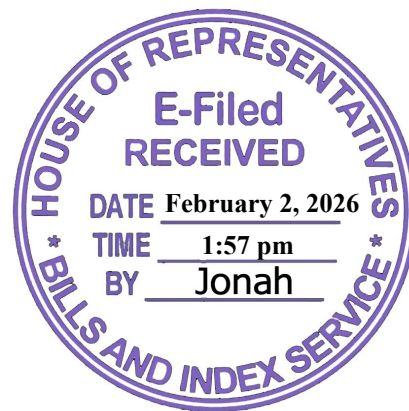


Republic of the Philippines
HOUSE OF REPRESENTATIVES
 Quezon City

TWENTIETH CONGRESS
 First Regular Session

House Bill No. 7540



**Introduced by Representatives Lani Mercado-Revilla, Ramon Jolo B. Revilla III,
 Bryan B. Revilla**

AN ACT
GRANTING INCENTIVES TO PRIVATE BUSINESSES THAT ESTABLISH AND
OPERATE ELDERLY CARE FACILITIES FOR FREE, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

It has been observed that the number of older people in the country is increasing rapidly, even faster than the growth in total population. In 2000, there were 4.6 million senior citizens (about 6% of the total population). In a decade, this grew to 6.5 million (about 6.9% of the total population). The Philippine Statistics Authority has projected that by 2030, this will be 11.5 %.¹

The sight of abandoned older people has become not uncommon in recent years. The perception is not denied by TV shows that highlight the plight of these poor citizens, and whatever the cause of their situation – whether they were kicked out of their homes by uncaring children or relatives, or had grown old alone and impoverished – the sad reality remains that we have a lot of destitute old citizens that need help.

Being a largely Christian country with deeply embedded Christian values, Filipinos are generally loathe to entrust the care of their parents to others, including nursing homes or elderly care facilities. However, those that are unable to afford their care and those that do not wish to care for them make up a number that we cannot ignore.² The

¹ Villaverde, V. A. (January 2019). Compliance with Standards of Geriatric Nursing Home Facilities in the Philippines: An Evaluation <https://www.iosrjournals.org/iosr-jnhsp/papers/vol8-issue1/Series-9/C0801091522.pdf>. Accessed on 07 November 2025.

² Ibid.

government should step in when no one else seems able to or willing to perform this duty. As it has oft been said, Filipino senior citizens had already given their dues, and in the twilight of their years when those of their ranks who cannot support themselves or have no one to support them, it is time that the government marshals its resources for this sector of the population.

No less than the 1987 Constitution, in Article II, Section 11 declares that the State values the dignity of every human person and guarantees full respect for human rights. There is no greater impetus than this.

Hence, this bill aims to encourage private companies in the Philippines to establish elderly care facilities for senior citizens in dire situations. Such facilities will be free of charge and will comply with minimum standards to ensure proper care of our elderly. Although we do have government-run facilities, they are already saddled heavily, and we believe that privately-run facilities may be more efficient and be better run privately, as may be proved in many other undertakings.

Further, private companies are not averse to channeling their funds to worthy causes, which will be tax-deductible, as evidenced for example, by their sponsorship of many types of activities through their Corporate Social Responsibility³ arm. Surely the care of our elderly is far more important, if not equally impacting as other causes.

In view of the above cited reasons, approval of this bill is earnestly sought.



REP. LANI MERCADO-REVILLA



REP. RAMON JOLO B. REVILLA III



REP. BRYAN B. REVILLA

Republic of the Philippines
HOUSE OF REPRESENTATIVES

³ CBOS Business Solutions Inc. (n.d.) Corporate Social Responsibility (CSR) in the Philippine Business Context. <https://cbos.com.ph/corporate-social-responsibility-csr-in-the-philippine-business-context/>. Accessed on 17 November 2025.

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AN ACT

**GRANTING INCENTIVES TO PRIVATE BUSINESSES THAT ESTABLISH AND
OPERATE ELDERLY CARE FACILITIES FOR FREE, AND FOR OTHER PURPOSES**

SECTION 1. Short Title – This Act shall be known as the “**Free Elderly Care Facilities Incentive Act.**”

SEC. 2. Declaration of Policy – It is hereby declared the policy of the State to promote the welfare of senior citizens by providing access to free, quality, and dignified elderly care. The State recognizes the role of the private sector as a partner in providing social services and shall grant incentives to encourage the establishment and operation of elderly care facilities at no cost to residents.

SEC. 3. Definition of Terms – For purposes of this Act, the following terms shall mean:

1. **Client/Resident** – the senior citizen admitted to the elderly care facility.
2. **Elderly Care Facility** – a residential or community-based institution providing housing, meals, medical support, and social services to persons aged sixty (60) years and above. Used interchangeably with “elderly shelter facility.”
3. **Eligible Entity** – any private corporation, partnership, foundation, or cooperative duly registered with the Securities and Exchange Commission (SEC) or Cooperative Development Authority (CDA) that establishes and operates such facilities free of charge.
4. **Existing Private Business Company** – any corporation, partnership, or cooperative duly registered with the Securities and Exchange Commission (SEC) or Cooperative Development Authority (CDA), engaged in lawful business operations for at least three (3) years prior to application under this Act.
5. **Mentally unstable** – refers to a state of mental or cognitive imbalance, characterized by difficulty in regulating emotions, thoughts or behaviors. It is

usually used to describe persons experiencing depression, anxiety, bipolar disorder, borderline personality disorder, etc.⁴

6. **Small and medium businesses** – businesses with assets of less than PhP 100 Million.⁵

SEC. 4. Charter of the Elderly Shelter Facility – The facility shall have a charter of its own, and shall be a body corporate for an indefinite period and endowed with the right of succession in its corporate name and competent to sue and be sued and to acquire and convey personal and real property, and shall be considered as a real corporation and vested in general with all the powers granted to and vested in corporations organized in accordance with Republic Act No. 11232 or the Revised Corporation Code.

In this regard, the Securities and Exchange Commission (SEC) shall ensure the compliance of the facility with the provisions of RA No. 11232.

SCE. 5. Incentives – Private business companies that establish and operate accredited elderly care facilities, with a minimum capacity of thirty (30) persons, free of charge shall be considered an eligible entity and entitled to the following:

1. **Income Tax Deduction** – An additional deduction of one hundred fifty percent (150%) of all qualified operating expenses related to the facility. The Secretary of Finance (DoF) shall determine what are qualified operating expenses for this purpose.
2. **Income Tax Holiday** – For small and medium businesses and for start-up, a five (5)-year income tax holiday on net income derived from the primary business of the company, provided the elderly care facility remains operational and free of charge.
3. **Real Property Tax Exemption** – Exemption from real property tax on land and buildings used exclusively for the facility.
4. **Donor's Tax Exemption** – Donations, grants, or contributions received for the facility shall be exempt from donor's tax.
5. **Priority Access to Government Programs** – Eligible companies shall be given priority in government procurement, public-private partnership projects, and corporate social responsibility recognition programs.

⁴ Changzheng 16. (25 December 2024). What Does it Mean to be Mentally Unstable? WomenHealthDomain. <https://www.womenhealthdomain.com/archives/17731>. Accessed on 14 November 2025.

⁵ Richest Ph. (n.d.) Micro, Small, and Medium Enterprises (MSMEs): The Backbone of the Philippine Economy. <https://richestph.com/micro-small-and-medium-enterprises-msmes-the-backbone-of-the-philippine-economy/>. Accessed on 7 November 2025.

SEC. 5. Accreditation – The Department of Social Welfare and Development (DSWD), in coordination with the Department of Health (DOH), shall accredit elderly care facilities under this Act, ensuring compliance with health, safety, and quality standards.

SEC. 6. Criteria for Elderly Shelter Facilities – The following minimum standards shall be observed in the establishment of free elderly care facilities covered under this Act:

1. Minimum capacity of thirty (30) persons;
2. An open area for sunning and/or outdoor activities
3. A lobby/receiving area for visitors
4. An indoor activity area for exercise and other activities
5. Bedrooms that protect their privacy
6. Separate rooms and facilities for male and female residents
7. At least three (3) nursing staff to check on the health of the residents daily and as needed, atleast one of them should be a registered nurse;
8. At least one (1) vehicle for transporting the resident to the clinic/hospital in emergency cases, compliant with the requirements of emergency transport vehicle according to the standards of the Department of Health (DOH).

Any amenities and privileges beyond the above-listed shall not be prohibited nor curtailed, subject to the approval of DSWD.

SEC. 7. Criteria for Acceptance into the Elderly Shelter Facilities – The elderly shelter facility shall determine the criteria for admission/acceptance into the facility, taking into consideration the capacity of the shelter to care for the clients. Some of the criteria/requirements used by other private elderly shelters include the following, which may serve as a guide:

1. The client is 60 years of age or over;
2. He/she must be indigent;
3. Social case history by a social worker (DSWD);
4. Medical exam (client must be free from any contagious disease);
5. Mobile (or impaired mobility but mentally-abled);
6. Pass psychiatric exam administered by the facility;
7. Client should be able to observe rules and regulations in the shelter.

The shelter may refuse admission if the shelter's capacity is overburdened, or threatened to be so. It may also recommend the removal of a client for any of the following reasons:

1. Repeated non-observance or violations of existing rules;
2. Repeated attempts to leave the facility.

SEC. 8. Privacy – The privacy of all residents shall be respected as provided for under Republic Act No. 10173 or the Data Privacy Act of 2012, subject to the facilities' rules and activities that are not against customs or law, as may be assessed by the DSWD. In case a client is unable to give consent, a caseworker shall make an evaluation and give consent as may be appropriate.

SEC. 9. Partnership with DOH – Clients from the facility shall be given priority access to consultations and medical interventions in DOH-run hospitals and shall be treated free of charge. The facility may also enter into agreement with DOH or the relevant DOH field office for government support and partnership in various programs for the elderly.

SEC.10. Monitoring and Reporting – Accredited entities shall submit annual reports to the DSWD detailing:

1. Number of residents served;
2. Staffing levels and qualifications;
3. Compliance with care standards.

The DSWD shall conduct regular inspections to ensure compliance with established standards. Any violation of accreditation requirements shall result in the suspension or revocation of incentives.

The DSWD shall also submit a consolidated report to Congress every two (2) years on the impact of this Act.

SEC. 11. Penal Provisions – In cases of fraud and/or any violation of the provisions of this Act, the applicable penalties under the Revised Corporation Code, the Data Privacy Act, the Revised Penal Code and the Civil Code of the Philippines shall apply at the discretion of the court.

SEC. 12. Appropriations – The amount needed for the implementation of this Act shall be charged against the appropriations of the departments involved in the current and subsequent General Appropriations Act.

SEC. 13. Implementing Rules and Regulations – Within ninety (90) days from the effectivity of this Act, the Secretary of DSWD, in coordination with the Secretary of DOH, Secretary of DOF, and the Commissioner of the SEC shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 14. Separability Clause – If any provision of this Act is declared not valid or unconstitutional, the remaining provisions shall remain in full force and effect.

SEC. 15. Repealing Clause – Republic Act No. 11232, or the Revised Corporation Code of the Philippines, Republic Act No. 8424 or The National Internal Revenue Code of the Philippines, as amended, and any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation contrary to or

inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

SEC. 16. Effectivity – This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,