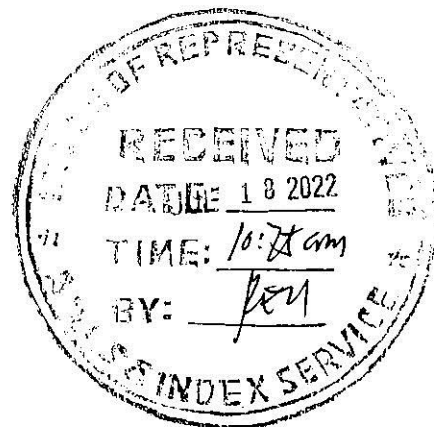


**Republic of the Philippines
Congress of the Philippines
Metro Manila
Nineteenth Congress
First Regular Session**

2067

Introduced by:



**Juan Fidel Felipe F. Nograles
Fourth District
Province of Rizal**

Explanatory Note

The Corona Virus Disease 2019 (COVID-19) has impacted the world in ways we cannot imagine. When the Philippines recorded its first local transmission of the disease, the Philippine government declared a state of public health emergency throughout the country as a safety and precautionary measure. As the COVID-19 cases increased, a State of Calamity throughout the country followed and an Enhanced Community Quarantine (ECQ) throughout Luzon has been implemented on 16 March 2020. These responses by the government are necessary to save the lives of its people.

In this public health emergency, both the private and public sectors are gravely affected. The actual economic impact of COVID-19 may not be accurately estimated at present but the National Economic Development Authority has already projected that the COVID-19 crisis will cost the Philippine economy P2.2 trillion in losses in 2020 as firms shed profits while millions of workers lose their jobs and income. This will need an additional P846-billion stimulus to support the economy. The Department of Finance also stated that the government expected the debt-to-GDP ratio to rise to 50 per cent from 39 per cent last year as it increased borrowing to mitigate the economic impact of the pandemic.

During the weeks of the Luzon-wide ECQ alone (March 17, 2020 to April 21, 2020), over 2 million employees were displaced wherein about 70% of this were affected by temporary business closures and 30% employees were subject to alternative work arrangements such as reduced working days and hours, forced leave, and work-from-home.

The trend in work arrangement has changed tremendously. As many lives and livelihood are effected by the pandemic, both the private and public sector shifted to telecommuting or remote working set up to keep the economy going.

Republic Act No. 11165, otherwise known as the Telecommuting Act, was signed by President Duterte last December 20, 2018. The law provides that private sector should explore telecommuting programs for its employees. With the onset of the pandemic, this law has become more relevant and timely.

The COVID-19 pandemic has forced Filipinos to embrace the concepts of telecommuting and working from home. Employers shifted a large part of their workforce to no longer physically report to their respective offices and simply work from their respective homes as part of their safety precaution to prevent the spread of the virus and protect their own employees.

Working from home has also some unintended effects. Telecommuting has caused emotional, physical, mental, financial and social adjustments to workers. Workers have reported experiencing burn out and stress in their new work arrangement. Utility consumption, particularly electricity due to internet based work and 24 hour accessibility has also increased expenses of workers. Residential energy use has risen due to more people staying at home. Some workers even purchase their own equipment for working at home. These additional expenses are out of the employee's own pockets and for the benefit of the employer's business. Despite the provision of RA 11165 that the employers should ensure that employees on

telecommuting be treated in the same manner as regular employees, the pandemic has brought in enormous challenge in the compliance with the law.

According to a study by public utility firm MERALCO, for every person on a work-from-home arrangement, it is estimated that there will be a corresponding increase in consumption at around 39% (in kilo watt per hour). In terms of amount, this is equivalent to a seven hundred seventy peso (P770.00) increase on their monthly bills or around nine thousand two hundred forty-three pesos (P9,243.00) per annum. The more persons working from home in a household, the higher the increase in consumption. In fact, many households were shocked with the bill increases they received in the months when the country was in lockdown. Thus, assistance must be provided to the employees in order to cushion the impact of this new normal and make this practice sustainable.

Therefore, this measure seeks to amend Republic Act No. 11165, or the Telecommuting Act, by expanding its coverage to include the public or government sector as government employees also require assistance and by requiring employers to provide their telecommuting employees with a P1,000 non-taxable allowance per month to answer for the additional cost of utilities from telecommuting. This policy also seeks to provide minimum standards and regulations for government employees who are on work from home arrangements.

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


Rep. Fidel Nograles
4th District of Rizal Province

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Fourth District
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**AN ACT
EXPANDING THE COVERAGE OF THE TELECOMMUTING ACT TO THE
PUBLIC SECTOR AND PROVIDING INCENTIVES FOR TELECOMMUTING
EMPLOYEES, AMENDING FOR THE PURPOSE, REPUBLIC ACT NO. 11165,
OTHERWISE KNOWN AS THE TELECOMMUTING ACT AND FOR OTHER
PURPOSES**

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

SECTION 1. Section 2 of Republic Act No. 11165, otherwise known as the Telecommuting Act, is hereby amended to read as follows:

“SECTION 2. IT IS HEREBY A DECLARED POLICY OF THE STATE TO AFFIRM LABOR AS A PRIMARY SOCIAL ECONOMIC FORCE. TO THIS END, IT SHALL PROTECT THE RIGHTS OF WORKERS BOTH FROM THE PRIVATE AND PUBLIC SECTOR AND PROMOTE THEIR WELFARE, ESPECIALLY IN THE LIGHT OF TECHNOLOGICAL DEVELOPMENT THAT HAS OPENED UP NEW AND ALTERNATIVE AVENUES FOR EMPLOYEES TO CARRY OUT THEIR WOT SUCH AS TELECOMMUTING, AND OTHER FLEXIBLE WORK ARRANGEMENTS.

IT IS THE POLICY OF THE STATE TO PROMOTE WORK LIFE BALANCE AMONG WORKERS BOTH FROM THE PRIVATE AND PUBLIC SECTOR.

IT IS THE POLICY OF THE STATE TO PROMOTE A HIGH STANDARD OF ETHICS IN THE PUBLIC SERVICE AND REQUIRES GOVERNMENT PERSONNEL TO DISCHARGE THEIR DUTIES WITH UTMOST RESPONSIBILITY, INTEGRITY, COMPETENCE, AND UPHOLD PUBLIC INTEREST OVER PERSONAL INTEREST WHILE SERVING THE PUBLIC EVEN IN A WORK FROM HOME ARRANGEMENT."

SEC 2. Section 3 of Republic Act No. 11165, otherwise known as the Telecommuting Act, is hereby amended to read as follows:

"SEC. 3. TELECOMMUTING/TELEWORK PROGRAM - AN EMPLOYER IN THE PRIVATE OR PUBLIC SECTOR MAY OFFER A TELECOMMUTING PROGRAM TO ITS EMPLOYEES ON A VOLUNTARY BASIS, AND UPON SUCH TERMS AND CONDITIONS AS THEY MAY MUTUALLY AGREE UPON; X X X

SEC 3. Section 8 of Republic Act No. 11165, otherwise known as the Telecommuting Act, is hereby amended to read as follows:

"SEC 8. TELECOMMUTING PILOT PROGRAM - THE DOLE AND THE CIVIL SERVICE COMMISSION (CSC) SHALL ESTABLISH AND MAINTAIN A TELECOMMUTING PILOT PROGRAM IN SELECT INDUSTRIES WHICH SHALL LAST FOR A PERIOD OF NOT MORE THAN THREE (3) YEARS. THE SAID AGENCIES SHALL BE RESPONSIBLE FOR BASELINE, SCOPING, PROFILING RESEARCH OR PRIOR TO IMPLEMENTATION, REGULAR QUARTERLY MONITORING AND

EVALUATION. AT THE END OF THE PILOT PROGRAM, THE DOLE AND CSC SHALL SUBMIT A REPORT TO CONGRESS ON ITS FINDINGS."

SEC 4. Another new sections are hereby inserted after Section 8 of Republic Act No. 11165, which shall read as follows:

SEC 9. POLICIES IN PUBLIC SECTOR TELECOMMUTING. THE CIVIL SERVICE COMMISSION AND THE HEADS OF THE EXECUTIVE AGENCY SHALL

- a. ESTABLISH A POLICY UNDER WHICH ELIGIBLE EMPLOYEES OF THE AGENCY MAY BE AUTHORIZED TO TELECOMMUTING;
- b. DETERMINE THE ELIGIBILITY FOR ALL EMPLOYEES OF THE AGENCY TO PARTICIPATE IN TELECOMMUTING; AND
- c. NOTIFY ALL EMPLOYEES OF THE AGENCY OF THEIR ELIGIBILITY TO TELEWORK.

SEC 10. WHERE TELECOMMUTING DOES NOT APPLY IN THE PUBLIC SECTOR. TELEWORKING IN THE PUBLIC SECTOR SHALL NOT BE AVAILABLE IN THE FOLLOWING CIRCUMSTANCES: EXCEPT IN EMERGENCY SITUATIONS AS DETERMINED BY THE HEAD OF AN AGENCY, NOT APPLY TO ANY EMPLOYEE OF THE AGENCY WHOSE OFFICIAL DUTIES REQUIRE ON A DAILY BASIS (EVERY WORK DAY) A DIRECT HANDLING OF SECURE MATERIALS DETERMINED TO BE INAPPROPRIATE FOR TELEWORK BY THE AGENCY HEAD; OR ON-SITE ACTIVITY THAT CANNOT BE HANDLED REMOTELY OR AT AN ALTERNATE WORKSITE; AND BE INCORPORATED AS PART OF THE CONTINUITY OF OPERATIONS PLANS OF THE AGENCY IN THE EVENT OF AN EMERGENCY.

SEC. 11. TELECOMMUTING RESEARCH. THE DOLE AND THE CSC, IN COORDINATION WITH OTHER GOVERNMENT AGENCIES SHALL:

- a. DESIGN AND CONDUCT A TEST PROGRAM THAT WILL ENHANCE COST SAVINGS OR OTHER EFFICIENCIES THAT ACCRUE TO THE GOVERNMENT AND PROVIDE AN ANALYSIS OF THE EXPECTED COSTS AND BENEFITS AND A SET OF CRITERIA FOR EVALUATING THE EFFECTIVENESS OF THE PROGRAM UNDER SECTION 3 (8) OF THIS ACT;
- b. RESEARCH AND ANALYZE THE UTILIZATION OF TELEWORK BY PUBLIC AND PRIVATE SECTOR ENTITIES THAT IDENTIFY BEST PRACTICES AND RECOMMENDATIONS FOR THE NATIONAL GOVERNMENT;
- c. REVIEW THE OUTCOMES ASSOCIATED WITH AN INCREASE IN TELEWORK, INCLUDING THE EFFECTS OF TELEWORK ON ENERGY CONSUMPTION; JOB CREATION AND AVAILABILITY; RECRUITMENT AND RETENTION; PERFORMANCE AND PRODUCTIVITY, EMPLOYEE ATTITUDES AND OPINIONS; URBAN TRANSPORTATION PATTERNS; AND THE ABILITY TO ANTICIPATE THE DISPERSAL OF WORK DURING PERIODS OF EMERGENCY, AMONG OTHERS; AND
- d. MAKE ANY STUDIES OR REVIEWS PERFORMED UNDER THIS SUBSECTION WHICH SHALL BE SUBMITTED TO CONGRESS ANNUALLY AND SHALL BE MADE AVAILABLE TO THE PUBLIC.

SEC 12. INCENTIVES FOR TELECOMMUTING EMPLOYEES. ALL EMPLOYEES WORKING UNDER A TELECOMMUTING PROGRAM SHALL BE ENTITLED TO A NON-TAXABLE TELECOMMUTING ALLOWANCE OF AT LEAST ONE THOUSAND PESOS (P1,000.00) FOR EVERY MONTH SERVED UNDER SUCH AGREEMENT. PROVIDED, THAT, NOTHING IN THIS PROVISION SHALL BE CONSTRUED TO ELIMINATE OR IN ANY WAY DIMINISH SUPPLEMENTS, ALLOWANCES, OR OTHER EMPLOYEE

BENEFITS SERVING A SIMILAR PURPOSE BEING ENJOYED AT THE TIME OF THE IMPLEMENTATION OF THIS LAW. PROVIDED FURTHER, THAT, NOTHING IN THIS PROVISION SHALL BE INTERPRETED TO PROHIBIT THE EMPLOYERS OR THE COLLECTIVE BARGAINING AGREEMENT FROM PROVIDING TERMS HIGHER OR MORE FAVORABLE THAN THE ABOVE-MENTIONED RATE. PROVIDED FINALLY, THAT, ALLOWANCES GRANTED BY PRIVATE EMPLOYERS UNDER THIS PROVISION SHALL BE DEDUCTIBLE FOR INCOME TAX PURPOSES."

Succeeding sections of RA 11165 are hereby renumbered accordingly.

SEC. 5. Penalties. Any violation of the provisions of this Act shall be punished with a fine of not more than Ten Thousand Pesos (P10,000.00).

SEC 6. Implementing Rules and Regulations. — The Department of Labor and Employment, the Civil Service Commission, the Department of Finance, and the Bureau of Internal Revenue shall promulgate the rules and regulations to implement this Act within ninety (30) days from the effectivity of this Act.

Sec. 7. Separability Clause. — If any provision or part thereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

Sec. 8. Repealing Clause. — Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

Sec. 9. Effectivity Clause. — This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,