



Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

First Regular Session

House Bill No. 4508



Introduced by Representative Jernie Jett V. Nisay

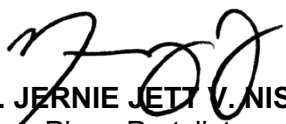
EXPLANATORY NOTE

More and more Filipinos are choosing freelancing as a way to earn a living. It offers freedom, flexibility, and the chance to work with clients from around the world, whether in design, writing, teaching, tech, or other fields. But along with these opportunities come real struggles that many freelancers face every day: delayed or unpaid fees, sudden cancellation of projects, and agreements made only through informal messages or verbal promises.

Right now, there is no clear law that protects freelancers when these problems happen. This bill aims to change that. It pushes for written contracts with clear terms, fair payment practices including an upfront fee, and penalties for those who fail to honor their commitments. It also makes government processes easier for freelancers, like setting up special lanes in the Bureau of Internal Revenue (BIR) for registration and assistance, and the Department of Labor and Employment (DOLE) will be tasked to implement, monitor, and promote this measure.

Freelancers are an important part of our modern workforce. They deserve the same respect and protection as any other worker. This bill is a step towards ensuring they are treated fairly, paid on time, and supported by our laws.

In light of this, the immediate passage of this measure is earnestly sought.


REP. JERNIE JETT V. NISAY
Pusong Pinoy Partylist



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AN ACT
PROVIDING PROTECTION AND INCENTIVES TO FREELANCE WORKERS

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

CHAPTER I
GENERAL PROVISIONS

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

SEC. 2. *Declaration of Policy.* – Pursuant to Article II, Section 18, and Article XIII, Section 3 of the Constitution, it is hereby declared the policy of the State to protect the rights of workers, promote their welfare, and ensure their entitlement to humane conditions of work and just share in the fruits of production. To this end, the State shall recognize the right of freelance workers to protection from late or nonpayment of fees for services rendered.

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

- (a) *Freelance worker*, refers to any natural person or entity composed of no more than one (1) natural person, whether incorporated under the Securities and Exchange Commission, registered as a sole proprietorship under the Department of Trade and Industry (DTI) or registered as self-employed with the Bureau of Internal Revenue (BIR), who is hired or

1 retained to provide services, in exchange for compensation, as an
2 independent contractor to do work according to one's own methods and
3 without being subjected to the control of the hiring party, except only as
4 to the results of the work;

5 (b) *Hiring party* refers to any person or entity that obtains or retains the
6 services of a freelance worker; and

7 (c) *Retaliation* refers to any act reasonably likely to prevent a freelance
8 worker from further being offered freelance work and contracts.

9
10 **SEC. 4. *Written Contract.*** – Any hiring party obtaining or retaining the services
11 of a freelance worker shall execute a written contract with the freelance worker before
12 the services are rendered. The hiring party and the freelance worker shall each retain
13 a signed copy of the contract.

14
15 The contract shall be written in plain language, understood by both
16 parties. It shall include, at the minimum, the following:

17
18 (a) Itemization of all services to be provided by the freelance worker;

19 (b) Details of compensation and other worker's benefits, including rate,
20 method and schedule of payment;

21 (c) Period of employment;

22 (d) Grounds for breach of contract on the part of the hiring party and of
23 the freelance worker; and

24 (e) Any other condition, term or clause that the Department of Labor and
25 Employment (DOLE) may direct, subject to the provisions of this
26 Act.

27
28 The contract must state the necessary personal circumstances of the
29 freelance worker, such as but not limited to the freelance worker's name, address
30 and the worker's Tax Identification Number. No modification of the terms of the
31 contract shall be enforceable unless signed by both the hiring party and the
32 freelance worker.

1 **SEC. 5. *Down Payment.*** – An initial partial payment for the contracting of
2 services of the freelance worker shall be made upon engagement, which shall be not
3 less than thirty percent (30%) of the contract price.

4
5 **SEC. 6. *Night Shift Differential.*** – Freelance workers who are required to be
6 physically present in the workplace, or those on field assignments, shall be paid a night
7 shift differential of not less than ten percent (10%) of their regular compensation for
8 each hour of work performed between ten o'clock in the evening and six o'clock in the
9 morning, unless there is a more favorable fee stipulated in the contract.

10
11 **SEC. 7. *Hazard Pay.*** – All freelance workers deployed in dangerous areas such
12 as strife-torn or embattled locations, distressed or isolated stations, prison camps,
13 mental hospitals, radiation-exposed clinic, laboratories or disease-infested areas, or in
14 areas declared under a state of calamity or emergency for the duration of deployment
15 and unduly exposes them to great danger, contagion, radiation, occupational risk or
16 perils to life, shall be compensated with a hazard pay equivalent to at least twenty-five
17 percent (25%) of the total payment for the period of such deployment as agreed upon
18 in the contract, unless there is a more favorable fee stipulated therein.

19
20 **SEC. 8. *Unlawful Practices.*** – It shall be unlawful for any hiring party to:

- 21 (a) Engage with a freelance worker without a written contract;
22 (b) Pay the compensation due the freelance worker later than fifteen (15)
23 days after the date of payment of compensation stated in the written
24 contract or after the rendition of services in cases where there is no written
25 contract;
26 (c) Require as a condition of payment of compensation at any time after a
27 freelance worker has commenced rendition of services, that the latter
28 accept less than the specified contract price; or
29 (d) Commit any act of retaliation against any freelance worker for:
30 (1) Opposing any practice prohibited by this Act;
31 (2) Filing a complaint authorized under this Act;
32 (3) Testifying or assisting in any proceeding authorized under this Act;
33 (4) Commencing a civil action alleging a violation of this Act;

1 (5) Assisting the DOLE in an investigation commenced pursuant to
2 this Act; or

3 (6) Providing information to the DOLE pursuant to the terms of a
4 mediation or conciliation agreement under this Act.
5

6 **SEC. 9. Civil Penalty.** – A person who commits any of the unlawful practices
7 enumerated in Section 8 of this Act shall be punished by a fine of not less than Fifty
8 thousand pesos (₱50,000.00) but not more than Five hundred thousand pesos
9 (₱500,000.00).
10

11 **CHAPTER II**

12 **AGENCY ENFORCEMENT AND ADMINISTRATIVE PROCESS**

13 **SEC. 10. Complaints.** – Any person or such person's authorized representative
14 aggrieved by a violation of this Act, may file a complaint with the DOLE, through the
15 Undersecretary for Workers with Special Concerns, without prejudice to the filing of civil
16 action in appropriate cases. SEC. 11. Prohibition
17

18 **SEC. 11. Prohibition Against Forum Shopping.** – When a civil action has been
19 initiated in a court of competent jurisdiction arising from any violation of this Act, a
20 breach of contract, or any similar claim at law or equity arising out of the same
21 transaction or series of transactions, no other case involving the same cause of action
22 shall be filed with the DOLE.
23

24 **SEC. 12. Investigation.** – Upon receiving a complaint alleging a violation of this
25 Act, the DOLE shall notify the respondent in writing and investigate such complaint in a
26 timely manner. Within fifteen (15) calendar days of receiving such written notification,
27 the respondent shall provide the DOLE with a written response and such other
28 information as the DOLE may request. The DOLE shall notify each complainant in
29 writing, not less than thirty (30) calendar days after the complaint is filed, of the status
30 of the complaint and any resulting investigation. SEC. 13. Mediation and Conciliation.
31

32 **SEC. 13. Mediation and Conciliation.** – The DOLE may, at any time after the
33 filing of a complaint, attempt to resolve the complaint by any method of dispute
34 resolution, including mediation and conciliation. If a conciliation agreement is entered

1 into, the DOLE shall embody such agreement in an order and serve a copy thereof upon
2 all parties to the conciliation agreement.

3 4 **CHAPTER III** 5 **CIVIL ENFORCEMENT** 6

7 **SEC. 14. *Notice of Violation and Order of Payment.*** – If, as a result of an
8 investigation of a complaint or an investigation conducted upon its own initiative, the
9 DOLE finds cause to believe that a violation of this Act has occurred, it shall issue a
10 notice of violation to the respondent and order the corresponding payment of
11 compensation due to the prevailing party.
12

13 **SEC. 15. *Violation of Order of Payment.*** – The order of payment shall include
14 an interest rate of six percent (6%) per annum which shall be awarded to the prevailing
15 party in case the violation continues.
16

17 **SEC. 16. *Civil Action.*** – Except as otherwise provided by law, any person
18 aggrieved by a violation of this Act may file a complaint in a court of competent
19 jurisdiction for damages, injunctive relief and such other remedies as may be
20 appropriate, without prejudice to the filing of a criminal action in appropriate cases. The
21 prevailing party shall be entitled to an award of reasonable attorney's fees and costs.
22

23 No person claiming to be aggrieved by a violation of this Act may bring a civil action
24 in a court of competent jurisdiction if such aggrieved person, or one's representative,
25 has filed a complaint with the DOLE pursuant to Chapter II of this Act and based upon
26 the same transaction or series of transactions, unless that complaint has been
27 terminated without prejudice to a subsequent civil action.
28

29 **SEC. 17. *Non-Waiver.*** – Except as otherwise provided by law, any provision of
30 any contract or agreement purporting to waive rights under this Act is against public
31 policy and shall be null and void.
32

33 **SEC.18. *Coverage.*** – This Act shall apply only to contracts or agreements
34 entered into upon the effectivity of this Act.

1 **CHAPTER IV**

2 **TAXATION**

3 **SEC. 19. *Tax Relief.*** – Freelancers, as defined under this Act, shall be entitled
4 to tax relief within the threshold provided under the National Internal Revenue Code of
5 1997, as amended, and Republic Act No. 9178, otherwise known as the “Barangay
6 Micro Business Enterprises (BMBEs) Act of 2002.”
7

8 **SEC. 20. *Special Assistance.*** – Every BIR Revenue District Office shall
9 designate a lane or a special assistance desk that shall be manned by an officer who
10 shall assist freelance workers on their inquiries and in complying with the processing of
11 documents, including the registration requirement under this Act.
12

13 **CHAPTER V**

14 **FINAL PROVISIONS**

15 **SEC. 21. *Report.*** – One (1) year after the effectivity of this Act, and every year
16 thereafter, the Secretary of Labor and Employment shall submit a report to the
17 Committee on Labor and Employment of the House of Representatives and the
18 Committee on Labor, Employment and Human Resources Development of the Senate
19 of the Philippines regarding the effectiveness of the provisions of this Act in improving
20 freelance contracting and payment practices. Similarly, the DOLE shall submit the
21 report to the Philippine Creative Industries Development Council, through its Creative
22 Workers’ Welfare Standing Committee. The report shall include, at the minimum, the
23 number of complaints received, investigations initiated and notices issued by the DOLE
24 on violations of this Act, and complaints settled by mediation or conciliation.
25

26 **SEC. 22. *Information Campaign.*** – The DOLE shall, in coordination with the
27 DTI, BIR, local government units and other relevant agencies, initiate a program with
28 the objective of informing freelance workers of their rights and obligations, the proper
29 procedure of registering as a taxpayer, and the modes of legal redress as provided for
30 in this Act, and in other laws and regulations.
31

32 **SEC. 23. *Supplementary Application.*** – The provisions of Republic Act No. 11058,
33 entitled “An Act Strengthening Compliance with Occupational Safety and Health

Standards and Providing Penalties for Violations Thereof” shall be applied suppletorily to this Act.

SEC. 24. *Implementing Rules and Regulations.* – Within fifteen (15) days from the effectivity of this Act, the Secretary of Labor and Employment shall, in coordination with the BIR and other relevant agencies, issue the rules and regulations from the implementation of this Act.

SEC. 25. *Separability Clause.* – If any part, section or provision of this Act is declared invalid or unconstitutional, the other provisions not affected by such declaration shall remain in full force and effect.

SEC. 26. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations, or other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 27. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,