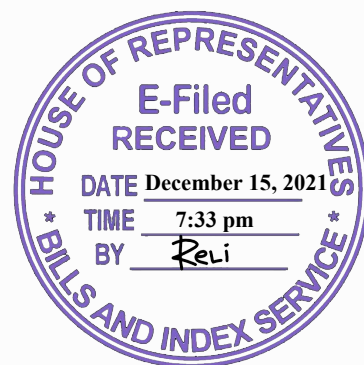


EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 10634

EXPLANATORY NOTE

One of the effects of the COVID-19 pandemic has been on businesses, most especially micro, small, and medium enterprises, many of which have closed down. Those which remain are scrambling to mitigate losses and return to normalcy. With the country starting to recover and with the economy starting to open up, business enterprises are adopting measures on keeping their workers physically healthy to become productive at work, including supporting social distancing with the technology needed to work from home, to new hygiene standards for the workers and workplaces, to introducing COVID-19 responsive leave benefits. However, once the country attains a sense of normalcy, it is reasonable to assume that businesses will again be shifting to on-site work arrangements.

Under this new normal, employers should not ignore an issue of paramount importance for sustained success throughout this crisis and beyond: the mental and physical health of their workers. Employers must recognize that they are dependent on the agility, adaptive capacity and emotional well-being of their people, which require them to stay healthy not just physically, but also emotionally.

The primary objective of this bill is to encourage and incentivize employers to educate, inform, and empower their employees in making healthier lifestyle choices. This is an important step, not only to lowering healthcare costs and keeping our population and our workers healthy, but to promote job satisfaction across all industries.

The passage of this bill will support the initiatives promoted under Republic Act 11036 or the Mental Health Act which provides that, "Employers shall develop appropriate policies and programs on mental health issues, correct the stigma and discrimination associated with mental conditions, identify and provide support for individuals with mental health conditions to treatment and psychosocial support."

In view of the foregoing, immediate approval of this measure is earnestly requested.


RUFUS B. RODRIGUEZ

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 10634

AN ACT
PROMOTING WORKERS' HEALTH AND WELLNESS BY PROVIDING INCENTIVES TO
EMPLOYERS FOR THE IMPLEMENTATION OF WORKFORCE WELLNESS AND
WORKPLACE IMPROVEMENT PROGRAMS

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

ARTICLE I
General Provisions

SECTION 1. Short Title. – This Act shall be known as the "Workplace and Workers Wellness Act".

SEC.2. Declaration of Policy. – The State recognizes the unique role of employers to promote the health and safety of their employees and that the use by employers of effective worksite policies and programs can reduce mental and health risks and improve the quality of life for their employees. Thus, in order to encourage employers to adopt policies, measures and programs aimed to benefit their workforce through the granting of tax incentives, it is necessary to lay down appropriate policies in order to address the wellness of workers who have likewise suffered the adverse effects of the COVID-19 pandemic. It is hereby declared the policy of the State to:

- (a) affirm labor as a primary social economic force in promoting sustainable development;
- (b) afford full protection to labor, local and overseas, organized and unorganized, and promote full and productive employment and equality of employment opportunities for all;
- (c) promote the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.

SEC. 3. Coverage. — This Act shall apply to all business enterprises and employers, including government owned and controlled corporations performing proprietary functions.

ARTICLE II
Employee Wellness Program

SEC. 4. Employee Wellness Program Tax Credit –

- (1) The Employee Wellness Program credit for any taxable year during the credit period with respect to any employer is an amount equal to fifty percent (50%) of the costs paid or incurred by the employer in connection with a qualified wellness program during the taxable year. For purposes of the preceding sentence, in the case of any qualified Employee Wellness Program offered as part of an employer-provided group health plan, including health insurance offered in connection with such plan, only cost directly attributable to the qualified wellness program and not to the group health plan or health Insurance coverage may be taken into account.

- (2) Limitation. — The amount of tax credit allowed under paragraph (1) for any taxable year shall not exceed the sum of: (i) the product of One Thousand Pesos (Php 1,000.00) and the number of employees of the employer not in excess of Two Hundred (200) employees, and (ii) the product of Five Hundred Pesos (Php 500.00) and the number of employees in excess of Two Hundred (200) employees.

SEC. 5. Qualified Employee Wellness Program. —The term "Qualified Employee Wellness Program" means a program:

- (1) Consisting of at least four (4) of the employee wellness program components set forth under Section 6 hereof; and
- (2) Certified by the Department of Health (DOH), as a qualified employee wellness program under this Section.

SEC. 6. Employee Wellness Program Components. — The wellness program components are the following:

- (1) Health Awareness Component. — A health awareness component which provides for the opportunity for periodic health screenings for health problems and referrals to appropriate follow-up measures;
- (2) Health Education Component. — The dissemination of health information through seminars, on-line programs, counselling and other materials which addresses the specific needs and health risks of employees.
- (3) Employee Engagement Component. — An employee engagement component which provides for:
- i. The establishment of a committee to actively engage employees in the employee wellness programs through program assessment and program planning, delivery, evaluation, and improvement efforts.
 - ii. The tracking of employee participation in the programs
- (4) Behavioral Change Component — A behavioral change component which provides for altering employee lifestyles to encourage health living through counseling, seminars and on-line programs, or self-help materials which provide technical assistance and problem-solving skills. This component may include programs relating to:
- a. Obesity;
 - b. Stress management;
 - c. Physical fitness;
 - d. Nutrition;
 - e. Substance abuse;
 - f. Depression;
 - g. Anxiety; and
 - h. Mental health management and promotion
- (5) Supportive Worksite Component. — A supporting worksite component which includes policies and services at the worksite which promote a healthy and balanced lifestyle, such as policies relating to:
- a. The adoption of alternative work schemes/flexible work arrangements, especially for employees or personnel who reside with senior citizens, individuals with underlying conditions, minors below the age of seven (7) years of age, and pregnant women
 - b. (ii) Tobacco, electronic cigarette or vape use at the worksite;
 - c. The nutrition of food available at the worksite through cafeterias, restaurants and vending options; and
 - d. Minimizing stress and promoting mental health in the worksite, and encouraging physical activity before, during or after work hours;

Provided, however, that such policies shall be compliant with the minimum public health standards that may be issued by the DOH.

SEC. 7. DOH Certification. —The DOH, shall, as part of the certification process, encourage employees to make the programs culturally competent and to meet the health literacy needs of the employees covered by the Programs. The DOH shall not certify a program as a qualified employee wellness program unless the program:

- (1) Is consistent with evidence-based research and best practices, as identified by persons with expertise in employer health promotion and wellness programs;
- (2) Includes multiple, evidence-based strategies which are based on the existing and emerging research and scientific reviews; and
- (3) Includes strategies which focus on employee populations with a disproportionate burden of health problems.

The DOH shall establish procedures for annual review of the implementation of the programs. Such procedures shall require revisions of programs, if necessary, to ensure compliance with the requirements and require updating of the programs to the extent the DOH determines necessary to reflect new scientific findings or minimum public health standards.

SEC. 8. Participation Requirement —No tax credit shall be allowed unless the DOH certifies that each employee wellness program component of the qualified wellness program applies to all qualified employees of the employer. The DOH shall prescribe rules under which an employer shall not be treated as failing to meet the requirements merely because the employer provides specialized programs for employees with specific health needs or unusual employment requirements or provides a pilot program to test new wellness strategies.

For purposes of this Act, "qualified employees" shall mean:

- (1) For employers offering health insurance coverage, an employee who is eligible for such coverage; or
- (2) For employers not offering health insurance coverage, an employee who works an average of not less than twenty-five (25) hours per week during the taxable year.

SEC. 9. Tax Credit Period.

- (1) In general – Tax credit period means the period of three (3) consecutive taxable years beginning with the taxable year in which the qualified employee wellness program is first certified by the DOH.
- (2) Special Rules for Existing Programs – an employer (or predecessor) which already operates a wellness program for its employees prior to the date of the effectivity of this Act shall be eligible for certification by DOH and may avail of the incentives for five (5) consecutive taxable years beginning with the taxable year in which the qualified employee wellness program is certified by the DOH. The DOH shall prescribe rules under which the incentives under this paragraph shall not apply if the employer is required to make substantial modifications in its existing wellness program in order to qualify such program for certification as a qualified employee wellness program.

ARTICLE III

Workplace Improvement Programs

SEC. 10. Workplace Improvement Program Incentive — For the purpose of encouraging employers to undertake any qualified workplace improvement program, as provided in Section 11 of this Act, employers shall enjoy an additional deduction equivalent to thirty percent (30%) of the cost deductible as depreciation expense, with the option to use the accelerated depreciation method for income tax purposes.

SEC. 11. Qualified Workplace Improvement Program. — A "Qualified Workplace Improvement Program" means any of the following:

- (1) Retrofitting of office spaces occupied by or wherein at least ten (10) rank-and-file employees are stationed or hold office, which shall include energy efficiency, renewable energy, and energy retrofitting projects, as certified by the local government unit having jurisdiction of the site;
- (2) (2) Installation or improvement of ventilation systems in office spaces or work areas, as certified by the local government unit having jurisdiction of the site; or
- (3) Installation of office or building management systems and smart technology to reduce energy use or such equipment, systems or installations integrating the use of renewable sources of energy, as certified by the Department of Energy (DOE).

Provided, that such construction works or installations are in accordance with Republic Act No. 6541, otherwise known as the "National Budding Code.

ARTICLE IV **Final Provisions**

SEC. 12. Period to Avail of Incentives. —The incentives granted under this Act can be availed of within six (6) years from the effectivity of this Act, without prejudice to periods granted to fully claim such incentives

SEC. 13. Special Rules. — No tax credit or incentive under this Act shall be allowed with respect to any program of any taxpayer who receives a grant provided by the government in connection with such program. The DOH and DOE shall prescribe rules for the waiver of this section with respect to any grant which does not constitute a significant portion of the funding for the qualified program.

SEC. 14. Implementing rules and Regulations. — Within one hundred eighty (180) days from the effectivity of this Act, the Department of Finance (DOF) and the DOH, in coordination with the DOE, shall formulate the necessary rules and regulations to effectively implement the provisions of this Act.

SEC. 15. Information Campaigns. —The DOH, Department of Finance (DOF), and Department of Trade and Industry (DTI) shall institute information campaigns to inform businesses about the availability of the incentives under this Act, as well as, to educate businesses on how to develop programs according to recognized and promising practices and on how to measure the success of implemented programs.

SEC. 16. Appropriations. — The funds needed for the initial implementation of this Act shall be charged against the appropriations of the DOF, DOH, and the DOE. Thereafter, such amount as may be necessary for its full implementation shall be included in the annual General Appropriations Act as a distinct and separate item.

SEC. 17. Separability Clause. — If any provision or part hereof, is held invalid or unconstitutional, the remainder of the Act or the provision not otherwise affected shall remain valid and subsisting.

SEC. 18. Repealing Clause. — Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation contrary to, or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SEC. 19. Effectivity Clause. This Act shall take effect fifteen (15) days after its publication in the Official Gazette and in a newspaper of general circulation.

Approved,