

[PPA MEMORANDUM CIRCULAR NO. 26-2000, May 29, 2000]

PORT LABOR TRUST FUND

PPA Memo Circular No. 05-95, dated January 31, 1995, requires all cargo handling operators to put up a Port Labor Trust Fund. A number of cargo handling operators, however, have failed to comply with this requirement.

In order to ensure full compliance with the Port Labor Trust Fund (PLTF) requirement, and provide proper guidance to all cargo handling operators concerned, the following guidelines shall be observed

1. **Definition of Terms.** — The following terms shall be understood to mean as follows:

1.1 *Port Labor Trust Fund (PLTF)* — refers to the sum of money set aside by a cargo handling company and deposited in trust with a bank to finance the benefits of Port workers who resign, retire or who have been terminated due to changes in cargo handling operators.

1.2 *Port Workers* — refers to workers and employees of companies or entities authorized by the Authority to engage in arrastre and stevedoring services. Said port workers and employees must be duly registered by its cargo handling company employer with the Social Security System.

1.3 *Cargo Handling Company* — refers to any individual, partnership or corporation presently authorized by the Authority to provide cargo handling services at government ports.

1.4 *Authority* — refers to the Philippine Ports Authority (PPA) created by Presidential Decree No. 857, as amended.

2. **General Guidelines**

2.1 Every authorized cargo handling company operating in a government port under the jurisdiction of the Philippine Ports Authority shall put up the Port Labor Trust Fund as provided for in PPA Memorandum Circular No. 05-95;

2.2 The amount of PLTF to be put up shall be sufficient to cover at least the retirement and separation benefits of all portworkers to be computed on actuarial basis;

2.3 For the actuarial computation of the PLTF, the following shall be taken into account,

2.3.1 Total number of workers