



ADMINISTRATOR BALDOZ'S STATEMENT ON THE KOREAN EMPLOYMENT PERMIT SYSTEM

December 7, 2006

The Philippine Overseas Employment Administration (POEA) is the only authorized government agency designated to undertake the recruitment of workers for the Korean Employment Permit System (EPS) based on the Memorandum of Understanding (MOU) between the Department of Labor and Employment and the Ministry of Labor (MOL) of Korea. The EPS is a legal way of sending foreign workers to Korea which is participated in by different sending countries that signed up an MOU.

The EPS has its own set of procedures observed by all sending countries. Each year, a labor quota is assigned to be filled up with applicants to be registered in a Roster of Jobseekers from where qualified employers can choose their workers. Applicants must meet the minimum qualifications of age, education, work experience and eligibility to enter Korea. They must pass a Korean Language Test (EPS-KLT) administered by a Korean test agency designated by the MOL and should be certified as fit-to-work at the time of application. However, inclusion in the Roster does not guarantee employment but only the opportunity of being selected. It was the policy of the Korean Government not to allow the participation of private agencies in the EPS.

Due to said fixed requirements, application and mobilization costs once selected are inevitable following the system imposed by the receiving country. But there is transparency in the expenses to be incurred. While in the process of application, workers are advised to pay only the allowable fees or to deal only with training entities accredited with the TESDA and medical clinics accredited with DOH, which charge the right fees. Formal language training is not even a requirement in applying for EPS-KLT and this was proven correct by some who passed the test only through self-study. POEA does not require workers to follow-up their application because once they are registered, all they have to do is wait if they get selected based on their individual profile which is electronically transferred to Korea. Compared to other sending countries, the Philippines has the least cost to workers. The POEA came up with a special airfare rate of Php10,000 to 16,000 depending on the booking class available, especially during peak season.

The actual costs to workers, excluding their personal expenses, are as follows:

Application Stage	Amount in Php	Remarks
Passport	500.00	
NBI Clearance	115.00	
Medical Examination	1,500.00	Paid to DOH-accredited clinics
EPS-KLT Examination Fee (US\$30)	1,500.00	Paid to Korean Test Agency
Language Training (Optional)		Free choice of workers

Documentation/Deployment Stage	Amount in Php	Remarks
Philhealth/Medicare	900.00	
30-hour Preliminary Training	729.00	(c/o POEA/OWWA, OSHC)
POEA processing fee (US\$50)	2,500.00	Based on current exchange rate
OWWA Membership contribution	1,275.00	
Visa Fee	2,500.00	
Airfare	10,000.00	Php16,000 if peak season
Repeat Medical Examination	1,500.00	If medical certificate (valid for 3 mos.) has expired prior to deployment
TOTAL	Php23,019.00	

Based on a training curriculum supplied by MOL/HRD Korea, workers are given an orientation after they are selected by employers themselves. Their respective employment offers are

electronically sent without POEA intervention in the selection process. Workers have a fair chance to either accept or reject the offer based on the guiding information on the realities of working in Korea, including problems encountered by others before them.

EPS workers are entitled to a higher basic minimum salary of Kwon 700,600 a month (US\$700), in accordance with Korean labor laws. Such is exclusive of overtime work/pay (usually 2 hours a day with a 100-150% pay rate) which is separately indicated in the standard labor contract. There are salary deductions allowed under the laws representing workers' contributions to insurance schemes, which are both applicable to domestic and foreign workers. The compensation of foreign workers not over Kwon 1million is not subject to taxation.

Terms and conditions in the employment offers for selected workers may vary, subject to the respective employer's capacity to offer free board and lodging or not. Most employers, however, offer free accommodation. Based on feedback from some workers, many are able to send money back to the Philippines ranging from Php20,000 to Php60,000 a month, and this probably explains why despite a limited quota shared by the Philippines with other countries, thousands wish to try out their luck to be registered despite the peculiarities involved in applying for the EPS.

Since the beginning of the EPS, the POEA has deployed a total of 14,256 workers to date and continues to deploy more EPS workers on a weekly basis. Filipinos are said to be the nationality of choice by many Korean employers.

In less than 3 years, notwithstanding its birth pains and problems at the outset, the EPS is moving fast toward further improvement of systems and procedures, with close cooperation between the two governments. POEA is coming out soon with an on-line EPS application system to improve the registration process.

Due to the relative success of EPS, particularly in correcting exorbitant costs in the recruitment process, the Korean Government has decided to adopt it as a single system for foreign workers beginning in 2007. This means that the Alien Industrial Trainee Scheme, involving private recruitment which co-exists with EPS today, shall, henceforth, be integrated with the government-to-government EPS. ###