

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8676

Introduced by Representative Kenneth T. Gatchalian

EXPLANATORY NOTE

The Philippines is undergoing a gradual but irreversible demographic transition. While the country remains relatively young, population aging is accelerating as fertility rates decline and life expectancy improves. According to the Philippine Statistics Authority (PSA), the proportion of Filipinos aged sixty (60) years and above increased from 6.8% in 2010 to 9.2% in 2020, representing more than 9 million senior citizens nationwide. This share is projected to exceed around 15-16% by 2045, marking the Philippines' transition into an aging society.¹

At the same time, life expectancy at birth has risen significantly from 67.8 years in 2000 to over 73.6 years in 2022², resulting in a longer period during which older persons remain capable of economic participation if given appropriate opportunities and support. These trends will have profound implications for labor markets, consumption patterns, healthcare systems, and public finance.

Many economies now view population aging as a strategic growth

¹ <https://psa.gov.ph/content/142-million-philippine-population-2045-0>

² [https://www.healthdata.org/news-events/newsroom/news-releases/global-life-expectancy-increase-nearly-5-years-2050-despite#:~:text=Key%20takeaways:a%204.5%2Dyear%20increase\).](https://www.healthdata.org/news-events/newsroom/news-releases/global-life-expectancy-increase-nearly-5-years-2050-despite#:~:text=Key%20takeaways:a%204.5%2Dyear%20increase).)

opportunity rather than a social welfare concern. The silver economy, defined as economic activities arising from the needs, capacities, and consumption of persons aged fifty (50) and above, has emerged as a major driver of inclusive growth. The European Union estimates that the silver economy already contributes 29% of EU GDP and supports more than 78 million jobs³, with continued expansion projected in healthcare, wellness, assistive technologies, housing, and age-friendly services. Similarly, countries such as Japan, South Korea, and Singapore have adopted targeted incentives to promote age-inclusive enterprises and extend productive working lives, easing long-term fiscal pressure on pension and healthcare systems.

In the Philippines, older persons represent a growing consumer base and a largely untapped labor pool. Data from the Department of Labor and Employment (DOLE) show that many Filipinos aged sixty (60) and above remain willing to work, particularly in part-time, flexible, or knowledge-based roles, yet face structural barriers in hiring, skills retooling, and workplace design⁴. On the enterprise side, businesses that develop products and services for older persons—or intentionally employ senior workers—often incur higher upfront costs related to training, research and development, and age-friendly infrastructure, with limited access to targeted incentives.

This measure seeks to address these gaps by establishing a clear policy framework to promote enterprises and employment in the silver economy. It provides fiscal incentives, such as special deductions for age-inclusive employment and skills training, tax- and duty-free importation of capital equipment used directly in silver economy activities, and income tax holidays for newly registered silver enterprises. These incentives are complemented by non-fiscal measures, including coordinated workforce development, skills certification, and standards-setting to ensure that silver economy initiatives are responsive to the actual needs of older persons.

By proactively investing in the silver economy, the State can transform

³ https://publications.europa.eu/resource/ellar/2dca9276-3ec5-11e8-b5fe-01aa75ed71a1.0002.01/DOC_1#:~:text=In%202015%2C%20it%20is%20estimated,the%20changing%20balance%20of%20consumption.

⁴ https://pidswebs.pids.gov.ph/CDN/EVENTS/pids_reyes_senior-citizens_23jul2020_final.pdf

demographic change into a source of sustainable and inclusive growth, promote active and dignified aging, generate new employment opportunities, and reduce long-term fiscal strain on social protection systems.

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



KENNETH T. GATCHALIAN

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AN ACT
PROMOTING ENTERPRISES AND EMPLOYMENT IN THE SILVER
ECONOMY, CREATING INCENTIVES FOR AGE-INCLUSIVE
COMPANIES, AND FOR OTHER PURPOSES

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

1 **SECTION 1.** *Short Title.* – This Act shall be known as the “*Philippine*
2 *Silver Economy Incentives.*”

3 **SEC. 2.** *Declaration of Policy.* – It is hereby declared the policy of the
4 State to recognize the valuable contributions of older persons to national
5 development and to harness the economic opportunities arising from an aging
6 population.

7 The State shall promote enterprises, innovations, and employment
8 opportunities that develop products, services, and workplaces responsive to the
9 needs of older persons, while ensuring their active, productive, and dignified
10 participation in society.

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

- a. *Silver Economy* refers to existing and emerging economic opportunities associated with the growing public and consumer expenditure related to population aging and the specific needs of the population over 50.
- b. *Silver Jobs* refer to employment that contributes to the country's silver economy. Silver jobs are decent jobs that are productive, respect the rights of workers, deliver a fair income, provide security in the workplace and social protection for families, and promote social dialogue.
- c. *Silver Enterprises* refers to any business enterprise duly certified by the Department of Trade and Industry (DTI) and the National Commission of Senior Citizens (NCSC) under the Department of Social Welfare and Development (DSWD) as engaged in the production, manufacture, or delivery of silver economy products or services.

SEC. 4. Incentives. – For the purpose of encouraging business enterprises to generate silver jobs and sustain the silver economy, as certified by the DTI and NCSC, as provided in Section 5 hereof, silver enterprises shall enjoy the following incentives:

- a. *Special Deduction for Age-Inclusive Employment* - Special deduction from the taxable income equivalent to fifty percent (50%) of the total expenses for skills training and research development expenses, which is over and above the allowable ordinary and necessary business deductions for said expenses under the National Internal Revenue Code of 1997, as amended;
- b. *Tax and Duty-Free Importation of Capital Equipment* – Exemption from all taxes and duties on the importation of machinery, equipment, and materials used directly and exclusively in the production of silver economy goods and services (e.g., medical devices, rehabilitation tools, geriatric equipment).

- 1 c. *Income Tax Holiday (ITH)* – Newly registered Silver Enterprises shall
2 be entitled to an Income Tax Holiday for a period of five (5) years from
3 the start of commercial operations.
4

5 Incentives that will be granted under this Act shall be in addition to fiscal and
6 non-fiscal incentives already granted or provided under existing laws, orders,
7 issuances and regulations. Nothing in this Act shall be interpreted or construed to
8 diminish or limit, in whatever manner, the incentives granted or provided under
9 existing laws, orders, issuances and regulations.

10 **SEC. 5. *Inter-Agency Coordination.*** – The following agencies shall
11 coordinate in implementing this Act, with the following specific mandates:

12 a. *Department of Trade and Industry (DTI)*

- 13 1. Serve as the lead implementing agency of this Act.
14 2. Formulate and administer policies, guidelines, and standards for
15 the registration and accreditation of Silver Enterprises; and
16 3. Maintain a Silver Economy Registry of accredited enterprises.

17 b. *National Commission of Senior Citizens (NCSC)*

- 18 1. Act as the primary coordinating body for ensuring that silver
19 economy programs are responsive to the actual needs of older
20 persons;
21 2. Provide technical guidance on standards for elderly welfare,
22 safety, and inclusion in products and services; and
23 3. Monitor the impact of silver economy programs on the welfare
24 and empowerment of older persons.

25 c. *Department of Finance (DOF)*

- 26 1. Formulate and issue the rules on tax incentives and fiscal
27 benefits for registered Silver Enterprises, in consultation with
28 DTI and the Bureau of Internal Revenue (BIR);

2. Monitor beneficiary compliance with the terms and conditions of fiscal incentives; and
3. Evaluate the economic impact of incentives granted under this Act and recommend adjustments as necessary.

d. *Department of Labor and Employment (DOLE)*

1. Develop and implement employment programs for senior citizens and older workers, including flexible work arrangements and age-inclusive policies;
2. Promote equal opportunity employment for older persons and ensure the protection of their rights under existing labor laws;
3. Collaborate with TESDA in providing skills retooling and continuing education programs for older workers.

e. *Technical Education and Skills Development Authority (TESDA)*

1. Design and implement training and certification programs relevant to silver economy sectors (e.g., geriatric care, assistive technology, wellness, community services).

- f. Other agencies may be invited to participate in the implementation of this Act, including the *Department of Health (DOH)* for healthcare services and geriatric care programs; the *Department of Information and Communications Technology (DICT)* for digital inclusion initiatives and technology access for older persons; the *Department of Development and Economic Planning (DepDev)* for policy harmonization and integration of Silver Economy strategies into national and regional development plans; the *Department of Science and Technology (DOST)* for research, innovation, and technology development benefiting the elderly population; and the *Department of Social Welfare and Development (DSWD)* for social protection, community-based support

1 systems, and inclusive welfare programs aligned with Silver Economy
2 objectives.

3 **SEC. 6. *Penalty for Misrepresentation.*** – Any person or enterprise that
4 falsely claims certification as a Silver Enterprise shall be subject to a fine of not
5 less than ₱5,000,000.00 and cancellation of incentives.

6 **SEC. 7. *Appropriations.*** – The amount necessary for the initial
7 implementation of this Act shall be charged against the current appropriations of
8 the concerned agencies, thereafter included in the General Appropriations Act
9 (GAA).

10 **SEC. 8. *Implementation.*** – The DTI, in coordination with the NCSC and
11 DOF, shall issue such rules and regulations as may be necessary to carry out the
12 purpose of this Act.

13 **SEC. 9. *Separability Clause.*** – If any provision or part of this Act is held
14 invalid or unconstitutional, the remaining parts or provisions not affected shall
15 remain in full force and effect.

16 **SEC. 10. *Repealing Clause.*** – All laws, executive orders, presidential
17 decrees or issuances, letter of instruction, administrative orders, rules, and
18 regulations as well as local ordinances contrary to or inconsistent with the
19 provisions of this Act are hereby repealed, amended, or modified accordingly.

20 **SEC. 11. *Effectivity.*** - This Act shall take effect fifteen (15) days after
21 publication in the Official Gazette or in two (2) national newspapers of general
22 circulation.

Approved,