



HOUSE OF REPRESENTATIVES

H. No. 8817

BY REPRESENTATIVES SALCEDA, VARGAS, VILLANUEVA (E.), RIVERA, DE VENECIA, YAP (V.), VILLAFUERTE, CABREDO, ALBANO, PADUANO, BUSTOS, NIETO, ARENAS, BOLLIA, TADURAN, CASTRO (F.H.), DELOS SANTOS, ALONTE, BILLONES, AUMENTADO, TEVES (J.), CARL, EBCAS, YU, SAVELLANO, TAMBUNTING, PINEDA, MENDOZA, LOYOLA, GAITE, BABASA, LUSOTAN, PANOTES, MARIANO-HERNANDEZ, VILLARICA, GO (M.), MOMO, BROSAS, NUNEZ-MALANYAON, SINSUAT, CHATTO, CASTRO (F.L.), BENITEZ, LACSON, ABUEG-ZALDIVAR, DAGOOC, NOGRALES (J.J.), HARESCO, BASCUG, ESCUDERO, CRISOLOGO, VIOLAGO, SUANSING (E.), TAN (A.S.), ONG (J.), GARCIA (P.J.), DEFENSOR (L.), FUENTEBELLA, UNGAB, TEJADA, GARIN (S.), SINGSON-MEEHAN, SUNTAY, RODRIGUEZ, SUANSING (H.), FARIÑAS (R.C.), JIMENEZ, VILLA, DELOSO-MONTALLA, SALO, ESPINO, NOLASCO, LAGON, GATCHALLAN, MACAPAGAL ARROYO, PADIERNOS, UY (J.), GORRICETA, REYES, SALIMBANGON, REVILLA, KHO (W.), DALIPE AND CAYETANO (M.L.), PER COMMITTEE REPORT No. 769

AN ACT
PROVIDING PROTECTION FOR FREELANCE WORKERS

CHAPTER I
GENERAL PROVISIONS

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “Freelance Workers
2 Protection Act.”

1 **SEC. 2. Declaration of Policy.** – Pursuant to Article II, Section 18, and Article XIII,
2 Section 3 of the Constitution, it is hereby declared the policy of the State to protect the rights of
3 workers, promote their welfare, and ensure their entitlement to humane conditions of work and
4 just share in the fruits of production. Towards this end, the State shall recognize the right of
5 freelance workers to protection from late or nonpayment of fees for services rendered.
6

7 **SEC. 3. Definition of Terms.** – As used in this Act:
8

9 (a) *Freelance worker* refers to any natural person or entity composed of no more than
10 one (1) natural person, whether incorporated under the Securities and Exchange Commission,
11 registered as a sole proprietorship under the Department of Trade and Industry (DTI) or
12 registered as self-employed with the Bureau of Internal Revenue (BIR), who is hired or retained
13 to provide services, in exchange for compensation, as an independent contractor to do work
14 according to one's own methods and without being subjected to the control of the hiring party,
15 except only as to the results of the work;
16

17 (b) *Hiring party* refers to any person or entity that obtains or retains the services of a
18 freelance worker; and
19

20 (c) *Retaliation* refers to any act reasonably likely to prevent a freelance worker from
21 further being offered freelance work and contracts.
22

23 **SEC. 4. Written Contract.** – Any hiring party obtaining or retaining the services of a
24 freelance worker shall execute a written contract with such freelance worker before said
25 services are rendered. The hiring party and the freelance worker shall each retain a signed copy
26 of the contract.
27

28 The contract shall be written in plain language, understood by both parties. It shall
29 include, at the minimum, the following:
30

31 (a) Itemization of all services to be provided by the freelance worker;

32 (b) Details of compensation and other worker's benefits, including rate, method and
33 schedule of payment;
34

35 (c) Period of employment;

36 (d) Grounds for breach of contract on the part of the hiring party and of the freelance
37 worker;
38

39 (e) Tax identification number of the freelance worker; and
40

41 (f) Any other condition, term or clause that the Department of Labor and Employment
42 (DOLE) may direct, subject to the provisions of this Act.
43
44

45 No modification of the terms of the contract shall be enforceable unless signed by both
46 the hiring party and the freelance worker.
47

48 **SEC. 5. Night Shift Differential.** – Freelance workers who are required to be physically
49 present in the workplace or those on field assignments shall be paid a night shift differential of
50 not less than ten percent (10%) of one's regular compensation for each hour of work performed
51 between ten o'clock in the evening and six o'clock in the morning, unless there is a more
52 favorable fee stipulated in the contract.

1 **SEC. 6. Hazard Pay.** – All freelance workers deployed in dangerous areas such as
2 strife-torn or embattled locations, distressed or isolated stations, prison camps, mental
3 hospitals, radiation-exposed clinics, laboratories or disease-infested areas, or in areas
4 declared under a state of calamity or emergency for the duration of deployment and unduly
5 exposes them to great danger, contagion, radiation, occupational risks or perils to life, shall be
6 compensated with a hazard pay equivalent to at least twenty-five percent (25%) of the total
7 payment for the period of such deployment as agreed upon in the contract, unless there is a
8 more favorable fee stipulated therein.

9
10 **SEC. 7. Unlawful Practices.** – It shall be unlawful for any hiring party to:

11
12 (a) Pay the compensation due the freelance worker later than fifteen (15) days after the
13 date of payment of compensation stated in the written contract or after the rendition of services
14 in cases where there is no written contract;

15
16 (b) Require as a condition of payment of compensation, at any time after a freelance
17 worker has commenced rendition of services, that a freelance worker accept less than the
18 specified contract price; or

19
20 (c) Commit any act of retaliation against a freelance worker for:

21 (i) Opposing any practice prohibited by this Act;

22 (ii) Filing a complaint authorized under this Act;

23 (iii) Testifying or assisting in any proceeding authorized under this Act;

24 (iv) Commencing a civil action alleging a violation of this Act;

25 (v) Assisting the DOLE in an investigation commenced pursuant to this Act; or

26 (vi) Providing information to the DOLE pursuant to the terms of a mediation or
27 conciliation agreement under this Act.
28

29
30 **SEC. 8. Civil Penalty.** – A person who commits any of the unlawful practices
31 enumerated n Section 7 of this Act shall be punished by a fine of not less than Fifty
32 thousand pesos (Php50,000.00) but not more than Five hundred thousand pesos
33 (Php500,000.00).
34

35 **CHAPTER II**

36 **AGENCY ENFORCEMENT AND ADMINISTRATIVE PROCESS**

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38 **SEC. 9. Complaints.** – Any person or such person's authorized representative
39 aggrieved by a violation of this Act may file a complaint with the DOLE, through the
40 Undersecretary for Workers with Special Concerns, without prejudice to the filing of civil action
41 in appropriate cases.
42

43 **SEC. 10. Prohibition Against Forum Shopping.** – When a civil action has been
44 initiated in a court of competent jurisdiction arising from any violation of this Act, a breach of
45 contract, or any similar claim at law or equity arising out of the same transaction or series of
46 transactions, no other case involving the same cause of action shall be filed with the DOLE.
47

48 **SEC. 11. Investigation.** – Upon receipt of a complaint alleging a violation of this Act, the
49 DOLE shall notify the respondent in writing and investigate such complaint in a timely manner.
50 Within fifteen (15) calendar days of receipt of such written notification, the respondent shall
51 provide the DOLE with a written response and such other information as the DOLE may

1 request. The DOLE shall notify each complainant in writing, not more than thirty (30) calendar
2 days after the complaint is filed, of the status of the complaint and any resulting investigation.

3
4 **SEC. 12. Mediation and Conciliation.** – The DOLE may, at any time after the filing of a
5 complaint, attempt to resolve the complaint by any method of dispute resolution, including
6 mediation and conciliation. If a conciliation agreement is entered into, the DOLE shall embody
7 such agreement in an order and serve a copy of such order upon all parties to the conciliation
8 agreement.

9
10 **CHAPTER III**
11 **CIVIL ENFORCEMENT**

12
13 **SEC. 13. Notice of Violation and Order of Payment.** – If, as a result of an
14 investigation of a complaint or an investigation conducted upon its own initiative, the DOLE finds
15 cause to believe that a violation of this Act has occurred, it shall issue a notice of violation to the
16 respondent and order the corresponding payment of compensation due to the prevailing party.

17
18 **SEC. 14. Violation of Order of Payment.** – The order of payment shall include an
19 interest rate of six percent (6%) per annum which shall be awarded to the prevailing party in
20 case the violation continues.

21
22 **SEC. 15. Civil Action.** – Except as otherwise provided by law, any person claiming to
23 be aggrieved by a violation of this Act has a cause of action to file a complaint in a court of
24 competent jurisdiction for damages, injunctive relief and such other remedies as may be
25 appropriate without prejudice to the filing of a criminal action in appropriate cases. The
26 prevailing party shall be entitled to an award of reasonable attorney's fees and costs.

27
28 No person claiming to be aggrieved by a violation of this Act may bring a civil action in a
29 court of competent jurisdiction if such aggrieved person or one's representative has filed a
30 complaint with the DOLE pursuant to Chapter II of this Act based upon the same transaction or
31 series of transactions, unless the complaint has been terminated without prejudice to a
32 subsequent civil action.

33
34 **SEC. 16. Non-Waiver.** – Except as otherwise stipulated by law, any provision of a
35 contract or agreement claiming to waive rights provided under this Act is against public policy
36 and shall be null and void.

37
38 **SEC. 17. Coverage.** – This Act shall apply only to contracts or agreements entered into
39 upon the effectivity of this Act.

40
41 **CHAPTER IV**
42 **TAXATION**

43
44 **SEC. 18. Taxpayer Registration.** – All freelance workers, as defined under this Act,
45 shall register with the BIR.

46
47 **SEC. 19. Filing and Payment of Taxes.** – Except as otherwise provided for by law,
48 freelance workers shall pay their income taxes annually.

49
50 Freelancers, as defined under this Act, shall be entitled to tax relief within the threshold
51 provided under Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration
52 and Inclusion Act", and Republic Act No. 9178, otherwise known as the "Barangay Micro
53 Business Enterprises (BMBEs) Act of 2002."

1 **SEC. 20. *Taxpayer Service.*** – Every BIR Revenue District Office shall designate a lane
 2 or a special assistance desk dedicated to freelance workers that shall be manned by an officer
 3 who shall assist freelance workers in the registration and processing of documents and other
 4 inquiries.

5 **CHAPTER V**
 6 **FINAL PROVISIONS**

7
 8 **SEC. 21. *Report.*** – One (1) year after the effectivity of this Act, and every year
 9 thereafter, the Secretary of Labor and Employment shall submit a report to the Committees on
 10 Labor and Employment of the Senate of the Philippines and the House of Representatives
 11 regarding the effectiveness of the provisions of this Act at improving freelance contracting and
 12 payment practices. The report shall include, at the minimum, the number of complaints
 13 received, investigations initiated and notices issued by the DOLE on violations of this Act, and
 14 complaints settled by mediation or conciliation.

15
 16 **SEC. 22. *Information Campaign.*** – The DOLE, in coordination with the DTI, BIR, local
 17 government units and other relevant agencies, shall initiate a program with the objective of
 18 informing freelance workers of their rights and obligations, the proper procedure of registering
 19 as a tax payer, and the modes of legal redress as provided for in this Act, and in other laws and
 20 regulations.

21
 22 **SEC. 23. *Implementing Rules and Regulations.*** – Within fifteen (15) days from the
 23 effectivity of this Act, the Secretary of Labor and Employment shall, in coordination with the BIR
 24 and other relevant agencies, issue the necessary rules and regulations to implement the
 25 provisions of this Act.

26
 27 **SEC. 24. *Separability Clause.*** – If any part, section or provision of this Act is declared
 28 invalid or unconstitutional, the other provisions not affected by such declaration shall remain in
 29 full force and effect.

30
 31 **SEC. 25. *Repealing Clause.*** – All laws, decrees, orders, rules and regulations, or other
 32 issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed,
 33 amended or modified accordingly.

34
 35 **SEC. 26. *Effectivity.*** – This Act shall take effect after its publication in the *Official*
 36 *Gazette* or in a newspaper of general circulation.

Approved,