



News Advisory
4 October 2014

Recruiter suspended for collecting excessive placement fee

The Philippine Overseas Employment Administration issued an order of preventive suspension (OPS) against Lexus Incorporated which was alleged to have collected placement fees higher than what was allowed by POEA rules and regulation.

Administrator Hans Leo J. Cacdac said some 20 Filipino factory workers the agency deployed to Taiwan filed separate complaints of overcharging at MECO Labor Affairs in Kaohsiung on July 2014.

The workers alleged that Lexus charged each of them placement fees ranging from Php90,000 to Php130,000. They have signed employment contracts with a monthly salary of NT\$18,000 to NT\$19,000 or just equivalent to about Php28,000. The agency did not issue the appropriate receipts for their payment.

Cacdac said a recruitment agency is authorized to collect from its hired workers an amount equivalent to one month salary, exclusive of documentation and processing costs.

Section 2 b, Rule 1, Part 6 of the 2002 POEA Rules and Regulations prohibits “charging or accepting directly or indirectly any amount greater than that specified in the schedule of allowable fees prescribed by the Secretary, or making a worker pay any amount greater than that actually received by him as a loan or advance.”

Cacdac advised Filipino job seekers to avoid licensed recruiters that continue to defy the government’s placement fee policy. /END