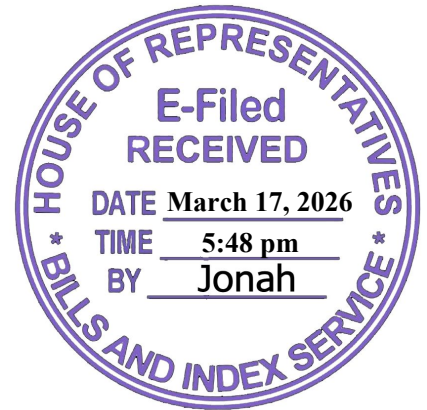


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 8641



Introduced by Representative ERIC G. YAP

EXPLANATORY NOTE

This bill seeks to expand the coverage of Republic Act (RA) No. 11165, otherwise known as the “*Telecommuting Act*”, to expressly include employees in the public sector and to strengthen the implementation of telecommuting arrangements in both government and private workplaces.

While RA 11165 institutionalized telecommuting as a voluntary, output-based work arrangement in the private sector, its application to public sector employees remains limited and uneven. In light of technological advancements, evolving workplace practices, and the demonstrated viability of remote work arrangements, there is a need to clarify and broaden the law’s scope to ensure that qualified government employees may likewise benefit from flexible work arrangements where physical presence is not necessary for the performance of their duties.

The bill defines telecommuting as an output-based work arrangement available to employees in both the private and public sectors, reinforcing performance-based standards rather than mere physical attendance. It authorizes employers and government agencies to offer telecommuting programs on mutually agreed terms, provided that such arrangements comply with existing labor standards, civil service rules, and applicable laws on work hours, overtime, rest days, and leave benefits.

By institutionalizing flexible work arrangements across sectors and providing modest but meaningful support for telecommuting employees, this measure promotes productivity, work-life balance, digital transformation, and more resilient public and private institutions.

In view of the foregoing, the immediate approval of this measure is earnestly sought.


HON. ERIC G. YAP

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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House Bill No. **8641**

Introduced by Representative ERIC G. YAP

AN ACT

EXPANDING THE COVERAGE OF REPUBLIC ACT NO. 11165, OTHERWISE KNOWN AS THE "TELECOMMUTING ACT," TO INCLUDE PUBLIC SECTOR EMPLOYEES, PROVIDING INCENTIVES FOR TELECOMMUTING EMPLOYERS, AND FOR OTHER PURPOSES

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 “*FLEX WORK (Flexible Labor & Employment eXpansion for WORKforce) Act*”.

SEC. 2. Section 3 of the Republic Act No. 11165, otherwise known as the “*Telecommuting Act*”, is hereby amended to read as follows:

“Sec. 3. *Telecommuting Defined* - As used in this Act, the term ‘telecommuting’ refers to **AN OUTPUT-BASED WORK ARRANGEMENT THAT ALLOWS EMPLOYEES IN THE PRIVATE OR PUBLIC SECTOR TO WORK FROM AN ALTERNATIVE WORKPLACE** with the use of telecommunication and/or computer technologies.”

SEC. 3. Section 4 of RA No. 11165 is hereby amended to read as follows:

“Sec. 4. *Telecommuting Program* - An employer in the private or public sector may offer a telecommuting program to its employees voluntarily, **WHOSE PHYSICAL PRESENCE IN THE WORKPLACE IS NOT NECESSARY FOR THE PERFORMANCE OR COMPLETION OF THEIR JOB**, and upon such terms and conditions as they may mutually agree upon: *Provided*, That such terms and conditions shall not be less than the minimum labor standards set by law, and shall include work hours, minimum number of work hours, overtime, rest days, and entitlement to leave benefits. In all cases, the employer shall provide the telecommuting employee with relevant written

information to adequately apprise the individual of the terms and conditions of the telecommuting program and the employee's responsibilities."

SEC. 4. Two (2) new sections are hereby inserted after Section 8 of RA No. 11165, which shall read as follows:

"SEC. 9. INCENTIVES FOR TELECOMMUTING EMPLOYEES. – ALL EMPLOYEES WORKING UNDER A TELECOMMUTING PROGRAM SHALL BE ENTITLED TO A NON-TAXABLE TELECOMMUTING ALLOWANCE OF AT LEAST ONE THOUSAND PESOS (P1,000) FOR EVERY MONTH SERVED UNDER SUCH AGREEMENT. PROVIDED, THAT, NOTHING IN THIS PROVISION SHALL BE CONSTRUED TO ELIMINATE OR IN ANY WAY DIMINISH SUPPLEMENTS, ALLOWANCES, OR OTHER EMPLOYEE BENEFITS SIMILAR PURPOSE BEING ENJOYED AT THE TIME OF THE IMPLEMENTATION OF THIS LAW. PROVIDED FURTHER, THAT, NOTHING IN THIS PROVISION SHALL BE INTERPRETED TO PROHIBIT THE EMPLOYERS OR THE COLLECTIVE BARGAINING AGREEMENT FROM PROVIDING TERMS HIGHER OR MORE FAVORABLE THAN THE RATE MENTIONED ABOVE. PROVIDED, FINALLY, THAT SUCH ALLOWANCES SHALL BE CONSIDERED AS ALLOWABLE DEDUCTIONS FROM GROSS INCOME UNDER THE NATIONAL INTERNAL REVENUE CODE, AS AMENDED."

"SEC. 10. PENALTIES. – ANY VIOLATION OF THE PROVISIONS OF THIS ACT SHALL BE PUNISHED IN ACCORDANCE WITH EXISTING LABOR LAWS, CIVIL SERVICE RULES, AND APPLICABLE REGULATIONS. EMPLOYERS WHO FAIL TO PROVIDE THE MANDATED TELECOMMUTING ALLOWANCE OR WHO UNREASONABLY DENY ELIGIBLE EMPLOYEES PARTICIPATION IN A VOLUNTARY TELECOMMUTING PROGRAM MAY BE SUBJECT TO ADMINISTRATIVE FINES, PENALTIES, OR OTHER SANCTIONS AS MAY BE DETERMINED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT ("DOLE") OR THE CIVIL SERVICE COMMISSION ("CSC"), AS APPLICABLE."

SEC. 5. Section 7 (b) of Republic Act No. 11165 is hereby amended to read as:

"Sec. 7. Administration - The parties to a telecommuting work arrangement shall be primarily responsible for its administration. In case of differences in interpretation, the following guidelines shall be observed:

(b) If there is no grievance mechanism or if the mechanism is inadequate, the grievance shall be referred to the regional office of DOLE **OR** CSC, which has jurisdiction over the workplace for conciliation."

SEC. 6. All succeeding sections of RA 11165 are hereby renumbered accordingly.

SEC. 7. *Separability Clause.* – If any portion or provision of this Act is declared invalid or unconstitutional, other provisions hereof shall remain in full force and effect.

SEC. 8. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 9. *Effectivity.* – This Act shall take effect fifteen days (15) after its publication in the Official Gazette or in a national newspaper of general circulation.

Approved,