

EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

**SENATE**

**S. No. 644**



Senate

Office of the Secretary

19 JUL 22 PT 50

**Introduced by SENATOR RAMON BONG REVILLA, JR.**

RECEIVED


**AN ACT**

**TO FURTHER STRENGTHEN THE STANDARD OF PROTECTION AND ENHANCEMENT OF THE WELFARE OF SELF-EMPLOYED WORKERS AND CRAFTSMEN AND THE PROMOTION OF ENTREPRENEURSHIP THEREBY AMENDING FOR THIS PURPOSE, SECTION 8 OF REPUBLIC ACT NO. 8282 OTHERWISE KNOWN AS THE SOCIAL SECURITY ACT OF 1997**

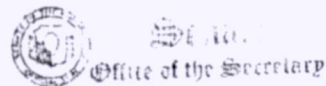
**EXPLANATORY NOTE**

Entrepreneurship and self-employment go together hand-in-hand. The pursuit of economic growth and development is propelled by capital put forth by entrepreneurs, and entrepreneurs more often than not come from the ranks of specialized professionals such as those who come from the self-employed and trade craftsmen sectors, offering very specific products and services.

In view of the foregoing, it is the duty of the State to protect their right and enhance their welfare. The urgent passage of this bill into law is sought.

  
**RAMON BONG REVILLA, JR.**

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OTHERWISE KNOWN AS THE SOCIAL SECURITY ACT OF 1997**

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

1 Section 1. *Short Title.* - This Act shall be known as the "Self-Employed Workers  
2 Protection and Enhancement Act".

3 Sec. 2. *Declaration of Policy.* - The State shall promote self-employment as a  
4 primary tool for poverty alleviation. The State shall recognize and protect the rights of  
5 self-employed workers and the organizations that they may form under existing law.  
6 The State shall ensure their fair treatment and humane conditions of work, including  
7 the basic right to a decent living wage. The State shall respect the principle of  
8 subsidiarity, promote self-reliance and the spirit of enterprise. The State shall further  
9 promote their right to self-organization including but not limited to craft unions, guilds,  
10 workers cooperatives, and other forms of group entrepreneurship.

11 Sec. 3. *Guiding Principles.* - Self-employed workers are entitled to occupational  
12 continuity, decent living wage, and basic social benefits. These basic rights can be  
13 enhanced and strengthened through legitimate organizations duly organized under  
14 existing laws which are dedicated to protecting their rights and interests.

15 Sec. 4. *Definition of Terms.* - As used in this Act, the following terms shall be  
16 defined as:

- 1 a. Craft Union – refers to a labor union with membership limited  
2 to workers of the same craft.
- 3 b. Entrepreneurship – refers to the self-organization and  
4 management of a business or enterprise by an individual
- 5 c. Group Entrepreneurship – refers to the association of  
6 different entrepreneurial organizations of common interests.
- 7 d. Guild – refers to an association of people with similar  
8 interests or pursuits.
- 9 e. Self-employed – refers to a person who has his own  
10 occupational capacity put to productive use by applying his own  
11 capital raised by himself or together with other self-employed  
12 persons pursuing related occupational and entrepreneurial  
13 interest. A self-employed individual earns from his labor as well  
14 as from his own capital. He may be contingent, non-regular, or  
15 an overseas worker.
- 16 f. Workers cooperative – refers to a cooperative owned and  
17 controlled by the workers themselves. It is organized by  
18 workers including self-employed, who are at the same time the  
19 members and owners of the enterprise. As understood herein,  
20 the term ownership shall mean actual contribution to the share  
21 capital of the cooperative up to the maximum allowed by the  
22 law and the bylaws. All share capital shall be entitled to interest  
23 as may be declared from time to time. The term control shall  
24 mean the exercise of right to vote. As mandated by law, each  
25 regular member shall only have one vote regardless of the  
26 number of shares actually held. Its principal purpose is to  
27 provide jobs and business opportunities to its members and  
28 manage it in accordance with cooperative principles.

29 Sec. 5. *Contractual Relations.* – Contracts with self-employed workers are  
30 governed primarily by the civil and commercial laws of the Philippines. Therefore, the  
31 provisions under Book III of Presidential Decree No. 442, as amended, otherwise  
32 known as the Labor Code of the Philippines, shall not be applicable to self-employed

1 workers who have the right to determine the terms and conditions of their own  
2 engagements. Notwithstanding the foregoing, agricultural, industrial, commercial, and  
3 service sectors engaging self-employed workers shall ensure that the terms and  
4 conditions of their service should be above or comparable to the benefits provided in  
5 their respective sectors, as mandated by all social legislation.

6       Sec. 6. *Training.* – Training and certification by Technical Education and Skills  
7 Development Authority (TESDA) shall be accessible to self-employed workers in order  
8 to continuously enhance and upgrade the entrepreneurial and occupational capacity  
9 of self-employed individuals. For this purpose, TESDA may enter into agreements with  
10 various associations of self-employed workers to effect this policy.

11       Sec. 7. *Social Security.* - All government agencies mandated to render services  
12 and extend social security are hereby mandated to ensure that all self-employed  
13 workers as defined under this Act are covered by a social security program and shall  
14 be allowed to enroll as members of the Social Security System (SSS) under Article 9-  
15 A of Republic Act 8282, otherwise known as the Social Security Act of 1997.

16       The enrollment can be done directly by the self-employed workers or thru their  
17 respective guilds, craft unions, worker cooperatives, or other associations acting as  
18 their collecting agent for premiums due to SSS.

19       Paragraph(s) of Section 8 under Republic Act 8282, is hereby amended to read  
20 as follows:

21       "(s) Self-employed.- A self-employed is a person who has his own occupational  
22 capacity put to productive use by applying his own capital raised by himself or together  
23 with other self-employed persons pursuing related occupational interest."

24       Sec. 8. *Disputes.* - disputes involving workers under this Chapter shall be under  
25 the jurisdiction of the regular courts without prejudice to the provisions of Article 137  
26 of Republic Act'9520, otherwise known as the Philippine Cooperative Code of 2008,  
27 insofar as worker cooperatives are concerned.

28       Sec. 9. *Reportorial Requirement.* - Worker guilds, craft unions, worker  
29 cooperatives, and other associations organized and representing self-employed  
30 workers must register with the Department of Labor and Employment (DOLE) and  
31 Department of Trade and Industry (DTI) and other regulatory agencies under such

1 forms, conditions, and frequency as may be determined by each particular regulatory  
2 government agency.

3       Sec. 10. *Penalty Clause.* - Any individual, association, entity or institution found  
4 in violation of this Act shall be punished with a fine of not less than Fifty Thousand  
5 Pesos (Php 50,000.00) nor more than One Hundred Thousand Pesos (Php 100,000.00).

6       Sec. 11. *Implementing Rules and Regulations.* - All government agencies are  
7 hereby mandated to implement rules and regulations that will enact the express  
8 policies of this Act, to encourage and promote self-employment as a primary tool for  
9 poverty alleviation and enhance the welfare of the self-employed.

10       Sec. 12. *Mandatory Assistance.* - Government agencies with special concern on  
11 employment and poverty alleviation such as but not limited to Department of Labor  
12 and Employment (DOLE), Cooperative Development Authority (CDA), Department of  
13 Trade and Industry (DTI), Department of Interior and Local Government (DILG),  
14 Department of Agriculture (DO A), Bureau of Internal Revenue (BIR), National Anti-  
15 Poverty Commission (NAPC), and all local government units (LGUs) shall draw and  
16 adopt sustainable programs for the empowerment and encouragement of self-  
17 employment in support of the express intentions of this Act.

18       Sec. 13. *Separability Clause.* - If any part, section or provision of this Act is held  
19 invalid or unconstitutional, other provisions not affected thereby shall remain in full  
20 force and effect.

21       Sec. 14. *Repealing Clause.* - All laws, decrees, orders, issuances, rules and  
22 regulations contrary to or inconsistent with the provisions of this Act are hereby  
23 repealed, amended or modified accordingly.

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

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27  
28       *Approved,*