



DEPARTMENT OF LABOR AND EMPLOYMENT	
Administrative Service Control Records Section-OSD	
DATE :	03 MAY 2011
TIME :	11:00 am
RECEIVED BY:	Joan

DEPARTMENT ORDER NO. 114-11

AMENDING THE IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 6982

Pursuant to the authority vested in the Secretary of Labor and Employment under Section 11 of Republic Act No. 6982, otherwise known as the Sugar Amelioration Act of 1991, and upon recommendation of the National Tripartite Council in the Sugar Industry and consultations with the District Tripartite Councils, the Department of Labor and Employment hereby issues the following amended rules and regulations implementing Republic Act No. 6982.

RULE I

Definition of Terms

Section 1. Definition of Terms.

As used in the Sugar Amelioration Act of 1991 and these Implementing Rules and Regulations, as amended, the following terms shall be defined as follows:

- a) *Act* --- refers to Republic Act No. 6982;
- b) *Affiliated Planter* --- refers to one who is a member of or is affiliated with a planter association or cooperative;
- c) *Bureau* --- refers to the Bureau of Workers with Special Concerns as a result of a merger between the Bureau of Rural Workers and the Bureau of Women and Young Workers in compliance to Executive Order No. 366, s. 2007;
- d) *Cash Bonus Fund or CBF* --- refers to the eighty percent (80%) share of the lien given as social amelioration bonus to the covered sugar workers, including any and all incomes or interests derived therefrom;
- e) *Crop Year* --- refers to the 12-month milling period declared by the SRA. The crop year commences September 1 of the current crop year and ends August 31 of the following year;

- f) *Department* --- refers to the Department of Labor and Employment;
- g) *Delivery* --- refers to the culmination of human pregnancy or gestation period with the birth of one or more newborn infants from a woman's uterus;
- h) *Distribution* --- refers to the actual delivery to and receipt by the covered sugar workers of the cash bonus as evidenced by a special payroll;
- i) *DTC* --- refers to the District Tripartite Council created by the Secretary upon recommendation of the STC;
- j) *Field Worker* --- refers to one who is employed in any manner in a sugarcane farm;
- k) *Forfeited Amount* --- refers to the portion of the unclaimed and undistributed cash bonuses of covered sugar workers which, having been unclaimed during the three-year prescriptive period, is forfeited in favor of the socio-economic programs and projects for the sugar workers;
- l) *Lien* --- refers to the P5.00 levy collected from every picul of sugar produced or P3.9526 per 50-kilogram (Lkg.) bag and when applicable, the automatic additional lien that may be imposed by the Secretary, upon consultation with STC, to support the Social Amelioration Program for workers in the sugar industry;
- m) *Managerial Employee* --- refers to one who is vested with powers or prerogatives to lay down and execute management policies and/or to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees, pursuant to Rule 1, Book V of the Implementing Rules and Regulations of the Labor Code, as amended;
- n) *Migratory Sugar Worker* --- refers to a person who is transported from one province to another in the same region or is transported from one region to another to harvest canes in sugar farms or plantations;
- o) *Mill District* --- refers to a centrifugal sugar mill together with all plantations adherent thereto. A plantation is deemed adherent by virtue of sugarcane being delivered to a mill regardless of contract relation between the mill and the plantation owner and/or any other persons cultivating sugarcane in the plantation contiguous to the mill;
- p) *Mill Worker* --- refers to one who is employed in any manner by a sugar mill or central;

- q) *Mill* --- refers to the sugar mill or central;
- r) *Miller* --- refers to any person, firm, corporation, or combination thereof, owning or operating a sugar mill or central;
- s) *Milling Season* --- refers to the period of grinding sugarcane in a mill district. Depending on the size of the mill, the milling period averages from six (6) to seven (7) months in a crop year;
- t) *National Organization of Sugar Producers* --- refers to the national federation or confederation of sugarcane planters or millers' associations or cooperatives;
- u) *Picul* --- refers to a unit of measurement which is equivalent to 63.25 kilograms or 1.265 Lkg.;
- v) *Planter* --- refers to a sugarcane farm owner, lessee, operator or administrator;
- w) *Planters' Association or Cooperative* --- refers to the organization of sugarcane planters in a particular mill district;
- x) *Regional Office* --- refers to the Regional Office of the Department including its District, Provincial and other extension offices;
- y) *Rules* --- refers to the Implementing Rules and Regulations of Republic Act No. 6982;
- z) *SAP* --- refers to the Social Amelioration Program in the sugar industry which aims to improve the social and economic conditions of the sugar workers and their families. The SAP is funded by the lien collected from raw sugar produced as provided under the Act;
- aa) *Secretary* --- refers to the Secretary of Labor and Employment;
- bb) *SIFI* --- refers to the Sugar Industry Foundation, Inc. ;
- cc) *Socio-Economic Program-Related Funds* --- refers to the twenty percent (20%) share of the lien allocated for socio-economic programs, including any and all incomes or interests derived therefrom;
- dd) *Small Farm Cultivator* --- refers to a planter tilling land with an area not exceeding five (5) hectares;

- ee) *Special Payroll* - refers to the payroll required to evidence the distribution of the cash bonus provided under Republic Act No. 6982. This is also called cash bonus fund special payroll;
- ff) *SRA* --- refers to the Sugar Regulatory Administration;
- gg) *STC* --- refers to the National Tripartite Council in the Sugar Industry created under the Act. It is also known as the Sugar Tripartite Council;
- hh) *Sugar Worker* --- refers to one who works in a sugarcane farm or sugar mill;
- ii) *Sugar Quedan* --- refers to a negotiable warehouse receipt evidencing ownership of sugar stock issued by the mill to the planters and to itself upon production of raw sugar;
- jj) *Therapeutic Abortion* --- refers to a medical procedure that terminates pregnancy which is performed by a licensed medical doctor to save the life of the pregnant woman;
- kk) *Trust Receipt Agreement or TRA* --- refers to the instrument establishing the responsibilities and obligations of the parties in the release and distribution of cash bonus fund executed by and between the: (1) DOLE and mill, and planters' association, (2) mill and planters' association, (3) mill and unaffiliated planters, and (4) planters' association and planter-members;
- ll) *Unaffiliated Planter* --- refers to one who is not a member of or affiliated with a planters' association or cooperative. He is also called an "independent planter".

RULE II
Coverage

Section 1. Employers Covered.

All sugarcane millers and all sugarcane planters are covered under the Social Amelioration Program.

Section 2. Employees Covered.

All mill and field workers employed in any manner by the sugar mill or planter and who are covered under Rule VII and Sections 2 and 3 of Rule IX.

RULE III
National Tripartite Council in the Sugar Industry

Section 1. Composition.

1.1 The STC shall consist of ten (10) members composed of the Secretary or his duly authorized representative as ex-officio Chairman; one (1) representative from the SRA, who shall likewise sit in an ex-officio capacity; two (2) representatives from the planters' sector; two (2) representatives from the millers' sector; two (2) representatives from the mill workers' sector; and two (2) representatives from the field workers' sector, as members.

1.2 The representatives from the planters, miller and workers sectors shall be appointed by the Secretary from among the nominees of the planters, millers' and workers' organizations, respectively.

Section 2. Functions, Duties and Responsibilities of the STC.

The STC shall:

- a) Serve as the advisory body to the Department relative to the effective implementation of social and economic programs for sugar workers;
- b) Hold regular meetings once every three (3) months at a place, date and time fixed by it; Provided, that it may conduct special meetings called upon by the Chairman, or upon written request to the Chairman of at least three (3) of its members;
- c) Recommend to the Secretary, whenever necessary, the creation of a DTC in each milling district in the Philippines pursuant to Sec. 6 of the Act;
- d) Recommend to the Secretary the suspension or reduction of the amount of the automatic additional lien pursuant to Sec. 7 of the Act;
- e) Recommend to the Secretary the manner of implementing the utilization of the twenty percent (20%) share of the lien allocated for socio-economic programs and any and all incomes or interests thereon pursuant to Sec. 10 of the Act;
- f) Advise the Secretary in the promulgation of implementing rules and regulations pursuant to the provisions of the Act including schemes for the efficient collection, monitoring and equitable distribution of the lien and such benefits as provided or allowed therein;

- g) Recommend to the Secretary the manner of utilization of the forfeited amount, including the interest earnings thereof pursuant to Section 9 of the Act, for the development of projects or programs in favor of the sugar workers;
- h) Adopt rules of its own proceedings; and
- i) Perform such other functions necessary in pursuance of the Act and these implementing rules and regulations.

Section 3. Entitlement to and Payment of Traveling Expenses and Per Diems.

The Chairman or his authorized representative and the members of the STC shall be entitled to reimbursement of reasonable travelling expenses. The representatives from the planters, millers and workers sectors shall, in addition, be entitled to per diem for meetings attended by them; Provided, that payments thereof shall be chargeable to the STC share in the lien pursuant to Section 10 (d) of the Act.

RULE IV District Tripartite Councils

Section 1. Creation of DTC.

Whenever necessary, the Secretary shall, upon recommendation of the STC, create a DTC in each milling district in the Philippines to ensure greater participation by planters, millers and workers in the social and economic programs in the sugar industry, and in policy determination.

Section 2. Functions, Duties and Responsibilities of DTC.

The DTC shall:

- a) Subject to the provisions of the Act and these implementing rules and regulations, serve as advisory body to the Regional Office relative to the effective implementation of the cash bonus distribution program and other social and economic programs for sugar workers in the appropriate milling district;
- b) Hold regular meetings once every three (3) months at a place, date and time to be fixed by the DTC; Provided, that it may conduct special meetings called upon by the Chairman or upon written request of at least two (2) of its members at a place, date and time designated in the notice of meeting;

- c) Advise the Regional Office on the adoption of measures towards effective implementation of the Act and these implementing rules and regulations;
- d) Adopt rules of its own proceedings; and
- e) Perform such other functions as may be necessary in accordance with the Act and these implementing rules and regulations.

Section 3. Appointment of Sectoral Representatives to the DTC.

3.1 The Secretary shall appoint two (2) representatives from the planters' sector, one (1) representative from the millers' sector; two (2) representatives from the field workers' sector and one (1) representative from the mill workers' sector as members of the DTC in addition to the Regional Director of the Department who shall act as Chairman of the DTC. Whenever necessary, the Regional Director may delegate chairmanship of the DTC to his or her authorized representative.

3.2 The Secretary shall appoint the sectoral representatives from among the nominees of the planters', millers' and workers' organizations, respectively, for a term of three (3) years. In case of vacancy, the successor shall serve the unexpired portion of the term of his predecessor. The successor shall come from the nominees of the sector which nominated the predecessor.

3.3 A duly authorized mill district regulation officer of the SRA shall sit in the DTC as Observer.

Section 4. Nominations of DTC Members.

The following rules shall be observed:

4.1 Representation by field and mill workers

- a) A nominee of the field or mill workers must be a bona fide employee in the mill district.
- b) A legitimate labor organization or union shall seek representation either for the mill or field workers' sector.
- c) In mill district where there is no legitimate labor organization, a legitimate sugar workers' association or cooperative may nominate the labor representative to the DTC upon the endorsement of the majority of the members of the associations or

cooperatives and may be considered for appointment as DTC member by the Secretary.

- d) In case there is no nomination submitted to represent any of the sectors in the DTC, the Secretary thru the recommendation of the concerned Regional Director, may appoint the sectoral representative.

4.2 Representation by Planters

In mill districts where there are more than two (2) planters' associations or cooperatives, no two (2) nominations shall come from the same association or cooperative unless there are waivers from the other planters' associations or cooperatives.

Section 5. Entitlement to and Payment of Traveling Expenses and Per Diems.

Upon recommendation of the STC, all DTC sectoral representatives shall be entitled to reasonable travelling expenses and per diem for every meeting attended by them; Provided, that payments thereof shall be chargeable to the DTC share in the lien pursuant to Section 10 (d) of the Act.

RULE V BUREAU OF WORKERS WITH SPECIAL CONCERNS

Section 1. Role of the Bureau.

The Bureau, shall assist the Secretary in:

- a) Carrying out the provisions of the Act and these implementing rules and regulations, including necessary policies, guidelines and procedures issued pursuant thereto;
- b) Coordinating the social and economic programs, projects and activities undertaken pursuant to the Act and these implementing rules and regulations;
- c) Formulating, evaluating or reviewing policies, strategies and schemes towards strengthening the Social Amelioration Program (SAP) in the sugar industry created under the Act; and
- d) Providing technical assistance and support to the Regional Offices in implementing the SAP.

Section 2. Powers and Functions of the Bureau.

Without prejudice to the provisions of the Act and these implementing rules and regulations as amended, the BWSC shall continue to perform the powers and functions of the former BRW as mandated, and shall provide secretariat and technical support to the STC.

Section 3. Role of Regional Office.

The Regional Office shall assist and support the Bureau in carrying out at the regional level through its effective implementation of the provisions of the Act and these implementing rules and regulations, as amended, including necessary policies, guidelines and procedures issued pursuant thereto.

Specifically, the Regional Office shall:

- a) Monitor the status of programs and projects implemented at the regional level;
- b) Enforce compliance of: 1) all concerned mills on the collection and remittance of the lien; 2) all concerned mills, planter associations or cooperatives and planters in the release, distribution and liquidation of the CBF including the recovery of any unclaimed or undistributed CBF;
- c) Conduct advocacy and information dissemination on relevant policies and projects on the SAP under the Act;
- d) Coordinate with the program stakeholders on the development, implementation, monitoring and evaluation of socio-economic projects;
- e) Submit to the Secretary through the STC periodic reports and status on SAP implementation including the required financial reports;
- f) Provide secretariat and technical support to the DTCs; and
- g) Perform such other functions as may be deemed necessary.

RULE VI MANAGEMENT OF THE LIEN

Section 1. Lien.

1.1 From a lien of Five Pesos (P5.00) per picul in crop year 1991-1992 and with provisions of automatic additional lien over a period of ten years thereafter, a lien of Ten Pesos

(P10.00) per picul or its equivalent in 50-kilo bag of sugar shall be imposed on the gross production of sugar to primarily augment the income of sugar workers and to finance social and economic programs to improve their livelihood and well-being.

1.2 The amount herein imposed shall be borne by the sugar planters and millers in proportion to their corresponding milling share and said amount shall constitute a lien on their sugar quedans and/or warehouse receipts, except for Mills that are required to implement Republic Act No. 809. These mills are the Binalbagan-Isabela Sugar Company, Inc. (BISCOM) and Southern Negros Development Corporation (SONEDCO).

1.3 The lien shall be allocated and utilized as follows:

- a) Eighty percent (80%) of the lien, including any and all incomes or interests derived therefrom, as Cash Bonus Fund (CBF), for distribution to sugar workers; and
- b) Twenty percent (20%) of the lien, including any and all incomes or interests derived therefrom, as Socio-Economic Program-Related Funds (SEPRF), distributed as follows:
 1. Five percent (5%) as Sugar Workers' Death Benefit Fund (SWDBF);
 2. Nine percent (9%) including penalties for non-remittance of the lien, as Socio-Economic Project Fund (SEPF);
 3. Three percent (3%) as Sugar Workers' Maternity Benefit Fund (SWMBF); and
 4. Three percent (3%) as Administrative Expense Fund (AEF) of the STC, DTCs, the Bureau and the concerned Regional Offices in implementing this Act.

Section 2. Collection and Remittance of the Lien.

2.1 Collection by the Mill

- a) All sugar mills shall collect the lien upon the withdrawal or release of the sugar from the mill warehouse but in no case beyond one hundred eighty (180) days from the date of the issuance of the corresponding sugar quedans or warehouse receipts; Provided, that, after said one hundred eighty (180) days, the miller shall advance whatever amount is necessary to pay such lien to all concerned within five (5) working days counted from the end of the one hundred eighty (180) days period and charge the holder of said sugar quedans or warehouse receipts the amount so paid and such reasonable rate of interest as may be prevailing in the banking community.
- b) Holders of quedans may advance the lien prior to the withdrawal of sugar from the mill warehouse; Provided, the amount paid shall tally with the quedans issued.

2.2 Deposit of lien with Authorized Government Depository Bank

a) 80% Lien or Cash Bonus Fund (CBF)

Within one (1) month from date of collection, the mill shall remit the 80% or Cash Bonus Fund portion of the lien by depositing the CBF in a separate interest-bearing account with an authorized government depository bank under the name of:

1. Share of Mill Workers and Field Workers of Unaffiliated Planters

“CBF FOR THE MILL WORKERS AND FIELD WORKERS-UNAFFILIATED IN TRUST TO MILL “X”

2. Share of Field Workers of Affiliated Planters

“CBF FOR THE FIELD WORKERS IN TRUST TO PLANTERS’ ASSOCIATION “X” or COOPERATIVE “X”

The mill workers or field workers of unaffiliated planters or of affiliated planters are henceforth referred to as “worker-beneficiaries”.

In exceptional cases, where there are no accessible authorized government depository banks within the mill district, the Mill or Planters’ Association or Cooperative shall open and maintain CBF bank accounts in a reputable private bank located nearest the mill district.

b) 20% Lien or Socio-Economic Program Related Funds (SEPRF)

Within one (1) month from date of collection, the Mill shall directly remit and deposit on-line the 20% or SEPRF portion of the lien to the Department thru the Bureau in the name of DOLE-BWSC SEPRF Collection Account specifically maintained for the purpose at Land Bank of the Philippines-Intramuros Branch.

2.3 Penalty on Unremitted Lien Collection

A penalty of ten percent (10%) per month on the unremitted lien collection shall be imposed upon the violator. Such penalties for non-remittance of lien collected shall accrue to the social and economic programs for the sugar workers.

2.4 Effect of Opening CBF Bank Accounts.

The Mill, Planters' Association or Cooperative shall open and maintain CBF bank accounts in its name in trust for their worker-beneficiaries. The Mill, Planters' Association or Cooperative, by opening and maintaining such account, agrees that the DOLE, as trustor, shall have the authority to inquire into such accounts, to have access to, and to have certified copies of, all records and supporting documents for all transactions relating to or affecting such accounts, including deposits to and withdrawals from such accounts, waiving for this purpose, any rights of such Mill, Planters' Association or Cooperative under the Bank Secrecy Law.

2.5 Execution of Trust Agreement

Each Mill and each Planters' Association or Cooperative shall execute a trust agreement in favor of DOLE, which shall take effect from the date of its execution and shall continue until terminated by DOLE or with the consent of DOLE. Every remittance deposited to the CBF bank account of such Mill or Planters' Association or Cooperative as trustee of the account, shall be covered by the trust agreement. The trust agreement shall stipulate, among others, that every such deposit to the CBF bank account is received by the Mill, Planters' Association or Cooperative in trust for the worker-beneficiaries, and that the Mill, Planters' Association or Cooperative shall release the CBF to the worker-beneficiaries in accordance with this Rule.

2.6 Periodic Remittance by the Mill to CBF Bank Account

Every remittance deposited by a mill to the CBF bank account shall be covered by a letter to the Planters' Association or Cooperative in whose name the CBF bank account is opened informing the latter of the amount deposited to the specific bank account. A copy of such letter shall be furnished to the appropriate DOLE Regional Office.

2.7 Report of Sugar Production, Withdrawal, Lien Collection and Remittance

- a) For purposes of monitoring, the Mill shall submit to the DOLE Regional Office a monthly Report of Sugar Production, Withdrawal, Lien Collection and Remittance within ten (10) working days from end of the reference month.
- b) The DOLE Regional Office shall submit to the Secretary through the Bureau an analysis of said report within fifteen (15) days from end of the reference month.

Section 3. Release of CBF

3.1 Release to the Planters

- a) The Mill, Planters' Association or Cooperative shall release the CBF, including any and all incomes or interests derived therefrom, to the unaffiliated and affiliated planters, respectively, based on the usual practice in the mill district but in no case shall it be later than 180 days from end of the milling season of the district.
- b) In no case shall the CBF be released by the Mill, Planters' Association or Cooperative to unaffiliated planters or affiliated planters, respectively, who have not submitted the required special payroll pertaining to previous CBF fund releases. The Mill, Planters Association or Cooperative shall submit to the Regional Office a quarterly report on the unreleased amount for non-submission of payroll of non-complying planters within ten (10) days after the end of the reference quarter. The Regional Office shall submit to the Secretary thru the Bureau actions done on the said report within ten (10) days upon receipt thereof.
- c) The Mill, Planters' Association or Cooperative shall remit to the Regional Office all unclaimed and unremitted CBF balances with certified list of unaffiliated and affiliated planters, respectively after the lapse of the prescribed period of CBF releases but not later than 30 days after the opening of the succeeding milling season.

3.2 Proof of CBF Releases

- a) The release of CBF shall be evidenced by a duly signed planters' payroll or certified photocopy of the check issued in the name of the planter member.
- b) The Mill, Planters' Association or Cooperative shall submit to the Regional Office a report of CBF releases within ten (10) working days after the end of the reference month.
- c) The Regional Office shall submit to the Secretary through the Bureau an analysis on the report of CBF releases and unclaimed CBF balances within fifteen (15) days from end of the reference month.

3.3 Books and Records

The Mill, Planters' Association or Cooperative shall maintain their respective journals and ledgers to record transactions pertaining to the CBF, including unclaimed and undistributed CBF. Said records shall be subject to regular examination by the Department.

Section 4. Prohibition Against Deduction.

The CBF shall be released without any kind of deduction of any nature, directly or indirectly.

Rule VII Cash Bonus Distribution Program

Section 1. Coverage.

For purposes of cash bonus distribution, the following sugar workers shall be covered:

- a) All mill and field workers employed in any manner by the sugar mill or planter who are involved in the production of sugar, except their managerial employees; and
- b) All small farm cultivators

Section 2. Distribution of Cash Bonus.

2.1 All sugar Millers or Planters shall directly distribute the cash bonus already received to their respective workers within the prescribed period.

2.2 The cash bonus distribution to plantation workers shall be completed within one (1) month from the date of receipt of the CBF from the Mill, if unaffiliated planters, and from the Planters Association, if affiliated planters; otherwise, a penalty of ten percent (10%) per month on the undistributed cash bonus shall be imposed upon the violator. Such penalties for non-distribution of the cash bonus shall accrue to the sugar workers concerned.

2.3 The cash bonus distribution to mill workers shall likewise be completed within one (1) month from the scheduled date of distribution as agreed upon by the mill and mill workers' organization/s.

Section 3. Distribution of Cash Bonus of Migratory Sugar Workers.

The DOLE upon the recommendation of the STC shall issue the necessary guidelines on the distribution of the CBF shares of migratory sugar workers.

Section 4. Special Distribution of Cash Bonus Fund

4.1 After the lapse of the prescribed distribution period, the DOLE Regional Office in coordination with the concerned Mill, Planters' Association or Cooperative shall be authorized to undertake special CBF distribution under any of the following conditions:

- a) Upon complaint by a substantial number of worker for non-distribution of their cash bonuses by the planters.
- b) Workers who failed to claim their CBF during the scheduled distribution period and whose whereabouts are already established.
- c) Upon receipt of notice or proof /information of impending mill closure.

4.2 The Planters' Association or Cooperative, in coordination and supervision of the DOLE Regional Office, shall be authorized to undertake special distribution of CBF during the three (3) month period that the undistributed CBF is in their custody under any of the following conditions:

- a) Expiration of the management agreement between the landowner and the lessee.
- b) Expiration of the lease agreement of the planter with the mill.
- c) Non-submission of compliance and liquidation reports by planter members as proof of CBF distribution provided for in Section 3, Rule VIII, for a period of one (1) crop year.

Section 5. Formula for Determining the Cash Bonus Share of Individual Covered Sugar Worker.

5.1 The formula for computing the share of the individual worker in every mill or plantation shall be as follows:

Step 1. Determine Factor

$$\text{FACTOR} = \frac{\text{TOTAL CBF FOR COVERED WORKERS}}{\text{TOTAL BASIC ANNUAL PAYROLL OF COVERED WORKERS}}$$

Step 2. Determine Share of a Worker

$$\text{SHARE OF COVERED WORKER} = \text{TOTAL BASIC ANNUAL SALARY OF INDIVIDUAL WORKER} \times \text{FACTOR}$$

Explanation:

- a. Covered workers represent all the workers during the covered crop year.
- b. Total annual payroll of covered workers represents all basic wages paid the covered workers during the crop year.
- c. Regardless of the total basic annual salary of individual covered worker, the cash bonus of the worker shall be computed on the basis of the following maximum credits:

For Mill Workers – P2,000.00 per month

For Field Workers – P1,000.00 per month

5.2 In case the monthly earnings of a mill or field worker is less than the amount indicated above, his or her actual earnings shall be the basis for the computation.

Section 6. Evidence of Compliance

6.1 In compliance with the cash bonus distribution scheme prescribed under this Rule, all planters, millers or planters' association shall prepare three (3) copies of the prescribed CBF special payroll signed by the covered workers indicating therein the amounts of bonuses they actually received and duly certified by the employer or his authorized representative. The employer shall certify in the CBF special payroll that none of the employees receiving the cash bonus is a managerial employee.

6.2 The CBF special payrolls shall be submitted to the Planters' Associations or Cooperatives by affiliated planters and to the mill by the unaffiliated planters immediately after the distribution period in two (2) copies. A copy of this special payroll shall thereafter be submitted to the nearest Regional Office or Provincial Office of the Department.

6.3 The planter shall retain a copy of the CBF special payroll in addition to his or her regular payroll and/or records for validation and/or verification.

Section 7. Documentary Requirements for Validation and Verification of CBF Distribution

7.1 Regular payroll and other documentary requirements as provided under the rules shall be maintained by the employer for at least five (5) years for verification and validation purposes.

7.2 Small farm cultivator who employs immediate family members and/or other sugar workers shall maintain a written record that indicates the name of the family members

and workers, the amount of salary or wage received by each individual worker, and the date received, in lieu of the regular payroll, for verification and validation purposes.

RULE VIII

Liquidation of Cash Bonus

Section 1. Liquidation of the Cash Bonus by the Planters.

All unaffiliated planters and planter-members shall liquidate the CBF to the mill and to their association, respectively, within (5) working in five (5) working days after the end of the one (1) month distribution period by submitting the following:

- a) CBF Special Payroll;
- b) Cash/ check, if any, representing undistributed cash bonus; and
- c) List of workers who failed to claim their CBF and their corresponding cash bonus shares.

Section 2. Deposit of UCBF by the Mill and Planters' Association or Cooperative.

The undistributed cash bonus fund (UCBF) shall be immediately deposited by the Mill and Planters' Association or Cooperative to the CBF accounts provided under Rule VI, Section 2.b and shall remain to be deposited within three (3) months from the date of receipt from the unaffiliated and affiliated planters, respectively. Payment of cash bonus by the mills or planters' association to worker-claimants certified by planters shall be drawn from the deposited UCBF.

Section 3. Liquidation of the Cash Bonus by the Mill and Planters' Association or Cooperative.

The Mill, Planters' Association or Cooperative shall withdraw the undistributed cash bonus fund (UCBF), if any, including interests and penalties earned therefrom and remit the same to the Regional Office within seven (7) days after the expiration of the prescribed three (3) month period. A quarterly remittance report supported by a certified list of UCBF beneficiaries and the amount remitted shall be submitted to the Regional Office as proof of cash bonus liquidation.

Section 4. Processing of Unclaimed and Undistributed Cash Bonus Claim.

4.1 The Regional Office shall hold in trust the unclaimed and undistributed cash bonus fund (UCBF) within a period of three (3) years from the date of receipt of remittance from the Mill, Planters' Association or Cooperative.

4.2 The said UCBF shall be deposited in a separate interest-bearing account with the authorized government depository bank in the name of DOLE RO-UCBF to pay cash bonus claims filed within the said three (3) year period by qualified planters or workers subject to the submission of the following documents:

For Worker-Claimant

- a) Duly accomplished application form;
- b) Employer's Certification that the claimant whose name appears on the cash bonus special payroll and failed to claim his or her cash bonus during the scheduled distribution period are one and the same; and
- c) Worker or Employee Identification Card, Social Security System (SSS) Card, Voter's Identification Card, Philhealth Membership Card or Senior Citizen's Card.

For Planter-Claimant

- a) Duly accomplished application form;
- b) Planters' Identification Card, SSS Card, Voter's Identification Card, Philhealth Membership Card or Senior Citizen's Card; and
- c) If payment was advanced by the planter, copy of the duly paid CBF special payroll.

4.3 The Regional Office shall furnish the concerned Mill, Planters' Association or Cooperative a semi-annual report on the status of the UCBF account. The Regional Office shall submit to the Secretary through the Bureau a quarterly analysis report on the status of the UCBF account.

Section 5. Publication of Unclaimed and Undistributed Cash Bonus.

5.1 The Regional Office shall make at least three (3) publications annually not later than three (3) months after the end of the milling period.

5.2 Publication shall be made through announcements in radio stations operating in the area, local newspapers or by posting on the DOLE bulletin board and in other conspicuous places in the areas, such as barangay, municipal, city halls, and market places where the sugar farm is located.

The Regional Office shall respond to queries of the beneficiaries or their authorized representatives concerning their entitlement and assist them in claiming these bonuses.

Section 6. Forfeiture.

6.1 After the three (3) year period, all unclaimed and undistributed cash bonus shall be deemed forfeited. The forfeited amount, including its interests, shall be utilized for

socio-economic projects or programs in favor of the sugar workers as recommended by the STC.

6.2 The socio-economic projects or programs funded from forfeited cash bonus maybe implemented in the milling district from where the same is collected.

6.3 The Regional Office shall remit to the Secretary thru the Bureau the forfeited amounts within one (1) month from date of forfeiture.

Section 7. Recovery of Unpaid Cash Bonus.

7.1 Any dispute arising pursuant to the implementation of the Act and these Rules and Regulations with respect to recovery of unpaid cash bonus not exceeding Five Thousand Pesos (P5,000.00), inclusive of penalties thereon per worker shall be resolved through summary proceedings after due notice by the Regional Director or any duly authorized Hearing Officer, pursuant to Rule XI, Book III of the Implementing Rules and Regulations of the Labor Code, as amended. When the evidence shows that the claim amounts to more than Five Thousand Pesos (P5,000.00), the Regional Director or Hearing Officer shall advise the complainant to amend the complaint and file the same with the appropriate branch of the National Labor Relations Commission.

7.2 The Regional Director or his duly authorized Hearing Officer may supervise the payment of unpaid cash bonus inclusive of the penalties referred to under Section 7 (d) of the Act.

Section 8. Appeal.

Any decision or resolution by the Regional Director or duly authorized Hearing Officer may be appealed on the same grounds and follow the procedure for perfecting an appeal provided in Article 223 of the Labor Code, as amended.

RULE IX

Socio-Economic Plans and Programs

Section 1. Conceptual Framework.

The term "Socio-Economic Plans and Programs" provides the mechanism towards the effective and efficient utilization, allocation, management and monitoring of the twenty percent (20%) portion of the lien or the Socio-Economic Program-Related Funds including any and all incomes or interests thereon, for employment, livelihood, training, health enhancement, educational and other related programs designed to further improve the social and economic conditions of the sugar workers and their families.

Section 2. Maternity Benefit Program.

2.1 Amount of Benefit

A maternity benefit of P2,000.00 shall be paid as financial assistance to qualified woman sugar worker for every delivery or therapeutic abortion.

2.2 Coverage

The Sugar Workers Maternity Benefit Program shall cover mill and field workers including small farm cultivators, subject to the following conditions:

- a) In case of a woman sugar worker who is currently employed, the worker-claimant must have rendered at least ninety days (90) days of continuous or aggregate service during the current crop year or the last crop year immediately prior to such delivery.
- b) An unemployed woman sugar worker shall be entitled to this maternity benefit if she has a record of service in a sugar mill or sugar farm of at least ninety (90) days for the last crop year immediately prior to her delivery.
- c) In case of small farm cultivator, she must have milled her canes within the current crop year or the crop year immediately prior to such delivery.
- d) The maternity benefit shall be paid only for the first four deliveries of the claimant reckoned from the effectivity of the Act.

A woman sugar worker who is a managerial employee is not covered and therefore not entitled to maternity benefits.

2.3 Conditions and Requirements for Entitlement

- a) As general rule, filing shall be done after delivery. However, it may be filed not earlier than 7th month.
- b) A claim for maternity benefit shall be filed with the Regional Office or in its Provincial Office, accredited Planters' Association or Cooperative and Mill through their accredited representatives having jurisdiction over the workplace or residence of the covered woman worker using the prescribed application form within three (3) years counted from the date of her delivery or abortion, otherwise her claim shall be barred.

- c) The application for the maternity benefit must be supported by the following documents:
1. If the claim is filed before delivery not earlier than the 7th-month of her pregnancy
 - a. Original or duly authenticated medical certificate issued by a physician or hospital or rural health unit attesting to the fact of pregnancy; and
 - b. Original or certified true copy of latest CBF special payroll.
 2. If the claim is filed after her delivery or abortion
 - a. In case of full-term/complete delivery (live/still birth)
 - i. Certified true copy of certificate of live birth duly authenticated by the Local Civil Registrar; or
 - ii. In case of unavailability of the same, a duly notarized affidavit of the claimant and attending physician, a registered nurse or midwife or “komadrona”, attesting to the fact of delivery or childbirth; and
 - iii. Original or certified true copy of latest CBF special payroll.
 - b. In case of therapeutic abortion
 - i. Medical certificate issued by a physician attesting to the fact that abortion was performed to save life of the pregnant woman and/or preserve the woman’s physical or mental health; and
 - ii. Original/certified true copy of latest CBF special payroll.
 3. In cases where the claimant woman sugar worker cannot claim the benefit, the following may be allowed to file in her behalf subject to the additional requirements as maybe required, such as authority from the worker-claimant and evidence of relationship:
 - a. Legitimate spouse
 - b. Child of legal age
 - c. Parent
 - d. Legitimate brother or sister
 4. In case the claimant is a small farm cultivator, in addition to the requirements provided under items 2a or 2b as applicable, the claimant shall submit the following:

- a. Certificate of membership of the sugar worker certified by the Planters' Association (for affiliated planters); or certificate from the Mill (for unaffiliated planters), specifying that the claimant is:
 - i. A small farm cultivator with five (5) hectares and below and directly worked by herself or with the help of immediate household members; and
 - ii. Currently milling at the time of her delivery.

2.4 Action on Claims

A claim for maternity benefit shall be processed as follows:

- a) Filing of claim - the worker-claimant for the maternity benefit shall use the prescribed form and file claim directly with the Regional Office, or its Provincial Offices, accredited Mill and Planters' Associations or Cooperatives through their respective representatives having jurisdiction over the workplace or residence of the claimant.
- b) Application forms shall be made available in the administrative office of Mills, Planters Associations or Cooperatives to facilitate filing of claim.
- c) Processing of claim - the Regional Office's designated SAP Officer shall immediately process a claim upon receipt of application form with complete supporting documents, and recommend its approval to the Regional Director. Accredited Mill and Planters' Association representatives are also authorized to pre-process claims subject to final evaluation by the SAP Officer.
- d) Action of the Regional Director - the Regional Director shall approve or deny a claim within ten (10) working days (including field validation) from receipt of the application with complete supporting documents.
- e) Payment of claim - payment of approved claim shall be made directly to the claimant within five (5) working days after approval. The payment of the maternity benefit shall discharge the Department from any liability with respect to the amount paid.

2.5 Prohibition

No agent, attorney, or other persons pursuing or in charge of the preparation of filing of maternity benefits claim shall demand or charge a service or any fee, and that the retention or reduction of any amount from the maternity benefit to pay a fee for such services as well as the assignment of benefits is prohibited.

2.5 Appeal in Case of Denial

Any aggrieved claimant may appeal to the Secretary the denial of the claim within fifteen (15) working days from receipt of the decision or order of denial on grounds of grave abuse of discretion, gross incompetence, or serious errors in the findings of facts.

The decision or resolution of the Secretary is final and unappealable.

2.6 Administration of Sugar Workers' Maternity Benefit Fund (SWMBF)

The Department through the Bureau shall administer and manage the SWMBF including all income and interest which shall be duly deposited in a special trust account in an authorized government depository bank.

The Bureau shall provide SWMB Reserve Fund to covered Regional Offices and subsequent release of funds to the Regional Offices shall be effected through fund replenishment.

2.7 Documentation and Reporting

In addition to the required financial reports for liquidation of cash advances on the SWMBF, the Regional Office shall submit the status of the implementation of the program on a monthly basis.

SECTION 3. Death Benefit Program.

3.1 Amount of Benefit

A death benefit of P7,000.00 shall be paid as financial assistance to the beneficiaries of the deceased sugar worker or small farm cultivator.

3.2 Coverage

The sugar workers death benefit program shall cover mill and field workers including small farm cultivators, subject to the following conditions:

- a) In the case of mill worker or field worker who is currently employed, the deceased must have been employed by the mills, planters or contractors for at least three (3) months of continuous or aggregate service within the current crop year or the crop year immediately prior to his or her death;

- b) In the case of a worker who is no longer employed or has been separated from employment due to work related reasons at the time of his or her death, he or she must have rendered at least five (5) years of continuous or aggregate service as a worker or employee of a sugar farm or mill, and his or her death occurred within a period of three (3) years from the date of his or her last day of employment.
- c) In the case of small farm cultivator, the deceased must have milled his or her canes within the current crop year or crop year immediately prior to his or her death.

3.3 Order of Preference of Beneficiaries

The death benefit shall be paid to the beneficiaries of a deceased sugar worker in the following order of preference:

- a) In case the deceased was married:
 - 1. Surviving legitimate spouse; or
 - 2. Legitimate, legitimated, legally adopted or acknowledged illegitimate child; or
 - 3. Legitimate ascendant; or
 - 4. In default of the foregoing, any other person who can show incontrovertible proof of his/her having paid for the funeral and related expenses.
- b) In case the deceased was an unmarried individual and/or head of a family:
 - 1. Legitimate, legally adopted or acknowledged illegitimate child; or
 - 2. Legitimate ascendant; or
 - 3. Legitimate brother or sister who spent for the funeral and related expenses; or
 - 4. In the absence of the above, any other person who can show incontrovertible proof of having paid for the funeral and related expenses.

3.4 Conditions and Requirements for Entitlement

- a) A death benefit claim shall be filed with the Regional Office or in its Provincial Office, accredited Planters' Association/Cooperatives and Mill through their respective accredited representatives having jurisdiction over the workplace or residence of the deceased using the prescribed application form within the three (3) years counted from the date of the death of such covered workers, otherwise the claim shall be barred.
- b) The application shall be supported by an affidavit executed by the claimant attesting to relationship with the deceased covered worker, and the fact that claimant is the beneficiary to the exclusion of the others. The affidavit shall be accompanied by the following basic documents:
 - 1. Copy of Death Certificate of the deceased sugar worker issued by the Local Civil Registrar (LCR), or a photocopy of the death certificate upon presentation of the original copy.

2. Copy of the CBF special payroll certified by the employer which will match or is the same as the file copy of the RO.
- c) If claimant is the legitimate spouse of the deceased, in addition to the documentary requirements provided under item (b), the claimant shall submit the true copy of marriage certificate certified by the LCR. A marriage contract or a copy thereof shall be acceptable in lieu of a marriage certificate so long as said contract is duly authenticated by the LCR.
- d) If claimant is a child of the deceased, in addition to the documentary requirements provided for under item (b), the claimant shall submit a copy of his or her birth certificate (indicating that the deceased is one of his or her parents), or adoption certificate of claimant certified by the LCR;
- e) If the claimant is a legitimate ascendant, in addition to the documentary requirements provided under item (b), the claimant shall submit the true copy of birth certificate of deceased sugar worker certified by the LCR.
- f) If the claimant is a legitimate brother or sister, in addition to the documentary requirements provided under item (b), the claimant shall submit the following:
 1. Copy of birth certificate of deceased sugar worker certified by the LCR;
 2. Copy of death certificate of parents certified by the LCR; and
 3. Copy of birth certificate of claimant certified by the LCR.
- g) If the deceased is a small farm cultivator, in addition to the basic documents establishing the relationship of the claimant with the deceased, the claimant shall submit the following:
 1. Certificate of membership of the deceased certified by the planters' association (for affiliated planters); or certificate from the mill (for unaffiliated planters), specifying that the deceased was:
 - a. a small farm cultivator with five (5) hectares and below directly worked by himself or with the help of immediate household members; and
 - b. currently milling at the time of his/her death.
- h) If the claimant is a third party who defrayed cost of burial and related expenses, in addition to the documentary requirements provided under item (b), establishing the identity of the deceased, the third-party claimant shall submit the following:
 1. Joint affidavit by the third party and waiver of the beneficiary attesting to the fact and circumstances of assistance rendered/ extended by the third party to

the immediate heir/s of the deceased and waiving the beneficiary's claim over the benefit; and

2. Receipt/s of burial expenses certified under oath by the claimant.

3.5 Action on Claims

A claim for death benefit shall be processed as follows:

- a) Filing of claim - the claimant for the death benefit shall use the prescribed form and file claim directly with the Regional Office, or in its Provincial Offices, accredited Mill and Planters' Association or Cooperative through their respective representatives having jurisdiction over the workplace or residence of the claimant.
- b) Application forms shall be made available in the administrative office of Mills and Planters Associations or Cooperatives to facilitate filing of claim.
- c) Processing of claim - the Regional Office's designated SAP Officer shall immediately process a claim upon receipt of application form with complete supporting documents, and recommend its approval to the Regional Director. Accredited Mill and Planters' Association representatives are also authorized to pre-process claims subject to final evaluation by the SAP Officer.
- d) Action of the Regional Director - the Regional Director shall approve or deny a claim within ten (10) working days (including field validation) from receipt of the application with complete supporting documents.
- e) Payment of claim - payment of approved claim shall be made directly to the claimant within five (5) working days after approval. The payment of the death benefit shall discharge the Department from any liability with respect to the amount paid.

3.6 Appeal in Case of Denial

- a) An aggrieved claimant may appeal to the Secretary within fifteen (15) working days from receipt of the decision or order of denial of the Regional Director on grounds of grave abuse of discretion, gross incompetence or serious errors in the findings of fact.
- b) The Secretary shall decide the appeal within fifteen (15) working days from receipt of such appeal. The decision of the Secretary is final and unappealable.

3.7 Administration of the Sugar Workers' Death Benefit Fund

- a) The Department through the Bureau shall administer and manage the SWDBF including all income and interest in a special trust account in an authorized government depository bank.
- b) The Bureau shall provide the SWDB reserve fund to covered regional offices and subsequent release of funds to the regional offices shall be effected through fund replenishment.

3.8 Documentation and Reporting

In addition to the required financial reports for liquidation of cash advances on the SWDBF, the Regional Office shall submit the status of the implementation of the program on a monthly basis.

Section 4. Socio-Economic Project Fund

4.1 Utilization

Upon the recommendation of the STC, the Secretary shall use the nine percent (9%) allocation or SEPF pursuant to the Act for socio-economic projects for sugar workers undertaken by the Bureau, planters or millers organizations, workers organizations and/or the SIFI.

4.2 Scope of Socio-Economic Project

- a) Socio-economic projects for sugar workers shall include livelihood, income and employment generation, education, health care and other related projects such as skills training, organizational development and other capability-building assistance.
- b) In exceptional cases, it shall also include the acquisition of equipment and facilities, and provision of infrastructure support for sugar workers such as construction, establishment or improvement of sugar workers livelihood centers, that will promote capability-building and enhance the socio-economic opportunity of sugar workers, their families and organizations, and which will not require a continuing subsidy from the said amelioration fund.
- c) Further, the SEPF may be also used for assistance during the occurrence of calamities.

4.3 Allocation of the Nine Percent (9%) of the SAP Lien

The SEPF shall be allocated as follows:

- a) Ninety-five percent (95%) shall be allocated for the implementation of socio economic projects for sugar workers of qualified proponents. It shall be based on the proportion of each proponent's contribution or share in the lien on the final raw sugar production of the crop year preceding the current crop year.
- b) The remaining five percent (5%) of the collection shall be earmarked as calamity fund to benefit the workers in the sugar industry. This shall be administered by the department.

4.4 Composition of the SEPF

The SEPF shall consist of:

- a) The nine percent (9%) lien collection under Section 10 (b) of the Act remitted by the sugar mills to the Department through the Bureau, including any and all incomes or interests derived therefrom.
- b) The penalties for non-remittance of the lien and forfeited unclaimed or undistributed cash bonus fund (UCBF) pursuant to Sections 7 and 9 of the Act and Section 1, paragraph 1.3(b2) of Rule VI.
- c) Refund of disallowed amounts which were not used for the stipulated purpose.
- d) Refund of unexpended balance or savings of duly approved projects.
- e) Interest income earned out of the SEPF released to proponent.
- f) Interest incomes derived from loans.

4.5 Approving Authority and Management of the SEPF

- a) Upon the recommendation of the STC, the Secretary shall approve the equitable allocation and distribution of the Socio-Economic Project Fund under Section 10 (b) of the Act, and issue specific policies, guidelines and procedures for its efficient and effective utilization.
- b) The Department through the Bureau shall administer and manage the SEPF including all income and interest in a special trust account in an authorized government depository bank.

Section 5. Administrative Expense Fund and Program Administration

5.1 Utilization

Upon the recommendation of the STC, the Secretary may approve the use of the three percent (3%) of the lien referred to as the administrative expense fund (AEF) for administrative expenses of the STC, the DTCs, the Regional Offices and the Bureau in implementing the Act.

5.2 Budget

The Bureau shall prepare an annual operational budget relative to the implementation of the Act for approval by the Secretary upon the recommendation of the STC.

5.3 Books of Accounts

For accounting and management reporting purposes, the Bureau and the Regional Offices shall maintain appropriate books of accounts and other records, such as general and subsidiary ledgers, journals, including related financial reports on transactions pertaining to the Socio-Economic Program-Related Funds.

5.4 Auditing of Funds

All disbursements thereof shall be made in accordance with existing government auditing rules and regulations.

5.5 Program Reporting

In addition to the usually required financial reports, the Regional Office and all other SAP Program partners and implementers shall submit reports of fund disbursements including summary status report of programs on a quarterly basis to the Bureau. The Bureau shall furnish the STC and the DTCs copies of said reports.

RULE X Monitoring

Section 1. Complementation Scheme on Collection Monitoring.

The Department of Labor and Employment and the Sugar Regulatory Administration (SRA) shall establish a complementation scheme for the proper monitoring of sugar production, quotas issued and timely collection of the lien.

Section 2. Manual of Operation.

The Bureau shall formulate a Social Amelioration Program Operation Manual, including the Accounting and Management Reporting and Monitoring Systems of the Social Amelioration Program-Related Funds, pursuant to Republic Act No. 6982 and its Implementing Rules and Regulations, as amended.

RULE XI

Visitorial Power and Inspection/Verification

Section 1. Visitorial Power.

The Secretary or the Regional Office shall have access to mill and plantation records and premises at any time of the day or night whenever work is being undertaken therein, and the right to inspect, verify and copy therefrom, to question any sugar miller, planter or worker/employee and to investigate any fact, condition or matter which may be necessary to determine violations or which may aid in the enforcement of the Act and these implementing rules and regulations.

Section 2. Conduct of Inspection or Verification.

Inspection of mills and plantations, and verification of pertinent records or documents shall be done in accordance with the existing rules and regulations on the exercise of the visitorial power of the Secretary under Article 128-B of the Labor Code, as amended.

RULE XII

General Provisions

Section 1. Benefit under Republic Act No. 809 and PD 621, as amended.

Pursuant to Section 12 of the Act and effective crop year 1991-1992, all liens and other forms of production sharing in favor of the workers in the sugar industry under Republic Act No. 809 and Presidential Decree 621, as amended, are hereby substituted by the benefits under the Act; Provided, that cases arising from such laws pending in the courts or administrative bodies at the time of the effectivity of the Act shall not be affected hereby.

Section 2. Penal Sanctions.

2.1 Any person who intentionally violates Sections 7, 8, 9, 10 and 14 of the Act and these implementing rules and regulations shall be penalized with imprisonment of not less than six (6) months but not more than one (1) year or a fine of not less than Five

Thousand Pesos (P5,000.00) but not more than Twenty Thousand Pesos (P20,000.00) or both.

2.2 If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty shall be imposed upon the entity's responsible officers, including, but not limited to, the president, vice president, chief executive officer, general manager, managing director or partner.

Section 3. Criminal Action for Violation.

Criminal action arising from violation of the provisions of Sections 7, 8, 9, 10, and 14 of the Act and these implementing rules and regulations shall be commenced by the Secretary or his duly authorized representative or any peace officer, or the offended party either under the Act and these implementing rules and regulations or, in appropriate cases under the Revised Penal Code; Provided, that such criminal action shall be filed in the appropriate court.

Section 4. Non-Diminution of Benefits.

Pursuant to Section 14 of this Act, the provisions of Section 12 of the Act notwithstanding, nothing in the Act and these implementing rules and regulations shall be construed to reduce any benefit, interest, right or participation enjoyed by workers at the time of the enactment of the Act, and no amount received by any beneficiary under the Act shall be subject to any form of taxation.

Section 5. Exemption from Attachment, Garnishment, Levy and Seizure.

Before and after receipt by the beneficiary, the cash bonus, the death benefit or the maternity benefit payment cannot be the subject of attachment, garnishment, levy or seizure by virtue of or under any legal process except to pay any debt of the beneficiary or whenever expressly authorized in satisfaction of his/her legal obligation.

Section 6. Auditing of Funds.

All funds remitted to and held in trust by the Department pursuant to the provisions of the Act and these implementing rules and regulations shall be audited by the Commission on Audit. The Secretary and the STC shall be furnished a copy of the audit findings.

Section 7. Repealing Clause.

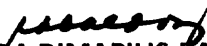
All laws, decrees, executive orders and rules and regulations or part or parts thereof inconsistent with any provision of the Act and these implementing rules and regulations are hereby repealed, modified, superseded, or amended accordingly.

Section 8. Separability Clause.

If any provision of the Act and these implementing rules and regulations is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions thereof.

Section 9. Effectivity.

These implementing rules and regulations shall take effect starting sugar crop year 2011-2012 after its complete publication in the official gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.


ROSALINDA DIMAPILIS-BALDOZ
Secretary

