



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Intramuros, Manila



Department Order No. 175
Series of 2017

**Implementing Rules and Regulations of Republic Act No. 10917
Amending for the Purpose Republic Acts 9547 and 7323, Otherwise
Known as the Special Program for Employment of Students (SPES)**

**RULE I
PRELIMINARY PROVISIONS**

This Rules and Regulations is hereby issued pursuant to the authority vested in the Secretary of Labor and Employment under Section 3 of Republic Act No. 10917.

Section 1. Title. This Rules shall be known as the “SPES Rules and Regulations”.

Section 2. Coverage. This Rules shall cover the following:

- a. SPES beneficiaries;
- b. Participating employers;
- c. DOLE Regional, Field and Provincial Offices; and
- d. Public Employment Service Offices (PESOs).

Section 3. Definition of Terms. As used in this Rules, the following shall refer to:

- a. **Act** - Republic Act 7323, as amended by Republic Act 9547 and further amended by Republic Act 10917.
- b. **Applicable hiring rate** – salary of SPES beneficiary based on the current hiring rate as authorized by the Department of Budget and Management (DBM) for entry level position in the government agency or local government unit (LGU) hiring the SPES beneficiary regardless of his or her place of assignment.
- c. **Displaced workers** - workers in the formal and informal sectors who became unemployed or have lost their livelihood as a result of economic crisis or of natural and man-made disasters, including employees or workers with current labor dispute on illegal dismissal with the management.
- d. **Group Personal Accident Insurance (GPAI)** - a personal accident insurance which provides benefits/ indemnity in case of losses to the

person or physical well-being of an insured individual arising out of an accident.

- e. **Local Government Unit or LGU** – a body politic and corporate entity endowed with powers to be exercised in conformity with law and exercises powers as a political subdivision of the national government and as a corporate entity representing inhabitants of its territory.
- f. **Minimum wage rate** - prevailing wage rate for the workers of participating private employer in their area of operation as determined by the Regional Tripartite Wages and Productivity Board.
- g. **Participating Employers** - natural or juridical persons authorized to operate a business in the Philippines or created under the laws of the Philippines whether private or public, employing at least ten (10) persons that decided to participate in SPES.
 - 1. **Private employers** - establishments and non-government organizations (NGOs) authorized to operate business under Philippine laws and duly registered with the Securities and Exchange Commission (SEC), or the Department of Trade and Industry (DTI), or other national government agencies (NGAs) and LGUs authorized to issue business permit or license.
 - 2. **Public employers** – are national government agencies (NGAs), local government units (LGUs), public schools, state universities and colleges (SUCs), local colleges and universities (LCUs), government-owned or -controlled corporations (GOCCs) with original charters, including government financial institutions.
- h. **Public Employment Service Office or PESO** is a non-fee charging multi-employment facility in the municipality, city or province established pursuant to RA 8759 as amended by RA 10691 and its Implementing Rules and Regulations.
- i. **Poverty Threshold** - the minimum income required to meet the basic food and non-food needs of a person as determined by the Philippine Statistics Authority (PSA) and/or the National Economic and Development Authority (NEDA), which is computed for a family consisting of six (6) members.
- j. **Rules** - the Implementing Rules and Regulations of the Special Program for Employment of Students (SPES).
- k. **SPES** - the DOLE's youth employment-bridging program which aims to provide temporary employment to poor but deserving students, out-of-school youth, and dependents of displaced or would-be displaced workers during summer and/or Christmas vacation or any time of the year to augment the family's income to help ensure that beneficiaries are able to pursue their education.

1. **SPES applicants** - the prospective SPES beneficiaries intending to enrol in the program and continue their education in any secondary, tertiary or technical-vocational institutions, categorized as follows:
 1. **Students** - those currently enrolled in any secondary, tertiary or technical-vocational institutions.
 2. **Out-of-school youth (OSY)** - those who are not enrolled at the time of application in a formal educational or training institution recognized by the government.
 3. **Dependents of displaced or would-be displaced workers** - the children or ward, whether student or OSY, of a worker who was displaced or about to be displaced.
- m. **SPES beneficiaries** - successful applicants who passed the eligibility requirements and submitted complete documents required and considered placed under the program.
- n. **SPES babies** - the SPES beneficiaries who have been recipients of the program for more than one year whether consecutive or not.
- o. **SPES Monitoring Forms** - the forms officially issued by the DOLE for the monitoring of SPES implementation and its beneficiaries.

Section 4. Acronyms. For purposes of this IRR, the following acronyms shall refer to:

- a. **BLE** - Bureau of Local Employment
- b. **DOLE** - Department of Labor and Employment
- c. **DOLE RO/FO/PO** - DOLE Regional, Field and Provincial Office
- d. **GPAI** - Group Personal Accident Insurance
- e. **GSIS** - Government Service Insurance System
- f. **LGU** - Local Government Unit

RULE II PARTICIPATION OF EMPLOYERS

Section 1. Pledge of Commitment. The participating employer shall:

- a. Submit pledge of commitment to the PESO having jurisdiction over their area of operation.
- b. Engage SPES beneficiaries based on employers' approved pledges indicating positions, nature of work, number of job vacancies, the specific



number of days of engagement and the applicable minimum wage or hiring rate.

- c. Not engage SPES beneficiaries exceeding the total number of employees, in the case of participating private employers.

Section 2. Requirements for Submission. The participating employer shall submit to the PESO the following:

- a. Pledge of Commitment.
- b. A proof of capacity to pay the percentage share in the salaries or wages of the beneficiaries, in the form of the following:
 1. For private employers and NGOs, a certification duly signed by its President or Manager or their duly authorized representative and the Budget Officer or Accountant reflecting the 60% share pledged.
 2. For public employers except LGUs, a copy of the office's budget for the 60% share duly signed by the Head of Office or his/her duly authorized representative or officer-in-charge, and the Budget Officer or Accountant.
 3. For the LGUs, a copy of the resolution of the Sangguniang Bayan, Panglungsod or Panlalawigan, as the case may be, indicating the budget for the salary of beneficiaries, duly signed by the Local Chief Executive (LCE) and the members of the Sanggunian, or a copy of the Annual Investment Plan (AIP) or its equivalent, or any other document indicating the specific budget allocation intended for SPES.

Section 3. Options for LGUs as Participating Employers.

- a. LGUs may assume full responsibility of paying 100% share in the salary of beneficiaries and GPAI coverage of beneficiaries provided that the LGUs shall seek approval of the concerned DOLE Regional Office in writing to ensure compliance with this Rules.
- b. Low-income LGUs may submit a letter to the Regional Director requesting the DOLE to shoulder a higher percentage share in the salary of SPES beneficiaries based on the following schemes:
 1. Up to 75% share for *6th Class Municipality*
 2. Up to 60% share for *5th Class Municipality*
 3. Up to 50% share for *4th Class Municipality or 6th Class Province*

RULE III ELIGIBILITY AND REQUIREMENTS

Section 1. Eligibility. All SPES applicants must be 15-30 years of age at the time of application.



a. In the case of student:

1. The parents' combined net income *after tax*, including the applicant's own, if any, does not exceed the annual regional poverty threshold for a family of six (6) for the preceding year as determined by PSA and/or NEDA; and
2. Has obtained a passing General Weighted Average/General Point Average/General Average during the last school year or term attended or immediately preceding his/her application.

b. In the case of OSY:

The parents' combined net income *after tax*, including the applicant's own, if any, does not exceed the annual regional poverty threshold for a family of six (6) for the preceding year as determined by PSA and/or NEDA.

Section 2. Documentary Requirements. The following documents shall be submitted by the SPES applicants to the PESO having jurisdiction in their area:

- a. Photocopy of birth certificate or any government issued IDs or any official document indicating the applicant's date of birth and/or age.
- b. 1. For wage-earner parents, any of the following may be submitted:
 - i. Photocopy of Income Tax Return (ITR),
 - ii. Photocopy of Certificate of Tax Exemption issued by BIR, or
 - iii. Original copy of Certificate of Low Income issued by the concerned barangay for those who reside outside the ten (10) kilometer-radius from the nearest Revenue District Office (RDO) of the Bureau of Internal Revenue (BIR).
2. For non-wage earner parents:
 - i. Original copy of Certificate of Indigence or Low Income issued by the Barangay or Social Welfare and Development Office of the LGU.
- c. For students in basic education, a photocopy of Form 138 (Student's Report Card) or Form 137 (Student's Permanent Record) of the last school year or term attended immediately preceding the application.

For students in higher education, a photocopy of the report of grades or complete set of academic class cards as indicated in their registration form, along with the original copy to be presented for validation purposes.

In the absence of the above, a certification from the school of the applicant's passing general average or general weighted average.



- d. In the case of OSY, original copy of certification as OSY in letter head issued by the Barangay Chairman or Punong Barangay, or duly authorized representative of the Barangay, or a Certification issued by the Social Welfare Development Office in the LGU.
- e. In the case of dependent of displaced workers, any of the following:
 1. Notice of Termination issued by the employer;
 2. DOLE RO's Establishment Termination Report (ETR); or
 3. Certification of displacement issued by the concerned barangay, municipal or city social worker development officer of the LGU.

RULE IV FILING AND PROCESSING OF APPLICATION

Section 1. Filing of Application. The SPES applicants shall:

- a. Personally file their duly accomplished Application Form together with the complete documentary requirements to the PESO having jurisdiction over their place of residence anytime within the year provided that the employment of basic education students shall only be during summer vacation or "mid-year break" and/or Christmas vacation.
- b. Present the original of the photocopied documents to the PESO for purposes of validation.

Applications with incomplete documentary requirements shall not be accepted.

Section 2. Processing of Application. The PESO shall:

- a. Conduct the preliminary screening and interview the SPES applicants with complete documents for validation.
- b. Deny applications with falsified or tampered documents, or misrepresentation of facts.

Section 3. Matching, Referral, Placement, and Commencement of Employment.

- a. The PESO shall match the qualifications of the SPES applicants to the vacancies and refer them to the concerned participating employers.
- b. The employer shall immediately inform the SPES applicants and the PESO of the status of referral whether accepted or not.
- c. In case the applicants are accepted, the PESO shall orient them of their rights, duties and privileges as beneficiaries of the program, including their insurance coverage with the GSIS before the actual date of employment or engagement.



- d. All SPES beneficiaries shall sign an Employment Contract in the presence of the PESO manager or authorized representative.
- e. For purposes of GPAI coverage, the PESO shall submit in soft and hard copies the list of placed SPES beneficiaries to the respective DOLE FO/PO, at least ten (10) working days prior to employment.
- f. The DOLE FO/PO shall validate the list of SPES beneficiaries and their complete documentary requirements as submitted by the PESO and forward the same to the DOLE RO.
- g. The PESO shall advise the placed SPES beneficiaries and the employers to start with the employment only after receipt of the advice of the DOLE RO through the FO/PO.
- h. The PESO shall refer to the other participating employer the SPES applicants who were not considered in previous referral.

**RULE V
TERMS AND CONDITIONS OF EMPLOYMENT**

Section 1. Working Conditions. The participating employer shall:

- a. Comply with the general labor standards and occupational safety and health standards.
- b. Pay the SPES beneficiaries based on the prevailing minimum wage in the private sector or the applicable hiring rate in the government sector where they are employed within fifteen (15) working days after end of the employment period.
- c. Not engage the SPES beneficiaries below 18 years of age to any hazardous work or undertaking as provided under existing child labor-related laws, rules and regulations. Their hours of work shall not be more than eight (8) hours a day nor more than 40 hours a week and they shall not be required to work from 10:00 p.m. to 6:00 a.m.
- d. Shoulder the statutory premium pay in full based on the prevailing minimum wage, in case SPES beneficiaries render overtime work and on holidays and rest days.

Section 2. Group Personal Accident Insurance Coverage with the Government Service Insurance System.

- a. SPES beneficiaries shall be entitled to an insurance coverage under the Group Personal Accident Insurance of the Government Service Insurance System for a period of one (1) year.



- b. The DOLE RO/FO/PO shall submit to the GSIS the list of SPES beneficiaries and complete documents at least seven (7) days prior to the actual date of the beneficiaries' employment or engagement.
- c. The effectivity of the coverage shall commence from the date of receipt by the GSIS of the list of SPES beneficiaries and complete documents prescribed and in accordance with the GSIS policy and guidelines.
- d. The DOLE shall process and remit payment of the corresponding insurance premium in the amount of P50.00 or whatever amount as may later on be prescribed by the GSIS for each beneficiary upon receipt of the billing statement/endorsement from the GSIS subject to the Premium Payment Warranty of sixty (60) days as provided under the existing Memorandum of Agreement between the DOLE and GSIS.
- e. The DOLE RO shall issue a certification and facilitate the filing of loss/claims of the SPES beneficiary, including the submission of supporting documents.
- f. The GSIS shall process any corresponding claim covered within the policy period and in accordance with the terms and conditions set forth in the GPAI policy.
- g. Insurance premium of the SPES beneficiaries shall be charged against the SPES budget of the DOLE RO, except those shouldered 100% by the LGUs.

Section 3. Period of Employment.

- a. Students enrolled in the basic education shall only be employed during summer vacation or mid-year break and/or Christmas vacation.
- b. OSY and those enrolled in the tertiary, vocational or technical education may be employed at any time of the year.
- c. The period of employment shall be from twenty (20) to seventy-eight (78) work days, except that during Christmas vacation, employment shall be from ten (10) to fifteen (15) days.
- d. The period of employment within the year shall not exceed 78 days whether one time or cumulative.

Section 4. Probationary and On-the-Job Training Credits.

- a. The period of employment of SPES beneficiaries who were eventually hired as employees by the same employer shall form part of their probationary period.
- b. Services rendered during the period of employment relevant and related to the course of the beneficiary may have equivalent academic and



practicum or on-the-job training credits as may be determined by appropriate government agencies.

**RULE VI
PROCESSING OF PAYMENT BY DOLE**

Section 1. Submission of Payroll.

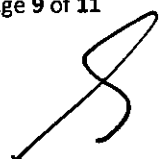
- a. The participating employer shall submit to the PESO a copy of the payroll or payment report duly signed by SPES beneficiaries within five (5) working days after payment.
- b. The PESO shall, within three (3) working days from receipt of the duly signed payroll or payment report, validate the names of the beneficiaries and their signatures and submit the same together with the complete SPES documents to the DOLE FO/PO.
- c. DOLE FO/PO shall validate the number of days and corresponding salary or wage earned by each beneficiary and shall forward to the DOLE RO, the list of beneficiaries with the complete SPES documents within ten (10) working days upon receipt from PESO for the processing of payment.

Section 2. Processing of Payment.

- a. The DOLE RO shall, not later than twenty (20) working days upon receipt of the employer's payroll or payment, process and release the payment of DOLE's share in the salaries or wages of beneficiaries.
- b. The DOLE ROs shall pay the salaries or wages of SPES beneficiaries in the form of cash through:
 1. Financial or banking institutions' facility such as:
 - i. Payroll
 - ii. Automated teller machine (ATM) cards
 - iii. Cash cards
 - iv. Check; and
 - v. Any other acceptable means or facility
 2. Other payment facilities or payment intermediaries such as, but not limited to, private payment or remittance center subject to existing rules on procurement.

Transaction and service fees and charges incurred in the processing of payment shall be borne by the DOLE ROs through the SPES budget.

- c. The DOLE RO may open and maintain a separate bank account dedicated to SPES to effect payment of its beneficiaries.



**RULE VII
MAINTENANCE OF SPES INFORMATION SYSTEM**

Section 1. Repository of SPES Data. The Bureau of Local Employment, as program manager, shall:

- a. Develop and maintain a SPES Information System which shall be the repository of beneficiaries' database and other information relative to program implementation, management, monitoring and evaluation;
- b. Update the system as needed; and
- c. Issue the Monitoring Forms to be used by the regional implementers, and amend, revise and update the same if needed.

Section 2. Capacity Building of DOLE Regional Implementers

- a. The BLE shall provide capacity-building activities and provide technical assistance to DOLE regional implementers on SPES issuances and policy guidelines, including the SPES Information System.
- b. The BLE shall conduct a nationwide consultation at least once every two years to discuss and address issues in the implementation of SPES.

**RULE VIII
TRANSITORY PROVISIONS**

Section 1. Payment of SPES beneficiaries. Education vouchers issued prior to the effectivity of this Rules shall be paid accordingly by the DOLE ROs to the beneficiaries in cash through the mode and the process cycle time provided in this Rules.

**RULE IX
FINAL PROVISIONS**

Section 1. Repealing Clause. All rules, regulations, orders, procedures, agreements and issuances inconsistent herewith are hereby repealed or modified accordingly.

The Secretary of Labor and Employment may issue an amendment or revision to this Implementing Rules and Regulations in part or in whole.

Section 2. Separability Clause. If any part or provision of this Rules shall be declared invalid or unconstitutional, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.



Section 3. Effectivity. This Rules shall take effect after fifteen (15) days from the date of its publication in any two (2) newspapers of general circulation or in the Official Gazette.

Approved this 20th day of MARCH 2017.


SILVESTRE H. BELLO III
Secretary

Dept. of Labor & Employment
Office of the Secretary



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