingly.

Section 7. Effectivity. This Decree shall take effect immediately.

Done in the City of Manila, this 1<sup>st</sup> day of May, in the year of Our Lord, nineteen hundred and eighty.