

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)



'16 JAN 11 P3 48

SENATE
S. No. 3052

RECEIVED BY: *[Signature]*

Introduced by Senator Miriam Defensor Santiago

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

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;

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

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.**

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.**

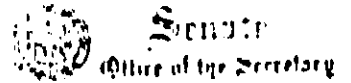
- c. The opportunity for employees to participate in the management of any qualified wellness program.

The tax credit would be available to an eligible employer for ten years.²


MIRIAM DEFENSOR SANTIAGO
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² This bill was originally filed during the Fourteenth Congress, Third Regular Session and refiled during the Fifteenth Congress, First Regular Session.

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “Healthy Workforce
2 Act.”

3 SECTION 2. *Wellness Program Credit.* –

4 (A) *Allowance of Credit.* –

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

13 (2) *Limitation.* – The amount of credit allowed under paragraph (1) for any
14 taxable year shall not exceed the sum of the product of P2,000.00 and the number
15 of employees of the employer not in excess of 200 employees, plus the product of

1 P1,000.00 and the number of employees of the employer in excess of 200
2 employees.

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

5 (1) consists of any three of the wellness program components; and

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

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

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

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

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

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

18 SECTION 3. *Periodic Updating and Review.* – The Secretary shall establish
19 procedures for periodic review of programs. Such procedures shall require revisions of
20 programs if necessary to ensure compliance with the requirements and require updating
21 of the programs to the extent the Secretary determines necessary to reflect new scientific
22 findings.

23 SECTION 4. *Health Literacy.* – The Secretary shall, as part of the certification
24 process, encourage employees to make the programs culturally competent and to meet the
25 health literacy needs of the employees covered by the programs.

1 **SECTION 5. *Wellness Program Components.*** – The wellness program
2 components are the following:

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

5 **(1) *Health Education.*** - The dissemination of health information which
6 addresses the specific needs and health risks of employees.

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

9 **(3) *Employee Engagement Component.*** - An employee engagement
10 component which provides for:

11 **(i) the establishment of a committee to actively engage employees in**
12 **worksite wellness programs through worksite assessments and program**
13 **planning, delivery, evaluation, and improvement efforts, and**

14 **(ii) the tracking of employee participation.**

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

20 **(i) tobacco use**

21 **(ii) obesity**

22 **(iii) stress management**

23 **(iv) physical fitness**

24 **(v) nutrition**

25 **(vi) substance abuse**

26 **(vii) depression, and**

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

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

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

6 (a) tobacco use at the worksite,

7 (b) the nutrition of food available at the worksite through
8 cafeterias and vending options,

9 (c) minimizing stress and promoting positive mental health in
10 the workplace,

11 (d) where applicable, accessible and attractive stairs, and

12 (e) the encouragement of physical activity before, during, and
13 after work hours.

14 **SECTION 6. *Participation Incentives.* –**

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

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

20 (C) *Participation Requirement.* –

21 (1) *In General.* – No credit shall be allowed unless the Secretary certifies,
22 as a part of any required certification, that each wellness program component of
23 the qualified wellness program applies to all qualified employees of the employer.
24 The Secretary shall prescribe rules under which an employer shall not be treated as
25 failing to meet the requirements merely because the employer provides specialized

1 programs for employees with specific health needs or unusual employment
2 requirements or provides a pilot program to test new wellness strategies.

3 SECTION 7. *Qualified Employee.* – Qualified employee means:

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

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

8 SECTION 8. *Special Rules.* – No credit shall be allowable with respect to any
9 qualified wellness program of any taxpayer who receives a grant provided by the
10 Philippine Government in connection with such program. The Secretary shall prescribe
11 rules providing for the waiver of this paragraph with respect to any grant which does not
12 constitute a significant portion of the funding for the qualified wellness program.

13 SECTION 9. *Credit Period.* –

14 (A) *In General.* – Credit period means the period of ten consecutive taxable years
15 beginning with the taxable year in which the qualified wellness program is first certified
16 under this section.

17 (B) *Special Rule for Existing Programs.* – In the case of an employer (or
18 predecessor) which operates a wellness program for its employees on the date of the
19 effectivity of this Act shall be applied by substituting “three consecutive taxable years”
20 for “ten consecutive taxable years”. The Secretary shall prescribe rules under which this
21 Act shall not apply if an employer is required to make substantial modifications in the
22 existing wellness program in order to qualify such program for certification as a qualified
23 wellness program.

1 SECTION 10. *Outreach.* – The Secretary shall institute an outreach program to
2 inform businesses about the availability of the wellness program credit under this Act as
3 well as to educate businesses on how to develop programs according to recognized and
4 promising practices and on how to measure the success of implemented programs.

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

9 SECTION 12. *Separability Clause.* – If any provision of this Act is held invalid or
10 unconstitutional, the same shall not affect the validity and effectivity of the other
11 provisions hereof.

12 SECTION 13. *Repealing Clause.* – All laws, decrees, orders, and issuances, or
13 portions thereof, which are inconsistent with the provisions of this Act, are hereby
14 repealed, amended or modified accordingly.

15 SECTION 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days
16 after its publication in the *Official Gazette* or in two (2) newspapers of general
17 circulation.

Approved,

/ml25Nov2015