



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 9492



Introduced by Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Andrew Julian K. Romualdez and Jude A. Acidre

AN ACT
ENSURING THE WELFARE AND PROTECTION OF BUSINESS
PROCESS OUTSOURCING (BPO) WORKERS IN THE PHILIPPINES

EXPLANATORY NOTE

The Business Process Outsourcing (BPO) industry has emerged as a major driver of economic growth in the Philippines and is widely recognized as one of the primary pillars of the national economy. Over the past two decades, the sector has positioned the country as a global hub for customer service, information technology services, finance and accounting support, healthcare information management, and other knowledge-based services.

The continued expansion of the BPO sector has generated substantial foreign exchange earnings, stimulated regional development, and created employment opportunities for a young and highly skilled workforce. However, the nature of BPO operations—largely servicing multinational corporations across different time zones—requires round-the-clock operations and shifting work schedules. Consequently, a significant portion of the workforce is assigned to night-shift work and extended irregular hours, exposing employees to heightened health risks, workplace stress, safety concerns, and long-term physiological effects associated with shift work.

Given the scale of employment in the sector and the unique occupational conditions faced by its workforce, there is a compelling need to institutionalize

additional protections tailored specifically to BPO workers. While existing labor laws provide general safeguards, the distinct circumstances of night-shift and shifting work arrangements necessitate enhanced standards to ensure their health, safety, security, and overall welfare.

This proposed measure seeks to protect and promote the welfare of workers in the BPO industry through the establishment of sector-specific employment standards and occupational health and safety policies. Among its salient features are the mandated regularization of BPO workers upon completion of six (6) months of employment, including those engaged as trainees or under probationary training; the prohibition of discrimination; the institutionalization of workplace health programs; and the provision of full health insurance coverage for employees.

By strengthening employment security, promoting occupational health, and ensuring equitable workplace protections, this bill affirms the State's commitment to safeguarding the rights and well-being of BPO workers who play a vital role in sustaining the country's economic stability and global competitiveness.

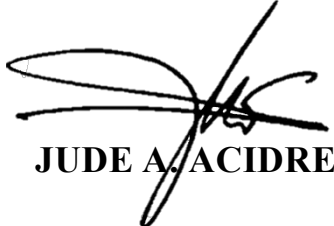
Finally, we recognize Rep. Gus Tambunting of the 2nd District of Parañaque for filing a similar bill in the Nineteenth Congresses.

In view of the foregoing, approval of this bill is earnestly requested.


FERDINAND MARTIN G. ROMUALDEZ


YEDDA MARIE K. ROMUALDEZ


ANDREW JULIAN K. ROMUALDEZ


JUDE A. ACIDRE



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

Twentieth Congress
First Regular Session

HOUSE BILL NO. 9492

Introduced by Representatives Ferdinand Martin G. Romualdez, Yedda Marie K. Romualdez, Andrew Julian K. Romualdez and Jude A. Acidre

AN ACT
ENSURING THE WELFARE AND PROTECTION OF BUSINESS
PROCESS OUTSOURCING (BPO) WORKERS IN 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.”

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and promote the rights and welfare of workers in the Business Process Outsourcing (BPO) industry, taking into full account the unique nature and operational demands of the sector.

Toward this end, the State shall adopt and implement measures to enhance the social and economic well-being of BPO workers, improve their living and

working conditions, ensure fair and just terms of employment, and promote opportunities for professional growth and career development.

SEC. 3. *Coverage.* – This Act shall cover all employees in the Business Processing Outsourcing industry.

SEC. 4. *Definition of Terms.* – For purposes of this Act, the following terms shall be understood as follows:

- (a) *Business Process Outsourcing (BPO)* is defined as the delegation of service-type business processes to a third-party service provider. It is generally divided into the following sectors: call centers, back office services, data transcription, animation, software development, engineering development, and game development. Most BPO companies engage in shift work to complete their 24-hour cycle.
- (b) *Call Center* also known as contact center, refers to a central customer service operation where agents—whatever their designation—handle business-related telephone calls, and other IT-related non-voice activities, on behalf of a client.
- (c) *Employer* includes any person or enterprise acting directly or indirectly in the interest of an employer, about an employee, and shall include government-owned or controlled corporations and institutions, as well as non-profit private institutions or organizations. Indirect employees or contractors shall also be considered “employers” in this Act.
- (d) *Employee* shall mean any person hired, permitted, or suffered to work by an employer.
- (e) *Health* shall connote a sound state of the body and mind of the worker, which enables him to perform his job normally, in a state of well-being.

- (f) *Safe or safety* shall refer to the physical or environmental conditions of work or employment, which substantially comply with the prescribed Standards, as defined below.
- (g) *Work Accident* shall mean an unplanned or unexpected occurrence that may or may not result in personal injury, property damage, work stoppage or interference, or any combination thereof: which arises out of and in the course of employment.
- (h) *Work Injury* shall mean any injury or occupational illness suffered by a person, which arises out or in the course of employment.
- (i) *Occupational Illness* shall mean any illness caused by environmental factors, the exposure, to which is characterized or peculiar to a particular process, trade or occupation, and to which an employee or worker is not ordinarily subjected to, or exposed to, outside of or away from such employment.
- (j) *Workplace* means the office, premises, or work site, where the workers are habitually employed and shall include the office or place where the workers, who have no fixed or definite work site, regularly report for assignment in the course of their employment.
- (k) *Approved* shall mean acceptable to the Secretary of Labor and Employment, as indicated in writing, after a proper examination showing compliance with prescribed Standards.
- (l) *Agencies* shall mean government agencies mandated to monitor, administer, promote, and ensure health and safety regulations and standards. These agencies are the Department of Labor and Employment, Bureau of Working Conditions, Employees Compensation Commission, and Occupational Safety and Health Center.
- (m) *Department* shall mean the Department of Labor and Employment.

- (n) *Secretary* shall mean the Secretary of Labor and Employment.
- (o) *Bureau* shall mean the Bureau of Working Conditions.
- (p) *Director* shall mean the Director of the Bureau of Working Conditions.
- (q) *Enforcement Officer* shall mean the industrial safety engineer, the labor regulation officer, or any duly authorized representative of the Secretary charged to enforce the Occupational Health and Safety Standards.
- (r) *Authorized Representative* shall mean and include any employee or official of other government agencies empowered by the Secretary of Labor and Employment to enforce the provisions of the Standards.
- (s) *Registered Party* shall mean any duly registered non-stock non-profit organization advocating occupational health and safety.
- (t) *Shift Work* shall mean the employment practice designed to make use of the 24 hours of the day. Employees are given schedules that correspond to a 24-hour work cycle. The term “shift work” includes both long-term night shifts and work schedules in which employees change or rotate shifts.

CHAPTER 1

GENERAL EMPLOYMENT STANDARDS

SEC. 5. *Standard of Treatment.* – The employer and the supervisors must, at all times, treat the BPO worker in a just and humane manner and ensure and provide that the rights and benefits of BPO workers be accorded as mandated by the Labor Code. Abusive language, physical violence, or any act which debases the dignity of a person shall not be used against the employee.

SEC. 6. *Access to Relevant Information.* – The State shall ensure the BPO companies allow their workers and employees access to relevant information to

make them understand their rights, benefits, obligations, conditions, and realities attending to their profession. 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 about their rights, welfare, and conditions.

SEC. 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 his/her 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 and that such tasks are duly compensated by the employer with an additional payment of not less than 25% of the regular rate per hour.

SEC. 8. *Regularization.* – All BPO workers shall be considered regular employees upon the completion of their sixth month of employment as trainee or apprentice, or upon the completion of a maximum probationary training period of six months.

SEC. 9. *Right to Self-Association.* – It shall be unlawful for any person, entity, or employer to interfere with, restrain, or coerce BPO workers in the exercise of their right to self-organization, including the right to form, join, or assist labor organizations of their own choosing, to engage in collective bargaining, and to participate in discussions and decision-making processes affecting their rights, interests, and welfare.

SEC. 10. *Freedom from Excessive Company Bond.* – It shall be unlawful for any person or company to compel a BPO worker to commit a company bond, imposing an unreasonable fee to be paid by the employee upon leaving the company before a specified length of time.

SEC. 11. *Protection from Discrimination.* – BPO workers shall be protected from discrimination because of sex, sexual orientation, age, political or religious belief, civil status, pregnancy, physical characteristics or disability, or ethnicity.

SEC. 12. *Hours of Work.* – The hours of work for BPO workers shall be governed by the provisions of the Labor Code, as supplemented by other applicable laws as well as this Act.

SEC. 13. *Work on Holidays.* – BPO workers may be required to work on days designated as non-working holidays in the Philippines given the nature of their profession; *Provided*, That the employer shall duly compensate the employee's work on such days by existing laws about holiday pay.

SEC. 14. *Leave Benefits.* – BPO workers shall be entitled to all leave benefits and privileges, such as but not limited to maternity, paternity, vacation, and sick leaves, as provided for under existing laws: *Provided*, That upon separation of the employee from service, they shall be entitled to all accumulated leave credits with pay. No employee may be terminated based solely on unapproved leaves without affording the employee due process in an administrative proceeding.

SEC. 15. *Transportation Benefits.* – In the absence of safe and adequate public transportation services at the place of work of BPO workers, the employer shall

provide safe transportation services to such workers between the hours of 9:00 p.m. and 6:00 a.m. Such transportation services shall include, but shall not be limited to, shuttle services to and from the workplace and designated drop-off points, to ensure the safe commute of employees during said hours.

SEC. 16. *Security of Tenure.* – No employee may be terminated except for just causes as may be provided by the Labor Code and other existing laws, and after due process in an administrative proceeding as provided for under the law.

CHAPTER 2 OCCUPATIONAL HEALTH AND SAFETY STANDARDS AND REGULATIONS

SEC. 17. *Employers' Obligation.* – Pursuant to Article 106 of the Labor Code, labor-only contracting is prohibited. In cases where labor-only contracting is established, the principal shall be deemed the direct employer of the contractor's employees and shall be responsible for all obligations arising from the employer-employee relationship.

In cases of legitimate job contracting or subcontracting, the principal shall be solidarily liable with the contractor for any violations of labor standards committed against the contractor's employees, in accordance with law.

Accordingly, any employer or principal who engages the services of a contractor or subcontractor shall ensure compliance with applicable labor standards and occupational safety and health requirements under the Labor Code, this Act, and other relevant laws and regulations. The principal shall likewise ensure that the workplace or worksite under its control is maintained in a safe and healthful condition for all workers therein, including employees of contractors or subcontractors.

Failure to comply with the foregoing obligations shall subject the employer or principal to liability as provided under existing laws.

SEC. 18. *Occupational Health and Safety Standards and Regulations for BPO Workers.* – Under its mandate, the Department of Labor and Employment is tasked to establish Occupational Health and Safety Standards (Standards) for BPO work. The Standards shall adhere to the prevailing standards of health and safety for BPO work and other similar employment. The minimum provisions in the Standards must meet the International Labor Organizations’ recommendations. The Standards should be reviewed annually by the agencies, a Workplace Occupational Health and Safety Officer, and registered interested parties, and must include provisions related to the enforcement officers and the authorized representatives.

SEC. 19. *Nature of BPO Night-Shift Work.* – Establishments operating on a twenty-four (24)-hour work cycle through shifting schedules expose employees assigned to night work to increased health and security risks, as well as physiological and psychological stress arising from work during biologically irregular hours. Accordingly, night-shift work in the BPO sector is hereby recognized as hazardous for purposes of this Act.

SEC. 20. *Compliance with the Standards.* – All establishments operating within the Philippines shall strictly comply with the provisions of the Standards. Compliance shall be mandatory and subject to monitoring, inspection, and enforcement by duly authorized officers or representatives, in accordance with procedures set forth in the Standards.

SEC. 21. *Workplace Occupational Health and Safety Officer.* – From among the employees, a Workplace Occupational Health and Safety Officer (WOHSO) shall be elected to serve as a consultant and in-house monitor of compliance with the Standards. The WOHSO shall review measures implemented to safeguard the health, safety, and welfare of employees and shall investigate and endeavor to resolve any matters that may pose a risk to health and safety in the workplace.

Employees may elect more than one WOHSO representative, subject to the approval of the Department. The powers, functions, and procedure for the election of the WOHSO shall be prescribed in the Standards, subject to the following guidelines: (a) All employees shall be entitled to vote in the election of the WOHSO; and (b) The powers of the WOHSO shall include, but shall not be limited to, inspecting any area of the workplace and requiring the establishment of a health and safety committee.

SEC. 22. *Workplace Policy on Occupational Health and Safety.* – Each establishment shall develop and implement an occupational health and safety policy that, at a minimum, complies with the Standards set forth in Section 18 of this Act. Establishments may incorporate additional safety measures appropriate to the nature of the local work environment, subject to the approval of the Bureau. The policy shall be reviewed annually by the employer, the Workplace Occupational Health and Safety Officer (WOHSO), and a duly authorized enforcement officer or representative.

All employees shall be informed of the occupational health and safety policy. Informational materials, including posters, brochures, or other similar devices, shall be provided to employees free of charge.

SEC. 23. *Health Program.* – The company physician shall, in addition to his duties stated in the Labor Code, develop and implement a comprehensive occupational health program for the benefit of all employees.

SEC. 24. *Health Insurance.* – All employees shall be entitled to a free comprehensive medical examination upon commencement of employment and subsequently on an annual basis for the duration of their employment.

The establishment shall provide full health insurance coverage for its employees, the terms and scope of which shall be mutually agreed upon between the employer and the employees.

SEC. 25. *Work-Related Injuries, Sickness, and Death Compensation.* – All employees and their dependents shall be entitled to compensation for injuries, medical complications, illnesses, disabilities, or death arising out of or in the course of employment, in accordance with existing laws, labor policies, rules, and regulations.

The Employees' Compensation Commission (ECC) shall promptly process and resolve any claim filed by or on behalf of injured, disabled, or deceased employees or their qualified dependents.

SEC. 26. *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 the effectivity of this Act, or benefits beyond the minimum standards set forth by this Act.

SEC. 27. *Penal Provision.* – Any person or company who violates the provisions of this Act shall be punished with a fine of not less than One Hundred Thousand Pesos (P100,000.00) and/or imprisonment of not less than two (2) months but not more than one (1) year, or both, at the discretion of the Court.

SEC. 28. *Separability Clause.* – If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 29. *Repealing Clause.* – All laws, executive orders or issuances or any part thereof, which are inconsistent herewith, are hereby repealed or amended accordingly.

SEC. 30. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,