MEMORANDUM CIRCULAR NO. 05
Series of 2001

TO: ALL CONCERNED

SUBJECT: FEES CHARGEABLE TO WORKERS DEPLOYED TO TAIWAN

Pursuant to Governing Board Resolution No. 1, Series of 2001, and the continuing thrust of the Administration to provide utmost protection to Overseas Filipino Workers, the following guidelines on the payment of fees by Filipino workers bound for Taiwan are hereby promulgated after thorough consultation with the civil society/non-governmental organizations, the private industry sector and its counterparts in Taiwan, and upon recognition of the role of Taiwan manpower agencies (TMAs) by labor sending countries, including the Philippines, in facilitating and providing welfare services to foreign workers:

I. COVERAGE

This Circular shall cover all licensed Philippine recruitment agencies (PRAs) accredited by the Taiwan Council of Labor Affairs (CLA), Taiwan manpower agencies (TMAs) registered at POEA and Filipino workers bound for Taiwan who are hired with the participation of a Taiwan manpower agency and a Philippine recruitment agency.

II. PRE-DEPLOYMENT EXPENSES

1. The placement fee to be collected by Philippine recruitment agencies from the workers shall be maintained at one month salary, exclusive of documentation cost, and shall be collected only upon signing of the employment contract.

2. The worker’s documentation cost shall include cost of passport, NBI clearance, medical examination, medicare premium, trade testing (if necessary), visa (if not paid by the employer) and other costs as required by concerned Philippine government authorities.

Other than the above charges, there shall be no pre-deployment expenses to be paid by the worker, including airfare costs.
In case of failure by the POEA licensed agencies to deploy the worker without valid reason within one hundred twenty days after signing of the employment contract, the worker shall be entitled to the full refund of the placement fee, visa fee (if paid by the worker), medical examination and medicare premium.

III. ON SITE FEES

1. Each worker is required to obtain an Alien Registration Certificate (ARC) after entry into Taiwan. The worker is also required to undergo medical examination upon arrival in Taiwan and every six (6) months thereafter.

2. Registration and on-site handling fee may be collected after the worker has arrived and actually started working in Taiwan. Such fees may be deducted from the worker's salary with his prior consent and authorization. Such salary deductions and payment shall be reflected in payrolls, pay slips, and other similar documents to be provided by the Taiwanese employer.

3. On-site Fees For Industrial / Construction Workers:

   a. The fee for securing the ARC and the cost of the post-arrival medical examination shall be advanced by the Taiwan manpower agency, which may be reimbursed by the worker through salary deduction, if not paid by his Taiwanese employer.

   b. Taiwan manpower agencies may charge a registration fee in the total amount of NT$42,000 to be paid in seven (7) equal monthly installments through salary deduction from the 1st to the 7th month of the worker’s employment, without interest.

   c. Taiwan manpower agencies may also charge the worker the total amount of NT$12,000 as annual on-site handling fee to be paid in two (2) equal installments through salary deduction from the 8th and 9th month of employment. The handling fee for the second year shall be paid on the 10th and 11th month while the third year handling fee shall be paid on the 23rd and 24th month of the worker’s employment.

4. On-site Fees For Household Workers / Caretakers:

   a. The fee for securing the ARC and the cost of the post-arrival medical examination shall be shouldered by the employer.

   b. Taiwan manpower agencies may charge a registration fee in the total amount of NT$20,000 to be paid in five (5) equal monthly installments through salary deduction from the 1st to the 5th month of the worker’s employment, without interest.
c. Taiwan manpower agencies may also charge the worker the amount of NT$12,000 as annual on-site handling fee to be paid in three (3) equal installments through salary deduction to be paid on the 6th to the 8th month of employment. The handling for the second year and third year shall be paid on the 9th to the 11th month and on the 22nd to the 24th month of the worker’s employment, respectively.

5. The TMA shall not impose any interest, penalty or surcharge in case of delay or default in the payment of the above on-site fees.

6. The termination of the worker and employment contract, regardless of cause, shall immediately and automatically extinguish the obligation to pay the said fees.

7. In cases of termination of business relationship between the Taiwan employer and the TMA and of non-extension of employment of the worker, the TMA shall reimburse to the worker the corresponding on-site handling fee which the worker paid in advance.

The above fee structure shall be subject to continuing review by the government in consultation with the Taiwan CLA, the private industry sector and its counterparts in Taiwan.

IV. INFORMATION DISSEMINATION

Information on the fees provided herein shall be indicated in the worker’s employment contract and shall be disseminated in a Pre-Departure Orientation Seminar (PDOS) for Taiwan-bound workers and in other fora and media by POEA, industry sector and non-government organizations.

The POEA shall closely monitor the conduct of Pre-Departure Orientation Seminar for Taiwan-bound workers.

All agencies are enjoined to negotiate for better terms and conditions for the welfare of Overseas Filipino workers bound for Taiwan. Violation of this Circular shall be dealt with accordingly.

This Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation.

ROSALINDA D. BALDOZ
Administrator

20 March 2001