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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4751



Introduced by REP. JESUS ANGEL MANUEL "BONG" C. SUNTAY

EXPLANATORY NOTE

The 1987 Constitution of the Republic of the Philippines recognizes the right of workers to security of tenure, humane conditions of work, and a just share in the fruits of production (Article XIII, Section 3). Furthermore, Article II, Section 18 declares labor as a primary social economic force, mandating the State to protect the rights of workers and promote their welfare.

In recent years, the global workforce has experienced a dramatic shift with the rise of the gig economy and the increasing prevalence of freelance work. In the Philippines, freelancers now span multiple sectors including information technology, creative industries, digital services, media, education, and consultancy. These workers contribute significantly to economic growth, technological innovation, and the country's reputation as a hub for digital and creative talent.

However, despite their growing number and importance, freelance workers often lack adequate legal protection. Many faces delayed or non-payment of fees, absence of written contracts, lack of benefits, and vulnerability to unfair labor practices such as retaliation for asserting their rights. Unlike regular employees, freelancers fall into a regulatory gray area, leaving them exposed to exploitation without clear recourse under existing labor laws.

This bill seeks to address these gaps by enacting the Freelance Workers Protection Act, a measure designed to safeguard the rights of freelancers, ensure fair compensation practices, and provide institutional support. It also establishes mechanisms for dispute resolution and tax compliance assistance while promoting greater accountability from hiring parties.

The enactment of this measure will significantly improve working conditions for freelancers, a rapidly growing segment of the labor force. By mandating written contracts, ensuring timely payment, and establishing enforcement mechanisms, the bill provides freelancers with the protection long enjoyed by traditional employees.

The measure also balances rights and responsibilities: freelancers gain protection and tax relief, while hiring parties are given clear guidelines that promote fairness and accountability. Moreover, the inclusion of dispute resolution and administrative support reduces the risk of litigation while fostering trust and professionalism in freelance engagements.

1 This bill will ultimately strengthen the Philippines' labor and business environment
2 by safeguarding the welfare of freelance workers, fostering entrepreneurship, and
3 ensuring equitable participation in economic growth. It affirms that no worker,
4 regardless of employment arrangement, should be left unprotected.
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7 In view of the foregoing, the immediate passage of this bill is earnestly sought.
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REP. JESUS "BONG" C. SUNTAY

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2 **HOUSE OF REPRESENTATIVES**
3 Constitution Hills, Quezon City

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8 **HOUSE BILL NO. 4751**
9 _____

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11 Introduced by REP. JESUS MANUEL BONG SUNTAY
12 _____

13 **AN ACT PROVIDING PROTECTION AND INCENTIVES TO FREELANCE**
14 **WORKERS**
15

16
17 Be it enacted by the Senate and House of Representatives of the Philippines in
18 Congress assembled:

19
20 **CHAPTER I**
21 **GENERAL PROVISIONS**
22

23 **SECTION 1. *Short Title.*** – This Act shall be known as the “*Freelance Workers*
24 *Protection Act.*”
25

26 **SECTION 2. *Declaration of Policy.*** – Pursuant to Article II, Section 18, and
27 Article XIII, Section 3 of the Constitution, it is hereby declared the policy of the State
28 to protect the rights of workers, promote their welfare, and ensure their entitlement
29 to humane conditions of work and just share in the fruits of production. To this end,
30 the State shall recognize the right of freelance workers to protection from late or
31 nonpayment of fees for services rendered.
32

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

- 34 a. *Freelance worker* refers to any natural person or entity composed of no more
35 than one (1) natural person, whether incorporated under the Securities and
36 Exchange Commission, registered as a sole proprietorship under the
37 Department of Trade and Industry (DTI) or registered as self- employed with
38 the Bureau of Internal Revenue (BIR), who is hired or retained to provide
39 services, in exchange for compensation, as an independent contractor to do
40 work according to one’s own methods and without being subjected to the
41 control of the hiring party, except only as to the results of the work;
42 b. *Hiring party* refers to any person or entity that obtains or retains the services
43 of a freelance worker; and
44 c. *Retaliation* refers to any act reasonably likely to prevent a freelance worker
45 from further being offered freelance work and contracts.
46

47 **SECTION 4. *Written Contract.*** – Any hiring party obtaining or retaining the
48 services of a freelance worker shall execute a written contract with the freelance
49 worker before the services are rendered. The hiring party and the freelance worker
50 shall each retain a signed copy of the contract.

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

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

11
12 The contract must state the necessary personal circumstances of the freelance worker,
13 such as but not limited to the freelance worker's name, address and the worker's Tax
14 Identification Number. No modification of the terms of the contract shall be
15 enforceable unless signed by both the hiring party and the freelance worker.

16
17 **SECTION 5. *Down Payment Required.*** – An initial partial payment for the
18 contracting of services of the freelance worker shall be made upon engagement, which
19 shall be not less than thirty percent (30%) of the contract price.

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

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

37
38 **SECTION 8. *Unlawful Practices.*** – It shall be unlawful for any hiring party to:
39 a. Engage with a freelance worker without a written contract;
40 b. Pay the compensation due to the freelance worker later than fifteen (15) days
41 after the date of payment of compensation stated in the written contract or
42 after the rendition of services in cases where there is no written contract;
43 c. Require as a condition of payment of compensation at any time after a
44 freelance worker has commenced rendition of services, that the latter accept
45 less than the specified contract price; or
46 d. Commit any act of retaliation against any freelance worker for:
47 1. Opposing any practice prohibited by this Act;
48 2. Filing a complaint authorized under this Act;
49 3. Testifying or assisting in any proceeding authorized under this Act;
50 4. Commencing a civil action alleging a violation of this Act;

- 1 5. Assisting the DOLE in an investigation commenced pursuant to this Act;
2 or
3 6. Providing information to the DOLE pursuant to the terms of a mediation
4 or conciliation agreement under this Act.
5

6 **SECTION 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
8 fifty thousand pesos (₱50,000.00) but not more than five hundred thousand
9 pesos (₱500,000.00).
10

11 **CHAPTER II**
12 **AGENCY ENFORCEMENT AND ADMINISTRATIVE PROCESS**
13

14 **SECTION 10. *Complaints.*** – Any person or such person's authorized
15 representative aggrieved by a violation of this Act, may file a complaint with the
16 DOLE, through the Undersecretary for Workers with Special Concerns, without
17 prejudice to the filing of civil action in appropriate cases.
18

19 **SECTION 11. *Prohibition Against Forum Shopping.*** – When a civil action has
20 been initiated in a court of competent jurisdiction arising from any violation of this
21 Act, a breach of contract, or any similar claim at law or equity arising out of the same
22 transaction or series of transactions, no other case involving the same cause of action
23 shall be filed with the DOLE.
24

25 **SECTION 12. *Investigation.*** – Upon receiving a complaint alleging a violation of
26 this Act, the DOLE shall notify the respondent in writing and investigate such
27 complaint in a timely manner. Within fifteen (15) calendar days of receiving such
28 written notification, the respondent shall provide the DOLE with a written response
29 and such other information as the DOLE may request. The DOLE shall notify each
30 complainant in writing, not less than thirty (30) calendar days after the complaint is
31 filed, of the status of the complaint and any resulting investigation.
32

33 **SECTION 13. *Mediation and Conciliation.*** – The DOLE may, at any time after
34 the filing of a complaint, attempt to resolve the complaint by any method of dispute
35 resolution, including mediation and conciliation. If a conciliation agreement is
36 entered into, the DOLE shall embody such agreement in an order and serve a copy
37 thereof upon all parties to the conciliation agreement.
38

39 **CHAPTER III**
40 **CIVIL ENFORCEMENT**
41

42 **SECTION 14. *Notice of Violation and Order of Payment.*** – If, as a result of
43 an investigation of a complaint or an investigation conducted upon its own initiative,
44 the DOLE finds cause to believe that a violation of this Act has occurred, it shall issue
45 a notice of violation to the respondent and order the corresponding payment of
46 compensation due to the prevailing party.
47

48 **SECTION 15. *Violation of Order of Payment.*** – The order of payment shall
49 include an interest rate of six percent (6%) per annum which shall be awarded to the
50 prevailing party in case the violation continues.
51

1 **SECTION 16. *Civil Action.*** – Except as otherwise provided by law, any person
2 aggrieved by a violation of this Act may file a complaint in a court of competent
3 jurisdiction for damages, injunctive relief and such other remedies as may be
4 appropriate, without prejudice to the filing of a criminal action in appropriate cases.
5 The prevailing party shall be entitled to an award of reasonable attorney fees and
6 costs.

7
8 No person claiming to be aggrieved by a violation of this Act may bring a civil action
9 in a court of competent jurisdiction if such aggrieved person, or one's representative,
10 has filed a complaint with the DOLE pursuant to Chapter II of this Act and based upon
11 the same transaction or series of transactions, unless that complaint has been
12 terminated without prejudice to a subsequent civil action.

13
14 **SECTION 17. *Non-Waiver.*** – Except as otherwise provided by law, any provision
15 of any contract or agreement purporting to waive rights under this Act is against
16 public policy and shall be null and void.

17
18 **SECTION 18. *Coverage.*** – This Act shall apply only to contracts or agreements
19 entered into upon the effectivity of this Act.

20 21 **CHAPTER IV** 22 **TAXATION**

23
24 **SECTION 19. *Tax Relief.*** – Freelancers, as defined under this Act, shall be entitled
25 to tax relief within the threshold provided under the National Internal Revenue Code
26 of 1997, as amended, and Republic Act No. 9178, otherwise known as the "Barangay
27 Micro Business Enterprises (BMBEs) Act of 2002."

28
29 **SECTION 20. *Special Assistance.*** – Every BIR Revenue District Office shall
30 designate a lane or a special assistance desk that shall be manned by an officer who
31 shall assist freelance workers on their inquiries and in complying with the processing
32 of documents, including the registration requirement under this Act.

33 34 **CHAPTER V** 35 **FINAL PROVISIONS**

36
37 **SECTION 21. *Report.*** – One (1) year after the effectivity of this Act, and every year
38 thereafter, the Secretary of Labor and Employment shall submit a report to the
39 Committee on Labor and Employment of the House of Representatives and the
40 Committee on Labor, Employment and Human Resources Development of the Senate
41 of the Philippines regarding the effectiveness of the provisions of this Act in
42 improving freelance contracting and payment practices. Similarly, the DOLE shall
43 submit the report to the Philippine Creative Industries Development Council,
44 through its Creative Workers' Welfare Standing Committee. The report shall include,
45 at the minimum, the number of complaints received, investigations initiated, and
46 notices issued by the DOLE on violations of this Act, and complaints settled by
47 mediation or conciliation.

48
49 **SECTION 22. *Information Campaign.*** – The DOLE shall, in coordination with
50 the DTI, BIR, local government units and other relevant agencies, initiate a program
51 with the objective of informing freelance workers of their rights and obligations, the

proper procedure of registering as a taxpayer, and the modes of legal redress as provided for in this Act, and in other laws and regulations.

SECTION 23. *Supplementary Application.* – The provisions of Republic Act No. 11058, entitled “An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof” shall be applied supplementary to this Act.

SECTION 24. *Implementing Rules and Regulations (IRR).* – 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.

SECTION 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.

SECTION 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.

SECTION 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,