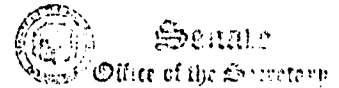


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE
S. No. 1684

20 JUL 13 P 3:03

RECEIVED

Introduced by Senator Francis "Tol" N. Tolentino and Senator Ronald "Bato" M. dela Rosa

AN ACT
EXPANDING THE COVERAGE OF THE TELECOMMUTING ACT AND PROVIDING INCENTIVES FOR TELECOMMUTING EMPLOYEES, AMENDING FOR THE PURPOSE, REPUBLIC ACT NO. 11165, OTHERWISE KNOWN AS THE TELECOMMUTING ACT AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The coronavirus disease (COVID-19) has infected twelve million individuals worldwide and claimed five hundred fifty thousand individuals. It single-handedly brought down the world's economy in a matter of months. In the Philippines, the COVID-19 cases traversed the fifty thousandth mark.

According to Secretary Dominguez, the government expected the debt-to-GDP ratio to rise to 50 per cent from 39 per cent last year as it increased borrowing to mitigate the economic impact of the pandemic. The government think-tanks stated that the Philippine economy may lose up to P2.5 trillion. During the first five weeks of the Luzon-wide ECQ alone (March 17, 2020 to April 21, 2020), over 2 million employees were displaced wherein about 70% of this were affected by temporary business closures and 30% employees were subject to alternative work arrangements such as reduced working days and hours, forced leave, and work-from-home.

Republic Act No. 11165, otherwise known as the Telecommuting Act, was signed by President Duterte last December 20, 2018. It entices the private sector to explore telecommuting programs for its employees. This law has become more relevant than ever with the shroud of the COVID-19 pandemic still hovering our nation.

The onslaught of the COVID-19 pandemic has forced Filipinos to embrace the concepts of telecommuting and working from home. Employers, big institutional companies and MSMEs alike have already informed their employees to no longer physically report to their respective offices and simply work from their respective homes as part of their safety precaution to prevent the spread of the virus and protect their own employees.

Working from home tends to increase utility consumption, particularly electricity. Residential energy use has risen due to more people staying at home. Some workers even purchase their own equipment for working at home. These additional expenses are out of the employee's own pockets and for the benefit of the employer's business.

According to a study by MERALCO dated July 13, 2020, for every person on a work-from-home arrangement, it is estimated that there will be a corresponding increase in consumption at around 39% (in kilo watt per hour). In terms of amount, this is equivalent to a seven hundred seventy peso (P770.00) increase on their monthly bills or around nine thousand two hundred forty-three pesos (P9,243.00) per annum. The more persons working from home in a household, the higher the increase in consumption. As a matter of fact, electricity bills, particularly Meralco bills in Metro Manila have multiplied four-fold since the start of COVID-19 pandemic and implementation of quarantine protocols since March 2020. Stories of individuals shocked by the sudden increase of their bills have spread all over the news as families used to paying only P2,000 every month for electricity now have to pay P9,000. This surge is attributed to the fact that people are spending most of their time at home, children are using online learning facilities, and employees are now forced to or are voluntarily working from home. Assistance must be provided to the employees in order to cushion the impact of this new normal and make this practice sustainable.

Therefore, this measure seeks to amend Republic Act No. 11165, or the Telecommuting Act, by expanding its coverage to include the public or government sector as government employees also require assistance and by requiring employers to provide their telecommuting employees with a P1,000 non-taxable allowance per month to answer for the additional cost of utilities from telecommuting.

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

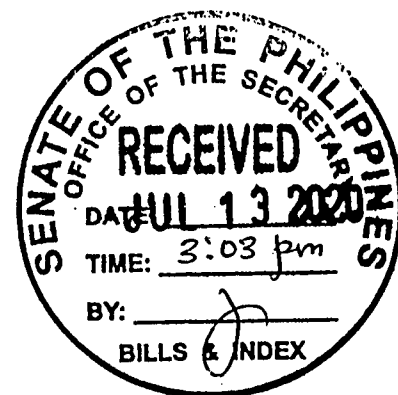


FRANCIS "TOL" N. TOLENTINO



RONALD "BATO" M. DELA ROSA

EIGHTEENTH CONGRESS OF THE)
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S. No. 1684

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

1 Section 1. Section 4 of Republic Act No. 11165, otherwise known as the
2 Telecommuting Act, is hereby amended to read as follows:

3 SEC. 4. Telecommuting Program – An employer in the private **OR PUBLIC**
4 sector may offer a telecommuting program to its employees on a voluntary basis, and
5 upon such terms and conditions as they may mutually agree upon; X X X

6 Sec. 2. A new section is hereby inserted after Section 8 of Republic Act No.
7 11165, which shall read as follows:

8 **"SEC 9. INCENTIVES FOR TELECOMMUTING EMPLOYEES. ALL**
9 **EMPLOYEES WORKING UNDER A TELECOMMUTING PROGRAM SHALL BE**
10 **ENTITLED TO A NON-TAXABLE TELECOMMUTING ALLOWANCE OF AT LEAST**
11 **ONE THOUSAND PESOS (P1,000.00) FOR EVERY MONTH SERVED UNDER**
12 **SUCH AGREEMENT. PROVIDED, THAT, NOTHING IN THIS PROVISION**
13 **SHALL BE CONSTRUED TO ELIMINATE OR IN ANY WAY DIMINISH**
14 **SUPPLEMENTS, ALLOWANCES, OR OTHER EMPLOYEE BENEFITS SERVING A**

1 **SIMILAR PURPOSE BEING ENJOYED AT THE TIME OF THE**
2 **IMPLEMENTATION OF THIS LAW. PROVIDED FURTHER, THAT, NOTHING IN**
3 **THIS PROVISION SHALL BE INTERPRETED TO PROHIBIT THE EMPLOYERS**
4 **OR THE COLLECTIVE BARGAINING AGREEMENT FROM PROVIDING TERMS**
5 **HIGHER OR MORE FAVORABLE THAN THE ABOVE-MENTIONED RATE.**
6 **PROVIDED FINALLY, THAT, ALLOWANCES GRANTED BY PRIVATE**
7 **EMPLOYERS UNDER THIS PROVISION SHALL BE DEDUCTIBLE FOR INCOME**
8 **TAX PURPOSES."**

9 Succeeding sections of RA 11165 are hereby renumbered accordingly
10

11 Sec. 3. Penalties. Any violation of the provisions of this Act shall be punished
12 with a fine of not more than One Hundred Thousand Pesos (P100,000.00).

13 Sec. 4. *Implementing Rules and Regulations.* — The Department of Labor and
14 Employment, the Department of Finance, and the Bureau of Internal Revenue shall
15 promulgate the rules and regulations to implement this Act within ninety (30) days
16 from the effectivity of this Act.

17 Sec. 5. *Separability Clause.* — If any provision or part thereof is held invalid or
18 unconstitutional, the remainder of the law or the provision not otherwise affected shall
19 remain valid and subsisting.

20 Sec. 6. *Repealing Clause.* — Any law, presidential decree or issuance, executive
21 order, letter of instruction, administrative order, rule, or regulation contrary to or
22 inconsistent with the provisions of this Act is hereby repealed, modified, or amended
23 accordingly.

24 Sec. 7. *Effectivity Clause.* — This Act shall take effect fifteen (15) days after its
25 publication in at least two (2) newspapers of general circulation.

Approved,