



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 502



Introduced by Representative Crispin Diego “Ping” D. Remulla

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

EXPLANATORY NOTE

The Business Process Outsourcing (BPO) industry has become a key pillar of the Philippine economy, widely regarded as a “sunshine industry” due to its rapid expansion and substantial contributions to national development. In 2024 alone, the sector generated an estimated \$38 billion in export revenue, representing approximately 8.5% of the country’s Gross Domestic Product (GDP). With 1.82 million full-time employees, the BPO industry stands as the largest private-sector employer in the nation.

The Philippines has established itself as a global leader in outsourcing services, owing to its highly skilled, English-speaking workforce, cost efficiency, and dependable telecommunications infrastructure. These factors have made the country a preferred hub for a wide range of services, including customer support, technical assistance, data analytics, and software development.

However, alongside the industry’s impressive growth, several labor-related issues have arisen. These include reports of non-compliance with minimum wage laws, extended working hours without proper compensation, limited service incentives, and restrictions on workers’

rights to organize. Additionally, health and safety concerns persist, especially for night-shift workers who may be exposed to risks such as fatigue, harassment, and inadequate security.

This proposed measure aims to establish a comprehensive framework that safeguards the rights and welfare of BPO workers while also upholding the legitimate interests of industry stakeholders. It emphasizes the enforcement of labor standards, including fair wages, reasonable working hours, and proper benefits. It also promotes the implementation of health and safety protocols tailored to the nature of BPO operations, safeguards the right to organize and bargain collectively, and encourages continuous skills development and career advancement to keep the workforce aligned with industry demands.

Through this measure, the State affirms its commitment to upholding the dignity of labor and ensuring that economic growth leads to inclusive and sustainable development for Filipino workers.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'Remulla', with a stylized, cursive script.

CRISPIN DIEGO "PING" D. REMULLA



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

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

3 **SEC. 2. *Declaration of Policy.*** (a) It is the policy of the State to afford full protection
4 to labor, local and overseas, organized and unorganized, and promote full employment and
5 equal employment opportunities for all.

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

11 (c) As a party to the International Labor Organization Convention concerning
12 Freedom of Association and Protection of the Right to Organize, the State affirms that workers,
13 without distinction whatsoever, shall have the right to establish and, subject only to the rules
14 of the organization concerned, to join organizations of their own choosing without previous
15 authorization.

16 **SEC. 3. *Definition of Terms.*** - As used in this Act, the term:

1 Business Process Outsourcing or BPO refers to the transfer of an organization's non-
2 core processes to a third-party who uses an information technology based service delivery, and
3 in turn manages the selected process based on defined and measurable performance criteria;

4 Call center is a type of BPO and refers to a centralized office for receiving and
5 transmitting requests by telephone or Internet. Call center operations include, but are not
6 limited to, the granting of incoming product support, information inquiries from consumers,
7 and outgoing calls for telemarketing, clientele, product services, and debt collection;

8 BPO worker/employee shall refer to any person employed in a BPO industry either in
9 a temporary/probationary or permanent capacity;

10 Department shall refer to the Department of Labor and Employment;

11 Secretary shall refer to the Secretary of Labor and Employment;

12 **SEC. 4. Rights of BPO Workers / Employees.** – BPO workers / employees shall enjoy
13 the following rights:

14 The right to organize and join labor organizations;

15 The right to a safe and healthy working environment which will facilitate optimal
16 physical and mental health in relation to their work;

17 BPO workers / employees shall have at least a one (1) hour continuous meal break in
18 the middle of every eight (8) hour shift;

19 The right to privacy of BPO workers / employees shall be respected. The monitoring of
20 personal phone calls shall not be allowed, and in the event that their official phone
21 conversations are monitored, they must be informed of this at all times prior to the start of the
22 monitoring process;

23 For workers / employees working in the night shift, they shall have the right to stay in
24 a comfortable resting area within the employer's premises until daybreak to ensure their safety;

25 The right to be informed of the terms and conditions of their contract.

26 **SEC. 5. Duties of Employers in the Industry.** - It is the duty of BPO companies
27 engaged in business in the Philippines to observe the following:

28 Establish and maintain a safe and healthy working environment which will facilitate
29 optimal physical and mental health in relation to the work of workers / employees;

30 Monitoring software should not be used to unduly pressure employees and should not
31 impose an oppressive working environment;

32 Employers should incorporate regular rest breaks and changes in activity for all display
33 screen equipment users;

1 They are required to carry out risk assessments and to remove monotonous work and
2 work at a pre-determined rate when designing tasks whenever possible;

3 All BPO companies shall inform their prospective recruits that they can have their
4 contract explained to them free of charge at the BPO Help Desk of the Department of Labor
5 and Employment;

6 **SEC. 6. Fair Compensation and Benefits.** – BPO workers and employees shall be
7 entitled to compensation and benefits in accordance with the Labor Code and relevant laws. In
8 particular, the following shall be entitled to compensation and benefits in accordance with the
9 Labor Code and relevant laws. In particular, the following shall be observed:

10 (a) All workers shall receive wages not lower than the applicable minimum wage as
11 determined by the National Wages and Productivity Commission;

12 (b) Overtime pay shall be provided for work rendered beyond eight (8) hours in a day;

13 (c) Night shift differential pay shall be granted to workers who render services between
14 10 o'clock in the evening and six o'clock in the morning the following day, in
15 accordance with Article 86 of the Labor Code;

16 (d) Holiday pay, service incentive leave, and 13th month pay shall be granted as
17 mandated by law;

18 (e) Probationary workers shall be entitled to proportionate benefits, including the pro-
19 rated 13th month pay and applicable leave benefits; and

20 (f) Employers are encouraged to provide performance-based incentives, hazard pay for
21 high-risk accounts, and allowances to enhance employee welfare.

22 **SEC. 7. BPO Help Desk.** - There shall be a BPO Help Desk at the national and regional
23 offices of the Department of Labor and Employment. It shall be equipped to advise employees
24 or prospective employees of BPO companies of the terms and conditions of their employment
25 when presented with a copy of the contract. It shall also inform employees of the proper
26 procedure in filing complaints for violation of this Act.

27 **SEC. 8. Grievance Mechanism.** - There shall be a mechanism in every company for
28 the adjustment and resolution of grievances arising from the interpretation and enforcement of
29 employment contracts and company personnel policies. This shall not require the prior
30 existence of a collective bargaining agreement for the mechanism to be put in place.

31 **SEC. 9. Jurisdiction.** - The Labor Arbiter shall have primary and exclusive jurisdiction
32 to hear and decide within thirty (30) calendar days after the submission of the case by the
33 parties for decision without extension, even in the absence of stenographic notes, cases
34 involving all workers in the BPO industry as provided for under Article 217 of the Labor Code.

1 **SEC. 10. Application to Other Sectors of the BPO Industry.** - The provisions of this
2 Act shall apply to other areas of the BPO industry whenever applicable.

3 **SEC. 11. Annual Report to Congress.** - The Secretary shall submit a report within
4 one year from the implementation of this Act, and every year thereafter, on the improvement
5 in the working conditions and attrition rate in the BPO industry.

6 **SEC. 12. Implementing Rules and Regulations.** - The Secretary shall formulate and
7 disseminate the Implementing Rules and Regulations of this Act.

8 **SEC. 13. Separability Clause.** - If any provision or part hereof is held invalid or
9 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
10 valid and subsisting.

11 **SEC. 14. Repealing Clause.** - Any law, presidential decree or issuance, executive
12 order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent
13 with, the provisions of this Act is hereby repealed, modified, or amended accordingly.

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

Approved,