

Republic of the Philippines DEPARTMENT OF LABOR AND EMPLOYMENT EMPLOYEES' COMPENSATION COMMISSION

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Employers' Responsibilities under the EMPLOYEES' COMPENSATION PROGRAM



While P.D. 626, as amended, has removed from employers the responsibility of paying the work-connected disability claims of employees, it has however, specified certain responsibilities which employers must comply with. These are:

A. Contributions to the SIF

The administering agencies, SSS for the private sector, and the GSIS for the government sector, collect employers' contributions to the SIF. Private employers remit an EC contribution of P10.00/ employee/ month for employees with monthly salary credit (MSC) of P14,500.00 and below and of P30.00/ employee/ month for employees with MSC of fifteen thousand pesos (P15,000.00). In public sector, government agencies remit monthly contribution of P100.00/ employee/ month. The SSS and the GSIS manage these funds through wise investments and bank deposit placements.

The employer's failure to remit contributions to the SIF shall make him liable to the SSS/GSIS for the benefits that maybe due and payable to his employees during the calendar year of the contingency. Furthermore, penalties varying from P1,000.00 to P10,000.00 and/or imprisonment for the duration of the violation on non-compliance shall be imposed.

Late payment/ non-payment of contributions is also subject to a penalty of 3% monthly from the date the remittance falls due.

B. Registration

Every employer and every employee shall be registered with the SSS or GSIS. Failure or refusal by an employer to register his employees is punishable by a fine of not less than P1,000.00 nor more than P10,000.00 and/or imprisonment for the duration of the violation or non-compliance. Moreover, in case a compensable contingency occurs after 30 days from employment and before the System receives any report for coverage about the employee or EC contribution on his behalf, his employer shall be liable to the System for the lump sum equivalent of the benefits to which he or his dependents may be entitled.

C. Safety Devices

The employer shall comply with safety and health laws and shall take necessary precautions for the prevention of work-related disability or death.

In case an employee gets injured or dies due to failure by the employer to comply with safety devices requirement, the employer shall pay the SIF a penalty of 25% of the lump sum equivalent of the income benefit due to the employee.

D. **Employer's Logbook**

The employer is required to maintain a logbook to record chronologically the sickness, injury or death of his employees, stating the names, dates, and place and nature of the contingency, as well, as the number of days that the employee was unable to report for work due to work-related illness or injury. Notifications of such contingencies to the SSS/GSIS shall be made within 5 days from the date of the contingency.

In case of any false information provided by the employer in relation to his workers' claims for EC benefits, sanctions shall be imposed on the employer. These shall include liability for 50% of the lump sum income benefit of the employee and/or a fine ranging from P500.00 - P5,000.00 and imprisonment ranging from 6 months to 1 year.

Also, in case of payment of benefits for any claim which is later determined to be fraudulent and the employer is found to be a party to the fraud, the employer shall reimburse to the System the full amount of compensation paid.

Non-deprivation of existing benefits F.

No contract, regulation or device whatsoever shall operate to deprive the employee or dependents of any part of the EC program compensation package. Existing medical services being provided by the employer shall be maintained and continue to be enjoyed by his employees.



EMPLOYEES' COMPENSATION COMMISSION ECC BLDG., Sen. Gil J. Puyat Ave., Makati City

For claimants in the provinces, you may coordinate with the following ECC Regional Extension Units (ECC-REUs) which are located inside the following DOLE, Regional Offices:

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ECC Region V, Doña Aurora St. Old Albay, Legazpi City

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ECC Region XII, 102 Acepal Building, Mabini Extension, Koronadal City ECC Region XIII - CARAGA, Nimfa Tiu Building, J.P. Rosales Avenue, Butuan City

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