

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

Workers spend at least one-third of their day on the job and, as a result, employers are in a unique position to promote the health and safety of their employees. Chronic diseases such as heart disease, stroke, cancer, obesity, and diabetes are among the most prevalent and costly worker health problems for most employers. Thus, the use by employers of effective worksite policies and programs can reduce health risks and improve the quality of life for their employees.¹

The Healthy Workforce Act will encourage businesses to educate and motivate their employees to take their health seriously, which is an important step to lowering healthcare costs and keeping our population healthy.

This bill would provide a tax credit of up to P2,000.00 per employee for the first 200 employees, and up to P1,000.00 per employee thereafter, to businesses that offer comprehensive wellness programs.

To qualify for the tax credit, employee wellness programs would be required to include at least three of the following four components:

1. Health awareness programs that include education and health risk assessment programs;
2. An employee engagement component that:
 - a. Establishes a committee to engage employees in worksite wellness programs through worksite assessments and program planning, delivery, evaluation, and improvement efforts; and
 - b. Tracks employee participation.

¹ <http://www.govtrack.us/congress/billtext.xpd?bill=h111-1897>.

3. A behavioral change component that provides for altering employee lifestyles to encourage healthy living through counseling, seminars, online programs, or self-help materials that provide technical assistance and problem solving skills. The component may include programs relating to tobacco use, obesity, stress management, physical fitness, nutrition, substance abuse, depression, and mental health promotion (including anxiety).

4. A supportive environment component that includes the following:

a. Policies and services at the worksite which promote a healthy lifestyle, including policies relating to:

- Tobacco use at the worksite.
- The nutrition of food available at the worksite through cafeterias and vending options.
- Minimizing stress and promoting positive mental health in the workplace.
- Where applicable, accessible and attractive stairs.
- The encouragement of physical activity before, during, and after work hours.

b. Qualified incentive benefits for each employee who participates in the health screenings or the behavioral change programs.

c. The opportunity for employees to participate in the management of any qualified wellness program.

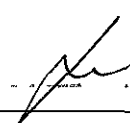
d. The tax credit would be available to an eligible employer for 10 years.


MIRIAM DEFENSOR SANTIAGO

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SENATE
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Introduced by Senator Miriam Defensor Santiago

1 AN ACT
2 PROVIDING A TAX CREDIT TO EMPLOYERS FOR THE COSTS OF
3 IMPLEMENTING WELLNESS PROGRAMS

4 SECTION 1. *Short Title.* – This Act shall be known as the “Healthy Workforce
5 Act of 2009”;

6 SEC. 2. *Wellness Program Credit.* –

7 (A) *Allowance of Credit.* –

8 (1) *In General.* – The wellness program credit for any taxable year during
9 the credit period with respect to an employer is an amount equal to 50 percent of
10 the costs paid or incurred by the employer in connection with a qualified wellness
11 program during the taxable year. For purposes of the preceding sentence, in the
12 case of any qualified wellness program offered as part of an employer-provided
13 group health plan, including health insurance offered in connection with such
14 plan, only costs attributable to the qualified wellness program and not to the group
15 health plan or health insurance coverage may be taken into account.

16 (2) *Limitation.* – The amount of credit allowed under paragraph (1) for
17 any taxable year shall not exceed the sum of the product of P2,000.00 and the
18 number of employees of the employer not in excess of 200 employees, plus the
19 product of P1,000 and the number of employees of the employer in excess of 200
20 employees.

21 (B) *Qualified Wellness Program.* – The term “qualified wellness program” means
22 a program which:

23 (1) consists of any 3 of the wellness program components, and

1 (2) which is certified by the Secretary of the Department of Health (here
2 called “Secretary”), as a qualified wellness program.

3 (C) *Programs must be consistent with Research and Best Practices.* –

4 (1) *In General.* – The Secretary shall not certify a program as a qualified
5 wellness program unless the program:

6 (i) is consistent with evidence-based research and best practices, as
7 identified by persons with expertise in employer health promotion and
8 wellness programs,

9 (ii) includes multiple, evidence-based strategies which are based
10 on the existing and emerging research and careful scientific reviews, and

11 (iii) includes strategies which focus on employee populations with
12 a disproportionate burden of health problems.

13
14 SEC. 3. *Periodic Updating and Review.* – The Secretary shall establish
15 procedures for periodic review of programs. Such procedures shall require revisions of
16 programs if necessary to ensure compliance with the requirements and require updating
17 of the programs to the extent the Secretary determines necessary to reflect new scientific
18 findings.

19 SEC. 4. *Health Literacy.* – The Secretary shall, as part of the certification process,
20 encourage employees to make the programs culturally competent and to meet the health
21 literacy needs of the employees covered by the programs.

22 SEC. 5. *Wellness Program Components.* – The wellness program components are
23 the following:

24 (A) *Health Awareness Component.* – A health awareness component which
25 provides for the following:

26 (1) *Health Education.* – The dissemination of health information which
27 addresses the specific needs and health risks of employees.

1 (2) *Health Screenings.* – The opportunity for periodic screenings for
2 health problems and referrals for appropriate follow up measures.

3 (3) *Employee Engagement Component.* – An employee engagement
4 component which provides for:

5 (i) the establishment of a committee to actively engage employees
6 in worksite wellness programs through worksite assessments and program
7 planning, delivery, evaluation, and improvement efforts, and

8 (ii) the tracking of employee participation.

9 (4) *Behavioral Change Component.* – A behavioral change component
10 which provides for altering employee lifestyles to encourage healthy living
11 through counseling, seminars, on-line programs, or self-help materials which
12 provide technical assistance and problem solving skills. Such component may
13 include programs relating to:

14 (i) tobacco use

15 (ii) obesity

16 (iii) stress management

17 (iv) physical fitness

18 (v) nutrition

19 (vi) substance abuse

20 (vii) depression, and

21 (viii) mental health promotion (including anxiety).

22 (5) *Supportive Environment Component.* – A supportive environment
23 component which includes the following:

24 (i) *On-Site Policies.* – Policies and services at the worksite which
25 promote a healthy lifestyle, including policies relating to:

26 (a) tobacco use at the worksite,

27 (b) the nutrition of food available at the worksite through

28 cafeterias and vending options,

1 (c) minimizing stress and promoting positive mental health
2 in the workplace,
3 (d) where applicable, accessible and attractive stairs, and
4 (e) the encouragement of physical activity before, during,
5 and after work hours.

6 SEC. 6. *Participation Incentives.* –

7 (A) *In General.* – Qualified incentive benefits for each employee who participates
8 in the health screenings or the behavioral change programs. Qualified incentive benefits
9 mean any benefit which is approved by the Secretary.

10 (B) *Employee Input.* – The opportunity for employees to participate in the
11 management of any qualified wellness program.

12 (C) *Participation Requirement.* –

13 (1) *In General.* – No credit shall be allowed unless the Secretary certifies,
14 as a part of any required certification, that each wellness program component of
15 the qualified wellness program applies to all qualified employees of the employer.
16 The Secretary shall prescribe rules under which an employer shall not be treated
17 as failing to meet the requirements merely because the employer provides
18 specialized programs for employees with specific health needs or unusual
19 employment requirements or provides a pilot program to test new wellness
20 strategies.

21 SEC. 7. *Qualified Employee.* – Qualified employee means:

22 (A) for employers offering health insurance coverage, an employee who is
23 eligible for such coverage, or

24 (B) for employers not offering health insurance coverage, an employee who
25 works an average of not less than 25 hours per week during the taxable year.

26 SEC. 8. *Special Rules.* – No credit shall be allowable with respect to any qualified
27 wellness program of any taxpayer who receives a grant provided by the Philippine

1 Government in connection with such program. The Secretary shall prescribe rules
2 providing for the waiver of this paragraph with respect to any grant which does not
3 constitute a significant portion of the funding for the qualified wellness program.

4 SEC. 9. *Credit Period.* –

5 (A) *In General.* – Credit period means the period of 10 consecutive taxable years
6 beginning with the taxable year in which the qualified wellness program is first certified
7 under this section.

8 (B) *Special Rule for Existing Programs.* – In the case of an employer (or
9 predecessor) which operates a wellness program for its employees on the date of the
10 effectivity of this Act shall be applied by substituting “3 consecutive taxable years” for
11 “10 consecutive taxable years”. The Secretary shall prescribe rules under which this Act
12 shall not apply if an employer is required to make substantial modifications in the
13 existing wellness program in order to qualify such program for certification as a qualified
14 wellness program.

15 SEC. 10. *Outreach.* – The Secretary shall institute an outreach program to inform
16 businesses about the availability of the wellness program credit under this Act as well as
17 to educate businesses on how to develop programs according to recognized and
18 promising practices and on how to measure the success of implemented programs.

19 SEC. 11. *Appropriations.* – The funds needed for the initial implementation of
20 this Act shall be charged against the appropriations of the Department of Health.
21 Thereafter, such amount as may be necessary for its full implementation shall be included
22 in the annual General Appropriations Act as a distinct and separate item.

23 SEC. 12. *Separability Clause.* – If any provision or part hereof, is held invalid or
24 unconstitutional, the remainder of the Act or the provision not otherwise affected shall
25 remain valid and subsisting.

1 SEC. 13. *Repealing Clause.* – Any law, presidential decree or issuance, executive
2 order, letter of instruction, administrative order, rule or regulation contrary to, or
3 inconsistent with the provisions of this Act is hereby repealed, modified or amended
4 accordingly.

5 SEC. 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
6 publication in at least two (2) newspapers of general circulation.

Approved,

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