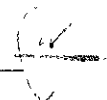


10 JUL 21 P5 02

SENATE
S. No. 1807

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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.²

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MIRIAM DEFENSOR SANTIAGO

² This bill was originally filed in the third regular session of the 14th Congress.

10 JUL 21 P5:02

SENATE
S. No. **1807**

RECEIVED BY _____

Introduced by Senator Miriam Defensor Santiago

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

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (ii) the tracking of employee participation.

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

16 (i) tobacco use

17 (ii) obesity

18 (iii) stress management

19 (iv) physical fitness

20 (v) nutrition

21 (vi) substance abuse

22 (vii) depression, and

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

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

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

28 (a) tobacco use at the worksite,

- 1 (b) the nutrition of food available at the worksite through
2 cafeterias and vending options,
3 (c) minimizing stress and promoting positive mental health
4 in the workplace,
5 (d) where applicable, accessible and attractive stairs, and
6 (e) the encouragement of physical activity before, during,
7 and after work hours.

8 SEC. 6. *Participation Incentives.* –

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

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

14 (C) *Participation Requirement.* –

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

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

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

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

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

6 SEC. 9. *Credit Period.* –

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

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

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

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

25 SEC. 12. *Separability Clause.* – If any provision or part hereof, is held invalid or
26 unconstitutional, the remainder of the Act or the provision not otherwise affected shall
27 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,