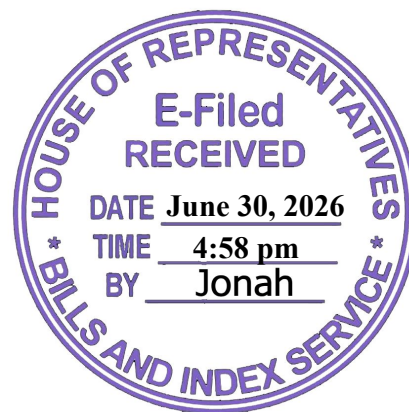


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9993



Introduced by Representative Jan “Atty. JP” D. Padiernos

EXPLANATORY NOTE

Republic Act No. 11165, or the Telecommuting Act, recognizes telecommuting as an alternative work arrangement and encourages the use of technology to promote efficiency and productivity in the workplace. In recent years, many employers have adopted telecommuting and hybrid work arrangements as part of their regular operations. While these arrangements allow businesses to reduce office-related expenses and provide employees with greater flexibility, they have also resulted in the transfer of certain work-related costs from employers to employees.

Workers who perform their duties from home often shoulder additional expenses for electricity, internet connectivity, and other utilities necessary to carry out their work. For many employees, particularly those in low- and middle-income households, these additional expenses represent a significant financial burden. Although telecommuting enables employees to save on transportation and commuting costs, the increased consumption of electricity and the need for reliable internet access often offset such savings. At present, there is no clear statutory framework requiring the equitable sharing of these work-related expenses.

This measure seeks to address this gap by requiring employers that adopt telecommuting or hybrid work arrangements to provide a reasonable utility and connectivity allowance to covered employees. To support business compliance and encourage the continued adoption of flexible work arrangements, the bill likewise allows the full amount of such allowances to be claimed as deductible business expenses for tax purposes.

By promoting a fairer allocation of work-related costs, this measure seeks to protect employee welfare while supporting productivity, business continuity, and modern workplace practices.

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

Rep. Jan “Atty. JP” D. Padiernos
GP (GALING SA PUSO) Partylist

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HOUSE BILL NO. 9993

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**AN ACT STRENGTHENING WORKER PROTECTION IN FLEXIBLE WORK
SETUPS BY MANDATING A UTILITY AND CONNECTIVITY ALLOWANCE FOR
TELECOMMUTING EMPLOYEES, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 11165, OTHERWISE KNOWN AS THE “TELECOMMUTING ACT,” AND
PROVIDING TAX INCENTIVES THEREFOR**

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

Section 1. *Short Title.* – This Act shall be known as “Telecommuting Utility Subsidy
Act.”

Section 2. A new section designated as Section 4-A is hereby inserted after Section 4
of Republic Act No. 11165, to read as follows:

**“SEC. 4-A. *TELECOMMUTING UTILITY AND CONNECTIVITY
ALLOWANCE.*** – EMPLOYERS THAT ADOPT TELECOMMUTING OR HYBRID
WORK ARRANGEMENTS SHALL PROVIDE THEIR COVERED EMPLOYEES WITH
A REASONABLE UTILITY AND CONNECTIVITY ALLOWANCE TO HELP DEFRAY
EXPENSES DIRECTLY RELATED TO THE PERFORMANCE OF WORK FROM HOME,
INCLUDING ELECTRICITY AND INTERNET COSTS.

THE AMOUNT AND GUIDELINES FOR SUCH ALLOWANCE SHALL BE
DETERMINED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE),
TAKING INTO CONSIDERATION THE NATURE OF THE WORK PERFORMED, THE
INDUSTRY STANDARD, THE FREQUENCY OF TELECOMMUTING, AND OTHER
RELEVANT ECONOMIC CIRCUMSTANCES.”

Section 3. A new section designated as Section 4-B is hereby inserted after Section
4-A of the same Act, to read as follows:

“SEC. 4-B. *TAX INCENTIVE.* – ANY UTILITY AND CONNECTIVITY
ALLOWANCE GRANTED PURSUANT TO THIS ACT SHALL BE CONSIDERED AN
ORDINARY AND NECESSARY BUSINESS EXPENSE AND SHALL BE FULLY
DEDUCTIBLE FOR INCOME TAX PURPOSES, SUBJECT TO EXISTING TAX LAWS

AND REGULATIONS AND THE RULES TO BE ISSUED BY THE BUREAU OF INTERNAL REVENUE (BIR).”

Section 4. *Non-Diminution of Benefits.* – Nothing in this Act shall be construed to diminish or reduce any existing salary, allowance, or benefit granted to employees under law, contract, or company policy.

Section 5. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Department of Labor and Employment, in coordination with the Department of Finance, the Bureau of Internal Revenue, and other concerned agencies, shall promulgate the rules and regulations necessary for the implementation of this Act.

Section 6. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 7. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

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,