

TWENTIETH CONGRESS)
OF THE REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES
House Bill No. 3920

Introduced by Representative **FRANZ FERNANDEZ LEGAZPI**

AN ACT
PROVIDING PROTECTION TO FREELANCERS, PROVIDING PENALTIES
THEREFOR AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Freelance workers or “Freelancers” are self-employed professionals who offer their services to clients on a per-project or per-task basis, rather than being employed by a single company. Oftentimes freelancers manage their own schedules, negotiate contracts, and handle their own taxes and business expenses, as well as work with multiple clients simultaneously, making the profession attractive to many tech-savvy individuals.

Driven by the ubiquity of digital connectivity and higher compensation, more Filipinos are choosing freelance jobs. In a 2018 study, the Philippines was recorded to have one of the highest number of freelancers per capita among the 22 countries surveyed at around 2% of the population, or an estimated 1.5 million freelancers.¹ In 2019, Forbes listed the Philippines in 6th place for the fastest growing market for freelancers, recording a 35% income growth from the previous year.² In a 2020 study, it was estimated that the oversupply of online workers globally reached 1.576 million. Of this number, around 12% or 188,300 are Filipinos, showing that there are potentially 221,100 Filipino online workers but only 32,800 are successful online workers in the country.³

As the pandemic accelerated the shift to digitalization, the Philippines recorded a 208% growth in freelance revenues in 2020, much faster than the 35% percent growth registered in 2019 according to the Philippine Institute for Development Studies (PIDS). According to the Philippine Statistics Authority (PSA) as of early 2024, an estimated 27% of Filipino workers or 13.3 million Filipinos are self-employed, among them include freelancers.⁴

It is thus imperative to support, protect and empower Filipino freelancers which serve as a vital and growing segment of our modern workforce. This legislation seeks to provide protection to freelancers by setting minimum standard requirements for freelancing employment contracts and compensation rates, creating the Bureau of Freelance Work in the Department of Labor and Employment and the Freelance Workers Portal to become the primary government entity and digital service to protect the rights of freelancers, and ultimately, provide legal recognition to freelancers and freelance work in the Philippines.

For the foregoing reasons, the approval of this bill is earnestly sought.


FRANZ FERNANDEZ LEGAZPI
Representative, Pinoy Workers Party list

¹ <https://www.philstar.com/the-freeman/cebu-business/2025/05/30/2446951/educated-filipinos-backbone-phl-economy>

² <https://www.forbes.com/sites/elainepofeldt/2019/08/18/the-top-10-fastest-growing-freelance-markets-in-the-world/>

³ <https://www.pids.gov.ph/details/online-workers-must-agree-on-a-wage-floor-pids-study>

⁴ <https://psa.gov.ph/statistics/labor-force-survey>

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

CHAPTER I
GENERAL PROVISIONS

1 **SECTION 1. *Title.*** - This Act shall be known as the “Freelance Workers Protection Act.”

2
3 **SEC. 2. *Declaration of Policy.*** – Pursuant to Article II, Section 18, and Article XIII,
4 Section 3 of the Constitution, it is hereby declared the policy of the State to protect the rights of
5 workers and just share in the fruits of production. To this end, the State shall recognize the right
6 of freelance workers to protection from late or nonpayment of fees or services render.

7
8 **SEC. 3. *Definition of Terms.*** – As used in this Act:

- 9
10 a) *Freelance worker* refers to any natural person or entity composed of no more than one
11 (1) natural person, whether incorporated under the Securities and Exchange
12 Commission (SEC), registered as a sole proprietorship with the Department of Trade
13 and Industry (DTI), or registered as self-employed with the Bureau of Internal Revenue
14 (BIR), who is hired or retained as an independent contractor to do work according to
15 one’s own methods and without being subjected to the control of the hiring party,
16 except only as to the results of the work;
17
18 b) *Hiring party* refers to any person or entity that obtains or retains the services of a
19 freelance worker; and
20
21 c) *Retaliation* refers to any act reasonably likely to prevent a freelance worker from
22 further being offered freelance work and contracts.
23

24 **SEC. 4. *Written Contract.*** – Any hiring party obtaining or retaining the services of a
25 freelance worker shall execute a written contract with the freelance worker before the services are
26 rendered. The hiring party and the freelance worker shall each retain a signed copy of the contract.
27

28 The written contract shall be written in plain language, understood by both parties. It shall
29 include, at the minimum following:

- 1
2 (a) Itemization of all services to be provided by the freelance worker;
3 (b) Details of compensation and other worker's benefits, including rate, method and schedule of
4 payment;
5 (c) Period of employment;
6 (d) Grounds for breach of contract on the part of the hiring party and of the freelance workers;
7 and
8 (e) Any other conditions, term or clause that the Department of Labor Employment (DOLE) may
9 direct, subject to the provisions of this Act.

10
11 The contract must state the necessary personal circumstances of the freelance worker,
12 including the worker's tax identification number. No modification of the terms of the contract shall
13 be enforceable unless signed by both the hiring party and freelance worker.

14
15 **SEC. 5. Down Payment.** An initial partial payment for the contracting of services of the
16 freelance worker shall be made upon engagement, which shall be not less than thirty (30%) of the
17 contract price.

18
19 **SEC. 6. Night Shift Differential.** – Freelance workers who are required to be physically
20 present in the workplace, or those on field assignments, shall be paid a night shift differential of
21 not less than ten percent (10%) of their regular compensation for each hour of work performed
22 between ten o'clock in the evening and six o'clock in the morning, unless there is a more favorable
23 fee stipulated in the contract.

24
25 **SEC. 7. Hazard Pay.** – All freelance workers deployed in dangerous areas such as strife-
26 torn or embattled locations, distressed or isolated stations, prison camps, mental hospitals,
27 radiation-exposed clinic, laboratories or disease-infested areas, or in areas declared under a state
28 of calamity or emergency for the duration of deployment and unduly exposes them to great danger,
29 contagion, radiation, occupational risks or perils to life, shall be compensated with a hazard pay
30 equivalent to at least twenty-five percent (25%) of the total payment for the period of such
31 deployment as agreed upon in the contract, unless there is a more favorable fee stipulated therein.

32
33 **SEC. 8. Unlawful Practices.** - It shall be unlawful for any hiring party to:

- 34
35 a) Pay the compensation due the freelance worker later than fifteen (15) days after the date of
36 payment of compensation stated in the written contract or after the rendition of services in cases
37 where there is no written contract;
38 b) Require as a condition of payment of compensation at any time after a freelance worker has
39 commenced rendition of services, that the latter accept less than the specified contract price; or
40 c) Commit any act of retaliation against any freelance worker for:
41 1.) Opposing any practice prohibited by this Act;
42 2.) Filing a complaint authorized under this Act;
43 3.) Testifying or assisting in any proceeding authorized under this Act;
44 4.) Commencing a civil action alleging a violation of this Act;
45 5.) Assisting the DOLE in an investigation commenced pursuant to this Act; or

