

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

TWENTIETH CONGRESS  
First Regular Session

House Bill No. 5166



---

Introduced by  
KABATAAN Party-list Rep. RENEE LOUISE M. CO,  
ACT Teachers Party-list Rep. ANTONIO L. TINIO, and  
Gabriela Women's Party Rep. SARAH JANE I. ELAGO

---

**AN ACT**  
**ENSURING THE WELFARE AND PROTECTION OF BUSINESS PROCESS**  
**OUTSOURCING (BPO) WORKERS AND THE RECOGNITION OF THEIR**  
**RIGHTS AS PROVIDED FOR IN THE LABOR CODE OF THE PHILIPPINES**

**EXPLANATORY NOTE**

The Philippines has the second biggest business process outsourcing (BPO) industry in the world according to the International Labor Organization (ILO). It has generated \$38 billion in revenues in 2024, or 8.2% of GDP, and employed roughly 1.82 million workers nationwide. BPO services account for 73% of total services exports, equivalent to remittances from Overseas Filipino Workers (OFWs). In the absence of genuine national industries, we praise this industry for the apparent and immediate employment opportunities it grants many of our people. In the light of the foregoing, we need to ensure the rights and welfare of those who have chosen to rely on this "sunshine industry". Thus, we now re-file the BPO Workers Welfare & Protection Bill under the 20th Congress.

There have been several consultations made among stakeholders including BPO managers, call center agents, and parents of BPO workers since the 14th Congress. Numerous concerns about the working conditions in many of the companies in this industry have been raised. This includes not having regular breaks and enough restroom breaks, as well as health and psychological risks attendant to the nature of their work.

The ILO study on the BPO industry in 2010 said that while the BPO industry provides relatively “good quality jobs”, key changes in the BPO industry policies and practices need to be pushed to improve work conditions. The study reported that 48% of BPO workers suffer from insomnia while 54% from fatigue. Of which 45.6% cited that harassment from rate clients are among the causes of work-related stress among workers, 41% from excessive and tedious workload, 37.4% from performance demands 33.7% from monotony and 33.4% from regular night work. The ILO study also noted high workforce attrition of staff turnover rates which needs to be addressed.

Several issues have been uncovered after several consultations in the BPO industry:

### ***1. Race-to-the-bottom Wages***

Wage rates in BPO companies have been decreasing largely as a result of regionalized wage rates. BPO companies in IT-hubs outside Metro Manila offer new hires with near-poverty wages as low as PHP 5,500.00 a month in the Bicol region. Even in the National Capital Region, basic salaries can be as low as PHP 12,500.00 a month and workers have to rely on incentives to increase take home pay. In addition, regular increases in salaries have been nominal or sometimes non-existent.

The PHP 20,500.00 median wage for customer service agents on online job-hunting platforms as of March 2024 is above the current legal minimum wage in Metro Manila (PHP 15,290.00, assuming 22 working days), but nearly 45% below the estimated family living wage for the region (PHP 36,990.00, as of January 2025). This “race-to-the bottom” setting of wages makes for cheaper and cheaper labor, thereby incentivizing large BPO companies to set-up shop in the Philippines.

### ***2. Lack of Security of Tenure***

BPO workers do not enjoy security of tenure even if they have served their companies for many years. When clients pull out, BPO workers are placed on “floating status”, in which they are still employed with no pay for as long as six (6) months even if the companies continue to hire new agents for other clients. Because of this scheme, many BPO workers are forced to resign and transfer to other BPO companies. BPO companies also follow a systematic attrition scheme wherein workers who are unable to keep up with the performance metrics are “managed-out”. The shift to automation and digitalization is also reported to aggravate these attacks on job security of workers as various reports pegged that job losses in the BPO industry at as much as 24% of the whole industry.

In the case of the Philippine BPO industry, there is a greater risk of worker displacement because most operations outsourced to BPOs in the country are rule-based and repetitive back-end functions that are ideal for AI-powered and robotic process automation. Moreover, the country is ill-prepared to upgrade to more knowledge-based services due to the state's long-standing neglect of education, research and innovation, and digital infrastructure, made worse under neoliberalism.

### ***3. Highly Intensified Labor Flexibilization***

Workers are prevented from taking regular breaks (including lunch time) due to long queues of incoming calls. They are compelled to take mandatory overtime and multiple job assignments, while being subjected to oppressive metric or performance scorecard schemes that are often unattainable. Leave credits are made difficult to use and non-working holidays are made “flexible” to keep employees productive as much as humanly possible. Lastly, they are pushed into work-from-home arrangements as a cost-cutting scheme for BPO companies.

### ***4. Safety Hazards and Health Risks***

On 23 December 2017, thirty-seven (37) call center workers of Survey Sampling International were trapped and killed in a fire in the NCCC Mall in Davao City. More recently, on 1 and 2 October 2025, reports from the BPO Industry Employees Network (BIEN) in Cebu, following a 6.9 magnitude earthquake, revealed that twenty-three (23) BPO companies committed serious Occupational Safety and Health (OSH) and labor rights violations, including forcing employees to work amidst aftershocks, obstructing emergency exits, and retaliating against workers who prioritized their safety.

The two cases demonstrate the gravity of safety and health hazards the BPO workers face each day. Many BPO companies are lax with OSH standards especially with emergency drills as it will affect company operations. These underscore why the Magna Carta for BPO Workers is not just timely, but necessary – to codify the right to safe, dignified, and humane work in one of the country’s largest and fastest-growing sectors.

Additionally, BPO workers also face many health problems rooted in the nature of their work. Common health problems include throat problems, cardiovascular and respiratory ailments, ulcers (due to deferred breaks), headaches, among others. Worse, these vulnerable health conditions were exacerbated during the COVID-19 pandemic, with BPO employees being placed at risk with no proper remuneration.

While the safety and security of BPO workers are already always on the line when they go to work during the wee hours of the night, they are compelled to work by companies even during states of calamity and public health emergencies.

#### ***5. Curtailment of the Right to Organize***

The right to organize and form unions guaranteed both by national and international laws is suppressed by many BPO companies and big industry groups. Some BPO companies would discourage or forbid workers upon employment from joining any union or organization. In some cases, they would even include clauses that prohibit workers from forming or joining unions. In addition, workers who are brave enough to organize and or fight for their right to organize face various forms of harassment and discrimination from the management.

#### ***6. Other Exploitative and Oppressive Practices as a Result of Self-regulation***

Clients of BPO companies exercise power over workers even if the clients themselves do not have an employee-employer relationship. Such dynamics have an impact on conditions at work because clients dictate performance scores, incentive schemes, and even job security of workers, but since clients are based in other countries and the BPO industry has been asserting its self-regulatory powers despite the absence of independent unions, workers have no effective means of redress to make clients and BPO firms liable for workers' rights violations.

This bill seeks to promote and protect the rights of our fellow Filipinos, many of them belonging to the youth sector, who flock to BPO companies for immediate employment. It reasserts the prescribed labor standards set forth in the Labor Code and institutionalizes additional benefits that would hopefully address specific work related problems and issues peculiar to the nature of BPO work. Salient proposals of the bill include:

1. Added protection to the right of security of tenure of BPO workers, prohibition of floating while hiring and regularization of all BPO workers upon the completion of a maximum probationary training period of six (6) months;
2. Standard national entry level wage based on family living wage for all BPO workers;
3. Entitlement to medical benefits upon entry in the BPO company and not merely upon regularization; and
4. Right to Self-association to engage in Collective Bargaining and to participate in democratic exercises and decision making, especially on company policies that affect rights at work.

The BPO Workers Welfare and Protection bill was originally filed under the 14th Congress and re-filed under the 15th, 16th, 17th, 18th and 19th Congresses by then Kabataan Party-list Representatives Raymond Palatino, Terry Ridon, Sarah Elago, and Raoul Manuel, respectively. It is now our fervent hope that the 20th Congress will see through the immediate passage of this important piece of legislation.

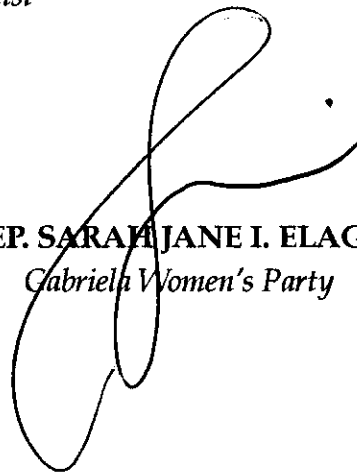
In view of the foregoing, the passage of this bill is earnestly sought.



**REP. RENEE LOUISE M. CO**  
*KABATAAN Party-list*



**REP. ANTONIO L. TINIO**  
*ACT Teachers Party-list*



**REP. SARAH JANE I. ELAGO**  
*Gabriela Women's Party*

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila

TWENTIETH CONGRESS  
First Regular Session

House Bill No. 5166

---

Introduced by  
KABATAAN Party-list Rep. RENEE LOUISE M. CO,  
ACT Teachers Party-list Rep. ANTONIO L. TINIO, and  
Gabriela Women's Party Rep. SARAH JANE I. ELAGO

---

AN ACT  
ENSURING THE WELFARE AND PROTECTION OF BUSINESS PROCESS  
OUTSOURCING (BPO) WORKERS AND THE RECOGNITION OF THEIR  
RIGHTS AS PROVIDED FOR IN THE LABOR CODE OF THE PHILIPPINES

*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 “BPO Workers’ Welfare and Protection Act” also known as “The Magna Carta for BPO Workers.”

**SECTION 2.** *Declaration of Policy.* — Pursuant to Article II, Section 18 and Article XIII, Sections 3 and 14 of the 1987 Constitution, the State shall protect the rights and overall welfare of workers in the Business Process Outsourcing (BPO) industry, promote their full employment and security of tenure, and ensure equal opportunities consistent with domestic and international labor standards, particularly ILO Conventions No. 87, 98, 155, and 190. The State shall secure decent working and living conditions; standardize terms and conditions of employment nationwide; guarantee entry-level remuneration no lower than the family living wage with progressive increases; regulate recruitment agencies and third-party contractors; establish administrative, adjudicative, and social welfare mechanisms; and safeguard worker safety, health, and security at the workplace and during transit.

The State shall uphold the constitutional right of BPO workers to self-organization, collective bargaining, and peaceful concerted activities, including the right to strike, and shall promote union-building, independent labor associations, and genuine worker representation while prohibiting and penalizing interference by management, recruitment agencies, and state forces in union affairs.

The State shall advance security of tenure by abolishing prolonged floating without pay, prohibiting termination based solely on performance metrics, ending contractualization and precarious employment schemes, promoting non-discrimination and gender sensitivity, and imposing appropriate sanctions for labor and human rights violations.

Recognizing that the BPO industry must contribute to national industrialization, technology transfer, and quality job creation, the State shall regulate the industry in accordance with pro-labor, pro-rights, and pro-national development principles, holding all industry stakeholders accountable as partners in protecting and empowering Filipino BPO workers.

**SECTION 3. Coverage.** — This Act shall cover all employees and workers engaged in the BPO industry. These include but are not limited to:

- (a) Call Centers and Contact Centers (Voice and Non-voice);
- (b) Data Processing and Management;
- (c) Software Development and Programming;
- (d) Online Gaming, Animation, and RPG Management;
- (e) Online Tutorial and Educational Resource;
- (f) Publishing, Content Writing, Medical Transcriptionists and SEO writing;
- (g) Social media and AI-related services such as content moderation and data labelling; and
- (h) Other occupations that may arise related to the BPO industry.

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

- (a) *Business Process Outsourcing (BPO)* refers to the contracting of specific business tasks, processes, or services — including but not limited to customer service, technical support, data processing, content moderation, software development, accounting, human resources, and other back-office or front-office operations — by a client company, whether domestic or foreign, to a third-party service provider operating in the Philippines;

- (b) *BPO company* refers to any juridical entity, whether registered as a corporation, partnership, cooperative, or sole proprietorship, engaged in the provision of outsourced business processes or services to client companies, including but not limited to call centers, contact centers, shared services centers, knowledge process outsourcing (KPO) firms, information technology outsourcing (ITO) firms, and similar establishments, as well as recruitment agencies, manpower service providers, and third-party contractors that supply workers to such entities;
- (c) *BPO worker* refers to any person employed by a BPO company, whether under regular, probationary, project-based, fixed-term, seasonal, casual, or any other employment arrangement, who performs work directly related to the provision of outsourced business processes or services, including but not limited to the employees and workers covered by this Act as stipulated in Section 3;
- (d) *Bereavement Leave* refers to leaves allowed to BPO workers following a death of a member of their immediate family up to the 2<sup>nd</sup> degree of affinity or consanguinity;
- (e) *Dislocation Allowance* refers to an allowance provided once the company physically transfers the operational work place from its original location on a temporary basis;
- (f) *Emergency Leave* refers to leaves reserved for unforeseen, urgent, and unexpected matters that require the employee's immediate attention;
- (g) *Menstrual Leave* refers to leaves provided for women experiencing menstrual cycles, outside of the allotted sick leave and emergency leave;
- (h) *Relocation Allowance* refers to an allowance to be provided once the company physically transfers the operational workplace from its original location on a permanent or long term basis, exceeding 1 month; and
- (i) *Work from Home Allowance* refers to an allowance to cover expenses for equipment, gadgets, utilities, and Wi-Fi connection for a BPO worker's work-from-home arrangement.

**SECTION 5. Construction in Favor of Labor.** — All doubts in the implementation and interpretation of the provisions of this law, including its implementing rules and regulations, shall be resolved in favor of labor.

**SECTION 6. *Standard of Treatment.*** – The employer and supervisors must, at all times, treat its BPO workers in a just and humane manner, and ensure and provide that the rights and benefits of BPO workers be accorded them as mandated by *Presidential Decree No. 442*, otherwise known as the *Labor Code of the Philippines*. Abusive language, physical violence, or any act which debases the dignity of a person shall not be used against the employee.

**SECTION 7. *Protection from Understaffing or Overloading.*** – There shall be no understaffing or overloading of BPO workers. The ratio of BPO worker to client quota or quantitative targets shall be such as to reasonably effect a sustained quality of service at all times without overworking the worker and over-extending their services beyond what is stipulated in the employment contract, or what is allowed as the worker's regular hours of work.

The employer may request the employee to perform tasks beyond the duties stipulated in the employment contract: *Provided*, that the employee consents: *Provided, further*, that such tasks are duly compensated by the employer with an additional pay of not less than thirty percent (30%) of the regular rate per hour.

**SECTION 8. *Regularization of All BPO Workers.*** – BPO workers shall be considered regular employees when the BPO worker is allowed to work after the maximum probationary period of six (6) months.

If the training period is less than six (6) months, the BPO worker shall be considered a regular employee after they finish the training / trainee period.

The services of a BPO worker engaged on a probationary basis or under a training period will only be terminated for a just cause or when they fail to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of their engagement.

**SECTION 9. *Explicit Ban on Training Bonds.*** – It shall be unlawful for any person or company to compel a BPO worker to commit to a company bond, imposing an exorbitant fee to be paid by the employee upon leaving the company before a specified length of time with justified reason.

**SECTION 10. *Regular Hours of Work.*** – Normal hours of work for BPO workers shall not exceed eight (8) hours a day. Any work done by BPO employees beyond the regular hours of work shall be duly compensated by the employer, regardless if the worker is working on site or from home.

**SECTION 11. *Rest and Meal Periods.*** – BPO workers shall be entitled to compensable rest periods and meal periods not less than what is provided for in the Labor Code and other existing laws.

Employees shall have the right to brief restroom breaks, which shall not be shorter than five minutes for each two hour interval or a total of at least fifteen (15) minutes for restroom breaks throughout the work shift. These restroom breaks shall be added on top of the two fifteen (15)-minute breaks and lunch breaks.

To comply with such, the BPO company shall devise a mechanism in order to ensure the implementation of regular restroom breaks among its workers without sacrificing the continuous flow of work among its employees.

**SECTION 12. *Wages.*** – BPO workers shall receive an entry-level wage of not less than Thirty Six Thousand Pesos (PHP 36,000.00). BPO workers shall be entitled to an Automatic Wage Increase with (1) upskilling or cross-skilling, and (2) promotions.

Any wage order shall apply to all BPO employees, including those receiving above minimum wage levels, by automatically applying the wage distortion principle using the Pineda formula.

BPO workers whose status have been tagged as “floating” will continue to receive their full wages and benefits for up to twelve (12) months.

**SECTION 13. *Overtime Work.*** – Work may be performed beyond eight (8) hours a day provided that the employee is paid for the overtime work, an additional compensation equivalent to his regular wage plus at least twenty-five percent (25%) thereof. Work performed beyond eight hours on a holiday or rest day shall be paid an additional compensation equivalent to the rate of the first eight hours on a holiday or rest day plus at least thirty percent (30%) thereof.

**SECTION 14. *Night Shift Differential.*** – BPO workers shall be paid a night shift differential of not less than twenty-five percent (25%) of the regular wage for each hour of work performed between ten o'clock in the evening and six o'clock in the morning.

**SECTION 15. *Regular Working Days.*** – All BPO workers shall render work for not more than five (5) consecutive days per week. Interval between shifts should not be less than twelve (12) hours regardless of overtime work.

While the specific day of the week set aside as rest day may be stipulated in the employment contract, the same may be changed for another day of the week upon

the mutual agreement of the employer and the employee: *Provided*, that the employer shall respect the preference of the employee for their weekly rest day when said preference is based on religious grounds.

**SECTION 16. *Work on Holidays.*** – BPO workers have the right to refuse to work on days designated as non-working holidays. The employer shall duly compensate the employee's work on such days in accordance with existing laws with regard to holiday pay. Given the nature of the industry, the company shall devise a mechanism in order to ensure that workers are able to exercise this right without prejudice to workers' performance assessment and evaluation.

**SECTION 17. *Hazard Pay.*** – During times of inclement weather and other such hazardous conditions, BPO workers shall be subject to hazard pay monthly that is equivalent to thirty percent (30%) of the basic pay and shall not be subjected to tax deductions. BPO workers shall also receive a wage subsidy of One Hundred Pesos (PHP 100.00) per day for working during national emergencies.

**SECTION 18. *Work During Calamities.*** – Work shall be voluntary on days of heavy rain and other instances of inclement weather conditions, with workers receiving the necessary Hazard Pay as provided in Section 17 of this Act. Otherwise, work shall be automatically suspended in cases of typhoons, earthquakes, volcanic eruption, fire, and other such states of calamity.

**SECTION 19. *Social Welfare Benefits.*** – Without prejudice to the Securities and Exchange Commission (SEC), Collective Bargaining Agreement (CBA), or company practice or policy, all BPO workers shall be members of and entitled to receive the benefits conferred by the Social Security System (SSS), Employees' Compensation and State Insurance Fund (ECSIF), Philippine Health Insurance Corporation (PhilHealth), Home Development Mutual Fund (HDMF) or the Pag-IBIG Fund, and other applicable social protection laws, rules, and regulations, as may now or hereafter be created in favor of labor.

**SECTION 20. *Allowances and Other Benefits.*** – All allowances, benefits, and bonuses shall be exempted from tax for a limit of One Hundred and Twenty Thousand Pesos (PHP 120,000.00). BPO workers are also entitled to the following allowances:

- (a) Work from Home Allowance;
- (b) Relocation Allowance, the computation for which should be progressive on the basic daily pay and distance from the original location plus twenty percent (20%) of the original basic pay; and

- (c) Dislocation Allowance, computation for which should be progressive on the basic daily pay and distance from the original location.

BPO workers are also guaranteed an annual appraisal of ten percent (10%) of their basic monthly wage, in addition to any salary increase due to upskilling or promotions.

**SECTION 21. *Leave Benefits.*** – BPO workers shall be entitled to all leave benefits and privileges as provided by law, such as but not limited to Service Incentive Leave, Maternity Leave, Paternity Leave, Solo Parent Leave, leaves for employees under the Republic Act No. 9710 (Magna Carta of Women for those undergoing gynecological surgeries) and Republic Act No. 9262 (Violence against Women and Children Act for those dealing with legal or medical matters related to abuse), and other leaves that may be provided by law.

BPO workers are also entitled to the following leave benefits:

- (1) Paid Leaves, in which all workers shall be entitled to paid sick leaves of fifteen (15) working days and paid vacation leaves of fifteen (15) working days, for a total of thirty (30) working days, effective upon regularization and shall replenish on the 1<sup>st</sup> of January of each year, and shall not be forfeited by any circumstances: *Provided*, that documentation shall not be a requirement for a BPO worker to avail of a sick leave: *Provided*, that sick leaves shall be convertible to cash on a monthly basis: *Provided, further*, that vacation leaves shall not be deleted by any circumstances once plotted and shall be guaranteed without prejudice to the employee;
- (2) Emergency Leaves, which shall be determined as necessary by the employee, and not to be withheld for any reason and circumstance (including but not limited to, calamity, accidents, and personal emergency leaves).
- (3) Bereavement Leaves, which shall also be allowed for fourteen (14) working days in cases of death within the workers' immediate family up to the 2<sup>nd</sup> degree of affinity or consanguinity; and
- (4) Menstrual Leaves, which shall be equivalent, but not limited, to two (2) working days every month, in which the employee must still be provided with the regular basic pay with allowances for the entire duration of the leave.

Upon separation of the employee from service, they shall be entitled to all applicable accumulated leave credits with pay. No employee shall be terminated based solely

on unapproved leaves without affording the employee due process in an administrative proceeding.

**SECTION 22. *Transportation Benefits.*** – In the absence of or given the lack of safe and adequate public transportation services in BPO workers' places of work, they shall be entitled to safe transportation service, which may include, but are not limited to (a) shuttle services, or (b) travel allowance not subject to tax deductions for Transport Network Vehicle Service (TNVS) or commute to and from the place of work to designated drop-off points to be provided by the company in order to facilitate the safe commute of employees at vulnerable times at night or early in the morning.

**SECTION 23. *Better Working Conditions.*** To improve the working conditions of the BPO Workers, the company should:

- (a) Provide adequate sleeping quarters, affordable canteens with sanitary standards, potable drinking water, lounge or rest areas, and stations for breastfeeding and childcare;
- (b) Ascertain a specific area for smoking outside of the workplace building, while also initiating a smoking cessation program;
- (c) Ensure an expanded and standardized unemployment insurance plan and benefits, including floating employees and employees with active cases in NLRC for illegal and constructive dismissal;
- (d) Prohibit any practice of mandatory overtime, delayed breaks, shortened workweek, multiple job assignments without additional compensation, and other forms of unregulated adjustments on working conditions;
- (e) Allow employee representation in the OSH committee through election as stipulated by the Department of Labor and Employment;
- (f) Be accountable for meeting the logistical and operational needs of work-from-home employees, including but not limited to the internet, basic utilities, tools and equipment, with employees not being penalized for failing to comply; and
- (g) Maintain the employees' job security in the threat of employment loss due to digitization and automation, and ensure continuous personnel training and upskilling.

**SECTION 24.** *Protection from Discrimination, Harassment, and Violence.* – BPO workers shall be protected from discrimination by reason of sex, sexual orientation, gender, age, political or religious beliefs, civil status, physical characteristics, disability, medical conditions, race, or ethnicity. BPO workers shall be protected from harassment and violence, according to the principles of the *International Labour Organization Convention No. 190*.

BPO companies must also ensure their compliance and adherence to the provisions and principles of *Republic Act No. 11313* or the *Safe Spaces Act*. The company should form an obligatory safe space employees committee to ensure the company's compliance and to enhance its lawful implementation in the BPO industry. Similarly, BPO companies must respect the workers' freedom of speech, self-expression, artistic expression and preferences for clothing.

**SECTION 25.** *Medical Examination and Medical and Health Benefits.* – Apart from PhilHealth insurance, BPO workers shall be entitled other medical and health benefits which include the following:

- (a) A medical examination free of charge upon entry in the BPO company and not merely upon regularization, and every year thereafter during their tenure of employment.
- (b) An HMO or Medical and Health insurance benefits upon employment with minimum coverage of Four Hundred Thousand Pesos (PHP 400,000.00) that can be extended to up to two dependents to be determined by the employee. The HMO shall cover pre-existing conditions, annual physical examination, Ears, Nose, and Throat (ENT) conditions, dental services, neuro-psychological services, and the treatment of communicable diseases. They shall also be compensated for injuries and medical complications arising from and related to their work in accordance with existing laws, labor policies, guidelines or circulars as the case may be.
- (c) Over-the-counter medicines and basic health supplements or vitamins shall be made available, for free, all throughout operational hours.
- (d) The company shall also have a resident psychologist available 24/7 as the nature of the BPO employees' work are constantly exposed to a highly stressful environment (e.g. demeaning treatment of customers, high pressure to meet performance targets, exposure to obscene and violent content, especially for content moderators).

- (e) Annual psychiatric and psychological evaluation which may be included in the annual physical examination as stipulated in Section 22 (a) of this Act. When needed, professional psychological or psychiatric intervention should also be provided for free that may be covered by HMO or Medical and Health insurance as stipulated in Section 27(b) of this Act.
- (f) Annual medical, dental, and optical reimbursement of One Hundred and Fifty Thousand Pesos (PHP 150,000.00) shall also be awarded to BPO industry workers.
- (g) Mandatory Standardized Death and Accident Benefits amounting to Two Million Pesos (PHP 2,000,000.00) must be provided.
- (h) Medical kits for both On-Site and Work-from-Home employees shall be provided at times of national emergency, which consist of the following:
  - (1) Company-provided Personnel Protective Equipment (PPE) and hygiene kits for on-site employees;
  - (2) Healthcare kits and medicine for work-from-home employees; and
  - (3) Additional health and medical packages to employees, in accordance with the prevailing public health conditions.

**SECTION 26.** *Workplace Policy on Occupational Safety and Health.* – An occupational safety and health policy shall be formulated by each BPO establishment addressing the safety and health concerns in BPO workplaces and worksites, promoting progressive health conditions, mitigating and pre-emptive processes for the benefit of workers, in accordance with the Occupational Safety and Health Standards (OSHS) and other related OSH issuances. Each BPO company shall enforce a proper business continuity plan that prioritizes the safety, security, and well-being of employees, especially in times of disasters and calamities.

- (a) OSH Standards must be enforced and inspected by the concerned and authorized bodies of the government and prohibit any acts of self-regulated OSH Standards inspection.
- (b) The company shall institutionalize OSH committees with genuine and sufficient representation from the employee sector. It shall include a professional medical personnel and workers' representative. The company shall ensure that a medical personnel is on duty for all working hours.

**SECTION 27.** *Security of Tenure.* – No employee can be terminated based on habitual absences and performance, to protect them from being abused by legal

provisions that allow floating status of employees for not more than six (6) months, and other existing laws, and after due process in an administrative proceeding as provided for in this Act. When putting workers in floating status, the company must not hire new employees until all employees who shall be subject or are currently in floating status have been absorbed in vacancies in other or new accounts, provided that the workers are willing to be absorbed in other or new accounts available.

**SECTION 28. *Prohibition Against Elimination or Diminution of Benefits.*** – Nothing in this Act shall be construed to eliminate or diminish in any way existing benefits being enjoyed by BPO employees at the time of effectivity of this Act, or benefits beyond the minimum standards set forth by this Act.

**SECTION 29. *Right to Money Claims.*** – The company may not, in any case, prevent a BPO worker from receiving their rightful money claims arising from labor disputes.

**SECTION 30. *Safeguards in Administrative Proceedings.*** – In any administrative proceeding, a BPO worker shall have:

- (a) the right to be informed of the charges;
- (b) the right to full access on evidence against them;
- (c) the right to defend themselves or by a counsel of their choice;
- (d) the right to be given adequate time to prepare their case, which shall in no case be less than one week;
- (e) the right to appeal to designated authorities; and
- (f) such other rights that will ensure fairness and impartiality during proceedings.

**SECTION 31. *Access to Relevant Information.*** – The State shall ensure that BPO companies allow their workers and employees access to:

- (a) relevant information to make them understand their rights, benefits, obligations, conditions and realities attending to the profession: *Provided*, that BPO companies shall not restrain their employees from organizing or attending activities, such as, but are not limited to, workshops and symposia, that seek to equip BPO workers with relevant information with regard to their rights, welfare and conditions; and
- (b) information on service level agreement between client and vendor, especially when it affects working conditions and worker compensation and benefits, as consistent with Article 13 Section 3 of the 1987 Philippine Constitution which states that “[t]hey shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.”

**SECTION 32. *Freedom from Interference or Coercion.*** – It shall be unlawful for any person or company to commit any of the following acts of interference or coercion:

- (a) to require as a condition of employment that BPO employees shall not join, form, or assist in the formation of an organization or union;
- (b) to discriminate in order to encourage or discourage membership in an organization or union;
- (c) to prevent a BPO employee from carrying out their duties and functions in their organization or union to penalize the employee for any lawful action performed in that capacity;
- (d) to perform acts calculated to diminish the independence and freedom of the union or organization to direct its own affairs;
- (e) to perform acts of company retaliation, be it directly or indirectly, against employees raising grievances; and
- (f) to tag any employee as a “communist”, “terrorist”, “subversive”, or any similar label that can constitute as red-tagging which is a threat to the employee’s right to life, liberty, and security.

**SECTION 33. *Right to Self-organization to Engage in Collective Bargaining and to Participate in Democratic Exercises.*** – It shall be unlawful for any person or company to restrict the right of BPO workers to join, organize, or assist organizations and to collective bargaining. In addition, BPO companies should exercise due diligence and actively provide venues for workers to participate in the deliberation of issues and in the formulation of policies that affect them. BPO employees should be represented in industry tripartite bodies and mechanisms, and other related mechanisms as facilitated by the Department of Labor and Employment and other relevant agencies.

**SECTION 34. *Penal Provision.*** – Any person or company who violates the provisions of this Act shall be punished with a fine of not less than Five Hundred Thousand Pesos (P500,000) and/or imprisonment of not less than six (6) months but not more than one (1) year or both at the discretion of the Court.

**SECTION 35. *Separability Clause.*** – If any provision of this Act is declared unconstitutional or invalid, the remainder thereof not affected thereby shall continue to be in full force and effect.

**SECTION 36. *Repealing Clause.*** – All laws, ordinances, rules and regulations, other issuances or parts thereof which are inconsistent with this law are hereby repealed or modified accordingly.

**SECTION 37. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in at least two newspapers of general circulation.

*Approved,*