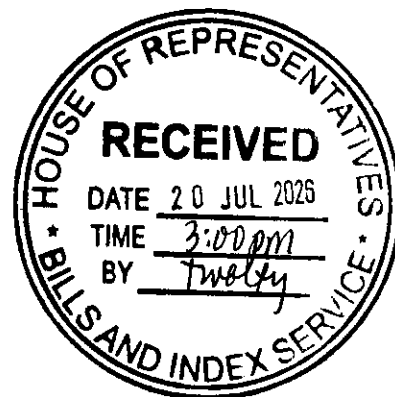


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 10126



Introduced by HON. PHILIP CONRAD “DOK BONG” M. ACOP

AN ACT
PROVIDING PROTECTION, MANDATORY BENEFITS, AND EQUITABLE
WORKING CONDITIONS FOR DIGITAL PLATFORM AND GIG ECONOMY
WORKERS, ESTABLISHING A PORTABLE BENEFITS SYSTEM, AND FOR
OTHER PURPOSES

EXPLANATORY NOTE

The proposed legislative act serves as a vital regulatory bridge adapting traditional Philippine labor frameworks to the dynamics of the modern digital economy. Under current laws, virtual assistants, delivery riders, and rideshare drivers frequently occupy a legal gray area, operating without safety nets due to their classification as independent contractors. This bill corrects that vulnerability by establishing the distinct classification of a “Dependent Contractor.”

The bill modernizes the traditional “four-fold test” of employment, stating that if a digital platform controls pricing, mandates codes of conduct, utilizes algorithmic surveillance, or restricts direct client relationships, it exercises a level of economic influence that triggers mandatory state protections. By codifying this middle-ground status, the Act ensures that while digital platform companies (DPCs) retain operational agility and workers maintain scheduling flexibility, platforms can no longer exploit legal loopholes to evade basic labor responsibilities.

Central to this legislation is the creation of a robust social protection and safety framework tailored for fluid, multi-platform labor. The bill establishes the Universal Portable Benefits Fund (UPBF), managed by the SSS, PhilHealth, and Pag-IBIG under the oversight of the Department of Labor and Employment (DOLE). Under this system, platforms are mandated to contribute at least five percent (5%) of the gross earnings of every completed transaction into a centralized account tied to the worker’s unique Universal Portability Number (UPN). This innovative, portable structure ensures that even if a gig worker dynamically juggles tasks across multiple competing applications within a single month, their healthcare, housing, and social

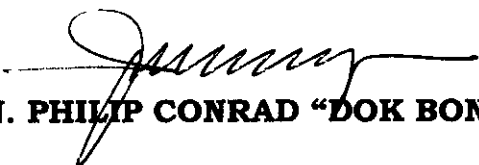
security contributions pool together continuously, ensuring uninterrupted coverage.

Beyond structural benefits, the proposed bill institutes rigorous fair compensation standards and occupational safety mandates to protect workers from economic and physical harm. It guarantees that a dependent contractor's baseline earnings cannot fall below the hourly equivalent of the prevailing regional minimum wage, with an explicit requirement that necessary operational overhead—such as fuel, vehicle maintenance, and mobile data—must be factored in on top of that base.

Field and delivery workers are granted a ten percent (10%) night shift differential for late-night labor and a twenty-five percent (25%) hazard pay bump when deployed during active states of calamity or severe weather warnings. Furthermore, to mitigate the inherent risks of gig work, platforms are legally required to fully finance comprehensive group personal accident and third-party liability insurance to cover medical expenses, disabilities, or loss of life incurred while a worker is logged into the application. Finally, the bill directly addresses the unique challenges of tech-driven workplaces by targeting algorithmic exploitation and safeguarding fundamental labor rights.

It mandates algorithmic transparency, requiring companies to provide clear disclosures on how automated systems assign tasks and calculate fees, while strictly prohibiting arbitrary account deactivations through a mandated, human-led 48-hour grievance review process. It explicitly guarantees gig workers the right to self-organize to negotiate better commission splits.

To ensure compliance, the Act further defines unlawful practices that may be conducted by DPCs, such as intentionally misclassifying workers, retaliating against organized labor, withholding 100% of customer tips, or delaying payouts beyond seven days. Violations carry stiff administrative fines ranging from ₱100,000.00 to ₱1,000,000.00 adjudicated by the NLRC, with repeated offenses serving as grounds for the revocation of the platform's business license, ultimately signaling a decisive legislative effort to balance digital innovation with human dignity and equitable working conditions.



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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 “*Gig Economy Workers Protection Act.*”

SEC. 2. Declaration of Policy. – Pursuant to Article II, Section 18, and Article XIII, Section 3 of the 1987 Constitution, it is hereby declared the policy of the State to afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

Concomitantly, the State recognizes the rapid evolution of the digital economy and the vital contributions of gig economy workers, virtual assistants, delivery riders, and digital platform drivers to the national economic landscape. To this end, the State shall guarantee fair compensation, safe working conditions, transparent algorithmic management, and access to a robust social protection framework, while preserving the innovation, growth, and flexibility inherent to the digital labor market.

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

- a. *Digital Platform Company (DPC)* refers to any natural or juridical entity that operates a digital network, software application, or online platform utilized to connect service providers with consumers, and which exercises a significant degree of control or economic influence over the terms, execution, and compensation of the work performed.

- b. *Dependent Contractor* refers to any gig economy worker or digital platform worker who, while retaining scheduling flexibility, performs services for a DPC under circumstances where the worker is economically dependent on the platform for their livelihood, and the platform determines the basic parameters of service delivery, compensation rates, or customer allocation.
- c. *Algorithmic Management* refers to the automated or semi-automated allocation, evaluation, optimization, and control of labor activities using algorithms, data metrics, and software interfaces.
- d. *Universal Portable Benefits System* refers to a centralized mechanism established under this Act designed to receive, aggregate, and remit social security and safety net contributions from multiple platform entities on behalf of a single worker.

SEC. 4. Determination of Employment Status. – For purposes of this Act, the traditional “four-fold test” of employment shall be adapted to the digital age. Where a worker operates via a digital platform, they shall be classified as a *Dependent Contractor* if the platform satisfies at least two (2) of the following criteria:

- a. The platform effectively determines, caps, or sets narrow limits for the worker’s compensation or delivery rates;
- b. The platform mandates specific rules regarding dress code, equipment, or conduct toward the customer;
- c. The platform monitors worker performance, location, or quality of service through electronic or algorithmic means; or
- d. The platform restricts the worker’s freedom to build a direct business relationship with the platform’s clients.

SEC. 5. The Universal Portable Benefits Fund. – There is hereby established a Universal Portable Benefits Fund (UPBF) to be managed jointly by the Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), and the Home Development Mutual Fund (Pag-IBIG), under the oversight of the Department of Labor and Employment (DOLE).

- a. **Mandatory Platform Contributions.** – Every DPC shall contribute an amount equivalent to a minimum of five percent (5%) of the gross earnings of every transaction completed by the Dependent Contractor into the UPBF.
- b. **Portability.** – The contributions shall be tied directly to the worker’s unique Universal Portability Number (UPN). If a worker performs services across multiple digital platforms within the same calendar month, all platform contributions shall pool into the individual’s

centralized account to sustain their active membership and coverage under SSS, PhilHealth, and Pag-IBIG.

SEC. 6. Algorithmic Transparency and Due Process. –

- a. **Disclosure of Metrics.** – Digital Platform Companies shall provide clear, accessible, and plain-language disclosures regarding the parameters utilized by their algorithms to assign tasks, calculate fees, and evaluate performance.
- b. **Prohibition of Arbitrary Deactivation.** – No Dependent Contractor shall be locked out, suspended, or terminated from a digital platform without valid cause and due process. DPCs are mandated to provide an expedited internal dispute resolution mechanism, ensuring that a human review panel evaluates any appeals against algorithmic terminations within forty-eight (48) hours from the filing of the grievance.

SEC. 7. Fair Compensation and Standards. –

- a. **Baseline Rates.** – The baseline compensation for a Dependent Contractor shall not fall below the calculated hourly equivalent of the prevailing minimum wage in the region where the service is executed, taking into active account necessary operational expenses incurred by the worker (e.g., fuel, vehicle maintenance, mobile data, and platform usage fees).
- b. **Night Shift Differential and Hazard Pay.** – Dependent Contractors who shall perform physical deliveries or on-field tasks between ten o'clock in the evening (10:00 PM) and six o'clock in the morning (6:00 AM) shall be entitled to a night shift differential of not less than ten percent (10%) of their regular transaction rate. Furthermore, tasks deployed in areas under an active state of calamity or severe weather warnings shall be entitled to a mandatory hazard pay bump of twenty-five percent (25%).

SEC. 8. Occupational Accident Insurance. – All Digital Platform Companies shall procure and fully finance a comprehensive third-party liability and group personal accident insurance policy for all active Dependent Contractors. The insurance shall cover medical expenses, partial disability, total disability, and loss of life resulting from accidents incurred while the worker is logged onto the app or actively fulfilling a service request.

SEC. 9. Right to Self-Organization. – Dependent Contractors shall have the explicit legal right to form, join, or assist gig worker associations, digital guilds, or labor unions for the purpose of collective negotiation with DPCs to enhance working conditions, safety protocols, and baseline commission splits.

SEC. 10. *Unlawful Practices.* – It shall be unlawful for any Digital Platform Company or hiring party to:

- a. Classify a worker as an independent contractor deliberately to evade the provisions of this Act when the operational realities reflect the criteria under Section 4;
- b. Retaliate, downgrade algorithm ratings, or lower task allocation metrics against any worker who has filed a complaint or exercised their right to self-organization;
- c. Withhold tips or customer gratuities, which must be remitted one hundred percent (100%) to the worker; or
- d. Delay the payout of earned fees beyond the standard settlement period agreed upon, which in no case shall exceed seven (7) days from the completion of the service.

SEC. 11. *Penalties.* – Any DPC found violating any provision of this Act shall be penalized with an administrative fine of not less than One Hundred Thousand Pesos (P100,000.00) but not exceeding One Million Pesos (P1,000,000.00) per violation, to be adjudicated by the National Labor Relations Commission (NLRC) or the DOLE Regional Director, without prejudice to civil actions for damages filed by the aggrieved worker. Repeated violations shall serve as grounds for the suspension or revocation of the platform's business permit and license to operate in the Philippines.

SEC. 12. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days from the effectivity of this Act, the Secretary of Labor and Employment, in coordination with the Department of Information and Communications Technology (DICT), the SSS, PhilHealth, Pag-IBIG, and representatives from both digital platform companies and gig worker associations, shall promulgate the necessary implementing rules and regulations for the effective enforcement of this Act.

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

SEC. 14. *Repealing Clause.* – All laws, executive orders, presidential decrees, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,