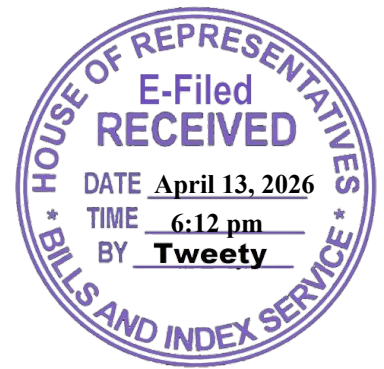


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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8844



Introduced by REP. JESUS “BONG” C. SUNTAY

EXPLANATORY NOTE

The COVID-19 pandemic fundamentally changed the way people work and showed that telecommuting is not merely an emergency response: but a reliable, sustainable, and practical work arrangement. For many workers, remote work reduced time lost in traffic and added more energy in productivity, lowered transportation costs, and improved work-life balance, while allowing employers to maintain efficiency and continuity of operations.

Although Republic Act No. 11165, or the “Telecommuting Act,” already recognizes telecommuting as an alternative work arrangement and was enacted to promote flexibility using telecommunications and technological advancements in computers, it has also underscored the need to revisit and strengthen the existing law so it can better respond to present-day realities and provide clearer protection for workers. While the current framework provides the basis for telecommuting in the private sector, it remains limited in scope and does not sufficiently address the needs and welfare of employees engaged in such arrangements.

This proposed measure seeks to expand the coverage of Republic Act No. 11165 by expressly including employees in the public sector and by recognizing telecommuting as an output-oriented work arrangement applicable where physical presence in the workplace is not essential to the performance of duties.

The bill further provides for the voluntary adoption of telecommuting programs, subject to mutually agreed terms and conditions between employers and employees, while ensuring that all minimum labor standards are fully observed. It requires employers to give employees adequate written information on the terms and conditions of the telecommuting program – including working hours, overtime, rest days, and leave benefits, so that their rights and responsibilities are clearly defined.

Moreover, the measure introduces a system of incentives for telecommuting employees through the grant of a non-taxable monthly allowance to help defray additional expenses incurred in remote work, such as internet connectivity and electricity costs. Correspondingly, the bill allows such allowances granted by private employers to be treated as deductible expenses for income tax purposes, thereby encouraging employer compliance and support, as well as a wider adoption of telecommuting arrangements.

1 The amendments likewise strengthen mechanisms for administration and redress by
2 providing for recourse and clarifying the role of appropriate government agencies,
3 including the Department of Labor and Employment (DOLE) and the Civil Service
4 Commission (CSC), as may be applicable, when grievance mechanisms are absent or
5 inadequate in resolving disputes arising from telecommuting arrangements.

6
7 A more responsive and comprehensive legal framework such as this bill ensures that
8 telecommuting arrangements are fair, transparent, and beneficial to both employers
9 and employees.

10
11 By institutionalizing stronger protections and incentives for telecommuting, the aim
12 is to promote a more inclusive, efficient, and responsive work environment that
13 adapts to the changing demands of workforce and its evolving workplace practices –
14 especially today in the digital age of modernized labor – while safeguarding the rights
15 and welfare of professional workers.

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17 In view of the foregoing, the immediate passage of this bill is earnestly sought.
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REP. JESUS "BONG" C. SUNTAY
4th District, Quezon City

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Constitution Hills, Quezon City

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12
13 **AN ACT EXPANDING THE COVERAGE OF THE TELECOMMUTING ACT**
14 **AND PROVIDING INCENTIVES FOR TELECOMMUTING EMPLOYEES,**
15 **AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 11165,**
16 **OTHERWISE KNOWN AS THE "TELECOMMUTING ACT" AND FOR**
17 **OTHER PURPOSES**
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20 Be it enacted by the Senate and House of Representatives of the Philippines in
21 Congress assembled:

22
23 **SECTION 1.** Section 3 of Republic Act No. 11165 or the "Telecommuting Act" is
24 hereby amended to read as follows:

25
26 "Section 3. *Telecommuting Defined.* — As used in this Act, the term
27 "telecommuting" refers to ~~{a}~~ **AN OUTPUT-ORIENTED** work arrangement
28 that allows an employee in the private **OR PUBLIC** sector to work from an
29 alternative workplace with the use of telecommunication and/or computer
30 technologies."
31

32 **SECTION 2.** Section 4 of Republic Act No. 11165 or the "Telecommuting Act" is
33 hereby amended to read as follows:

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35 "Section 4. *Telecommuting Program.* — An employer in the private **OR**
36 **PUBLIC** sector may offer a telecommuting program to its employees on a
37 voluntary basis, **WHOSE PHYSICAL PRESENCE IN THE**
38 **WORKPLACE IS NOT NECESSARY FOR THE PERFORMANCE OR**
39 **COMPLETION OF THEIR JOB**, and upon such terms and conditions as
40 they may mutually agree upon: *Provided*, That such terms and conditions shall
41 not be less than the minimum labor standards set by law, and shall include
42 compensable work hours, minimum number of work hours, overtime, rest
43 days, and entitlement to leave benefits. In all cases, the employer shall provide
44 the telecommuting employee with relevant written information to adequately
45 apprise the individual of the terms and conditions of the telecommuting
46 program, and the responsibilities of the employee."
47

48 **SECTION 3.** Section 7 (b) of Republic Act No. 11165 or the "Telecommuting Act" is
49 hereby amended to read as follows:

“Section 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:

XXX

b) If there is no grievance mechanism or if the mechanism is inadequate, the grievance shall be referred to the regional office of the Department of Labor and Employment (DOLE) **OR THE CIVIL SERVICE COMMISSION (CSC)** which has jurisdiction over the workplace for conciliation.

XXX”

SECTION 4. A new section is hereby inserted after Section 8 of Republic Act No. 11165 or the “Telecommuting Act” which shall read as follows:

“SECTION 8-A. 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 (P1,000.00) FOR EVERY MONTH SERVED UNDER SUCH AGREEMENT: *PROVIDED*, THAT NOTHING IN THIS PROVISION SHALL BE CONSTRUED TO ELIPIINATE OR IN ANY WAY DIMINISH SUPPLEMENTS, ALLOWANCES, OR OTHER EMPLOYEE BENEFITS SERVING A 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 OF THE COLLECTIVE BARGAINING AGREEMENT FROM PROVIDING TERMS HIGHER OR MORE FAVORABLE THAN THE ABOVE-MENTIONED RATE: *PROVIDED, FINALLY*, THAT ALLOWANCES, GRANTED BY PRIVATE EMPLOYERS UNDER THIS PROVISION SHALL BE DEDUCTIBLE FOR INCOME TAX PURPOSES.”

SECTION 5. *Implementing Rules and Regulations.* – The Department of Labor and Employment (DOLE), the Civil Service Commission (CSC), the Department of Finance (DOF), and the Bureau of Internal Revenue (BIR), shall promulgate the rules and regulations to implement this Act within ninety (90) days from the effectivity of this Act.

SECTION 6. *Separability Clause.* – If any part, section or provision of this Act is declared invalid or unconstitutional, the remainder of this Act or any other provisions not affected by such declaration shall remain in full force and effect.

SECTION 7. *Repealing Clause.* – All laws, acts, decrees, executive orders, rules, and regulations, letters of instructions, proclamations, or other issuances or parts thereof which are contrary to and inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,