



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session
HOUSE BILL NO. **2011**

Introduced by Representative Ma. Rene Ann Lourdes G. Matibag

**AN ACT ESTABLISHING THE UNIVERSAL CHILD CARE SUPPORT PROGRAM,
INTEGRATING AND AMENDING EXISTING CHILD CARE AND FAMILY SUPPORT
PROGRAMS, PROVIDING SUBSIDIES, TAX INCENTIVES, AND WORKFORCE
DEVELOPMENT, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The underutilization of women's economic potential represents a significant missed opportunity for the Philippine economy. As of 2023, only 38.89% of Filipino women participate in the labor force, compared to 76.3% of men (PSA, 2023). This gap highlights a vast, untapped reservoir of talent and productivity that, if mobilized, could drive substantial economic growth. However, this issue must be understood within the context of Filipino cultural values, particularly the enduring role of the extended family in child care. The proposed Universal Child Care Support Bill is not intended to replace this traditional system, but to complement and support it—especially in times of transition, stress, or when extended family networks are unavailable due to geographic or economic reasons. As urbanization and economic pressures increase, more families require formal child care options as a supplement to, not a substitute for, family care. By building on the strengths of the Filipino extended family, the bill aims to create a hybrid child care model: formal services working in partnership with family networks, respecting cultural values while addressing modern economic realities (Asis, 2006).

International research consistently demonstrates the strong economic returns of investing in child care. When parents—especially mothers—can access reliable child care, labor force participation rises, fueling economic growth. For instance, the U.S. child care sector generated \$68.5 billion in revenue in 2022 and directly employed over 1.5 million workers, with ripple effects creating an additional \$83.8 billion in related economic activity. Child care investment yields a “triple dividend”: enhanced early childhood development leading to better education and life outcomes; increased female workforce participation and economic independence; and job creation both directly within child care services and indirectly in related sectors. Evidence from developed countries shows that access to center-based early childhood programs improves school readiness and has lasting effects, including higher educational attainment and earnings. These benefits accrue not only to families but to the broader economy through improved human capital.

The proposed legislation is designed to maximize economic and social returns while honoring Filipino family traditions. Formal child care will provide structured education and care, while grandparents and relatives continue to offer emotional and cultural support. Reliable child care enables more women to enter or remain in the workforce, especially when family support is unavailable. Easing the child care burden allows grandparents to pursue their own economic activities or retirement, reducing economic strain on families. Expansion of child care services will create thousands of jobs—including caregivers, teachers, and support staff—stimulate professional development, drive construction and infrastructure projects, and boost service industries through increased consumer spending.

The bill adopts a prudent, sustainable funding approach. An initial ₱15 billion government appropriation signals strong public commitment, while a 0.3% payroll contribution from large employers (with 100 or more employees) provides a stable revenue stream. A sliding scale of subsidies ensures that public resources are efficiently targeted to those most in need. The program’s annual costs are estimated at ₱15-20 billion at full implementation, including administrative expenses. The benefits include increased tax revenue from higher female employment, reduced social costs from improved child outcomes, economic multiplier effects, and long-term gains from enhanced human capital. International experience suggests that comprehensive child care programs typically achieve positive returns on investment within 5 to 7 years through increased tax revenue and reduced social costs.

In conclusion, the Universal Child Care Support Bill represents a strategic investment in the Philippines’ economic future and the well-being of its families. It respects and strengthens Filipino cultural values, supports working parents, empowers women, and delivers measurable economic and social benefits. By passing this legislation, the Philippines can unlock the full potential of its people and ensure a brighter future for the next generation.



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

SECTION 1. Short Title.

This Act shall be known as the “Universal Child Care Support Act of 2025.”

SECTION 2. Declaration of Policy.

It is hereby declared the policy of the State to:

(a) Promote the holistic welfare and development of children through accessible, affordable, and quality child care services and early childhood education;

- (b) Enhance women's workforce participation by reducing child care barriers, particularly for single parents and low- to middle-income families;
- (c) Recognize child care as critical infrastructure for economic growth, family stability, and social equity;
- (d) Ensure equitable access to quality child care for all Filipino children, regardless of family income, geographic location, or cultural background;
- (e) Professionalize and fairly compensate the child care workforce, integrating global best practices and supporting career advancement;
- (f) Harmonize existing child care and family support programs, such as the Early Childhood Care and Development (ECCD) System and the Pantawid Pamilyang Pilipino Program (4Ps), to maximize resources and impact.

SECTION 3. Definition of Terms. As used in this Act:

- (a) "Child Care Services" refers to developmental programs and activities for children from birth to twelve (12) years of age, including day care, family day care, after-school programs, early childhood education, and culturally appropriate community-based care;
- (b) "Qualified Family" refers to families with gross annual income not exceeding four hundred percent (400%) of the poverty threshold, as determined by the Philippine Statistics Authority, to include low- to middle-income households;
- (c) "Child Care Provider" refers to individuals or entities licensed or accredited by the Department of Social Welfare and Development (DSWD) or its partner agencies, including day care centers, family day care providers, after-school programs, and early childhood education facilities;
- (d) "Child Care Worker" refers to individuals employed in licensed or accredited child care facilities, holding qualifications such as TESDA National Certificates (e.g., Caregiving NC II, Early Childhood Education NC II), equivalent foreign credentials, or other DSWD-approved certifications;
- (e) "Sliding Scale Subsidy" refers to financial assistance adjusted based on family income and size, with higher subsidies for lower-income families;

(f) “ECCD System” refers to the Early Childhood Care and Development System established under Republic Act No. 10410;

(g) “Community-Based Care” refers to culturally sensitive child care models, including those provided by extended family members or community cooperatives, accredited under simplified licensing processes.

SECTION 4. Establishment of the Universal Child Care Support Program.

The Universal Child Care Support Program (UCCSP) is hereby established under the Department of Social Welfare and Development (DSWD), in coordination with the Early Childhood Care and Development Council (ECCD Council), Department of Education (DepEd), Department of Labor and Employment (DOLE), and Technical Education and Skills Development Authority (TESDA). The UCCSP shall integrate and enhance existing programs, including the ECCD System and LGU-run day care services, to provide a unified framework for child care support.

SECTION 5. Child Care Subsidy Program.

(a) Eligibility. Qualified families, as defined in Section 3(b), shall be entitled to child care subsidies based on a sliding scale determined by family income, size, and regional cost-of-living adjustments.

(b) Subsidy Scale:

- Families earning up to 100% of poverty threshold: 100% subsidy coverage
- Families earning 101% to 200% of poverty threshold: 80% subsidy coverage
- Families earning 201% to 300% of poverty threshold: 60% subsidy coverage
- Families earning 301% to 400% of poverty threshold: 40% subsidy coverage

(c) Priority Groups. Priority shall be given to:

- Single-parent households, particularly single mothers
- Families with children with disabilities
- Indigenous communities and geographically isolated areas
- Overseas Filipino Worker (OFW) families
- Child care workers and their families
- Families transitioning out of the 4Ps program

(d) Coverage. Subsidies shall cover licensed or accredited child care services, including day care, after-school programs, and community-based care, for children from birth to twelve (12) years of age.

(e) Integration with 4Ps. Subsidies shall complement 4Ps cash grants, with streamlined eligibility processes to ensure seamless support for 4Ps beneficiaries transitioning to UCCSP.

SECTION 6. Child and Dependent Care Tax Credit.

(a) Tax Credit Entitlement. Qualified taxpaying families shall be entitled to a refundable tax credit for child care expenses incurred during the taxable year, applicable to licensed or accredited providers.

(b) Credit Amount:

- Up to Twenty Thousand Pesos (₱20,000) per child under thirteen (13) years of age
- Maximum of Sixty Thousand Pesos (₱60,000) per family per year
- Credit percentage decreases as income increases, with maximum credit for families earning up to 200% of poverty threshold and partial credit up to 400% of poverty threshold

(c) Refundable Nature. The credit shall be refundable, ensuring families with no tax liability receive payments.

(d) Coordination with BIR. The Bureau of Internal Revenue (BIR) shall simplify filing procedures and integrate the credit with existing tax benefits for dependents under the National Internal Revenue Code.

SECTION 7. Child Care Workforce Development Program.

(a) Free Child Care for Workers. Licensed or accredited child care workers shall receive free child care services for their children (up to age 12) while working.

(b) Professional Development Fund. A fund shall be established to provide:

- Scholarships for TESDA-accredited courses (e.g., Caregiving NC II, Early Childhood Education NC II)
- Recognition of foreign credentials (e.g., Child Development Associate, international ECE diplomas) through equivalency assessments
- Annual training stipends for ongoing professional development
- Wage supplements to ensure a minimum living wage, benchmarked to regional standards

(c) Career Pathway Program. The DSWD, in coordination with TESDA, DepEd, and the ECCD Council, shall develop:

- A national certification framework aligned with international standards (e.g., Child Development Associate)
- Bridging programs for workers with foreign or informal qualifications

- Career ladders for advancement to roles such as lead educators or center managers

(d) Support for Informal Caregivers. Community-based caregivers (e.g., extended family members, barangay volunteers) may access training and simplified accreditation to transition into formal roles.

SECTION 8. Quality Standards and Accreditation.

(a) The DSWD, in consultation with the ECCD Council, shall establish national quality standards for child care providers, harmonizing with ECCD System standards under RA 10410.

(b) Standards shall include:

- Health, safety, and developmental guidelines
- Staff-to-child ratios aligned with international benchmarks (e.g., 1:4 for infants, 1:10 for preschoolers)
- Culturally sensitive curricula incorporating local languages and indigenous practices

(c) Accreditation Process. A streamlined accreditation process shall be established for:

- Day care centers and ECCD programs
- Family day care and community-based providers
- Providers in rural and geographically isolated areas, with flexible compliance pathways

(d) Monitoring. Regular inspections and community feedback mechanisms shall ensure compliance, with support for providers to meet standards.

SECTION 9. Implementation and Administration.

(a) Lead Agency. The DSWD, through the ECCD Council, shall serve as the lead implementing agency, utilizing existing ECCD infrastructure.

(b) Inter-Agency Coordination. A National Child Care Council shall be established, composed of:

- Secretary of Social Welfare and Development (Chairperson)
- Executive Director of the ECCD Council (Co-Chair)
- Secretary of Education
- Secretary of Labor and Employment
- Secretary of Health
- Secretary of Finance
- Commissioner of Internal Revenue
- Three (3) representatives from civil society (including parent and indigenous groups)
- Two (2) representatives from child care providers (including community-based providers)

(c) Local Implementation. Local Government Units (LGUs) shall strengthen existing Child Care Support Offices, integrated with barangay day care centers, to deliver UCCSP services locally.

(d) Public Awareness. The DSWD shall conduct campaigns to promote the program, emphasizing benefits of formal child care while respecting extended family traditions.

SECTION 10. Funding.

(a) Initial Appropriation. The amount of Fifteen Billion Pesos (₱15,000,000,000) is hereby appropriated for the first year of implementation.

(b) Subsequent Funding. Funding shall be included in the annual General Appropriations Act, with allocations prioritized for underserved regions.

(c) Employer Contribution. Employers with more than one hundred (100) employees shall contribute 0.3% of their total payroll to the Child Care Support Fund, with exemptions for micro and small enterprises.

(d) Special Child Care Support Fund. A fund is created, consisting of:

- Annual appropriations
- Employer contributions
- Grants, donations, and public-private partnerships
- Savings from integrated ECCD and 4Ps programs
- Income from investments

(e) Cost-Sharing with LGUs. LGUs shall allocate a portion of their Internal Revenue Allotment (IRA) to support local child care facilities, matched by national funds.

SECTION 11. Incentives for Child Care Providers.

(a) Providers participating in the UCCSP shall be entitled to:

- Tax deductions for facility improvements, equipment, and training costs
- Subsidized utilities (e.g., electricity, water) for accredited centers
- Access to low-interest loans and grants for expansion, prioritized for rural and indigenous areas

(b) Start-Up Support. New providers, including community cooperatives, shall receive seed funding and technical assistance to establish accredited facilities.

SECTION 12. Monitoring and Evaluation.

(a) The DSWD, with the ECCD Council, shall develop a digital monitoring system to track program outcomes, including beneficiary reach, child development metrics, and workforce retention.

(b) Annual reports shall be submitted to Congress and made publicly accessible, with data disaggregated by region, income level, and priority group.

(c) Participatory Evaluation. LGUs, parents, and child care providers shall contribute to annual reviews to ensure community-driven improvements.

SECTION 13. Penalties.

(a) Providers who fraudulently claim subsidies or violate quality standards shall face:

- Suspension or revocation of accreditation
- Fines of ₱50,000 to ₱500,000
- Restitution of funds and potential criminal charges

(b) Employers failing to remit contributions shall be subject to penalties under the Labor Code and Tax Code.

SECTION 14. Recognition of Foreign Credentials.

(a) Child care workers with foreign credentials (e.g., Child Development Associate, international ECE diplomas) may apply for equivalency assessment through TESDA or the ECCD Council.

(b) The DSWD shall establish bridging programs to assist foreign-trained workers in meeting local accreditation standards, utilizing the Professional Development Fund (Section 7(b)).

SECTION 15. Amendments to Existing Laws.

(a) Republic Act No. 10410 (ECCD Act) is amended to integrate the ECCD System into the UCCSP, with the ECCD Council serving as a key implementing body.

(b) Pantawid Pamilyang Pilipino Program (4Ps) is amended to align eligibility and benefits with UCCSP subsidies, ensuring seamless support for 4Ps graduates.

(c) All other laws, decrees, or regulations inconsistent with this Act are repealed or modified accordingly.

SECTION 16. Implementing Rules and Regulations.

Within sixty (60) days from the effectivity of this Act, the DSWD, in consultation with the ECCD Council, DepEd, DOLE, TESDA, BIR, and stakeholders (including parent groups, indigenous communities, and providers), shall promulgate implementing rules and regulations.

SECTION 17. Separability Clause.

If any provision of this Act is declared unconstitutional or invalid, the remaining provisions shall remain valid and effective.

SECTION 18. Effectivity Clause.

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