

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

8 NOV 10 24:00

SENATE
S. No. **2708**

RECEIVED BY

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article 2, Section 18 states: "The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare."

The Constitution, Article 13, Section 1 provides that the Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social , economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power of the common good.

According to the World Bank, the informal sector is a pervasive and persistent economic feature of most developing economies, contributing significantly to employment creation, production, and income generation. Recent estimates of the size of the informal sector in developing countries in terms of its share of non-agricultural employment range roughly between one-fifth and four-fifths. In terms of its contribution to GDP, the informal sector accounts for between 25% and 40% of annual output in developing countries in Asia and Africa.¹

Under National Statistical Coordination Board (NSCB) Resolution No. 15, Series of 2002², informal sector consists of "units" engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons concerned in order to earn a living.

¹<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/EXTLM/0,,contentM DK:20224904~menuPK:584866~pagePK:148956~piPK:216618~theSitePK:390615,00.html>

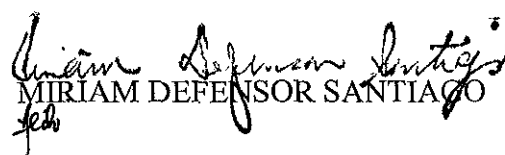
² http://www.nscb.gov.ph/resolutions/2002/15_1.asp

The resolution states that these units typically operate at a low level of organization, with little or no division between labor and capital as factors of production. It consists of household unincorporated enterprises that are market and non-market producers of goods as well as market producers of services.

Labor relations in this sector are supposedly based on casual employment, kinship or personal and social relations rather than formal or contractual arrangements.

The NSCB, through its Statistical Survey Review and Clearance System (SSRCS), granted clearance for the conduct of the 2008 Informal Sector Survey (ISS) of the National Statistical Office (NSO). The ISS is a one-shot survey, conducted by the NSO in April 2008, aimed at: (a) improving the availability of reliable and sound data on informal employment and informal sector and (b) providing indicators that will contribute to evidence-based policy-making. The results of this survey can also be used for the estimation of Gross Value Added (GVA) of the informal sector.³

This bill seeks to address the development, rights and protection of the significant number of poor, marginalized, unprotected and underrepresented workers in the informal sector.⁴


MIRIAM DEFENSOR SANTIAGO

³ http://www.nscb.gov.ph/pressreleases/2008/PR-200805-PP1-03_NSO.asp.

⁴ <http://www.dswp.org.ph/content/view/27/41/>.

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

8 NOV 10 P4:09

SENATE
S. No. **2708**

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

1 AN ACT
2 PROVIDING FOR A MAGNA CARTA FOR WORKERS IN THE INFORMAL
3 ECONOMY, INSTITUTIONALIZING MECHANISMS FOR IMPLEMENTATION
4

5 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
6 *Congress assembled:*
7

8
9 TITLE I

10 GENERAL PROVISIONS

11 Chapter I

12 Framework and Principles

13 SECTION 1. *Short Title.* – This Act shall be known as the “Magna Carta for
14 Workers in the Informal Economy.”

15
16 SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the
17 State:

18 (a) To promote the total well-being of all workers in the informal economy;

19 (b) To ensure their human dignity, economic advancement and access to justice
20 by providing timely services including social, political, economic and legal;

21 (c) To recognize, promote, protect and fulfill the rights of every worker in the
22 informal sector including: the right to self-organization; the right to decent work, just and
23 humane working conditions, access to social protection; the right to represent their
24 organizations in a continuing process of consultation and dialogue towards maximizing
25 the provision of a comprehensive package of reforms, interventions, and services in
26 accordance with their articulated needs and interests;

1 (d) To recognize the roles and contributions of workers in the informal economy
2 and make them visible in the national and local statistics;

3 (e) To develop and enhance their entrepreneurial skills and capabilities so that
4 they can become more productive and self-reliant citizens thereby ensuring participation
5 in mainstream economic activities;

6 (f) To promote gender equity and equality and protect women workers in the
7 informal economy against gender-based discrimination, exploitation and abuse; to
8 advance women's social, economic, political, and reproductive rights; and improve their
9 access to social protection and participation in decision-making bodies;

10 (g) To protect vulnerable groups in the informal sector such as: children,
11 differently-abled persons, and those from ethnic communities from discrimination,
12 exploitation, abuse and harassment as well as from performing work hazardous to their
13 occupational, physical, mental, emotional, reproductive and spiritual health; and

14 (h) To progressively eliminate child labor in the informal sector through the
15 creation of more quality jobs for adults, effective enforcement of laws against child labor,
16 elimination of gender-based discrimination against girl child workers; improved access
17 to universal education and social protection, and elimination of cultural factors that
18 tolerate, even accept child labor.

19
20 SECTION 3. *Framework and Principles.* – It is the State's responsibility to
21 provide an enabling environment at national and local levels to enable all workers to fully
22 develop into productive, responsible and happy citizens. Towards this end, the
23 government shall pursue a comprehensive, rights-based, participatory and gender-
24 responsive framework for workers the informal economy that will include but not limited
25 to:

26 (a) Putting in place policies and programs that will bring marginalized workers
27 and economic units into the economic and social mainstream, thereby reducing their
28 vulnerability and exclusion.

1 (b) Pursuing structural reforms in all relevant levels of government by creating
2 committees, special offices for development and protection of workers in the informal
3 economy and supporting their representational rights through their legitimate
4 organizations.

5 (c) Extending coverage of accessible and affordable social security and health
6 benefits to workers in the informal economy.

7 (d) Implementing minimum and simplified regulation to encourage the
8 development of ingenuity and entrepreneurial spirit among workers in the informal
9 economy.

10 (e) Hastening the growth and expansion of the various business activities or
11 enterprises under the informal economy preferably with the cooperation and support of
12 the private sector.

13
14 SECTION 4. *Definition of Terms.* – As used in this Act, the following terms shall
15 mean:

16 (a) *Informal Economy* – based on International Labor Conference (ILC) 2002a,
17 refers to “all economic activities by workers and economic units that are – in law or in
18 practice – not covered or insufficiently covered by formal arrangements”.

19 (b) *Workers in the Informal Economy* - includes the following:

20 b.1. small farmers owning land not more than three (3) hectares;

21 b.2. small fisherfolk/operators owning boats of three (3) gross tons or less
22 and other fishing equipment;

23 b.3. rural workers who are tenants or sharecroppers, laborers;

24 b.4. fisherfolk who are without boats or fishing equipment but share in the
25 first catch;

26 b.5. home-based workers who are independent producers of goods or
27 services;

28 b.6. industrial homeworkers – workers involved in a system of production
29 under which work for an employer or contractor is carried out by a homemaker at

1 his/her home and where materials may or may not be furnished by the employer
2 or contractor;

3 b.7. self-employed who are engaged in sub-contracting arrangement with
4 other enterprises;

5 b.8. vendors, whether with stalls or without permanent workplace
6 including street hawkers or those plying their goods and trades in the streets and
7 those engaged in sari-sari stores with operating capitalization of not more than
8 one million pesos (P1,000,000.00) excluding land and building;

9 b.9. drivers of modes of transportation on land and sea whether motorized
10 or not, including two (2) wheels such as *habal-habal*, *calesa*;; three (3) wheels
11 such as *pedicabs*, tricycles; four (4) wheels such as jeepneys, buses; boats one (1)
12 ton and below; including ‘barkers’, fare collectors, dispatchers and other workers
13 who share income with self-employed or unincorporated operators;

14 b.10. operators of jeepneys, tricycles, *pedicabs*, taxi, and other vehicles or
15 transportation whose capitalization is not more than one million pesos
16 (P1,000,000.00) excluding land and building;

17 b.11. “on-call” domestic workers which refer to persons who provide
18 service to households such as maids, cooks, family drivers, gardeners and baby
19 sitters on a live-out basis and “on-call” arrangement only;

20 b.12. non-corporate construction workers;

21 b.13. small scale miners doing their own product processing; including
22 those involved in small scale mining and quarrying with capitalization of below
23 one million pesos (P1,000,000.00);

24 b.14. workers of Barangay Micro Business Enterprises (BMBEs);

25 b.15. unorganized cargo handlers;

26 b.16. workers engaged in producing seasonal products;

27 b.17. “on-call” workers in the entertainment, movie, and media such as bit
28 players, stuntmen and women, crew, make-up artists, etc.;

1 b.18. volunteer workers in government and non-government entities who
2 only receive allowances or honoraria. These include but are not limited to:
3 barangay health workers (BHW), barangay tanod, barangay nutrition scholars
4 (BNS), barangay daycare workers, and volunteers in non-government or people's
5 organizations; and

6 b.19. unpaid family members, or workers receiving allowances and
7 seasonally hired workers who are engaged in micro-enterprises or assist
8 unincorporated household enterprises.

9 (c) *Informal Sector*, here referred to as IS, refers to units engaged in the
10 production of goods and services with the primary objective of generating employment
11 and incomes to the persons concerned. It consists of households unincorporated
12 enterprises that are market and non-market producers of goods as well as market
13 producers of services.

14 These enterprises are operated by own-account workers, which may employ
15 unpaid family workers as well as occasional, seasonally hired workers.

16 These enterprises may also be owned and operated by employers which may
17 employ less than ten (10) employees on a continuous basis.

18 (d) *Worker* refers to a general term to mean either or both the self-employed or
19 paid employee covered under the provisions of this Act.

20 (e) *Self-employed Worker* refers to any person whether male or female, who has
21 no employer and who works for himself/herself by producing goods or services for the
22 market.

23 (f) *Worker of minor age* refers to children fifteen (15) to seventeen (17) years of
24 age who are engaged in productive employment under a valid contract of employment.

25 (g) *Employer* refers to a natural person or group or partnership of people for
26 which a paid worker renders productive employment or service.

27

1 (h) *Hazardous Work Condition* refers to any activity or circumstance where a
2 worker is exposed to any risk which constitutes imminent danger to his/her health and
3 safety.

4 (i) *Working Hours* refers to the period of time within which a worker is required
5 to be on call to perform any and all tasks that may be designated, regardless of whether
6 there are actual tasks being undertaken.

7 (j) *Daily Basis* refers to the per day mode of paying a private worker as
8 bilaterally agreed upon by both the employer and the worker.

9 (k) *Monthly Basis* refers to the per month mode of paying a private worker as
10 bilaterally agreed upon by both the employer and worker.

11 (l) *"Pakyaw" Basis* refers to the pre-contracted wholesale mode of paying a
12 worker as bilaterally agreed upon by both the employer and worker.

13 (m) *Social protection* refers to policies and programs to reduce poverty and
14 vulnerability to poverty by promoting efficient labor markets, diminishing exposure to
15 risks, and enhancing capacity to protect against hazards or loss of income. Social
16 protection includes the following schemes:

- 17 j.1. labor market and safety nets;
18 j.2. social assistance and welfare programs;
19 j.3. social insurance;
20 j.4. micro-finance and other area-based schemes; and
21 j.5. child labor protection programs.

22 (n) *Social Risk Management (SRM)* is a framework used to analyze the sources of
23 vulnerability, how society manages risks and the relative costs and benefits of various
24 public interventions on household welfare. As such, SRM addresses how vulnerable
25 individuals and households can be helped to better manage risks and become less
26 susceptible to damaging welfare losses. SRM also highlights the broad range of formal
27 and informal, proactive and reactive risk management strategies used by individuals,
28 communities, nations and communities of nations, including actions by the public, private

1 and informal sectors. Such strategies include those that focus on prevention, coping and
2 mitigating (World Bank).

3
4

Chapter II

Coverage, Qualifications and Accreditation

6 SECTION 5. *Registration and Accreditation.* There shall be a simple standard
7 registration and accreditation system in accordance with the framework and principles of
8 this Act. IS business activities or enterprises shall, upon registration, pay not less than
9 Fifty pesos (P50.00) but not more than One Hundred pesos (P100.00) to the municipality
10 or city where they intend to be productively employed during their initial year of
11 operation. The said fee shall cover the cost of the issuance of the license to operate.

12 Any worker who meets such eligibility, qualification and other necessary
13 requirements as provided for under this Act shall be accredited as eligible to avail of
14 development programs for workers in the informal economy.

15 Such accreditation shall be reviewed, revalidated and reassessed every two (2)
16 years from the date of last accreditation by the LGUs where the worker operates.
17 Renewal of eligibility shall be in accordance with the merit and fitness principle.

18
19

SECTION 6. *Annual Dues.* – IS business activities or enterprises shall pay annual
20 dues which shall accrue to the municipality or city and shall be exclusively used for IS
21 development programs approved by the municipal or city council as recommended by the
22 Workers in the Informal Economy Local Development Office (WIELDO) referred to in
23 Chapter V of this Act. Such dues shall be paid to the municipal or city treasurer where
24 they are registered and accredited, starting on their second year of operations, based on
25 the following schedule:

Capitalization	Annual Dues
Not more than P2,000.00	P100.00
More than P2,000.00 up to P5,000.00	P200.00
More than P5,000.00 up to P50,000.00	P300.00
More than P50,000.00 up to P150,000.00	P500.00
More than P150,000.00 up to P300,000.00	P600.00
More than P300,000.00 up to P500,000.00	P700.00
More than P500,000.00 up to P3,000,000.00	P1,000.00

26

1 SECTION 7. *Coverage.* – Workers in the informal economy as defined in Sec, 4
2 of this Act are covered; *provided, however,* that the aforesaid workers qualify under the
3 minimum requirements set forth in Sec. 10 of this Act.

4
5

Chapter III

6

Special Allocations for Development Initiatives

7 SECTION 8. *Special Allocations for Development Initiatives.* – The development
8 initiatives for the informal sector shall form part of an integrated and convergent
9 approach to address poverty and vulnerability to poverty. Such an approach requires
10 “Social Risk Management” as defined in Sec. 4 of this Act to effectively and efficiently
11 design programs to protect and empower workers in the informal economy. The national
12 and local government units shall work shoulder to shoulder in support of this integrated
13 and convergent approach to maximize meager resources.

14 (a) At least five percent (5%) of the annual national budget shall be
15 appropriated for programs and services for workers in the informal economy to be
16 implemented by the Informal Economy Development Authority (IEDA) and Workers in
17 the Informal Economy Local Development Office (WIELDO) as created by Chapters IV
18 and V of this Act. Support to WIELDO shall be based on the principles of merit and
19 equity.

20 (b) For programs involving social services as defined in Sec. 4 of this Act, an
21 annual supplementary budget of at least One Hundred Million Pesos (P100,000,000.00)
22 shall be allocated by the Philippine Games and Amusement Corporation (PAGCOR) and
23 the Philippine Charity Sweepstakes Office (PCSO) to be managed by IEDA.

24 (c) The Implementing Rules and Regulations (IRR) of this Act shall determine
25 additional guidelines on the use of such finances to ensure that programs and services
26 truly benefit workers in the informal economy.

27

28 SECTION 9. *Sourcing and Adopting Development Initiatives.* – Other sources of
29 funds to be used exclusively for initiatives addressing the needs and empowerment of

1 workers in the informal economy shall be identified in the Implementing Rules and
2 Regulations (IRR) of this Act and may include the following:

3 (a) Government financial institutions and mechanisms such as the Land Bank of
4 the Philippines, Development Bank of the Philippines, National Livelihood Support
5 Fund, Quedan Rural Credit and Guarantee Corporation shall set aside a specific
6 percentage of their loan portfolio to informal economy enterprises and shall give priority
7 to women-led informal economy enterprises by providing loans at an interest of not more
8 than twelve percent (12%) per annum consistent with the spirit of R.A. No. 7882.

9 (b) The Department of Social Welfare and Development (DSWD) shall
10 strengthen its Self-Employment Assistance Program (SEAK) to uplift and empower
11 women in poverty, particularly those in the informal economy, by adopting an integrated,
12 credit-plus approach to micro-finance.

13 (c) The Small Business Guarantee and Finance Corporation (SBGFC) created
14 under R.A. No. 8289. SBGFC shall assist in the sourcing and adopting of development
15 initiatives for competitive enterprises in terms of finance, technology, production,
16 management, and business linkages. It shall also provide and promote, develop and
17 widen in both scope and service reach various alternative modes of financing for informal
18 economy business activities or enterprises, including but not limited: to direct and
19 indirect project lending, venture capital, financial leasing, secondary mortgage and/or
20 rediscounting of loan papers to such business activities or enterprises, and crop
21 production financing.

22 The Corporation shall guarantee loans obtained by qualified worker or business
23 activity or enterprise, under such terms and conditions adopted by its Board.

24 (d) The Department of Trade and Industry (DTI) shall contribute to enable the
25 development of business environment that shall include initiatives such as supply chain
26 and market outlets, and schemes to develop Special Credit Window to upscale informal
27 sector enterprises.

28 (e) The Department of Science and Technology (DOST) shall support
29 technology-related initiatives for workers in the informal economy.

1 (f) Additional Sources of Funds for LGUs – The following shall be tapped by
2 LGUs as additional sources of funds for focused development initiatives:

3 f.1. Ten percent (10%) of amusement and sin taxes – for programs for
4 workers in the entertainment and similar industries;

5 f.2. Ten percent (10%) of income derived from fees collected from small
6 transport – for programs for workers in the small transport industry;

7 f.3. Ten percent (10%) of collected fees from business establishments and
8 entrepreneurs – for programs focusing on micro-entrepreneurs and their workers;

9 f.4. Ten percent (10%) of income from issuing health and sanitary permits
10 – for programs for health volunteers and programs promoting safe workplaces for
11 workers in the informal economy; and

12 f.5. Ten percent (10%) of income from issuing hawkers' permits – for
13 programs for vendors.

14
15 SECTION 10. *Eligibility for Government Assistance.* – The selection and
16 appointment of beneficiaries under this Act shall be in accordance with the merit and
17 fitness principle. To qualify for assistance, incentives and grants, a worker, business
18 activity or enterprise shall be:

19 (a) duly registered and accredited with the appropriate agency in the LGU
20 where they are actively operating and paid the necessary fees for registration and
21 accreditation from the concerned office of the municipal or city treasurer;

22 (b) one hundred per cent (100%) owned and capitalized by Filipino citizens, be
23 it single proprietorship or a partnership venture; and

24 (c) covered by the definition of workers in the informal economy in Sec. 4 of
25 this Act.

26
27 SECTION 11. *Exclusivity of Government Programs.* – The government shall
28 ensure that programs of financing, grants and other similar incentives shall be exclusively
29 extended to an accredited worker or business activity or enterprise in the informal
30 economy.

SECTION 12. *Tax Exemption.* – A duly accredited IS worker or business activity or enterprise shall be exempted from all taxes, national or local, license and building permit fees and other business taxes except real property and capital gains taxes, import duties and other taxes on imported articles. In addition, any and all income, receipts and proceeds derived from their business operations shall be excluded in the computation of gross income for purposes of computing the individual income tax of the members thereof.

SECTION 13. *Inclusivity of Benefits.* – The exemptions and other benefits provided in this Act shall apply for a period of not exceeding ten (10) years from the date of registration of such IS worker or business activity or enterprise.

Chapter IV

Informal Economy Development Authority

SECTION 14. *Creation of the Informal Economy Development Authority (IEDA).*

– There is hereby created an Informal Economy Development Authority, herein otherwise referred to as the IEDA, which shall be attached to the office of the President and shall be constituted within thirty (30) days after the approval of this Act.

The IEDA shall be the primary agency responsible for the promotion, growth development and empowerment of the workers in the informal economy in the country. It shall be a one-stop shop that will facilitate and closely coordinate national efforts to promote the sector's viability and growth, including the provision of an integrated program for skills enhancement, literacy and education, health services, social welfare and services and assistance in tapping of local as well as foreign funds. It shall also perform regulatory and quasi-judicial and other functions relative to the attainment of the objectives of this Act.

SECTION 15. *Composition.* – The Chair of the IEDA shall be appointed by the President based on recommendations of IEDA members and shall have the rank of a

1 Secretary. IEDA members may elect from among themselves a Vice-Chair to preside
2 over meetings in the absence of the Chair. The members shall be the following:

- 3 (a) Secretary of the Department of Trade and Industry (DTI)
- 4 (b) Director General of the National Economic and Development Authority
5 (NEDA);
- 6 (c) Secretary of Department of Agriculture (DA);
- 7 (d) Secretary of Department of Agrarian Reform (DAR);
- 8 (e) Secretary of Department of Labor and Employment (DOLE);
- 9 (f) Secretary of Department of Social Welfare and Development (DSWD);
- 10 (g) Secretary of Department of Health (DOH);
- 11 (h) Secretary of Department of Transportation and Communication (DOTC);
- 12 (i) Secretary of Department of Public Works and Highways (DPWH);
- 13 (j) Secretary of the Department of Interior and Local Government (DILG);
- 14 (k) Lead Convenor of the National Anti-Poverty Commission (NAPC);
- 15 (l) Director General of Technical Education and Skills Development Authority
16 (TESDA);
- 17 (m) Director General of National Statistics Office (NSO);
- 18 (n) President of Development Bank of the Philippines (DBP);
- 19 (o) Chair of the Social Security System (SSS);
- 20 (p) Chair of PhilHealth;
- 21 (q) Chair of the National Commission on the Role of Filipino Women (NCRFW);
- 22 (r) Head of the Housing and Urban Development Coordinating Council
23 (HUDCC);
- 24 (s) *Three (3) representatives from the private sector at large, all Filipino citizens*
25 *to represent Luzon, Visayas and Mindanao; provided that at least one (1) is a woman;*
- 26 (t) One (1) representative each from the League of Cities, League of
27 Municipalities, League of Provinces and League of Councilors;
- 28 (u) Five (5) representatives from organizations of workers in the informal
29 economy, provided that, three (3) shall come from the NAPC-Workers in the Informal

1 Sector Council, and designated by the NAPC Convenor, provided moreover that, the
2 other two (2) shall come from organizations outside of NAPC and appointed by the
3 President from among those recommended by these organizations ; and provided finally,
4 that at least two (2) of the five (5) representatives are women; and

5 (v) Two (2) representatives of women's organizations actively involved in
6 women's and informal economy issues and appointed by the President from among those
7 recommended by these organizations.

8 The private sector, informal sector and women's organizations' representatives to
9 the Council shall be entitled to receive *per diem* of at least Two Thousand Five Hundred
10 Pesos (P2,500.00) per meeting. The Council shall meet once every two (2) months and it
11 may call for special meetings as the need may arise; provided, that the frequency of such
12 special meetings shall not exceed four (4) times annually.

13 Ten million pesos (P10,000,000.00) shall be allocated from the Presidential
14 discretionary fund for the initial operating expenses of the IEDA.

15
16 SECTION 16. *Executive Committee of the IEDA.* – An Executive Committee of
17 seven (7) members shall be convened. Besides the Chair and Vice-Chair, the following
18 shall be elected by the IEDA members from among themselves or their duly designated
19 alternate representatives: two (2) representatives of workers in the informal economy, one
20 (1) from the different leagues of local officials, one (1) from the private sector, and one
21 (1) from a national government agency, provided, that at least two (2) members of the
22 Executive Committee are women.

23 The Executive Committee shall have the authority to act for and in behalf of
24 IEDA during intervals of meetings, and within the specific authority granted by the
25 IEDA.

26
27 SECTION 17. *IEDA Secretariat.* – The Executive Committee shall create a
28 secretariat that will have the following duties and functions:

1 (a) Prepare, in coordination with LGUs and other government agencies, and
2 recommend annual as well as medium-term Enterprise Development Plans for approval
3 of the IEDA;

4 (b) Coordinate the preparation of position papers and background materials for
5 discussion or approval during IEDA meetings;

6 (c) Assist in coordinating and monitoring policies, programs and activities of all
7 government agencies with respect to the implementation of this Act;

8 (d) Prepare, collate, integrate all inputs to the IEDA's yearly report on the status
9 of informal economy business activities or enterprises in the country;

10 (e) Submit periodic reports to IEDA on the progress and accomplishments of its
11 work programs; and

12 (f) Perform ad hoc functions as authorized by the IEDA.

13
14 SECTION 18. *Mandate of IEDA.* – The mandate and functions of IEDA shall
15 include the following:

16 (a) Develop a system of registration and accreditation for the IS in accordance
17 with the standards and provisions of this Act;

18 (b) Provide guidelines for the implementation of LGUs of a fair and credible
19 system of evaluation, accreditation, review and assessment, merit promotion, rendering of
20 grant and incentive awards and other policies relative to the effective and efficient
21 implementation of this Act;

22 (c) Further develop the existing Philippine Country Program for the development
23 and protection of the workers in the informal economy towards institutionalizing
24 comprehensive, rights-based, gender-responsive and child-friendly programs and policies
25 for the IS;

26 (d) Develop gender-based monitoring and evaluation mechanisms to ensure that
27 programs and policies are implemented effectively and efficiently; and ensure gender-
28 responsiveness of interventions toward harnessing full potentials of women workers in
29 the informal economy;

1 (e) Coordinate with LGUs for the development and implementation of periodic
2 evaluation of all accredited IS members – taking into account their accomplishments,
3 capabilities and potentials – the results of which shall be used as bases for evaluation,
4 registration, accreditation, the grant of awards and incentives, training and retraining;

5 (f) Establish a performance appraisal system for all accredited workers in the
6 informal economy which shall be the basis for granting or renewal of incentives, rewards
7 and recognition, training and development, including adequate mechanisms to ensure
8 their active participation and involvement;

9 (g) Ensure effective participation of the workers in the informal economy through
10 the establishment of regular consultative mechanisms and processes. Annual national,
11 regional and provincial consultations among the organizations of workers in the informal
12 economy shall be conducted to determine specific issues and problems affecting their
13 sector, and monitor and evaluate implementation of programs and policies.

14 (h) Establish and develop a centralized and sex-disaggregated database system to
15 effectively guide policy formulation relative to the workers in the informal economy. The
16 databank shall be available for public use and shall include but not be limited to the
17 following:

18 h.1. Sex-disaggregated statistical profile of various informal economy
19 workers based on age, location, type of work, average monthly income, number
20 of hours worked, and other statistical information;

21 h.2. Sex-disaggregated data on informal enterprises, including
22 capitalization and sources of capital, number and status of workers, average
23 income,

24 h.3. List and contact information of government and non-government
25 organizations which provide educational, socio-economic and legal services to
26 workers in the informal economy;

27 h.4. Inventory of upheld and pending cases involving activities of workers
28 in informal economy;

1 h.5. Database on the needs and problems of women and children in the
2 sector nationwide aimed at strengthening policies and programs against child
3 labor; and

4 h.6. Compilation of existing laws and programs affecting the interest and
5 welfare of informal economy workers and information on how these workers may
6 use or avail of such laws and programs.

7 (i) Develop and implement a communication plan including massive information
8 dissemination activities targeting workers in the informal economy in the various regions
9 towards making them understand and appreciate the benefits this Act may bring them;
10 and

11 (j) Develop alternative conflict or dispute resolution systems and mechanisms.
12 which shall aim to promote dialogue, conciliation and mediation while protecting the
13 rights of workers in the informal economy.

14
15 SEC. 19. *Authority of the IEDA to Solicit Assistance from Various Agencies.* –
16 The IEDA may, from time to time, call upon the participation of any government agency
17 or bureaucracy in its deliberations especially when such agency is directly or indirectly
18 concerned with and/or affecting the growth and development of the IS in any particular
19 area or manner.

20
21 SECTION 20. *Regional IEDA Offices.* – Regional IEDA offices shall be
22 established and will have functions that include: monitoring and coordinating IEDA
23 initiatives in the regions; evaluation of policies and programs for workers in the informal
24 economy; providing technical assistance in the development of local plans and programs;
25 as well as other administrative functions necessary for the success of IEDA initiatives in
26 their jurisdiction.

27 IEDA Regional Office shall have an automatic seat in all Regional Development
28 Councils.

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31

1 **Chapter V**

2 **Workers in the Informal Economy Local Development Office (WIELDO)**

3 SECTION 21. *Workers in the Informal Economy Local Development Office*
4 *(WIELDO)*. – The Workers in the Informal Economy Local Development Office
5 (WIELDO) shall be established in every province, city/municipality to perform functions
6 that shall include but are not limited to the following:

7 (a) Consistent with the Philippine Informal Sector Country Program, prepare an
8 over-all development plan and work program that will address the needs of the workers in
9 the informal sector and incorporate them in their respective provincial, regional, city,
10 municipal and barangay development plans;

11 (b) In consultation with organizations of workers in the informal economy in the
12 area, identify specific needs of the sector and recommend appropriate measures to be
13 taken;

14 (c) Ensure registration and accreditation of the workers in the informal economy;

15 (d) Monitor, assess and evaluate implementation of the plans and programs as
16 well as the performance of the sector in the areas;

17 (e) Coordinate with other local offices, private sector and other organizations
18 with existing programs for the workers in the informal economy towards integration and
19 convergence;

20 (f) Conduct training programs which will provide new ideas to the workers and
21 upgrade the technical and entrepreneurial skills of others who are already in the field;

22 (g) Implement consciousness-raising and capability building activities to include
23 information on workers', women's and children's rights and leadership training;

24 (h) Provide technical support and access to credit, market, technology, social
25 security schemes, and training for micro-entrepreneurs and those in service industry,
26 small transport, non-corporate construction workers, etc.;

27 (i) Train pools of community trainers in business counseling and awareness-
28 raising on occupational safety and health hazards, risks and social security;

29 (j) Support organizing activities among workers in the informal economy;

1 (k) Establish sex-disaggregated data banks on human resources and skills registry
2 to be used as tools for LGU planning and budgeting;

3 (l) Provide offices and other necessary resources to support organizing,
4 advocacy, training and other activities of local organizations of workers in the informal
5 economy;

6 (m) Train workers in the informal economy on negotiation skills and on the
7 conduct of time and motion studies to determine proper wages; and

8 (n) Provide services, to include but not limited to counseling and legal assistance
9 for the furtherance of this Act.

10 In addition to fund allocations specified in this Act, the LGUs shall annually
11 allocate at least One Hundred Thousand Pesos (P100,000.00) or at least 5% of the twenty
12 percent (20%) Development Fund of their respective IRA whichever is higher for the
13 operations and maintenance of WIELDO.

14 Following the principle of merit and equity, LGUs that fulfill such allocations
15 may receive additional assistance from the national government as recommended by
16 IEDA; provided, that they have formulated their local development plan for workers in
17 the informal economy.

18
19 SECTION 22. *Composition.* – The local chief executives shall act as the primary
20 overseers to the overall operation of WIELDO. Composition of WIELDO shall be
21 determined by the Implementing Rules and Regulations (IRR) of this Act; provided that,
22 workers in the informal economy shall be equitably represented; and provided further,
23 that concerned LGUs maintain their right to include additional members as needed.

24

25

Chapter VI

26

Basic Rights

27 SECTION 23. *Basic Rights.* – The rights of workers in the informal economy
28 shall be actively protected, promoted and upheld. These include the right to:

29 (a) self-organization to collectively negotiate with other parties in the promotion
30 of their welfare and advancement of their interests;

- 1 (b) participate in decision-making processes relevant to the concerns of workers
2 in the informal economy through their legitimate organizations;
- 3 (c) equal treatment before the law;
- 4 (d) safe conditions in the workplace that will safeguard their general and
5 reproductive health;
- 6 (e) accessible and affordable medical care;
- 7 (f) accessible social protection and basic services including but not limited to
8 health services and low-cost housing to enable IS members to have a humane quality of
9 life;
- 10 (g) equal access to education, skills training, and economic resources to develop
11 their self-reliance;
- 12 (h) information, especially on issues and concerns affecting the welfare and
13 interests of their sector;
- 14 (i) be free from any form of discrimination, violence, sexual exploitation,
15 harassment and abuse;
- 16 (j) common workplaces, merchandising centers, and inventory bulk-buying
17 centers;
- 18 (k) common facilities and capacity building to access E-marketing;
- 19 (l) alternative dispute resolution mechanisms and processes; and
- 20 (m) equal access to justice through appropriate mechanisms.

21
22

Chapter VII

23

SOCIAL SECURITY

24

SECTION 24. *Medical/Health Insurance.* – As a matter of right and in the interest
25 of social justice, an IS worker, regardless of age and compensation levels, shall be
26 covered by medical/health insurance under the Philippine Health Insurance Corporation
27 (PHILHEALTH), and be entitled to all benefits provided for under the law. Poverty shall
28 not be an impediment for IS workers to enjoy full medical and/or health insurance.
29 Towards this end, IS self-employed workers whose declared monthly earnings fall below

1 the existing minimum wages shall be covered for free based on rules formulated by
2 Philhealth. Provided, however, that the worker is eligible to receive such benefit as
3 prescribed under Sections 10 and 13 of this Act.

4 For purposes of this section, the PHILHEALTH, shall, within ninety (90) days
5 from the effectivity of this Act, promulgate guidelines to implement this provision
6 including mechanisms of collecting contributions from concerned workers through their
7 legitimate organizations.

8
9 SECTION 25. *Social Security Coverage.* – As a matter of right and in the interest
10 of social justice, a worker in the informal economy, regardless of age and compensation
11 levels, shall be covered by social security and be entitled to all benefits provided for
12 under R.A. No. 8282 or the Social Security Act of 1997.

13 (a) Coverage and Contributions - Poverty shall not be an impediment for workers
14 in the informal economy to enjoy full social security. Towards this end, concerned
15 workers whose declared monthly earnings fall below the existing minimum wages shall
16 be covered by the Social Security System for free. Provided, however, that the worker is
17 eligible to receive such benefit as prescribed under Section 10 of this Act.

18 Workers whose declared monthly income is more than the legally mandated
19 minimum wages but below Thirty Thousand Pesos (P30,000.00), the SSS shall cover
20 them with the government shouldering the employer's contributions.

21 (b) Government contribution to SSS – Government contributions to SSS budget
22 shall include subsidy to workers in the informal economy as mandated by this section.

23 For purposes of this section, the SSS, shall, within ninety (90) days from the
24 effectivity of this Act, promulgate guidelines to implement this provision including the
25 mechanism of collecting contributions from concerned IS workers. The SSS is hereby
26 mandated to implement an outreach program that will facilitate the remittance of
27 premiums by either the employer, or the worker, or the organization of IS workers by
28 whatever means deemed feasible and efficient.

29

1 SECTION 26. *Social Security for Volunteers of Government Instrumentalities.* –

2 As a matter of right and in the interest of social justice, volunteer workers of government
3 instrumentalities as defined in Sec. 4 of this Act, regardless of age and amount of
4 allowances or honoraria received, shall be covered by the Government Service Insurance
5 System (GSIS) and be entitled to all benefits provided for regular government workers.

6 Poverty shall not be an impediment for government's volunteer workers to enjoy
7 full benefits from the GSIS. Towards this end, concerned volunteers who receive monthly
8 allowances or honoraria below the existing lowest base pay among government
9 employees shall be covered by the GSIS for free. Provided, however, that the worker is
10 eligible to receive such benefits as prescribed under Section 10 of this Act.

11 Volunteer workers who receive monthly allowances or honoraria higher than the
12 lowest base pay among government workers shall be covered by the GSIS following its
13 regular policies.

14 Necessary government subsidy to volunteer workers pursuant to this section shall
15 be included in the General Appropriations Act (GAA).

16 For purposes of this section, the GSIS, shall, within ninety (90) days from the
17 effectivity of this Act, promulgate guidelines to implement this provision including the
18 mechanism of collecting contributions from concerned volunteer workers. The GSIS is
19 hereby mandated to implement an outreach program that will facilitate the remittance of
20 premiums by either the volunteer, or their organizations by whatever means deemed
21 feasible and efficient.

22 SECTION 27. *Alternative Schemes of Providing Social Security.* – To further
23 widen access to social security of workers in the informal economy especially in poor
24 urban and rural areas, indigenous and alternative social protection schemes such as:
25 “damayan”, “tulungan”, saranay, small mutual benefit associations, and micro-finance
26 organizations as well as community-based micro-health insurance schemes initiated or
27 participated in by workers in the informal economy shall be supported and strengthened
28

1 by concerned national agencies and LGUs so that these can be sustained, systematized
2 and upscaled.

3 An enabling environment for such organizations and schemes shall be developed.
4 Toward this end, the Insurance Commission (IC) is hereby mandated to review its
5 policies to make them more supportive of alternative schemes of providing social
6 security.

7 Other mechanisms to support such schemes shall be outlined by the IRR of this
8 Act.

9
10 **TITLE II**
11 **WORKERS IN THE INFORMAL ECONOMY ENTERING INTO**
12 **CONTRACTED AGREEMENT**

13
14 **Chapter I**

15 **Requisites for Contracting Agreement**

16 SECTION 28. *Employment Contract.* – All working arrangements entered into by
17 workers in the informal economy shall be covered by a written agreement, in a language
18 or dialect understood by both employer and worker, duly signed by both the employer
19 and worker. Under this Act, the employer and worker can agree on any of the following
20 working arrangements: daily basis, monthly basis, pakyaw basis, per commission basis,
21 boundary basis, piece rate, per job order and per service negotiated.

22 In every contract entered into, each contracting party shall be provided with a full
23 set of the duly signed agreement, the basic provisions of which shall include:

- 24 (a) working arrangement/mode;
25 (b) period/duration of employment;
26 (c) compensation and mode of payment;
27 (d) computation of contributions for social security and medical insurance;
28 (e) computation of contributions for social security and medical insurance for
29 those who fall under DOLE Department Order No. 5;
30 (f) duties and responsibilities;

- 1 (g) working hours and day-off schedules;
- 2 (h) living quarters or sleeping arrangements (for live-in workers);
- 3 (i) the date, term and mode of delivery or date of completion;
- 4 (j) minimum of twenty percent (20%) down payment for labor cost and services
- 5 and minimum of 50% for inventory of raw materials used in the production for
- 6 homeworkers per DOLE Order No.5.

7 Whenever an employer shall contract with a worker in the informal economy for

8 the performance of the work, it shall be the duty of the employer to provide such contract

9 and the worker shall be paid in accordance with the provisions stated in this Act.

10 In cases wherein minors are contracted with, the said negotiated contract shall be

11 signed on his/her behalf by either parent or legal guardian, with the expressed written

12 consent of the said minor.

13 In cases wherein illiterate workers are contracted with, the said contract shall be

14 explained to the worker concerned and attested to by a representative from the LGU or an

15 elected Barangay official in the city or municipality where the worker is designated to

16 work.

17

18 SECTION 29. *Medical Certificate as Pre-Requisite for Employment.* – A medical

19 certificate attesting to the physical and mental fitness of an applicant for work must be

20 secured from a licensed physician as a pre-requisite for employment, the cost of which

21 shall be for the account of the employer.

22

23 **Chapter II**

24 **IS Workers of Minor Age**

25 SECTION 30. *Allowable Employment of Workers of Minor Age.* – Children

26 fifteen (15) years up to seventeen (17) years of age may be employed; provided, that

27 parental or legal guardian consent be presented and attested by any representative of the

28 LGU or duly elected Barangay official where the work is to be done. In no instance

29 however, shall children below fifteen (15) years old be engaged in whatever form of

30 productive services.

1 Workers of minor age shall not be allowed to render work for more than four (4)
2 hours, five (5) days a week, exclusive of one (1) hour break for breakfast or lunch
3 whichever is applicable.

4
5

Chapter III

6

Just Compensation Package

7 SECTION 31. *Standardized Wage Rate.* – The Bureau of Working Conditions-
8 DOLE shall develop and implement capacity building program on the conduct of time
9 and motion studies as a basis of standardizing piece rates. Likewise, the Regional Wage
10 Boards shall do the same to determine wages of workers of the IS employers.

11 Moreover, the Regional Wage Board shall formulate just compensation for on call
12 domestic workers who still fall under the informal economy.

13 While there are no standardized rates for workers in informal economy jobs, the
14 basis of computation shall not be below the applicable minimum wage of the region
15 where they are covered.

16
17

SECTION 32. *Payment of Wages.* – Payment derived from negotiated agreement
18 shall be made directly to the workers according to the agreement. No deductions from
19 such payments shall be made by the employer except those provided by law. The
20 expressed written consent of the worker shall be first secured before the deduction is
21 made.

22
23

Chapter IV

24

Prohibited Acts

25 SECTION 33. *Prohibition Against Forced Night Work.* – It is unlawful to force,
26 threaten, intimidate or otherwise harass workers in the informal economy to engage in
27 night work. Moreover, workers of minor age shall not be allowed to render work between
28 eight o'clock in the evening and six o'clock in the morning of the following day.

29

1 SECTION 34. *Prohibition Against Work to be Undertaken.* – Workers of minor
2 age shall not be allowed to render work beyond their physical and mental capabilities.

3
4 SECTION 35. *Prohibition Against Bonded Labor.* – A worker shall not be
5 allowed to use his/her future services as collateral for any loan or advances made to or to
6 be made by said worker with the employer. Likewise, no employer shall be allowed to
7 bind the worker to his/her continued employ as a form of payment for any loan or
8 advances which he/she may have made with the employer. Should there be an
9 outstanding loan incurred and he/she decides to unilaterally terminate the contract of
10 employment, said loan or advance shall be paid by him/her to the employer under terms
11 and conditions specified in a duly executed promissory note between parties.

12
13 SECTION 36. *Prohibition Against Labor-Only Contracting.* – In no instance shall
14 the employer sub-contract the services of a worker to any third party, unless such activity
15 falls within the purview of an employment arrangement for which the necessary permits
16 and licenses had been priory secured.

17 Labor only contracting means that the contracting party does not provide any raw
18 materials, inputs, or other forms of investment to the worker and merely uses his/her
19 labor to make profit.

20
21 SECTION 37. *Prohibition Against Recruitment and Finders Fees.* – Regardless
22 whether the worker was sourced either through an employment agency or a third party,
23 said worker shall neither be charged nor levied a share in the recruitment fees or finder's
24 fees by the aforementioned employment agency or third party.

25
26 SECTION 38. *Prohibition Against Hazardous Work and Conditions.* – Any
27 worker shall not be employed in any hazardous work, activity or undertaking, and neither
28 shall he/she be exposed to hazardous working conditions.

29 For purposes of this Section, hazardous work or conditions shall include, but not
30 be limited to the following:

31 (a) Any work which requires workers to render services beyond ten (10) hours;

1 (b) Any work, employment or activity which exposes the worker to physical,
2 emotional or sexual abuse;

3 (c) Any work which involves manual handling or transport of heavy loads;

4 (d) Any work in an unhealthy environment which exposes workers to hazardous
5 substances, agents or processes, or to temperature, noise levels, or vibrations damaging to
6 their health;

7 (e) Any work which requires workers to continuously render service during late
8 nights;

9 (f) Any or all forms of slavery or practices similar to slavery, such as the sale and
10 trafficking of persons, forced or compulsory labor, debt bondage and serfdom;

11 (g) Any use, procuring or offering of the worker for prostitution or pornography;

12 (h) Any use, procuring or offering of the worker for the commission of any
13 offense or crime, particularly for the production and trafficking of narcotic drugs and
14 substances as defined in the Comprehensive Dangerous Drugs Act;

15 (i) Any other type of work or activity which, by its nature or the circumstances in
16 which it is carried out, is likely to jeopardize the health, safety, or morals of the worker;
17 and

18 (j) Any other type of work, activity, condition or undertaking that maybe
19 hereinafter be defined as hazardous by the DOLE.

20
21 SECTION 39. *Prohibition Against Interference and Coercion.* – Any person is
22 prohibited from committing any of the following acts of interference and coercion:

23 (a) To prevent a worker from upholding or exercising his/her rights;

24 (b) To prevent workers from joining or assisting organizations or unions for
25 purposes not contrary to law, in order to protect and defend their mutual interests and to
26 obtain redress of grievances through peaceful concerted efforts;

27 (c) To prevent a worker from carrying out his/her duties or functions in an
28 organization or union, or to penalize the same for any lawful action performed in that
29 capacity;

(d) To make calculated harassment and interference with the intention of intimidating or preventing the worker from performing his/her duties and functions;

(e) To make calculated harassment against, or to transfer, penalize or terminate the services of a worker who is carrying out his/her function or role for and in behalf of his/her employer; and

(f) To perform acts calculated to diminish the independence and freedom of workers' union or organization to direct its own affairs.

Chapter V

Rights and Benefits of Employed Workers in Informal Economy

SECTION 40. *Rights to Wages Earned.* – The employer shall pay directly to the workers on time based agreement, any and all wages, remuneration or compensation earned by him/her during the period of his/her employment.

No parent, guardian, relative or any other person shall be allowed to borrow against the compensation of his/her relative -worker of minor age without the express written consent of the concerned relative-worker. Neither shall the worker of minor age be mandated to work in payment of loan or liability by a parent, guardian, relative, or any other person.

SECTION 41. *The Right to Privacy and Confidentiality.* – The employer shall respect the privacy of all workers during the course of the latter's rest periods. This right to privacy shall extend to any and all forms of personal communication, including letters of correspondents issued or received. The worker shall be allowed communications coursed through the private telephone of the employer ; provided that any additional expense incurred in the course of communication shall be borne by the worker and shall be deducted after the employer's due notice to the worker of the amount incurred due to specific reason/s, from the receivable wage of the worker.

The State, further guarantees the protection of the right of the worker to communicate with relatives and other persons and to receive visitors subject to

1 reasonable limits prescribed in the employment contract agreed and entered into by both
2 the employer and the worker.

3
4 SECTION 42. *Access to Education and Training.* – A worker shall not be
5 deprived of formal or non-formal education. In cases where he/she is productively
6 employed, he/she shall be allowed to attend or pursue any kind of educational program
7 during free time or any other time as agreed by the employer and the worker.

8 The Department of Education (DEP ED), CHED and other appropriate agencies,
9 whichever offices are applicable, shall extend its services of Study Now, Pay Later
10 Program to the workers in the IS.

11
12 SECTION 43. *Access to Lawful Third Party Mediation.* – The LGUs shall
13 provide workers and their employers the names, addresses and telephone numbers of the
14 designated liaison officers of the following:

- 15 (a) DTI;
16 (b) DOLE;
17 (c) The Barangay office where he/she is productively working; and
18 (d) Duly registered non government organizations accredited to mediate the
19 disputes of their sector.
20 (e) IEDA

21 The employer guarantees the worker the access to all means of communication for
22 the purpose of contacting any of the above-enumerated institutions.

23
24 SECTION 44. *Normal Hours of Work.* – The normal hours of work shall be set at
25 eight (8) hours per day, exclusive of one (1) hour breaks each for breakfast, lunch and
26 dinner. The worker shall be allowed at least eight (8) hours of continuous rest per day.
27 Otherwise, any work done by him/her beyond the normal hours of work per day shall be
28 duly compensated.

29
30 SECTION 45. *Regular Working Days.* – No worker shall render work for more
31 than six (6) days per week.

1
2 SECTION 46. *Longevity Pay.* -- A longevity pay equivalent to five percent (5%)
3 of his/her latest monthly basic pay shall be paid to a worker for every two (2) years of
4 continuous and satisfactory service rendered.

5
6 SECTION 47. *Clothing and Personal or Protection Equipment Allowance.* -- A
7 worker shall be entitled to a minimum of One Thousand (P1,000.00) pesos clothing and
8 personal or protection equipment (PPE) allowance annually. Provided, that the worker
9 has rendered at least one (1) year of continuous service in the employment he/she is
10 currently in.

11
12 SECTION 48. *Service Incentive Leave* - A worker who has been employed for
13 one (1) year shall be entitled to a five (5)-day service incentive leave with pay, in
14 addition to the one (1) day per week designated as rest day. Said leave may only
15 commence at the end of the first year of employment and shall not cumulate from year to
16 year.

17 SECTION 49. *Maternity Benefits.* -- A female worker who has been employed for
18 one (1) year shall be entitled to maternity benefits as provided for by law.

19
20 SECTION 50. *13th Month Pay.* -- A worker shall be entitled to 13th month pay
21 equivalent to one month's basic salary which shall be paid to the worker. Provided, that
22 the worker has reached the required minimum residency. Otherwise, the worker shall be
23 entitled to receive a 13th month pay on a pro-rated basis as provided for in DOLE D.O.
24 No. 5.

25
26 SECTION 51. *Allowing Subcontracting.* -- A worker may enter into sub
27 contractual employment or may accept sub contractual jobs from any other enterprise or
28 firm joining or may join productive employment through a cooperative consortium;
29 provided, that the enterprise, firm, cooperative, or consortium shall be mandated to
30 implement the specific provisions of this Act in regard to workers benefits.

1 SECTION 52. *Pre-Termination of Contract.* – The employer may. At his/her own
2 discretion, terminate the services of the worker; provided however, that the said employer
3 provides the worker with at least fifteen (15) day notice of termination, and termination
4 pay equivalent to at least one half (½) month's salary. In lieu of the fifteen (15) day
5 notice of termination, the employer may immediately terminate the services of the
6 worker, provided that said employer provides the worker termination pay equivalent to
7 one (1) month's salary.

8 The employer may, for valid or just cause of loss of confidence, terminate the
9 services of the worker prior to the expiration of the contract without indemnifying the
10 latter with termination pay.

11 Should the worker decide, on his/her own volition, to unilaterally leave the
12 workplace prior to the expiration of the contract period, said worker shall forfeit any
13 separation pay that may be due him/her.

14
15 SECTION 53. *Extent of Duty.* – The employer shall not require a worker to
16 perform any task or work outside what is stipulated in the agreement.

17 SECTION 54. *Deployment Expenses.* – Deployment expenses of the worker,
18 including transportation and agency fees, shall be shouldered by the employer.

19
20

TITLE III

FINAL PROVISIONS

21
22 SECTION 55. *Penal Provision.* – Any person who shall willfully interfere with,
23 restrain or coerce a worker in the exercise of his/her rights or shall in any manner commit
24 any act in violation of any of the provisions of this Act shall, upon conviction, be
25 punished by a fine of not less than Twenty Thousand Pesos (P20,000.00) or
26 imprisonment of one (1) year to six (6) years or both fine and imprisonment at the
27 discretion of the Court.

28 If the offender is a public official, the Court, in addition to the penalties provided
29 in the preceding paragraph, may impose the additional penalty of disqualification from
30 public office.

1 In the case of a private institution/company found to be violating any provision of
2 this Act, it shall be subject to a penalty ranging from suspension of license or revocation
3 of such at the discretion of the Court.

4
5 SECTION 56. *Implementing Rules and Regulations (IRR)*. – The Implementing
6 Rules and Regulations of this Act shall be formulated by IEDA in consultation with
7 organizations of workers in the informal economy within three (3) months after the
8 effectivity of this Act.

9
10 SECTION 57. *Separability Clause*. – If any provision of this Act is declared
11 unconstitutional or invalid, the provisions not affected shall continue to be in full force
12 and effect.

13
14 SECTION 58. *Repealing Clause*. – All laws, decrees, orders, rules and
15 regulations or other issuances inconsistent with the provisions of this Act are hereby
16 repealed, amended or modified accordingly.

17
18 SECTION 59. *Effectivity*. – This Act shall take effect fifteen (15) days after its
19 publication in at least two (2) newspapers of general circulation or the Official Gazette.

20
21 Approved.