



NEWS RELEASE

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DOLE clarifies policy on direct hiring

The Department of Labor and Employment yesterday clarified certain issues regarding the implementation of the policy on direct hiring of Filipino workers by foreign employers.

Labor Secretary Arturo D. Brion said some people who are against the policy are trying to sow confusion among overseas Filipino workers and foreign employers by giving false information about its implementing guidelines.

Brion said that contrary to what the critics say, employers will have to pay only the premium of the US\$5,000 repatriation bond and performance bond equivalent to three months salary of the worker. The repatriation bond shall guarantee the actual cost of repatriation of remains and subsequent burial following death from any cause, and actual cost incurred for repatriation from other causes such as violation or non-compliance with the contract among others. The performance bond shall guarantee compliance of the contract.

The bonds shall be secured from any Philippine bonding company accredited by the Supreme Court. Premiums for the bonds shall be paid by the employer.

The foreign employer is also required to provide medical insurance to the worker at an amount equivalent to those provided to nationals of the host country.

The Secretary said the adoption of these new requirements is aimed at strengthening the protection mechanisms for the OFWs.

Brion said the new guidelines were issued to reinforce the provision of the Philippine Labor Code that prohibits the direct hiring of Filipino workers except for selected employers such as diplomats, heads of international organizations and other employers as may be approved by the Secretary of Labor and Employment.

Under the existing POEA rules, the general procedure for the recruitment and deployment of OFWs is through POEA-licensed recruitment agencies. Agency-hired workers are protected under existing regulations such as bonding requirements for licensed recruitment agencies, which guarantees compliance to the terms of the employment contract, particularly relating to money claims of the worker.

In direct hiring, recruitment agencies are not involved and compliance to the contract is therefore dependent on the capability of the foreign employer.

However, Brion said the DOLE is open to exemptions from the total implementation of the POEA guidelines (MC 4, s2007) on a per country, employer or worker classification based on the requests of the Philippine Overseas Labor Offices (POLOs).

The POLO should be able to justify such exemptions based on the existing rules and regulations in the host country providing for the protection of the workers in the areas of repatriation and repatriation bonds. The POLO should likewise be able to inform DOLE of the mechanisms on the effective implementation or enforcement of such laws and regulations.

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