



HOUSE OF REPRESENTATIVES

House Bill No. 594

Introduced by Representative Christian Tell A. Yap

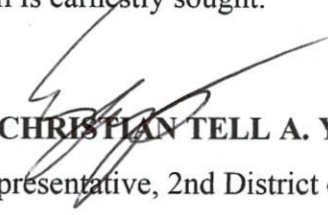
EXPLANATORY NOTE

Self-employed workers derive their income based on their professional occupation and entrepreneurial interests. In February 2022, there were about 12.3 million Filipinos engaged in self-employment. Continuous efforts by the Social Security System (SSS) in partnering with cooperatives and associations nationwide have proven to be successful in promoting their programs to self-employed workers in the informal sector.

However, not all self-employed workers are under any government social protection program. A self-employed person refers to one who has his own occupational capacity put to productive use by applying his own capital raised by himself or together with other self-employed persons pursuing related occupational and entrepreneurial interest. A self-employed individual earns from his labor as well as from his own capital. He may be contingent, non-regular, or an overseas worker.

The bill seeks to strengthen the standard of protection for self-employed workers by ensuring the provision of basic social rights and social security programs for the entitlement to occupational continuity, decent living wages and basic social benefits that shall enhance and promote self-employment.

In view of the foregoing reasons, the approval of the bill is earnestly sought.


CHRISTIAN TELL A. YAP
Representative, 2nd District of Tarlac

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AN ACT
TO FURTHER STRENGTHEN THE STANDARD OF PROTECTION AND ENHANCEMENT
OF THE WELFARE OF SELF-EMPLOYED WORKERS AND CRAFTSMEN AND THE
PROMOTION OF ENTREPRENEURSHIP THEREBY AMENDING FOR THIS PURPOSE,
SECTION 8 OF REPUBLIC ACT NO. 8282 OTHERWISE KNOWN AS THE SOCIAL
SECURITY ACT OF 1997

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

1 **SECTION 1. Short Title.** - This Act shall be known as the "Self-Employed Workers Protection
2 and Enhancement Act."

3
4 **SEC. 2. Declaration of Policy.** - The State shall promote self-employment as a primary tool for
5 poverty alleviation. The State shall recognize and protect the rights of self-employed workers and the
6 organizations that they may form under existing law. The State shall ensure their fair treatment and
7 humane conditions of work, including the basic right to a decent living wage. The State shall respect
8 the principle of subsidiarity, promote self-reliance and the spirit of enterprise. The State shall further
9 promote their right to self-organization including but not limited to craft unions, guilds, workers
10 cooperatives, and other forms of group entrepreneurship.

11
12 **SEC. 3. Guiding Principles.** - Self-employed workers are entitled to occupational continuity,
13 decent living wage, and basic social benefits. These basic rights can be enhanced and strengthened
14 through legitimate organizations duly organized under existing laws which are dedicated to protecting
15 their rights and interests.

16
17 **SEC. 4. Definition of Terms.** - As used in this Act, the following terms shall be defined as:

- 18
19 a. Craft Union - refers to a labor union with membership limited to workers of the same craft.
20 b. Entrepreneurship - refers to the self-organization and management of a business or enterprise
21 by an individual.
22 c. Group Entrepreneurship - refers to the association of different entrepreneurial organizations of
23 common interests.
24 d. Guild - refers to an association of people with similar interests or pursuits.
25 e. Self-employed - refers to a person who has his own occupational capacity put to productive
26 use by applying his own capital raised by himself or together with other self-employed persons
27 pursuing related occupational and entrepreneurial interest. A self-employed individual earns from
28 his labor as well as from his own capital. He may be contingent, non-regular, or an overseas
29 worker.
30 f. Workers cooperative - refers to a cooperative owned and controlled by the workers
31 themselves. It is organized by workers including self-employed, who are at the same time the
32 members and owners of the enterprise. As understood herein, the term ownership shall mean
33 actual contribution to the share capital of the cooperative up to the maximum allowed by the law
34 and the bylaws. All share capital shall be entitled to interest as may be declared from time to time.
35 The term control shall mean the exercise of right to vote. As mandated by law, each regular
36 member shall only have one vote regardless of the number of shares actually held. Its principal

1 purpose is to provide jobs and business opportunities to its members and manage it in accordance
2 with cooperative principles.
3

4 **SEC. 5. Contractual Relations.** - Contracts with self-employed workers are governed primarily
5 by the civil and commercial laws of the Philippines. Therefore, the provisions under Book III of
6 Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, shall
7 not be applicable to self-employed workers who have the right to determine the terms and conditions of
8 their own engagements. Notwithstanding the foregoing, agricultural, industrial, commercial, and service
9 sectors engaging self-employed workers shall ensure that the terms and conditions of their service should
10 be above or comparable to the benefits provided in their respective sectors, as mandated by all social
11 legislation.
12

13 **SEC. 6. Training.** - Training and certification by Technical Education and Skills Development
14 Authority (TESDA) shall be accessible to self-employed workers in order to continuously enhance and
15 upgrade the entrepreneurial and occupational capacity of self-employed individuals. For this purpose,
16 TESDA may enter into agreements with various associations of self-employed workers to effect this
17 policy.
18

19 **SEC. 7. Social Security.** - All government agencies mandated to render services and extend social
20 security are hereby mandated to ensure that all self-employed workers as defined under this Act are
21 covered by a social security program and shall be allowed to enroll as members of the Social Security
22 System (SSS) under Article 9-A of Republic Act 8282, otherwise known as the Social Security Act of
23 1997.
24

25 The enrollment can be done directly by the self-employed workers or thru their respective guilds,
26 craft unions, worker cooperatives, or other associations acting as their collecting agent for premiums due
27 to SSS.

28 Paragraph(s) of Section 8 under Republic Act 8282, is hereby amended to read as follows:

29 "(s) Self-employed. - A self-employed is a person who has his own occupational capacity put
30 to productive use by applying his own capital raised by himself or together with other self-employed
31 persons pursuing related occupational interest."
32

33 **SEC. 8. Disputes.** - disputes involving workers under this Chapter shall be under the jurisdiction
34 of the regular courts without prejudice to the provisions of Article 137 of Republic Act'9520, otherwise
35 known as the Philippine Cooperative Code of 2008, insofar as worker cooperatives are concerned.
36

37 **SEC. 9. Reportorial Requirement** - Worker guilds, craft unions, worker cooperatives, and other
38 associations organized and representing self-employed workers must register with the Department of
39 Labor and Employment (DOLE) and Department of Trade and Industry (DTI) and other regulatory
40 agencies under such forms, conditions, and frequency as may be determined by each particular regulatory
41 government agency.
42

43 **SEC. 10. Penalty Cause.** - Any individual, association, entity or institution found in violation of
44 this Act shall be punished with a fine of not less than Fifty Thousand Pesos (Php 50,000.00) nor more
45 than One Hundred Thousand Pesos (Php 100,000.00).
46

47 **SEC. 11. Implementing Rules and Regulations.** - All government agencies are hereby mandated
48 to implement rules and regulations that will enact the express policies of this Act, to encourage and
49 promote self-employment as a primary tool for poverty alleviation and enhance the welfare of the self-
50 employed.
51

52 **SEC. 12. Mandatory Assistance.** - Government agencies with special concern on employment and
53 poverty alleviation such as but not limited to Department of Labor and Employment (DOLE),
54 Cooperative Development Authority (CDA), Department of Trade and Industry (DTI), Department of
55 Interior and Local Government (DILG), Department of Agriculture (DO A), Bureau of Internal Revenue
56 (BIR), National Anti-Poverty Commission (NAPC), and all local government units (LGUs) shall draw
57 and adopt sustainable programs for the empowerment and encouragement of self-employment in support
58 of the express intentions of this Act.
59

60 **SEC. 13. Separability Cause.** - If any part, section or provision of this Act is held invalid or
61 unconstitutional, other provisions not affected thereby shall remain in full force and effect.

1 **SEC. 14. Repealing Cause.** - All laws, decrees, orders, issuances, rules and regulations contrary to
2 or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

3
4 **SEC. 15. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in at least two
5 (2) newspapers of national circulation.

6
7 Approved,