

## CONTENTS

### Definition of Terms

- SECTION 1. DUTIES
- SECTION 2. COMMENCEMENT/DURATION OF CONTRACT
- SECTION 3. FREE PASSAGE FROM THE POINT OF HIRE TO THE PORT OF EMBARKATION
- SECTION 4. BAGGAGE ALLOWANCE
- SECTION 5. HYGIENE AND VACCINATION
- SECTION 6. WAGES
- SECTION 7. PAYMENT ON BOARD
- SECTION 8. ALLOTMENTS AND REMITTANCES
- SECTION 9. FINAL WAGE ACCOUNT & CERTIFICATE OF EMPLOYMENT
- SECTION 10. HOURS OF WORK
- SECTION 11. OVERTIME & HOLIDAYS
- SECTION 12. LEAVE PAY
- SECTION 13. SHORE LEAVE
- SECTION 14. SUBSISTENCE, SHIP STORES AND PROVISIONS
- SECTION 15. TRANSFER CLAUSE
- SECTION 16. GRIEVANCE MACHINERY
- SECTION 17. DISCIPLINARY PROCEDURES
- SECTION 18. TERMINATION OF EMPLOYMENT
- SECTION 19. REPATRIATION
- SECTION 20. COMPENSATION AND BENEFITS
- SECTION 21. WAR AND WARLIKE OPERATIONS ALLOWANCE
- SECTION 22. TERMINATION DUE TO SHIPWRECK AND SHIP'S FOUNDERING
- SECTION 23. TERMINATION DUE TO SALE OF SHIP, LAY-UP OR DISCONTINUANCE OF VOYAGE
- SECTION 24. TERMINATION DUE TO UNSEAWORTHINESS
- SECTION 25. TERMINATION DUE TO REGULATION ¼, CONTROL PROCEDURES OF THE 1978 STCW CONVENTION, AS AMENDED
- SECTION 26. CHANGE OF PRINCIPAL
- SECTION 27. LOSS OF OR DAMAGE TO CREW'S EFFECTS BY MARINE PERIL
- SECTION 28. GENERAL SAFETY
- SECTION 29. DISPUTE SETTLEMENT PROCEDURES
- SECTION 30. PRESCRIPTION OF ACTION
- SECTION 31. APPLICABLE LAW
- SECTION 32. SCHEDULE OF DISABILITY OR IMPEDIMENT FOR INJURIES SUFFERED AND DISEASES INCLUDING OCCUPATIONAL DISEASES OR ILLNESS CONTRACTED
- SECTION 32-A OCCUPATIONAL DISEASES
- SECTION 33. TABLE OF OFFENSES AND CORRESPONDING ADMINISTRATIVE PENALTIES

# STANDARD TERMS AND CONDITIONS GOVERNING THE OVERSEAS EMPLOYMENT OF FILIPINO SEAFARERS ON-BOARD OCEAN-GOING SHIPS

## Definition of Terms:

For purposes of this contract, the following terms are defined as follows:

1. Allottee - refers to any person named or designated by the seafarer as the recipient of his remittance to the Philippines.
2. Basic Wage - refers to the salary of the seafarer exclusive of overtime, leave pay and other allowances and benefits.
3. Beneficiary(ies) – refers to the person(s) to whom the death compensation and other benefits due under the employment contract are payable in accordance with rules of succession under the Civil Code of the Philippines, as amended.
4. Compassionate Ground - refers to incidence of death of an immediate member of the seafarer's family which includes his parents, spouse and children if the seafarer is married or his parents if the seafarer is single
5. Convenient Port - any port where it is practicable, economical, safe and convenient to repatriate the seafarer.
6. Dental Treatment - covers tooth extraction, or dental surgery if necessary, due to accident
7. Departure - refers to the actual departure from the point of hire of the seafarer through air, sea or land travel transport to join his ship at a Philippine or foreign port
8. Manning Agency – refers to any person, partnership or corporation duly licensed by the Secretary of Labor and Employment to engage in the recruitment and placement of seafarers for ships plying international waters and for related maritime activities.
9. Philippine Port - refers to any Philippine airport or seaport.
10. Point of Hire - refers to the place indicated in the contract of employment which shall be the basis for determining commencement and termination of contract.
11. Pre-existing illness – an illness shall be considered as pre-existing if prior to the processing of the POEA contract, any of the following conditions are present:
  - a. The advice of a medical doctor on treatment was given for such continuing illness or condition; or
  - b. The seafarer had been diagnosed and has knowledge of such an illness or condition but failed to disclose the same during pre-employment medical examination (PEME), and such cannot be diagnosed during the PEME
12. Principal/Employer/Company - any person, partnership or corporation hiring Filipino seafarers to work onboard ocean-going ships.
13. Regular Working Hours - refers to the seafarer's eight (8) hour working hours within a period of 24 hours.
14. Seafarer - refers to any person who is employed or engaged in overseas employment in any capacity on board a ship other than a government ship used for military or non-commercial purposes.
15. Shipwreck – refers to the damage or destruction of a ship at sea caused by collision, storm, grounding or any other marine peril at sea or in port rendering the ship absolutely unable to pursue her voyage.

16. Work-Related Illness - any sickness as a result of an occupational disease listed under Section 32-A of this Contract with the conditions set therein satisfied
17. Work-Related Injury - injury arising out of and in the course of employment.

## **SECTION 1. DUTIES**

### **A. Duties of the Principal/Employer/Master/Company:**

1. To faithfully comply with the stipulated terms and conditions of this contract, particularly the prompt payment of wages, remittance of allotment and the expeditious settlement of valid claims of the seafarer.
2. To extend coverage to the seafarers under the Philippine Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), Employees' Compensation Commission (ECC) and Home Development Mutual Fund (Pag-IBIG Fund), unless otherwise provided in multilateral or bilateral agreements entered into by the Philippine government with other countries.
3. To make operational on board the ship the grievance machinery provided in this contract and ensure its free access at all times by the seafarer.
4. To provide a seaworthy ship for the seafarer and take all reasonable precautions to prevent accident and injury to the crew including provision of safety equipment, fire prevention, safe and proper navigation of the ship and such other precautions necessary to avoid accident, injury or sickness to the seafarer.
5. To observe the Code of Ethics for Seafarers and conduct himself in the traditional decorum of a master.
6. To provide a workplace conducive for the promotion and protection of the health of the seafarers in accordance with the standards and guidelines in Title 4 of the ILO Maritime Labor Convention, 2006.

### **B. Duties of the Seafarer:**

1. To faithfully comply with and observe the terms and conditions of this contract, violation of which shall be subject to disciplinary action pursuant to Section 33 of this contract.
2. To abide by the Code of Discipline as provided in the POEA rules and regulations governing overseas contract workers and the Code of Ethics for Seafarers.
3. To be obedient to the lawful commands of the Master or any person who shall lawfully succeed him and to comply with the company policy including safety policy and procedures and any instructions given in connection therewith.
4. To be diligent in his duties relating to the ship, its stores and cargo, whether on board, in boats or ashore.
5. To conduct himself at all times in an orderly and respectful manner towards shipmates, passengers, shippers, stevedores, port authorities and other persons on official business with the ship.
6. To take personal responsibility for his health while onboard by practicing a healthy lifestyle which includes taking medications and lifestyle changes as prescribed by the company- designated doctor

## **SECTION 2. COMMENCEMENT/DURATION OF CONTRACT**

- A. The employment contract between the employer and the seafarer shall commence upon actual departure of the seafarer from the Philippine airport or seaport in the point of hire and with a POEA approved contract. It shall be effective until the seafarer's date of arrival at the point of hire upon termination of his employment pursuant to Section 18 of this Contract.
- B. The period of employment shall be for a period mutually agreed upon by the seafarer and the employer but not to exceed 12 months. Any extension of the contract shall be subject to mutual consent of both parties.

### **SECTION 3. FREE PASSAGE FROM THE POINT OF HIRE TO THE PORT OF EMBARKATION**

The seafarer shall join the ship and be available for duty at the date and time specified by the employer. The seafarer shall travel by air or as otherwise directed at the expense of the employer.

### **SECTION 4. BAGGAGE ALLOWANCE**

The seafarer traveling by air to join a ship or on repatriation shall be entitled to the normal free baggage allowance offered by the airlines. The cost of the excess baggage shall be for the account of the seafarer.

### **SECTION 5. HYGIENE AND VACCINATION**

- A. The seafarer shall keep his quarters and other living spaces such as: mess rooms, toilets, bathrooms, alleyways and recreation rooms in clean and tidy condition to the satisfaction of the master. Such work is to be performed outside the seafarer's regular working hours and for which no overtime pay shall be claimed.
- B. The seafarer shall submit to the order of the master or to the laws of any country within the territorial jurisdiction of which the ship may enter to have such vaccination or inoculation or to undertake measures to safeguard his health and the entire crew complement.
- C. The company/employer shall ensure that the seafarer shall be informed on the cause, prevention and consequences of HIV/AIDS.

### **SECTION 6. WAGES**

- A. All seafarers shall be paid for their work regularly and in full in accordance with this contract. They shall be paid monthly wages not later than 15 days of the succeeding month from the date of commencement of the contract until the date of arrival at point of hire upon termination of their employment pursuant to Section 18 of this contract.
- B. Seafarers shall be given a monthly account of the payments due and the amounts paid to them, including wages, additional payments and the rate of exchange used.

## **SECTION 7. PAYMENT ON BOARD**

Payment of shipboard pay in foreign ports shall be subject to the currency control regulations at the port abroad and to the official rate of exchange prevailing at the time of payment. Advances shall be at the master's/employer's discretion and in accordance with the foregoing conditions.

## **SECTION 8. ALLOTMENTS AND REMITTANCES**

- A. The seafarer is required to make an allotment which shall be payable once a month to his designated allottee in the Philippines through any authorized Philippine bank. The principal/employer/master/company shall provide the seafarer with facilities to do so at no expense to the seafarer. The allotment shall be at least eighty percent (80%) of the seafarer's monthly basic salary.
- B. The principal/employer/master/company may also provide facilities for the seafarer to remit any amount earned in excess of his allotment, including backwages, if any, to his designated allottee in the Philippines through any authorized Philippine bank without any charge to him.
- C. The allotments shall be paid to the designated allottee in Philippine currency at the rate of exchange indicated in the credit advice of the local authorized Philippine bank.

## **SECTION 9. FINAL WAGE ACCOUNT & CERTIFICATE OF EMPLOYMENT**

The seafarer, upon his discharge, shall be given a written account of his final wages reflecting all deductions therefrom. Where a seafarer is landed in an emergency, the written account of his wages shall be given to him not later than one month from disembarkation. Upon the seafarer's request, he shall also be provided by his principal/employer/master/company his certificate of employment or service record without any charge.

## **SECTION 10. HOURS OF WORK**

- A. The seafarer shall perform not more than forty-eight (48) hours of regular work a week. The hours of work shall be determined and prescribed by the master, provided that it conforms with the customary international practices and standards and as prescribed in paragraph B below.
- B. Regular working hours for the seafarer shall be eight (8) hours in every 24 hours, midnight to midnight, Monday to Sunday. The normal practice is as follows:
  - 1. The day worker shall observe the eight (8) regular working hours during the period from 0600 hours to 1800 hours.
  - 2. The steward personnel shall observe the eight (8) regular working hours during the period from 0500 hours to 2000 hours.
  - 3. The Radio Operator shall observe the eight (8) regular working hours in every twenty-four (24) hours, midnight to midnight, from Monday to Sunday as established by International Telecommunication Conventions and as prescribed by the master.

4. For those who are on sea watch, their working hours shall be eight (8) hours per day. Staggering of working hours will be at the master's discretion.
- C. The record of the seafarer's daily hours of work or of his daily hours of rest shall be maintained to allow monitoring of compliance to the above provisions. The seafarer shall be provided a copy of the records pertaining to him which shall be endorsed by the master or a person authorized by the master, and by the seafarer.

The seafarer shall be allowed reasonable rest period in accordance with international standards.

## SECTION 11. OVERTIME & HOLIDAYS

- A. The seafarer shall be compensated for all work performed in excess of the regular eight (8) hours as prescribed above. Overtime pay may be classified as open, fixed or guaranteed.

In computing overtime, a fraction of the first hour worked shall be considered as one full hour. After the first hour overtime, any work performed which is less than thirty (30) minutes shall be considered as half an hour and more than thirty (30) minutes shall be considered one full hour.

- B. Overtime work may be compensated at the following rates:

1. Open overtime - not less than 125 percent (125%) of the basic hourly rate computed based on two hundred eight (208) regular working hours per month.
2. Guaranteed or fixed overtime - not less than thirty percent (30%) of the basic monthly salary of the seafarer. This fixed rate overtime shall include overtime work performed on Sundays and holidays but shall not exceed one hundred five (105) hours a month.
3. Overtime work for officers shall be computed based on the fixed overtime rate.
4. For ratings, overtime work shall be based on guaranteed or open overtime rate, as mutually agreed upon by the contracting parties. For ratings paid on guaranteed overtime, overtime work in excess of 105 hours a month for ratings shall be further compensated by their hourly overtime rate.

- C. Any hours of work or duty including hours of watchkeeping performed by the seafarer on designated rest days and holidays shall be paid rest day or holiday pay. The following shall be considered as holidays at sea and in port.

New Year's Day	- January 1
Maundy Thursday	- movable date
Good Friday	- movable date
Araw ng Kagitingan (Bataan & Corregidor Day)	- April 9
Labor Day	- May 1
Independence Day	- June 12
National Heroes Day	- Last Sunday of August
All Saints Day	- November 1

Bonifacio Day	- November 30
Christmas Day	- December 25
Rizal Day	- December 30

#### D. Emergency Duty

Nothing in this Contract shall be deemed to impair the right of the master of a ship to require a seafarer to perform any hours of work necessary for the immediate safety of the ship, persons on board or cargo, for the purpose of giving assistance to other ships or persons in distress at sea, or to conduct fire, boat, or emergency drill. Accordingly, the master may suspend the schedule of hours of work or hours of rest and require a seafarer to perform any hours of work necessary until the normal situation has been restored or the drill has been completed. As soon as practicable after the normal situation has been restored or the drill has been completed, the master shall ensure that any seafarer who have performed work in a scheduled rest period are provided with an adequate period of rest.

No overtime work and pay shall be considered for such an emergency service or for fire, boat, or emergency drill.

### **SECTION 12. LEAVE PAY**

The seafarer's leave pay shall be in accordance with the number of days leave per month as agreed upon. Days leave shall not be less than four and a half days (4 ½) for each month of service and pro-rated. Leave pay shall be settled onboard or settled within two weeks after arrival of the seafarer at the point of hire.

### **SECTION 13. SHORE LEAVE**

The seafarer shall be allowed shore leave when practicable, upon the consent of the master or his deputy, taking into consideration the operations and safety of the ship.

### **SECTION 14. SUBSISTENCE, SHIP STORES AND PROVISIONS**

- A. The seafarer shall be provided by the principal/employer/master/company with subsistence consistent with good maritime standards and practices while on board the ship.
- B. All stores and provisions issued to the seafarer are only for use and consumption on board the ship and any unused or unconsumed stores or provisions shall remain the property of the employer. The seafarer shall not take ashore, sell, destroy or give away such stores and provisions.

### **SECTION 15. TRANSFER CLAUSE**

The seafarer agrees to be transferred at any port to any ship owned or operated, manned or managed by the same employer, provided it is accredited to the same manning agent and provided further that the position of the seafarer and the rate of his wages and terms of service are in no way inferior and the total period of employment

shall not exceed that originally agreed upon.

Any form of transfer shall be documented and made available when necessary.

## **SECTION 16. GRIEVANCE MACHINERY**

- A. If the seafarer considers himself aggrieved, he shall make his complaint in accordance with the following procedures:
1. The seafarer shall first approach the head of the Department in which he is assigned to explain his grievance.
    - a. In the Deck, Radio and Catering Department, the head is the Chief Mate.
    - b. In the Engine Department, the head is the Chief Engineer.
    - c. In the Catering and/or Hotel Department in a passenger ship, the head is the Chief Steward and/or Purser .
  2. The seafarer shall make his grievance in writing and in an orderly manner and shall choose a time when his complaint or grievance can be properly heard.
  3. The seafarer may also seek the assistance of the highest-ranking Filipino seafarer on board.
  4. The Department head shall deal with the complaint or grievance and where solution is not possible at his level, refer the complaint or grievance to the Master who shall handle the case personally.
  5. If no satisfactory result is achieved, the seafarer concerned may appeal to the management of the company or with a Philippine Overseas Labor Office or consular officer overseas. The master shall afford such facilities necessary to enable the seafarer to transmit his appeal.
- B. When availed of by the seafarer, the grievance procedure and all actions or decisions agreed upon shall be properly documented for the protection and interest of both parties.
- C. The aggrieved seafarer whose employment is covered by an existing CBA shall elevate any unsatisfactory resolution of his grievance to voluntary arbitration as agreed upon under the CBA. The aggrieved party whose employment is not covered by an existing CBA may elevate his complaint to the Maritime Industry Labor Arbitration Council (MILA) prior to any other forum.
- D. The foregoing procedures shall be without prejudice to other modes of voluntary settlement of disputes and to the jurisdiction of the Philippine Overseas Employment Administration (POEA) or the National Labor Relations Commission (NLRC) over any unresolved complaints arising out of shipboard employment that shall be brought before it by the seafarer.

## **SECTION 17. DISCIPLINARY PROCEDURES**

The Master shall comply with the following disciplinary procedures against an erring seafarer:

- A. The Master shall furnish the seafarer with a written notice containing the following:
1. Grounds for the charges as listed in Section 33 of this Contract or analogous act constituting the same.
  2. Date, time and place for a formal investigation of the charges against the seafarer concerned.



- B. The Master or his authorized representative shall conduct the investigation or hearing, giving the seafarer the opportunity to explain or defend himself against the charges. These procedures must be duly documented and entered into the ship's logbook.
- C. If after the investigation or hearing, the Master is convinced that imposition or a penalty is justified, the Master shall issue a written notice of penalty and the reasons for it to the seafarer, with copies furnished to the Philippine agent.
- D. Dismissal for just cause may be effected by the Master without furnishing the seafarer with a notice of dismissal if there is a clear and existing danger to the safety of the crew or the ship. The Master shall send a complete report to the manning agency substantiated by witnesses, testimonies and any other documents in support thereof.

## **SECTION 18. TERMINATION OF EMPLOYMENT**

- A. The employment of the seafarer shall cease when the seafarer completes his period of contractual service aboard the ship, signs-off from the ship and arrives at the point of hire.
- B. The employment of the seafarer is also terminated effective upon arrival at the point of hire for any of the following reasons:
  1. When the seafarer signs-off and is disembarked for medical reasons pursuant to Section 20 (A)[5] of this Contract.
  2. When the seafarer signs-off due to shipwreck, ship's sale, lay-up of ship, discontinuance of voyage or change of ship principal in accordance with Sections 22, 23 and 26 of this Contract.
  3. When the seafarer, in writing, voluntarily resigns and signs off prior to expiration of contract pursuant to Section 19 (G) of this Contract.
  4. When the seafarer is discharged for just cause as provided for in Section 33 of this Contract.

## **SECTION 19. REPATRIATION**

- A. If the ship is outside the Philippines upon the expiration of the contract, the seafarer shall continue his service on board until the ship's arrival at a convenient port and/or after arrival of the replacement crew provided that, in any case, the continuance of such service shall not exceed three months. The seafarer shall be entitled to earned wages and benefits as provided in his contract.
- B. If the ship arrives at a convenient port before the expiration of the contract, the principal/employer/master/company may repatriate the seafarer from such port, provided the unserved portion of his contract is not more than one (1) month. The seafarer shall be entitled only to his earned wages and earned leave pay and to his basic wages corresponding to the unserved portion of the contract, unless within 60 days from disembarkation, the seafarer is rehired at the same rate and position, in which case the seafarer shall be entitled only to his earned wages and earned leave pay.

- C. If the ship arrives at a convenient port within a period of three (3) months before the expiration of his contract, the principal/employer/master/company may repatriate the seafarer from such port provided that the seafarer shall be paid all his earned wages. In addition, the seafarer shall also be paid his leave pay for the entire contract period plus a termination pay equivalent to one (1) month of his basic pay, provided, however, that this mode of termination may only be exercised by the principal/employer/master/company if the original contract period of the seafarer is at least nine (9) months; provided, further, that the conditions for this mode of repatriation shall not apply to dismissal for cause.
- D. The seafarer, if discharged at a port abroad for any reason shall be repatriated to the Philippines via sea or air or as may otherwise be directed by the principal/employer/company. He shall be provided with accommodation and food, allowances and medical treatment, if necessary, until he arrives at the point of hire.
- E. When the seafarer is discharged for any just cause, the employer shall have the right to recover the costs of his replacement and repatriation from the seafarer's wages and other earnings.
- F. The seafarer, when discharged and repatriated as directed by the principal/employer/master/company shall be entitled to basic wages from date of signing off until arrival at the point of hire except when the discharge is in accordance with the above or for disciplinary reasons.
- If the seafarer delays or makes a detour or proceeds to a destination other than through the travel itinerary arranged by the employer to the point of hire, the employment of the seafarer will be considered terminated at the time the seafarer signs off the ship and all additional expenses shall be to the seafarer's account. The seafarer shall be entitled to earned wages and basic wage calculated based on the original scheduled date of arrival at the point of hire. All other liabilities of the company in this event shall cease at the time the seafarer is terminated. Any illness, injury or death sustained by the seafarer, due to the above shall be considered non-work related and shall not be compensated.
- G. A seafarer who requests for early termination of his contract shall be liable for his repatriation cost as well as the transportation cost of his replacement. The employer may, in case of compassionate grounds, assume the transportation cost of the seafarer's replacement.
- H. The seafarer shall report to the manning agency within 72 hours upon arrival at point of hire.

## **SECTION 20. COMPENSATION AND BENEFITS**

### **A. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS**

The liabilities of the employer when the seafarer suffers work-related injury or illness during the term of his contract are as follows:

1. The employer shall continue to pay the seafarer his wages during the time he is on board the ship;
2. If the injury or illness requires medical and/or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical and hospital treatment as well as board and lodging until the seafarer is declared fit to work or to be repatriated. However, if after

repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is declared fit or the degree of his disability has been established by the company-designated physician.

3. In addition to the above obligation of the employer to provide medical attention, the seafarer shall also receive sickness allowance from his employer in an amount equivalent to his basic wage computed from the time he signed off until he is declared fit to work or the degree of disability has been assessed by the company-designated physician. The period within which the seafarer shall be entitled to his sickness allowance shall not exceed 120 days. Payment of the sickness allowance shall be made on a regular basis, but not less than once a month.

The seafarer shall be entitled to reimbursement of the cost of medicines prescribed by the company-designated physician. In case treatment of the seafarer is on an out-patient basis as determined by the company-designated physician, the company shall approve the appropriate mode of transportation and accommodation. The reasonable cost of actual traveling expenses and/or accommodation shall be paid subject to liquidation and submission of official receipts and/or proof of expenses.

For this purpose, the seafarer shall submit himself to a post-employment medical examination by a company-designated physician within three working days upon his return except when he is physically incapacitated to do so, in which case, a written notice to the agency within the same period is deemed as compliance. In the course of the treatment, the seafarer shall also report regularly to the company-designated physician specifically on the dates as prescribed by the company-designated physician and agreed to by the seafarer. Failure of the seafarer to comply with the mandatory reporting requirement shall result in his forfeiture of the right to claim the above benefits.

If a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the Employer and the seafarer. The third doctor's decision shall be final and binding on both parties.

4. Those illnesses not listed in Section 32 of this Contract are disputably presumed as work-related.
5. In case a seafarer is disembarked from the ship for medical reasons, the employer shall bear the full cost of repatriation in the event the seafarer is declared (1) fit for repatriation; or (2) fit to work but the employer is unable to find employment for the seafarer on board his former ship or another ship of the employer.
6. In case of permanent total or partial disability of the seafarer caused by either injury or illness the seafarer shall be compensated in accordance with the schedule of benefits enumerated in Section 32 of his Contract. Computation of his benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time the illness or disease was contracted. The disability shall be based solely on the disability gradings provided under Section 32 of this Contract, and shall not be measured or determined by the number of days a seafarer is under treatment or the number of days in which sickness allowance is paid.
7. It is understood and agreed that the benefits mentioned above shall be separate and distinct from, and will be in addition to whatever benefits which the seafarer is entitled to under Philippine laws such as from the Social Security System, Overseas Workers Welfare Administration, Employees' Compensation Commission, Philippine Health Insurance Corporation and Home Development Mutual Fund (Pag-IBIG Fund).

## B. COMPENSATION AND BENEFITS FOR DEATH

1. In case of work-related death of the seafarer, during the term of his contract, the employer shall pay his beneficiaries the Philippine currency equivalent to the amount of Fifty Thousand US dollars (US\$50,000) and an additional amount of Seven Thousand US dollars (US\$7,000) to each child under the age of twenty-one (21) but not exceeding four (4) children, at the exchange rate prevailing during the time of payment.
  2. Where death is caused by warlike activity while sailing within a declared war zone or war risk area, the compensation payable shall be doubled. The employer shall undertake appropriate war zone insurance coverage for this purpose.
  3. It is understood and agreed that the benefits mentioned above shall be separate and distinct from, and will be in addition to whatever benefits which the seafarer is entitled to under Philippine laws from the Social Security System, Overseas Workers Welfare Administration, Employee's Compensation Commission, Philippine Health Insurance Corporation and Home Development Mutual Fund (Pag-IBIG Fund).
  4. The other liabilities of the employer when the seafarer dies as a result of work-related injury or illness during the term of employment are as follows:
    - a The employer shall pay the deceased's beneficiary all outstanding obligations due the seafarer under this Contract.
    - b The employer shall transport the remains and personal effects of the seafarer to the Philippines at employer's expense except if the death occurred in a port where local government laws or regulations do not permit the transport of such remains. In case death occurs at sea, the disposition of the remains shall be handled or dealt with in accordance with the master's best judgment. In all cases, the employer/master shall communicate with the manning agency to advise for disposition of seafarer's remains.
    - c The employer shall pay the beneficiaries of the seafarer the Philippine currency equivalent to the amount of One Thousand US dollars (US\$1,000) for burial expenses at the exchange rate prevailing during the time of payment.
- C. It is understood that computation of the total permanent or partial disability of the seafarer caused by the injury sustained resulting from warlike activities within the warzone area shall be based on the compensation rate payable within the warzone area as prescribed in this Contract.
- D. No compensation and benefits shall be payable in respect of any injury, incapacity, disability or death of the seafarer resulting from his willful or criminal act or intentional breach of his duties, provided however, that the employer can prove that such injury, incapacity, disability or death is directly attributable to the seafarer.
- E. A seafarer who knowingly conceals a pre-existing illness or condition in the Pre-Employment Medical Examination (PEME) shall be liable for misrepresentation and shall be disqualified from any compensation and benefits. This is likewise a just cause for termination of employment and imposition of appropriate administrative sanctions.

- F. When requested, the seafarer shall be furnished a copy of all pertinent medical reports or any records at no cost to the seafarer.
- G. The amounts paid to the seafarer due to accidental or natural death, or permanent total disablement by virtue of the provisions of RA 8042 as amended by RA 10022 and its implementing rules and regulations shall form part of and shall be deducted from the total amount that the seafarer is determined to be finally entitled to under this Contract.
- H. Subsistence allowance benefit as provided in RA 8042, as amended by RA 10022. The principal/employer/company shall grant to the seafarer who is involved in a case or litigation for the protection of his rights in a foreign country, a subsistence allowance of at least One Hundred United States Dollars (US\$100) per month for a maximum of six (6) months.
- I. Compassionate Visit as provided in RA 8042, as amended by RA 10022. When a seafarer is hospitalized and has been confined for at least seven (7) consecutive days, he shall be entitled to a compassionate visit by one (1) family member or a requested individual. The employer shall pay for the transportation cost of the family member or requested individual to the major airport closest to the place of hospitalization of the seafarer. It is, however, the responsibility of the family member or requested individual to meet all visa and travel document requirements;
- J. The seafarer or his successor in interest acknowledges that payment for injury, illness, incapacity, disability or death and other benefits of the seafarer under this contract and under RA 8042, as amended by RA 10022, shall cover all claims in relation with or in the course of the seafarer's employment, including but not limited to damages arising from the contract, tort, fault or negligence under the laws of the Philippines or any other country.

## **SECTION 21. WAR AND WARLIKE OPERATIONS ALLOWANCE**

- A. The POEA shall be the sole authority to determine whether the ship is within a war risk trading area. It shall also determine the amount of premium pay to which the seafarer shall be entitled to when sailing in that war-risk trading area.
- B. The seafarer when sailing within a war-risk trading area shall be entitled to such premium pay as the POEA may determine through appropriate periodic issuances.
- C. If at the time of the signing of the contract, an area is declared a war or war-risk trading area and the seafarer binds himself in writing to sail into that area, the agreement shall be properly appended to the Contract for verification and approval by the Philippine Overseas Employment Administration (POEA). The seafarer shall comply with the agreement or shall bear his cost of repatriation when he opts not to sail into a war or war-risk trading area.
- D. If a war or warlike operations should arise during the term of this Contract in any country within the ship's

trading area, the seafarer may sail with the ship within and out of the trading area if required by the Master.

## **SECTION 22. TERMINATION DUE TO SHIPWRECK AND SHIP'S FOUNDERING**

Where the ship is wrecked necessitating the termination of employment before the date indicated in the contract, the seafarer shall be entitled to earned wages, medical examination at employer's expense to determine his fitness to work, repatriation at employer's cost and one month basic wage as termination pay. In case of termination of employment of the seafarer before the expiration of the term of his contract due to shipwreck, actual or constructive total loss or foundering of the ship, the seafarer shall be entitled to earned wages, medical examination at employer's expense to determine his fitness to work, repatriation at employer's cost and one month basic wage as termination pay.

## **SECTION 23. TERMINATION DUE TO SALE OF SHIP, LAY-UP OR DISCONTINUANCE OF VOYAGE**

Where the ship is sold, laid up, or the voyage is discontinued necessitating the termination of employment before the date indicated in the Contract, the seafarer shall be entitled to earned wages, repatriation at employer's cost and one (1) month basic wage as termination pay, unless arrangements have been made for the seafarer to join another ship belonging to the same principal to complete his contract in which case the seafarer shall be entitled to basic wages until the date of joining the other ship.

## **SECTION 24. TERMINATION DUE TO UNSEAWORTHINESS**

- A. If the ship is declared unseaworthy by a classification society, port state or flag state, the seafarer shall not be forced to sail with the ship.
- B. If the ship's unseaworthiness necessitates the termination of employment before the date indicated in the Contract, the seafarer shall be entitled to earned wages, repatriation at cost to the employer and termination pay equivalent to one (1) month basic wage.

## **SECTION 25. TERMINATION DUE TO REGULATION 1/4, CONTROL PROCEDURES OF THE 1978 STCW CONVENTION, AS AMENDED**

If the seafarer is terminated and/or repatriated as a result of port state control procedures/actions in compliance with Regulation 1/4 of the 1978 STCW Convention, as amended, his termination shall be considered valid. However, he shall be entitled to repatriation and earned wages and benefits only.

## **SECTION 26. CHANGE OF PRINCIPAL**

- A. Where there is a change of Principal of the ship necessitating the pre-termination of employment of the seafarer; the seafarer should be entitled to earned wages and repatriation at employer's expense. He shall also be entitled to one (1) month basic pay as termination pay.

- B. In case arrangements have been made for the seafarer to directly join another ship of the same Principal to complete his contract, he shall only be entitled to basic wage from the date of his disembarkation from his former ship until the date of his joining the new ship.

## **SECTION 27. LOSS OF OR DAMAGE TO CREW'S EFFECTS BY MARINE PERIL**

- A. The seafarer shall be reimbursed by the employer the full amount of loss or damage to his personal effects but in no case shall the amount exceed the Philippine currency equivalent to the amount of Two Thousand US dollars (US\$2,000) if his personal effects are lost or damaged as a result of the wreck or loss or stranding or abandonment of the ship or as a result of fire, flooding, collision or piracy.
- B. In case of partial loss, the amount shall be determined by mutual agreement of both parties but in no case to exceed the Philippine currency equivalent to the amount of Two Thousand US dollars (US\$2,000).
- C. Reimbursement for loss or damage to the seafarer's personal effects shall not apply if such loss or damage is due to (a) the seafarer's own fault; (b) larceny or theft or (c) robbery.
- D. Payment of any reimbursement shall be computed at the rate of exchange prevailing at the time of payment.

## **SECTION 28. GENERAL SAFETY**

- A. The seafarer shall observe and follow any regulation or restriction that the master may impose concerning safety, drug and alcohol and environmental protection.
- B. The seafarer shall make use of all appropriate safety equipment provided him and must ensure that he is suitably dressed from the safety point of view for the job at hand.

## **SECTION 29. DISPUTE SETTLEMENT PROCEDURES**

In cases of claims and disputes arising from this employment, the parties covered by a collective bargaining agreement shall submit the claim or dispute to the original and exclusive jurisdiction of the voluntary arbitrator or panel of voluntary arbitrators. If the parties are not covered by a collective bargaining agreement, the parties may at their option submit the claim or dispute to either the original and exclusive jurisdiction of the National Labor Relations Commission (NLRC), pursuant to Republic Act (RA) 8042 otherwise known as the Migrant Workers and Overseas Filipinos Act of 1995, as amended, or to the original and exclusive jurisdiction of the voluntary arbitrator or panel of arbitrators. If there is no provision as to the voluntary arbitrators to be appointed by the parties, the same shall be appointed from the accredited voluntary arbitrators of the National Conciliation and Mediation Board of the Department of Labor and Employment.

The Philippine Overseas Employment Administration (POEA) shall exercise original and exclusive jurisdiction to hear and decide disciplinary action on cases, which are administrative in character, involving or arising out of violations of recruitment laws, rules and regulations involving employers, principals, contracting partners and Filipino seafarers.

### **SECTION 30. PRESCRIPTION OF ACTION**

All claims arising from this contract shall be made within three (3) years from the date the cause of action arises, otherwise the same shall be barred.

### **SECTION 31. APPLICABLE LAW**

Any unresolved dispute, claim or grievance arising out of or in connection with this contract including the annexes thereof, shall be governed by the laws of the Republic of the Philippines, international conventions, treaties and covenants to which the Philippines is a signatory.



**SECTION 32. SCHEDULE OF DISABILITY OR IMPEDIMENT FOR INJURIES SUFFERED AND DISEASES INCLUDING OCCUPATIONAL DISEASES OR ILLNESS CONTRACTED.**

<b>HEAD</b>		
Traumatic head injuries that result to:		
1	Apperture unfilled with bone not over three (3) inches without brain injury	Gr. 9
2	Unfilled with bone over three (3) inches without brain injury	Gr. 3
3	Severe paralysis of both upper or lower extremities or one upper and one lower extremity	Gr. 1
4	Moderate paralysis of two (2) extremities producing moderate difficulty in movements with self-care activities	Gr. 10
5	Slight paralysis affecting one extremity producing slight difficulty with self-care activities	Gr. 10
6	Severe mental disorder or Severe Complex Cerebral function disturbance or post-traumatic psychoneurosis which require regular aid and attendance as to render worker permanently unable to perform any work	Gr. 1
7	Moderate mental disorder or moderate brain functional disturbance which limits worker to the activities of daily living with some directed care or attendance	Gr. 6
8	Slight mental disorder or disturbance that requires little attendance or aid and which interferes to a slight degree with the working capacity of the claimant	Gr. 10
9	Incurable imbecility	Gr. 1

<b>FACE</b>		
1	Severe disfigurement of the face or head as to make the worker so repulsive as to greatly handicap him in securing or retaining	Gr. 2
2	Moderate facial disfigurement involving partial ablation of the nose with big scars on face or head	Gr. 5
3	Partial ablation of the nose or partial avulsion of the scalp	Gr. 9
4	Complete loss of the power of mastication and speech function	Gr. 1
5	Moderate constriction of the jaw resulting in moderate degree of difficulty in chewing and moderate loss of the power or the expression of speech	Gr. 6
6	Slight disorder of mastication and speech function due to traumatic injuries to jaw or cheek bone	Gr. 12

## EYES

1	Blindness or total and permanent loss of vision of both eyes	Gr. 1
2	Total blindness of one (1) eye and fifty percent (50%) loss of vision of the other eye	Gr. 5
3	Loss of one eye or total blindness of one eye	Gr. 7
4	Fifty percent (50%) loss of vision of one eye	Gr. 10
5	Lagophthalmos, one eye	Gr. 12
6	Ectropion, one eye	Gr. 12
7	Ephiphora, one eye	Gr. 12
8	Ptosis, one eye	Gr. 12

Note: (Smeller's Chart - used to grade for near and distant vision).

## NOSE AND MOUTH

1	Considerable stricture of the nose (both sides) hindering breathing	Gr. 11
2	Loss of the sense of hearing in one ear	Gr. 11
3	Injuries to the tongue (partial amputation or adhesion) or palate-causing defective speech	Gr. 10
4	Loss of the three (3) teeth restored by prosthesis	Gr. 14

## EARS

1	For the complete loss of the sense of hearing on both ears	Gr. 3
2	Loss of two (2) external ears	Gr. 8
3	Complete loss of the sense of hearing in one ear	Gr. 11
4	Loss of one external ear	Gr. 12
5	Loss of one half (1/2) of an external ear	Gr. 14

## NECK

1	Such injury to the throat as necessitates the wearing of a tracheal tube	Gr. 6
2	Loss of speech due to injury to the vocal cord	Gr. 9
3	Total stiffness of neck due to fracture or dislocation of the cervical pines.	Gr. 8
4	Moderate stiffness or two thirds (2/3) loss of motion of the neck	Gr. 10
5	Slight stiffness of the neck or one third (1/3) loss of motion	Gr. 12

**CHEST-TRUNK-SPINE**

1	Fracture of four (4) or more ribs resulting to severe limitation of chest	Gr. 6
2	Fracture of four (4) or more ribs with intercostal neuralgia resulting in moderate limitation of chest expansion	Gr. 9
3	Slight limitation of chest expansion due to simple rib functional without myositis or intercostal neuralgia	Gr. 12
4	Fracture of the dorsal or lumbar spines resulting severe or total rigidity of the trunk or total loss of lifting power of heavy objects	Gr. 6
5	Moderate rigidity or two thirds (2/3) loss of motion or lifting power of the trunk	Gr. 8
6	Slight rigidity or one third (1/3) loss of motion or lifting power of the trunk.	Gr. 11
7	Injury to the spinal cord as to make walking impossible without the aid of a pair of crutches	Gr. 4
8	Injury to the spinal cord as to make walking impossible even with the aid of a pair of crutches	Gr. 1
9	Injury to the spinal cord resulting to incontinence of urine and feces	Gr. 1

**ABDOMEN**

1	Loss of the spleen	Gr. 8
2	Loss of one kidney	Gr. 7
3	Severe residuals of impairment of intra-abdominal organs which requires regular aid and attendance that will unable worker to seek any gainful employment	Gr. 1
4	Moderate residuals of disorder of the intra-abdominal organs secondary to trauma resulting to impairment of nutrition, moderate tenderness, nausea, vomiting, constipation or diarrhea	Gr. 7
5	Slight residuals or disorder of the intra-abdominal organs resulting in impairment of nutrition, slight tenderness and/or constipation or diarrhea	Gr. 12
6	Inguinal hernia secondary to trauma or strain	Gr. 12

**PELVIS**

1	Fracture of the pelvic rings as to totally incapacitate worker to work	Gr. 1
2	Fracture of the pelvic ring resulting to deformity and lameness	Gr. 6

## URINARY AND GENERATIVE ORGANS

1	Total loss of penis	Gr. 7
2	Total loss of both testicles	Gr. 7
3	Total loss of one testicle	Gr. 11
4	Scars on the penis or destruction of the parts of the cavernous body or urethra interfering with erection or markedly affecting coitus	Gr. 9
5	Loss of one breast	Gr. 11
6	Prolapse of the uterus	Gr. 13
7	Great difficulty in urinating	Gr. 13
8	Incontinence of urine	Gr. 10

## THUMBS AND FINGERS

1	Total loss of one thumb including metacarpal bone	Gr. 9
2	Total loss of one thumb	Gr. 10
3	Total loss of one index finger including metacarpal bone	Gr. 10
4	Total loss of one index finger	Gr. 11
5	Total loss of one middle finger including metacarpal bone	Gr. 11
6	Total loss of one middle finger	Gr. 12
7	Total loss of one ring finger including metacarpal bone	Gr. 12
8	Total loss of one ring finger	Gr. 13
9	Total loss of one small finger including metacarpal bone	Gr. 13
10	Total loss of one small finger	Gr. 14
11	Loss of two or more fingers. Compensation for the loss of use of two (2) or more fingers or one (1) or more phalanges of two or more digits of a hand must be proportioned to the loss of the hand occasioned thereby but shall not exceed the compensation for the loss of a hand:	
a.	Loss of five (5) fingers of one hand	Gr. 6
b.	Loss of thumb, index fingers and any of 2 or more fingers of the same hand	Gr. 6
c.	Loss of the thumb, index finger and any one of the remaining fingers of the same hand	Gr. 7
d.	Loss of thumb and index finger	Gr. 8
e.	Loss of three (3) fingers of one hand not including thumb and index finger	Gr. 9
f.	Loss of the index finger and any one of the other fingers of the same hand excluding thumb	Gr. 9
g.	Loss of two (2) digits of one hand not including thumb and index finger	Gr. 10
12	Loss of ten (10) fingers of both hands	Gr. 3

## HANDS

1	Total loss of use of both hands or amputation of both hands at wrist joints or above	Gr. 1
2	Amputation of a hand at carpo-metacarpal joints	Gr. 5
3	Amputation between wrist and elbow joint	Gr. 5
4	Loss of grasping power for small objects between the fold of the finger of one hand.	Gr. 10
5	Loss of grasping power for large objects between fingers and palm of one hand	Gr. 10
6	Loss of opposition between the thumb and tips of the fingers of one hand	Gr. 9
7	Ankylosed wrist in normal position	Gr. 10
8	Ankylosed wrist in position one third (1/3) flexed or half extended and/or severe limited action of a wrist	Gr. 11

## SHOULDER AND ARM

1	Inability to turn forearm (forearm in normal position - supination)	Gr. 11
2	Inability to turn forearm ( forearm in abnormal position - pronation)	Gr. 10
3	Disturbance of the normal carrying angle or weakness of an arm or a forearm due to deformity of moderate atrophy of muscles	Gr. 11
4	Stiff elbow at full flexion or extension (one side)	Gr. 7
5	Stiff elbow at right angle flexion	Gr. 8
6	Flail elbow joint	Gr. 9
7	Pseudoarthrosis of the humerus with musculospiral or radial paralysis	Gr. 6
8	Ankylosis of one (1) shoulder, the shoulder blade remaining mobile	Gr. 9
9	Ankylosis of one shoulder, the shoulder blade remaining rigid	Gr. 8
10	Unreduced dislocation of one (1) shoulder	Gr. 8
11	Ruptured biceps or pseudoarthrosis of the humerus, close (one side)	Gr. 11
12	Inability to raise arm more than halfway from horizontal to perpendicular.	Gr. 11
13	Ankylosis of the shoulder joint not permitting arm to be raised above a level with a shoulder and/or irreducible fracture or faulty union collar bone	Gr. 10
14	Total paralysis of both upper extremities	Gr. 1
15	Total paralysis of one upper extremity	Gr. 3
16	Amputation of one (1) upper extremity at or above the elbow	Gr. 4
17	Scar the size of the palm in one extremity	Gr. 14

## LOWER EXTREMITIES

1	Loss of a big toe	Gr. 12
2	Loss of a toe other than the big one	Gr. 14
3	Loss of ten (10) digits of both feet	Gr. 5
4	Loss of a great toe of one foot + one toe	Gr. 10
5	Loss of two toes not including great toe or next to it	Gr. 12
6	Loss of three (3) toes excluding great toe of a foot	Gr. 10
7	Loss of four (4) excluding great toe of a foot	Gr. 9
8	Loss of great toe and two (2) other toes of the same foot	Gr. 9
9	Loss of five digits of a foot	Gr. 8
10	Loss of both feet at ankle joint or above	Gr. 1
11	Loss of one foot at ankle joint or above	Gr. 6
12	Depression of the arch of a foot resulting in weak foot	Gr. 12
13	Loss of one half (1/2) metatarsus of one (1) foot	Gr. 8
14	Loss of whole metatarsus or forepart of foot	Gr. 7
15	Tearing of achilles tendon resulting in the impairment of active flexion and extension of a foot	Gr. 12
16	Malleolar fracture with displacement of the foot inward or outward	Gr. 10
17	Complete immobility of an ankle joint in abnormal position	Gr. 10
18	Complete immobility of an ankle joint in normal position	Gr. 11
19	Total loss of a leg or amputation at or above the knee	Gr. 3
20	Stretching leg of the ligaments of a knee resulting in instability of the joint	Gr. 10
21	Ankylosis of a knee in genuvalgum or varum	Gr. 10
22	Pseudoarthrosis of a knee cap	Gr. 10
23	Complete immobility of a knee joint in full extension	Gr. 10
24	Complete immobility of a knee joint in strong flexion	Gr. 7
25	Complete immobility of a hip joint in flexion of the thigh	Gr. 5
26	Complete immobility of a hip joint in full extension of the thigh	Gr. 9
27	Slight atrophy of calf of leg muscles without apparent shortening or joint lesion or disturbance of weight-bearing line	Gr. 13
28	Shortening of a lower extremity from one to three centimeters with either joint lesion or disturbance of weight-bearing joint	Gr. 13
29	Shortening of 3 to 6 cm with slight atrophy of calf or thigh muscles	Gr. 12
30	Shortening of 3 to 6 cm with either joint lesion or disturbance of weight-bearing joint	Gr. 11
31	Irregular union of fracture with joint stiffness and with shortening of 6 to 9 cm producing permanent lameness	Gr. 9
32	Irregular union of fracture in a thigh or leg with shortening of 6 to 9 cms.	Gr. 10
33	Failure of fracture of both hips to unite	Gr. 1
34	Failure of fracture of a hip to unite	Gr. 3
35	Paralysis of both lower extremities	Gr. 1
36	Paralysis of one lower extremity	Gr. 3
37	Scar the size of a palm or larger left on an extremity	Gr. 14

NOTE: Any item in the schedule classified under Grade 1 shall be considered or shall constitute total and permanent disability

## SCHEDULE OF DISABILITY ALLOWANCES

IMPEDIMENT GRADE		IMPEDIMENT	
1	US\$50,000.00	×	120.00%
2	"	×	88.81%
3	"	×	78.36%
4	"	×	68.66%
5	"	×	58.96%
6	"	×	50.00%
7	"	×	41.80%
8	"	×	33.59%
9	"	×	26.12%
10	"	×	20.15%
11	"	×	14.93%
12	"	×	10.45%
13	"	×	6.72%
14	"	×	3.74%

To be paid in Philippine Currency equivalent at the exchange rate prevailing during the time of payment.