

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. **10327**



Introduced by the **Honorable ANIELA BIANCA D. TOLENTINO**

EXPLANATORY NOTE

The COVID-19 pandemic led Filipinos to accept the concepts of telecommuting and working from home. Employers, multinational corporations, and micro, small, and medium enterprises also embraced a hybrid work setup of onsite and work from home methods.

Republic Act No. 11165, otherwise known as the "Telecommuting Act," encourages the private sector to explore telecommuting work arrangements for their employees and it has become significant more than ever because of the COVID- 19 pandemic. However, working from home tends to increase utilities consumption, particularly electricity. 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.

The proposed legislation herein seeks to amend R.A. No. 11165 to require employers to provide their telecommuting employees with a Three Thousand Pesos (P3,000.00) non-taxable allowance per month to answer for the additional cost of utilities from telecommuting. The financial assistance to telecommuting employees must be provided to the employees to cushion the impact of the additional expenses on utilities brought about this work set-up.

This representation also seeks to strengthened and expand the coverage of the Telecommuting Act by including the public or government sector. This bill seeks to equalize the opportunity between the private and public sectors by allowing employees from the latter to also have a chance for a work set-up under the Telecommuting Act.

For the Filipino people, the approval of the foregoing bill is earnestly being sought.

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**AN ACT STRENGTHENING AND EXPANDING THE COVERAGE
OF THE TELECOMMUTING ACT 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 the House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 4 of Republic Act (R.A.) No. 11165, otherwise known as the "Telecommuting Act," is hereby amended to read, thus:

"SEC. 4. Telecommuting 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;"

SECTION 2. A new section is hereby inserted after Section 8 of R.A. No. 11165, which shall read as follows:

"SEC 9. 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 EMPLOYED UNDER SAID ARRANGEMENT; 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 AND CURRENTLY 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 ABOVEMENTIONED RATE; PROVIDED FINALLY, THAT, ALLOWANCES GRANTED BY PRIVATE EMPLOYERS UNDER THIS PROVISION SHALL BE DEDUCTIBLE FOR INCOME TAX PURPOSES."

Succeeding sections of R.A. No. 11165 are hereby renumbered accordingly.

SECTION 3. *Penalties.* - Any violation of the provisions of this Act shall be punished with a fine of not more than One Hundred Thousand Pesos (P100,000.00).

SECTION 4. *Implementing Rules and Regulations.* - The Department of Labor and Employment, the Department of Finance, and the Bureau of Internal Revenue shall promulgate the rules and regulations to implement this Act within ninety (90) days from the effectivity of this Act.

SECTION 5. *Separability Clause.* - If any provision of this Act is declared invalid or unconstitutional, the remaining provisions shall continue to be in full force and effect.

SECTION 6. *Repealing Clause.* - All laws, decrees, executive orders, proclamations, rules and regulations, and issuances, or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed, amended, or modified accordingly.

SECTION 7. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,