



DOLE-AS 18AUG'23 15:54  
DEPARTMENT ORDER NO. 240  
(Series of 2023)

## REVISED RULES AND REGULATIONS IN THE IMPLEMENTATION OF THE SOCIAL AMELIORATION PROGRAM (SAP) UNDER REPUBLIC ACT NO. 809

Pursuant to Republic Act (R.A.) No. 809 or the "The Sugar Act of 1952", Section 14 of R.A. No. 6982 or the "Sugar Amelioration Act of 1991", and after due consultation with the industry stakeholders from the concerned sugar milling districts, the Department of Labor and Employment (DOLE), upon the recommendation of the Sugar Tripartite Council (STC), hereby issues these revised rules and regulations in the implementation of the Social Amelioration Program (SAP) for Workers in the Sugar Industry under R.A. No. 809:

Section 1. Continued Program Implementation – The BISCOM and URC-SONEDCO sugar milling districts in Negros Occidental implementing the program prior to the effectivity of R.A. 6982 shall continue to implement the provision of Section 9 of R.A. No. 809.

Section 2. Workers' Share – The sixty percent (60%) of the increase in participation granted to the planters with reference to Section 1 of R.A. 809 shall be distributed to the field workers as their share in the fruits of the production. This is equivalent to three percent (3%) of the total sugar production, including, if applicable, by-products and derivatives, in the covered milling districts.

Section 3. Issuance of Quedans – *Quedans* shall be issued on a weekly basis by the mills in the name of the individual planters. The amount of workers' share shall be specified on the face of the *quedans*.

The mills shall provide the DOLE with a monthly report on the issued *quedans*.

Section 4. Sale of Quedans – The *quedans* may be sold to prospective bidders or buyers, either through public bidding by the Planters' Associations (PAs) or direct trading by the individual planters.

The public bidding shall be conducted on a weekly basis, to be witnessed by representatives of the field workers and DOLE. The PAs shall prepare and submit to DOLE a report on the result of the bidding.

For *quedans* directly sold by the planters to the traders, the computation of the 3% workers' share shall in no case be lower than the winning bid price for the week. In case no public bidding is held on the current week due to any justifiable causes, the winning bid price of the immediately preceding week shall serve as the reference price. A report on the *quedans* sold shall be submitted by the planters to their respective PAs, using the prescribed form.

The unaffiliated planters shall ensure that the computation of the workers' share shall not be lower than the reference price prescribed in the previous paragraph. They shall submit their report on the *quedans* sold directly to their respective mills using the prescribed form.

**Section 5. Management of Proceeds of Sold Quedans** – The proceeds from the public bidding of *quedans* of the workers' share shall be deposited in an authorized depository bank maintained by the PAs. All the transactions on said bank accounts pertaining to the 3% workers' share shall be covered by a Trust Receipt Agreement (TRA), executed by the DOLE Regional Office, and PAs at the start of every crop year.

The proceeds from the direct sales of *quedans* shall be distributed to the workers as provided under Section 7 of this Department Order.

**Section 6. Release to Planters** – For *quedans* sold through public bidding, the PAs shall release to its planters the proceeds of sale of the workers' share within three (3) working days from the date of payment by the traders or buyers. The planters shall in turn submit to the PAs the payrolls of all field workers involved in sugarcane production.

The release shall be evidenced by a Planters' Receipt Form (PRF) which specifies the obligation of the planters to distribute the funds to the sugarcane field workers. The PAs shall provide the mill with a copy of the PRF.

**Section 7. Distribution to Workers** – The planters shall distribute to their respective workers the 3% share based on their aliquot parts in the gross production of the plantation, as evidenced by a special payroll duly signed by the beneficiaries. Workers' share shall be distributed at least once a month, within five (5) days from receipt of proceeds of sale of the workers' share during the last week's bidding for the covered month.

**Section 8. Liquidation of Funds** – Within five (5) days from the date of distribution, the planters shall submit the special payrolls to their respective PAs as proof of funds distribution to the field workers. The planters shall also remit any undistributed funds to their respective PAs within the same period, together with a certified list of workers who failed to receive the funds using the prescribed form.

The PAs shall review the special payrolls vis-à-vis the PRF, and other submitted documents. The PAs shall submit all liquidation reports to the DOLE within thirty (30) days from end of the covered quarter.

The mill may require its PAs to submit proof of liquidation to DOLE, for monitoring purposes.

The unaffiliated planters shall submit the special payrolls and the certified list of workers who failed to receive the funds using the prescribed form directly to their respective mills within five (5) days from the date of distribution. The mill shall consolidate the liquidation reports submitted by the unaffiliated planters and endorse the same to DOLE PO, within thirty (30) days from end of the covered quarter.

The DOLE PO shall issue a certification to the respective mills and PAs on the status of funds liquidation and the remittance of undistributed funds, as provided under Section 9 of this Department Order.

Section 9. Remittance of Undistributed Funds – Within thirty (30) days from end of the covered quarter, and simultaneous with the submission of liquidation reports, the PAs shall remit the undistributed funds directly to the DOLE PO.

The unaffiliated planters shall remit any undistributed funds to their respective mills within five (5) days from the date of distribution. The mill shall remit the funds to the DOLE PO within thirty (30) days from end of the covered quarter.

The DOLE PO shall deposit the funds in an authorized government depository bank and publish, post, or make an announcement of the list of workers with undistributed shares, in conspicuous places where the mills and PAs are located, at least once a year for three (3) consecutive years. The DOLE PO shall facilitate the release of undistributed shares.

Section 10. By-products and Derivatives – The preceding provisions of Sections 3, 4, 5, 6, 7, 8, and 9 shall apply, as far as practicable, in the issuance of certificates, and sale of by-products and derivatives as practiced, management of its proceeds, release to planters, distribution to workers, and liquidation of funds including the remittance of undistributed funds.

Section 11. Supervisory Power – Pursuant to Section 9 of R.A. 809, the DOLE shall exercise supervisory functions in the program implementation. The DOLE shall have, among others, the right to inspect, verify processes, request other pertinent documents, and direct the mills or PAs to suspend the issuance of *quedans* and/or sale of by-products and derivatives as well as the fund release to specific planters who have failed to liquidate funds and/or submit liquidation reports thereof.

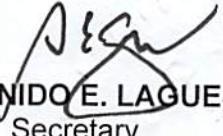
Section 12. Non-Diminution Clause – The provisions herein notwithstanding, nothing in this Order shall be construed to reduce any benefit, interest, right, or participation enjoyed by the workers pursuant to R.A. 809.

Section 13. Repealing Clause – All other issuances relative to the program which are inconsistent herewith are hereby repealed and/or modified accordingly.

Section 14. Separability Clause – If any provision of this Order is found inconsistent with prevailing laws and existing government accounting and auditing rules and regulations, the same shall not affect the validity of the other provisions hereof.

Section 15. Transitory Provision – This Order shall apply starting crop year 2023-2024 and onwards.

Section 16. Effectivity – This Order shall take effect fifteen (15) days upon publication in a newspaper of general circulation.

  
BIENVENIDO E. LAGUESMA  
Secretary

Date Signed: 18 AUG 2023