

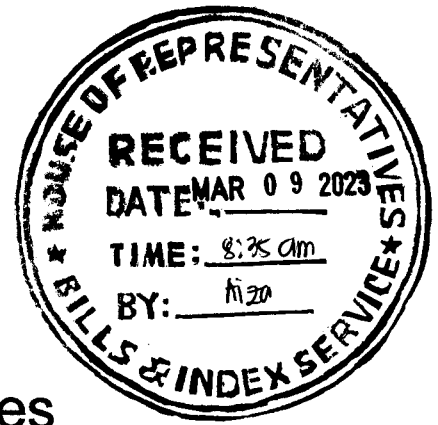
Republic of the Philippines

House of Representatives

Batasan Hills, Quezon City

Nineteenth Congress
First Regular Session

HOUSE BILL NO. **7555**



Introduced by Representative Florencio Gabriel "Bem" G. Noel and
Representative Josephine Veronique "Jaye" R. Lacson-Noel

EXPLANATORY NOTE

The Constitution, Article XIII, Section 3, paragraphs 1 and 2 provide

"The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equal employment opportunities for all."

"It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law."

The Philippine's Business Process Outsourcing (BPO) industry has edged out India as the call center leader of the world.¹ The industry is now one of the biggest contributors to the Philippines' gross domestic product over the years as it grows steadily.

It employed over a million of Filipinos despite the pandemic, the BPO industry thrived by adapting remote to hybrid work arrangements. In 2019, the local BPO industry contributed \$26 billion to the Philippine economy.² With the exemption of closure during the pandemic, its revenue is expected to grow at a minimum rate of 10%.³

While the BPO sector gives us many advantages, there is still a need to balance the legitimate business interests of BPO companies with the labor rights of Filipino workers. Most of the country's BPO operations serve American and European clients, consequently, employees have to work night shifts because of the time zone difference. Night work can cause disruptions

¹ 7 Facts and Forecasts: The BPO Industry in the Philippines (usource.me)

² Id.

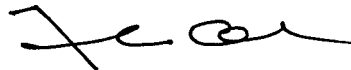
³ Id.

in employees' work-life balance and affect their psychological well-being. This work schedule is linked to health and occupational safety concerns. Problems like sleep disorders; fatigue; eye strain; neck, shoulder and back pains; and voice problems are typical for these workers. A study from International Labor Organization (ILO) found that 42.6% of BPO employees in the Philippines work the night shift.⁴ Another is harassment from furious clients, which was pointed as the primary cause of stress by BPO workers.

BPO workers are among the hardest working employees and they are our economy's sturdy support. They should be kept abreast of all relevant and accurate information concerning their employment rights, health and over-all well-being.

Thus, this bill seeks to protect the interests and welfare of the workers in the BPO Industry by giving them the right to social protection that includes their right to security of tenure, humane work conditions, a living wage and allowing them to organize and join collective bargaining and labor unions, cultivates lower attrition rates and attract more job seekers to the BPO industry, making it stronger and more productive. It is only a just right to protect the interests and welfare of the BPO workers as they play a significant role to national economy.

In view thereof, approval of this bill is earnestly sought.



FLORENCIO GABRIEL "BEM" G. NOEL

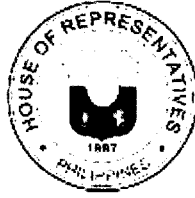
*Representative
An-Waray Partylist*



JOSEPHINE VERONIQUE "JAYE" R. LACSON-NOEL

*Representative
Malabon City, Lone District*

⁴ <http://www.gmanews.tv/story/204278/ilo-chief-tells-filipino-graduates-to-get-bpo-jobs>



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HOUSE BILL NO. **7555**

Representative Florencio Gabriel "Bem" G. Noel and
Representative Josephine Veronique "Jaye" R. Lacson-Noel

AN ACT
PROVIDING FOR THE PROTECTION OF FILIPINO WORKERS IN THE
BUSINESS PROCESS OUTSOURCING (BPO) INDUSTRY

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

Section 1. Short Title. This Act shall be known as the "*Magna Carta for BPO Workers Act.*"

Sec. 2. Declaration of Policy –

- a) It is the policy of the State to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equal employment opportunities for all.
- b) The State shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.
- c) As a party to the International Labor Organization (ILO) Convention concerning Freedom of Association and Protection of the Right to Organize, the State affirms that workers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization.

Sec. 3. Definition of Terms. As used in this Act, the term:

- a) *"Business Process Outsourcing"* or "BPO" refers to the transfer of an organization's non-core processes to a third-party who uses an information technology-based service delivery, and in turn manages the selected process based on defined and measurable performance criteria;
- b) *"Call center"* is a type of BPO and refers to a centralized office for receiving and transmitting requests by telephone or Internet. Call center operations include, but are not limited to, the granting of incoming product support, information inquiries from consumers, and outgoing calls for telemarketing, clientele, product services, and debt collection;
- c) *"BPO worker/employee"* shall refer to any person employed in a BPO industry either in a temporary/ probationary or permanent capacity;
- d) *"Department"* shall refer to the Department of Labor and Employment;
- e) *"Secretary"* shall refer to the Secretary of Labor and Employment.

Sec. 4. Rights of BPO Workers. BPO workers/ employees shall enjoy the following rights:

- a) The right to organize and join labor organizations;
- b) The right to a safe and healthy working environment which will facilitate optimal physical and mental health in relation to their work;
- c) BPO workers/ employees shall have at least a one (1) hour continuous meal break in the middle of every eight (8) hour shift;
- d) The right to privacy of BPO workers/ employees shall be respected. The monitoring of personal phone calls shall not be allowed, and in the event that their official phone conversations are monitored, they must be informed of this at all times prior to the start of the monitoring process;
- e) For workers/ employees working in the night shift, they shall have the right to stay in a comfortable resting area within the employer's premises until daybreak to ensure their safety;
- f) The right to be informed of the terms and conditions of their contract.

Sec. 5. Duties of Employers in the Industry. It is the duty of BPO companies engaged in business in the Philippines to observe the following;

- a) Establish and maintain a safe and healthy working environment which will facilitate optimal physical and mental health in relation to the work of workers/ employees;
- b) Monitoring software should not be used to unduly pressure employees and should not impose an oppressive working environment;
- c) Employers should incorporate regular rest breaks and changes in activity for all display screen equipment users;

- d) They are required to carry out risk assessments and to remove monotonous work and work at a pre-determined rate when designing tasks whenever possible;
- e) All BPO companies shall inform their prospective recruits that they can have their contract explained to them free of charge at the BPO Help Desk of the Department of Labor and Employment;

Sec. 6. BPO Help Desk. There shall be a BPO Help Desk at the national and regional offices of the Department of Labor and Employment (DOLE). It shall be equipped to advise employees or prospective employees of BPO companies of the terms and conditions of their employment when presented with a copy of the contract. It shall also inform employees of the proper procedure in filing complaints for violation of this Act.

Sec. 7. Grievance Mechanism. There shall be a mechanism in every company for the adjustment and resolution of grievances arising from the interpretation and enforcement of employment contracts and company personnel policies. This shall not require the prior existence of a collective bargaining agreement for the mechanism to be put in place.

Sec. 8. Discrimination. It shall be unlawful for any BPO company to discriminate against any employee on account of gender identity, race and creed with respect to terms and conditions of employment such as promotions, training opportunities and other forms of benefits.

Section 9. Incentives for BPO companies. To encourage the active participation of BPO companies in promoting the welfare of BPO employees, BPO companies who completely complies with all the provisions herein mentioned, shall be entitled to an additional deduction, from their gross income, equivalent to ten percent (10%) of the total amount paid as salaries and wages to employees.

Section 10. Penal provisions. Any person or company who violates the provisions of this Act shall be punished with a fine in the amount of not less than One Hundred Thousand Pesos (P100,000.00) and/or imprisonment of not less than two (2) months but not more than one (1) year, or both, at the discretion of the Court.

Sec. 11. Jurisdiction. The Labor Arbiter shall have primary and exclusive jurisdiction to hear and decide within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, cases involving all workers in the BPO industry as provided for under Article 217 of the Labor Code.

Sec. 12. Application to Other Sectors of the BPO Industry. The provisions of this Act shall apply to other areas of the BPO industry whenever applicable.

Sec. 13. Annual Report to Congress. The Secretary shall submit a report within one year from the implementation of this Act, and every year thereafter, on the improvement in the working conditions and attrition rate in the BPO industry.

Sec. 14. Implementing Rules and Regulations. The Secretary shall formulate and disseminate the Implementing Rules and Regulations of this Act.

Sec. 15. Separability Clause. If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

Sec. 16. 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. 17. Effectivity Clause. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,