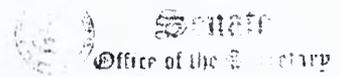


NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



'22 JUL -7 P4:19

**SENATE**  
**S. No. 175**

RECEIVED BY

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**Introduced by SENATOR FRANCIS "TOL" N. TOLENTINO**

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**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

Republic Act No. 11165, otherwise known as the "Telecommuting Act," exhorts the private sector to explore telecommuting work arrangements for their employees. This law has become more relevant than ever in the midst of the COVID-19 pandemic.

The onslaught of the COVID-19 pandemic has forced Filipinos to embrace the concepts of telecommuting and working from home. Employers, multinational corporations, and micro, small, and medium enterprises alike have since embraced a hybrid work setup of onsite and work from home methods.

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.

Electricity bills, particularly Meralco bills in Metro Manila multiplied four-fold since the start of COVID-19 pandemic and implementation of quarantine protocols in March 2020. Stories of individuals shocked by the sudden increase of their bills spread all over the news. This surge was attributed to the fact that people were spending most of their time at home, children were using online learning facilities, and employees were now forced to or were voluntarily working from home. Assistance must be provided to the employees to cushion the impact of this new normal and make this work arrangement sustainable.

This measure seeks to amend R.A. No. 11165 by expanding its coverage to include the public or government sector. It also requires employers to provide their telecommuting employees with a One Thousand Pesos (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 measure is earnestly sought.



**FRANCIS "TOL" N. TOLENTINO**

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

1       **SECTION 1.** Section 4 of Republic Act (R.A.) No. 11165, otherwise known  
2 as the "Telecommuting Act," is hereby amended to read, thus:

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  
5 basis, and upon such terms and conditions as they may mutually agree upon;  
6       x x x "

7       **SEC. 2.** A new section is hereby inserted after Section 8 of R.A. No. 11165,  
8 which shall read as follows:

9       **"SEC 9. INCENTIVES FOR TELECOMMUTING EMPLOYEES. –**  
10 **ALL EMPLOYEES WORKING UNDER A TELECOMMUTING PROGRAM**  
11 **SHALL BE ENTITLED TO A NON-TAXABLE TELECOMMUTING**  
12 **ALLOWANCE OF AT LEAST ONE THOUSAND PESOS (P1,000.00) FOR**  
13 **EVERY MONTH EMPLOYED UNDER SAID ARRANGEMENT; PROVIDED,**  
14 **THAT, NOTHING IN THIS PROVISION SHALL BE CONSTRUED TO**

1 ELIMINATE OR IN ANY WAY DIMINISH SUPPLEMENTS,  
2 ALLOWANCES, OR OTHER EMPLOYEE BENEFITS SERVING A  
3 SIMILAR PURPOSE AND CURRENTLY BEING ENJOYED AT THE TIME  
4 OF THE IMPLEMENTATION OF THIS LAW; *PROVIDED FURTHER,*  
5 THAT, NOTHING IN THIS PROVISION SHALL BE INTERPRETED TO  
6 PROHIBIT THE EMPLOYERS OR THE COLLECTIVE BARGAINING  
7 AGREEMENT FROM PROVIDING TERMS HIGHER OR MORE  
8 FAVORABLE THAN THE ABOVEMENTIONED RATE; *PROVIDED*  
9 *FINALLY,* THAT, ALLOWANCES GRANTED BY PRIVATE  
10 EMPLOYERS UNDER THIS PROVISION SHALL BE DEDUCTIBLE FOR  
11 INCOME TAX PURPOSES."

12 Succeeding sections of R.A. No. 11165 are hereby renumbered accordingly.

13 **SEC. 3. *Penalties.*** - Any violation of the provisions of this Act shall be  
14 punished with a fine of not more than One Hundred Thousand Pesos (P100,000.00).

15 **SEC. 4. *Implementing Rules and Regulations.*** - The Department of  
16 Labor and Employment, the Department of Finance, and the Bureau of Internal  
17 Revenue shall promulgate the rules and regulations to implement this Act within  
18 ninety (90) days from the effectivity of this Act.

19 **SEC. 3. *Separability Clause.*** - If any provision of this Act is declared invalid  
20 or unconstitutional, the remaining provisions shall continue to be in full force and  
21 effect.

22 **SEC. 4. *Repealing Clause.*** - All laws, decrees, executive orders,  
23 proclamations, rules and regulations, and issuances, or parts thereof which are  
24 inconsistent with the provisions of this Act, are hereby repealed, amended, or  
25 modified accordingly.

26 **SEC. 5. *Effectivity.*** - This Act shall take effect fifteen (15) days after its  
27 publication in the *Official Gazette* or in a newspaper of general circulation.

*Approved,*