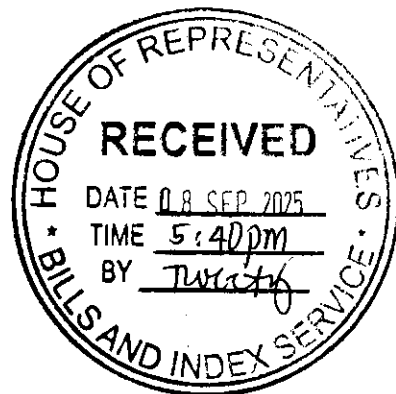




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session



HOUSE BILL NO. 4432

Introduced by Representative Johanne Monich G. Bautista

EXPLANATORY NOTE

Our Constitution recognizes the Filipino family as the foundation of the nation. Hence, the State is mandated to strengthen its solidarity and actively promote its total development. In this connection, Article II, Section 12 of the Constitution mandates the State to support the natural and primary right and duty of parents in the rearing of the youth for civic efficiency and the development of moral character. The State, under Article XV, Sections 3(2) and (3) of the Constitution, is also mandated to defend the right of children to assistance and to proper care, and the right of the families to a family living wage and income.

The well-being of parents and their ability to care for and nurture their children is important to a stable family. While our current labor laws provide for maternity, paternity, and solo parents benefits, these are insufficient to address the comprehensive needs of the parents in the modern workplace. In particular, these are insufficient to meet the challenges they face in caring for their children, such as when their children are sick, or when their children have special needs. The existing benefits are also insufficient to meet the costs of childcare in the midst of rising costs of living, low wages, limited income earning opportunities, and rigid working arrangements.

This bill seeks to grant leaves, flexible work arrangements, subsidies, and tax reliefs to assist parents in the burdens of childcare. It also grants incentives to businesses and professionals engaged in childcare, and employers providing assistance for their employees' childcare. This bill fulfills the State's duty not only to support the right of parent-workers to the rearing of their children, but also to their right to a family living wage and income.

In view of the foregoing, the immediate passage of this Bill is immediately sought.


JOHANNE MONICH G. BAUTISTA
Representative, TRABAHO Party-List



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**AN ACT STRENGTHENING THE RIGHTS AND BENEFITS
FOR PARENTAL CHILDCARE, AND PROVIDING FUNDS THEREFOR**

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

SECTION 1. *Short Title.* — This Act shall be known as the “*Parental Childcare Act of 2025.*”

SECTION 2. *Declaration of Policy.* — It is the declared policy of the State to support the natural and primary right and duty of parents in the rearing of the youth for civic efficiency and the development of moral character. Relatedly, it is the policy of the State to defend the right of children to assistance and to proper care. Moreover, the State shall defend the right of the family to a family living wage and income.

Towards these ends, the State shall institutionalize incentives and subsidies systems that will assist parents and caregivers in the financial costs associated with childcare, as well as measures and mechanisms to promote the accessibility of commodities essential to childcare and child rearing for all parents and caregivers, regardless of social status and financial capacity, and the development of businesses and professionals dedicated to childcare.

SECTION 3. *Coverage.* — This Act shall apply to all parents and caregivers, regardless of status, who are legally required to provide and are actually providing care and supervision, and are the primary source of the necessities, support, and authority of a child below eighteen (18) years old, in a permanent capacity, with the end goal of rearing the child until adulthood.

SECTION 4. *Definition of Terms.* — For purposes of this Act, the following terms shall be defined as follows:

- (a) *Caregiver* refers to a parent, legal guardian, or relative within fourth (4th) civil degree of consanguinity or affinity of the parent or legal guardian who assumes parental care and support of a child as a result of the death, abandonment, disappearance, or absence of the Parents;
- (b) *Child* or *Dependent* refers to a person under eighteen (18) years old, or who is eighteen (18) years old and older but is unable to fully take care or protect himself or herself from abuse, neglect, cruelty, exploitation, or discrimination because of a physical or mental disability or condition, who lives with and is dependent upon a parent or legal caregiver for support;
- (c) *Childcare Professional* refers to healthcare professionals who provide childcare to children in medical centers, schools, specialized institutions, or in a home-based setting;
- (d) *Childcare* refers to acts of providing for the basic needs, healthcare, mental and physical safety, emotional support and formation of the personality of the child by a parent or caregiver;
- (e) *Flexible Working Arrangements* refers to work schedules granted to an employee or worker who is a parent or caregiver to vary their physical presence in the workplace without affecting the core work hours as reasonably defined by the employer; and
- (f) *Parent* refers to the mother or father, by nature or by legal adoption, who provides parental care and support to a child.

SECTION 5. *Subsidies for Childcare.* — Households with children shall be entitled to monetary subsidies in accordance with the national policies and guidelines promulgated by the Intergovernmental Coordinating Body, as defined in Section 13 of this Act: *Provided*, that nothing in this Act shall be construed as to diminish existing benefits currently enjoyed by parents or caregivers under other laws or regulations.

SECTION 6. *Childcare-Related Services Tax Credit for Parents.* — A parent with two (2) or more children shall be entitled to an annual tax deduction of up to Fifty Thousand Pesos (PhP50,000.00) for expenses incurred in services related to childcare.

SECTION 7. *Childcare-Related Value-Added Tax Exemption.* — Households earning less than Two Hundred Fifty Thousand Pesos (PhP250,000.00) annually shall be entitled to Value-Added Tax (VAT) exemption on essential commodities related to childcare. Such essential commodities shall include the following:

- (a) Infant formula;
- (b) Infant diapers;
- (c) Food and micronutrient supplements;
- (d) Duly prescribed medicines, vaccines, and other medical supplements;
- (e) School books for children enrolled in nursery, kindergarten, and grade school; and
- (f) Other items exclusively used for childcare and child rearing, as identified by Intergovernmental Coordinating Body.

SECTION 8. *Childcare-Related Tax Credit for Businesses and Professionals.* — Accredited businesses and professionals who are engaged in childcare shall be entitled to an annual tax deduction of up to One Hundred Thousand Pesos (PhP100,000.00), in accordance with the national policies and guidelines promulgated by the Intergovernmental Coordinating Body, as defined under Section 12 of this Act.

SECTION 9. *Tax Deduction for Employers.* — Any employer in the private sector providing childcare assistance to their employees, such as, but not limited to, on-site childcare facilities, partnership with a licensed childcare provider, or direct financial assistance to employees shall be entitled to fifty percent (50%) tax deduction on the total amount of the employer's verifiable expenses for such assistance.

SECTION 10. *Flexible Working Arrangements.* — Caregivers of children below seven (7) years old, or children seven (7) years old and older but are unable to fully take care or protect themselves because of a physical or mental disability or condition, shall have the right to flexible working arrangements, which shall include, but not limited to, the use of remote working arrangements, flexible working schedules, compressed workweeks, or a reduction in working hours, in accordance with the following conditions:

- (a) Employers may impose reasonable qualifications, such as period-of-work or length-of-service, before employees may qualify for flexible working arrangements;
- (b) Employers are required to consider and respond to requests by caregiver-employees for flexible working arrangements within a reasonable period of time, taking into account the needs of both the employer and the caregiver-employee;
- (c) The employer may only deny such request for valid and justifiable ground and only where such request shall adversely affect work productivity and cause substantial damage to the business. In such case, the employer shall provide the requesting caregiver-employee a written explanation setting forth the reason or reasons for such denial; and
- (d) An agreement regarding flexible working arrangements shall be in writing and limited in duration based on the agreement of the employer and the caregiver-employee: *Provided*, that the employer and employee may mutually agree in writing to either extend or pre-terminate an agreement on said flexible working arrangements.

SECTION 11. *Childcare Leave.* — A forfeitable and noncumulative childcare leave of not more than seven (7) working days with pay every year shall be granted to any caregiver-employee, regardless of employment status, who has rendered service of at least six (6) months: *Provided*, That this benefit shall not be available to solo parent employees entitled to parental leave under Section 7 of Republic Act No. 8972, as amended by Republic Act No. 11861.

SECTION 12. *Non-Discrimination.* — No employer shall discriminate against the employment of caregivers in order to avoid the benefits provided for in this Act.

SECTION 13. *Non-Diminution of Benefits.* — Nothing in this Act shall be construed as to diminish existing benefits currently enjoyed, whether or not these are granted under

collective bargaining agreements or present laws, if the same are more beneficial to the caregiver.

SECTION 14. *Intergovernmental Coordinating Body.* — A coordinating body comprised of a representative from the Department of Social Welfare and Development (DSWD), the Department of Labor and Employment (DOLE), the Civil Service Commission (CSC), and the Bureau of Internal Revenue (BIR) shall be established for the purposes of implementing the provisions of this Act. The Intergovernmental Coordinating Body shall be formed no later than sixty (60) days from the effectivity of this Act.

SECTION 15. *Functions of the Intergovernmental Coordinating Body.* — The Intergovernmental Coordinating Body, for the purposes of the implementation of the provisions of this Act, shall have the following powers and functions:

- (a) Promulgate national policies and implement guidelines for the programs established under this Act: *Provided*, that the policies and guidelines shall be consistent with its mandate and the objectives of this Act;
- (b) Propose amendments to law, rules, and regulations pursuant to its mandate and the objectives of this Act;
- (c) Conduct and facilitate consultation and dialogues within and among all concerned stakeholders in the industry;
- (d) Engage in studies and research on childcare and child rearing;
- (e) Implement programs and activities that aim to develop the participation of caregivers in the care and support of their children;
- (f) Conduct information campaigns on the importance of childcare and the presence of parental figures in the growth and development of children; and
- (g) Perform such other functions as may be directed by the DSWD.

SECTION 16. *Penalties for Violations.* — (a) Any person who deliberately fails or refuses to provide the rights and benefits provided under this Act to a qualified caregiver shall be punished by a fine not exceeding One Hundred Thousand Pesos (Php100,000.00), or imprisonment of not less than one (1) year but not more than two (2) years, or both, at the discretion of the court.

If the violation is committed by a corporation, trust or firm, partnership, association, or any entity, the penalty of imprisonment shall be imposed on the entity's responsible officers, including, but not limited to, the president, vice president, chief executive officer, general manager, managing director, or partner directly responsible therefor.

(b) Any person who misrepresents status or falsifies any document to avail of the benefits, or cause another person to avail or be denied of the benefits provided under this Act, or any person who abuses the privileges and benefits granted herein shall be punished with a fine of not more than Fifty Thousand Pesos (Php50,000.00) and imprisonment of not less than six (6) months but not more than one (1) year, or both, at the discretion of the court.

SECTION 17. *Construction in favor of labor.* — All doubts in the interpretation and implementation of the provisions of this Act shall be resolved in favor of labor.

SECTION 18. *Implementing Rules and Regulations.* — The Intergovernmental Coordinating Body shall promulgate the necessary rules and regulations for the effective implementation of this Act within one hundred twenty (120) days from its effectivity.

SECTION 19. *Appropriations.* — The amount necessary for the implementation of this Act shall be included in the respective budgets of the DSWD, DOLE, CSC, and BIR in the annual General Appropriations Act (GAA).

Government agencies and LGUs may also utilize a portion of their respective Gender and Development (GAD) budget to implement this Act anchored on the guidelines issued by the Department of Budget and Management and the Department of Economy, Planning, and Development.

SECTION 20. *Separability Clause.* — If any provision or any part hereof is held invalid or unconstitutional, the remainder of the law or the provisions not otherwise affected shall remain valid and subsisting.

SECTION 21. *Repealing Clause.* — All laws, presidential decrees, executive orders, or issuances or any part thereof which are inconsistent with the provision of this Act are hereby repealed, amended, or modified accordingly.

SECTION 22. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or any newspaper of general circulation.

Approved,