

## RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT 7323

Pursuant to the authority granted to the Secretary of Labor and Employment, Secretary of Education, Culture and Sports and Secretary of Finance under Section 3 of Republic Act No. 7323, the following rules and regulations are hereby promulgated and issued for the guidance of all concerned.

### RULE I – Preliminary Provisions

- Section 1. Title. – This issuance shall be known as the Rules and Regulations Implementing RA No. 7323 entitled “An Act to Help Poor But Deserving Students Pursue Their Education by Encouraging Their Employment During Summer and/or Christmas Vacation, Through Incentives Granted to Employers, Allowing Them to Pay Only Sixty Per Centum of Their Salaries or Wages and the Forty Percentum Through Education Vouchers to be Paid by the Government, Prohibiting and Penalizing the Filing of Fraudulent or Fictitious Claims and For Other Purposes”.
- Section 2. Construction. – This Rules and Regulations shall be liberally construed to carry out the objectives of RA 7323.
- Section 3. Definition of Terms. – As used in this Rules and Regulations:
- (a) “Act” refers to Republic Act No. 7323
  - (b) “DOLE” refers to the Department of Labor and Employment
  - (c) “DECs” refers to the Department of Education Culture and Sports.
  - (d) “DOF” refers to the Department of Finance.
  - (e) “Program” refers to the scheme of assisting poor but deserving students find employment during summer and/or Christmas vacations.
  - (f) “Entity” refers to any person, natural or juridical, employing at least 50 workers as defined herein.
  - (g) “Student” refers to any person at least 15 years of age but not more than 25 years old who is either enrolled in any institution for secondary, tertiary, vocational or technological institutions or intending to be enrolled in any of these schools.

- (h) "Labor Exchange Center" refers to any employment service unit of the DOLE or other units under its technical supervision which are involved in this facilitation of employment.

## RULE II: Coverage

### Section 1. These rules shall apply to:

- (a) Poor but deserving students who are at least 15 years of age but not more than twenty five years old who are enrolled or intending to enroll in any educational institution for secondary, tertiary, vocational or technological education; and
- (b) Participating persons or entities who have employed at least 50 workers at any given time during the past twelve (12) months. For this purpose, employed workers refer to all regular, seasonal, temporary, casual and workers of contracted out services of persons or entities. Participating entities shall include private establishments, national and local government units, government owned or controlled corporations, labor unions and other similar organizations and associations, among others.

## RULE III : Eligibility and Requirements for Employment

### Section 1. Qualifications. – Any student may apply for employment under the Program provided he/she meets the following qualifications:

- (a) At least 15 years of age but not more than 25 years old;
- (b) Enrolled during the school year/term or enrolled during the school year/term immediately preceding the summer vacation or who has dropped out of school and who intends to continue his education; and
- (c) The combined net income after tax of parents, including his/her income, if any, does not exceed thirty-six thousands (P36,000.00) pesos per annum.
- (d) At least garnered an average passing grade during the school year/term referred to above.

### Section 2. Student Dependents of Displaced or Would-be Displaced. – Any student dependent or drop out dependent of workers who are displaced or about to be displaced due to business closures or work stoppages arising from economic or non-economic reasons may also qualify under this Program provided he/she meets the qualifications required in subsections a, b and d of the preceding section.

Section 3. Requirements for Employment. – In support of his qualifications, the following documents shall be required from the student:

- (a) Copy of birth or baptismal certificate or joint certification of at least two persons who can attest to the date of birth of the student – applicant; IN THE ABSENCE OF THE ABOVE DOCUMENTS, THE COPY OF THE ORIGINAL CERTIFICATE OF SCHOOL REGISTRATION/MATRICULATION OF COLLEGE STUDENTS OR THE FORM 138 OF HIGH SCHOOL STUDENTS MAY BE USED AS THE BASIS IN DETERMINING HIS/HER DATE OF BIRTH;
- (b) Certification by the School Registrar as to (1) his/her last enrollment, and (2) his/her passing average grade; IN THE ABSENCE OF THE ABOVE, A COPY OF THE ORIGINAL CLASSCARDS OR OF THE FORM 138 MAY BE USED AS A BASIS TO DETERMINE HIS/HER PASSING GRADE; and
- (c) Certified true copy of the latest income tax return (ITR) of his/her parents or certification from the Barangay Chairman in the locality where his/her parents reside as to the economic status of his/her family or certification from employer/union president as to the employment status of his/her parent/s OR THE OFFICIAL CERTIFICATION FROM THE MUNICIPAL BUREAU OF INTERNAL REVENUE OFFICE STATING THAT THE PARENTS OF THE STUDENT ARE EARNING LESS THAN P36,000 PER ANNUM.

Section 4. MANDATORY SUBMISSION OF DOCUMENTARY REQUIREMENTS. IT SHALL BE MANDATORY FOR ALL STUDENT-APPLICANTS UNDER THIS PROGRAM TO SUBMIT THE ABOVE DOCUMENTARY REQUIREMENTS PRIOR TO THEIR AVAILMENT OF THIS PROGRAM. FAILURE TO DO SO WOULD AUTOMATICALLY DISQUALIFY THE STUDENT-APPLICANT.

#### RULE IV : Program Implementation

Section 1. Program Administration. – The administration of this Program shall be lodged in the DOLE and its implementing units in the regions.

Section 2. Role of DECS. – The DECS shall coordinate with DOLE in the promotion of this Program among students and administrators of all secondary, tertiary, vocational or technological institutions. The DECS shall ensure that the vouchers presented by students and its application will be honored by all concerned schools and monitored accordingly.

Section 3. Role of DOF. – The DOF shall designate an official or agency to administer the financial requirements of this Program. The Financial Management Service of DOLE at the Central Office and the Internal Management Service Division of the DOLE Regional Offices are hereby deputized for this purpose.

Section 4. Where to Apply for Employment. – Any qualified student may apply for employment assistance under this Program in any employment service unit of the DOLE Regional Offices. For this purpose, the DOLE Regional Offices shall mobilize the NMYC Training/Placement Centers, Public Employment Service Offices (PESOs) of local government units which are under its technical supervision to assist in the employment needs of students in the provincial and city/ municipal levels. The Secretary of Labor and Employment or the DOLE Regional Directors may deputize unions, non-government organizations and employers groups for the purpose of processing SPES participants who shall coordinate such activities to the former.

Section 5. Availment Procedure. – The student shall apply in person to the nearest labor exchange centers of DOLE, NMYC Training/Placement Centers, PESOs operated by local government units, or other duly deputized entities mobilized for this purpose. The student shall submit himself to a preliminary interview and screening to determine his/her qualifications. The student's qualifications are then matched with the requirements of vacancies of participating persons or entities. If the student is qualified to a vacancy, he/she is referred for consideration by the Employer. The Employer will either accept or deny his application. In case his/her application is denied, the student may return to the public employment office for referral to other vacancies of participating entities where he/she may qualify.

SECTION 6. PARTICIPATION IN THE PROGRAM OF PRIVATE ESTABLISHMENTS AND OTHER ENTITIES. ANY PRIVATE ESTABLISHMENT OR OTHER ENTITY WHO WISHES TO PARTICIPATE IN THIS PROGRAM SHALL BE REQUIRED TO SUBMIT TO THE NEAREST DOLE REGIONAL OFFICE OR PUBLIC EMPLOYMENT SERVICE OFFICE THEIR PLEDGES OR COMMITMENT CONTAINING THE NUMBER OF VACANCIES THEY COMMIT TO THE PROGRAM, INCLUDING THE TECHNICAL REQUIREMENTS THEREOF. SUBMISSION OF THE PLEDGES SHOULD BE DONE FIFTEEN (15) DAYS BEFORE THE PROGRAM IMPLEMENTATION PERIOD, FAILURE TO DO SO WOULD AUTOMATICALLY DISQUALIFY THE PRIVATE ESTABLISHMENT OR OTHER ENTITIES FROM PARTICIPATION IN THE PROGRAM.

RULE V : Payment of Salary

Section 1. Procedure in the Payment of Salary or Wage of Employed Students. – At least sixty percent (60%) of the student-employee's salary which shall not be less than sixty percent (60%) of the applicable minimum wage shall be paid in cash by the Employer. The remaining forty percent (40%) of his salary shall be paid by the DOLE in the form of education voucher based on information to be provided by the Employer. The education voucher shall be presented by the student – employee to the educational institution where he/she is enrolled or where he/she intends to enroll to cover expenses for his tuition fees and books. In case the amount of the education voucher exceeds the amount presented by the educational institution for payment, the DOLE shall refund to the student the balance amount in cash.

RULE VI : Terms and Conditions in the Employment of Students

Section 1. Contract of Employment. – The employment of students under this Program shall be covered by an Employment Contract between the Employer and the student-employee.

SECTION 2. PERIOD OF EMPLOYMENT. THE PERIOD OF EMPLOYMENT UNDER THIS SPECIAL PROGRAM SHALL IN NO CASE BE LESS THAN FIFTEEN (15) DAYS NOR MORE THAN FORTY-FIVE (45) DAYS DURING THE SUMMER IMPLEMENTATION PERIOD. FOR THE CHRISTMAS IMPLEMENTATION, THE NUMBER OF WORKING DAYS SHALL NOT BE LESS THAN TEN (10 ) DAYS NOR MORE THAN FIFTEEN (15) DAYS.

Section 3. Duties and Responsibilities of Employer. – In addition to other applicable labor rules and regulations, the Employer shall exercise the following duties and responsibilities towards the student-employee:

- (a) To pay in cash at least Sixty per centum (60%) of his salary;
- (b) To ensure that the student-employee will not be exposed to hazardous undertakings nor to allow the student-employee to work in night clubs, cocktail lounges, beerhouses, massage clinics, bars or similar establishment;
- (c) To ensure that the student-employee below 18 years old shall not be required to work beyond 8 hours a day nor should it exceed 48 hours a week or render work during rest days;
- (d) To submit periodic reports to DOLE or its subsidiary units to include among others the following: number of students hired, date of hiring and termination of employment, the wage rate and

the total cash wage or salary paid to the student-employee, number of hours worked and other pertinent information;

- (e) To ensure that the employment of women and young workers shall be in accordance with the Labor Code and its Implementing Rules.

Section 3. Duties and Responsibilities of Student-Employee. – The student-employee shall have the following duties and responsibilities:

- (a) To perform tasks and activities assigned by the Employer;
- (b) To strictly adhere to the rules and regulations imposed by the Employer; and
- (c) To use the education voucher for the purposes intended in the Act.

Section 4. Duties and Responsibilities of DOLE. – It shall be the duty and responsibility of DOLE to ensure:

- (a) The payment of forty per centum (40%) of the salary of student-employee in the form of a voucher which shall be applicable for the payment of his/her tuition fees and books; and
- (b) The payment of the amount of the education voucher to the educational institution concerned within thirty (30) days from its presentation to the Regional Office of DOLE; Provided, that the Regional Office of DOLE under whose jurisdiction the school of enrollment of the student-employee is located should pay the education voucher.

RULE VII: Non-Transferability of Education Voucher. – The educational voucher shall not be transferable except in the following cases:

- (a) Death of the payee; or
- (b) When the student stops in his studies due to prolonged illness, incapacity, economic necessity and similar causes. In this case, the voucher can be transferred to his brothers or sisters. If the payee has no brother or his sister, the amount of the voucher shall be paid his lawful heirs or to the payee himself, as the case may be.

RULE VIII: Entitlement to Other Benefits and Incentives

Section 1. Other Benefits and Incentives. – The student-employee shall be entitled to other monetary benefits and incentives provided under existing laws specifically SSS and medicare contributions.

RULE IX : Special Provision

Section 1. Effect on Regular Employees. – Nothing in these rules shall be construed to justify an Employer in terminating the services of regular employees to accommodate the student-employee or diminish the benefits of regular employees upon the effectivity of these rules.

RULE X: Penal Provisions

Section 1. Filing of Fraudulent or Fictitious Claim. – Any person or entity who shall make any fraudulent or fictitious claim under this Act, regardless of whether payment has been made, shall upon conviction be punished with imprisonment of not less than six (6) months and not more than one (1) year and a fine of not less than Ten thousand pesos (P10,000.00), without prejudice to their prosecution and punishment for any other offense punishable under the Revised Penal Code or any other penal statute.

In case of partnerships or corporations, the managing partner, general manager, or chief executive officer, as the case may be shall be criminally liable.

RULE XI: Effectivity. – These rules and regulations shall take effect immediately.

Signed this \_\_\_\_ day of October 1993 in Manila.

(SGD) ARMAND V. FABELLA  
Secretary, DECS

(SGD) ERNEST LEUNG  
Secretary, DOF

(SGD) NIEVES R. CONFESOR  
Secretary, DOLE