

NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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Senate
Office of the Secretary

'22 NOV 29 A10 :41

SENATE

S. No. 1557

RECEIVED BY: 

Introduced by SENATOR RAMON BONG REVILLA, JR.

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, or the "*Act Institutionalizing Telecommuting as an Alternative Work Arrangement for Employees in the Private Sector*", was enacted in December 2018. Telecommuting refers to a work arrangement that allows an employee to work from an alternative workplace with the use of telecommunication and/or computer technologies. The same is pursued in light of the rapid technological developments and breakthroughs which opened new and unconventional avenues for employees to perform their work and other flexible work arrangements.

The legislation proved useful and especially responsive to the ongoing health emergency, which imposed severe mobility and transport restrictions, and required the adoption of novel work setup and schedules, less face-to-face transactions and limited physical presence in offices and workstations. As seen during this pandemic, telecommuting offers a viable work arrangement in line with the government directive of staying at home, social distancing and quarantine/isolation measures.

This bill expands the coverage of this Act to include employees in the public sector, who are also affected by and need to navigate the massive reforms of working conditions. Moreover, this proposal introduces monthly incentives or financial support to workers to effectively perform their duties and responsibilities, even outside their

offices with the usual facilities and infrastructure. This incentive allows the workers to shoulder the additional expenses of computer or electronic hardware, internet connection, telephone bills, electric consumption, supplies, among others, attendant to working in their private residence. Allowances granted by private employers shall also be deductible for income tax purposes.

In this light, the consideration of this bill is recommended.


RAMON BONG REVILLA, JR. 

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

1 Section 1. Section 3 of Republic Act No. 11165, otherwise known as the
2 *"Telecommuting Act"*, is hereby amended to read as follows:

3 *"Sec. 3. Telecommuting Defined.* – As used in this Act, the term
4 "telecommuting" refers to [a] **AN OUTPUT-ORIENTED** work
5 arrangement that allows an employee in the private **OR PUBLIC** sector
6 to work from an alternative workplace with the use of telecommunication
7 and/or computer technologies."

8 Section 2. Section 4 of Republic Act No. 11165 is hereby amended to read as
9 follows:

10 *"Sec. 4. Telecommuting Program.* – An employer in the private **OR**
11 **PUBLIC** sector may offer a telecommuting program to its employees on
12 a voluntary basis, **WHOSE PHYSICAL PRESENCE IN THE**
13 **WORKPLACE IN NOT NECESSARY FOR THE PERFORMANCE OR**
14 **COMPLETION OF THEIR JOB**, and upon such terms and conditions as
15 they may mutually agree upon: *Provided*, That such terms and conditions
16 shall not be less than the minimum labor standards set by law, and shall

1 include compensable work hours, minimum number of work hours,
2 overtime, rest days, and entitlement to leave benefits. In all cases, the
3 employer shall provide the telecommuting employee with relevant written
4 information in order to adequately apprise the individual of the terms and
5 conditions of the telecommuting program, and the responsibilities of the
6 employee."

7 Sec. 3. Section 7 (b) of Republic Act No. 11165 is hereby amended to read as
8 follows:

9 "Sec. 7. *Administration.* – The parties to a telecommuting work
10 arrangement shall be primarily responsible for its administration. In case
11 of differences in interpretation, the following guidelines shall be observed"

12 x x x

13 b) If there is no grievance mechanism or if the mechanism is
14 inadequate, the grievance shall be referred to the regional office of the
15 Department of Labor and Employment (DOLE) **OR THE CIVIL SERVICE**
16 **COMMISSION (CSC)** which has jurisdiction over the workplace for
17 conciliation."

18 x x x

19 Sec. 4. A new section is hereby inserted after Section 8 of Republic Act No.
20 11165, which shall read as follows:

21 **"SEC. 9. INCENTIVES FOR TELECOMMUTING EMPLOYEES. –**
22 **ALL EMPLOYEES WORKING UNDER A TELECOMMUTING PROGRAM**
23 **SHALL BE ENTITLED TO A NON-TAXABLE TELECOMMUTING**
24 **ALLOWANCE OF AT LEAST ONE THOUSAND PESOS (PHP 1,000.00)**
25 **FOR EVERY MONTH SERVED UNDER SUCH AGREEMENT:**
26 ***PROVIDED,* THAT NOTHING IN THIS PROVISION SHALL BE**
27 **CONSTRUED TO ELIMINATE OR IN ANY WAY DIMINISH**
28 **SUPPLEMENTS, ALLOWANCES, OR OTHER EMPLOYEE BENEFITS**
29 **SERVING A SIMILAR PURPOSE BEING ENJOYED AT THE TIME OF**
30 **THE IMPLEMENTATION OF THIS LAW: *PROVIDED FURTHER,* THAT**
31 **NOTHING IN THIS PROVISION SHALL BE INTERPRETED TO**
32 **PROHIBIT THE EMPLOYERS OR THE COLLECTIVE BARGAINING**

1 **AGREEMENT FROM PROVIDING TERMS HIGHER OR MORE**
2 **FAVORABLE THAN THE ABOVE-MENTIONED RATE: *PROVIDED,***
3 ***FINALLY,* THAT ALLOWANCES, GRANTED BY PRIVATE EMPLOYERS**
4 **UNDER THIS PROVISION SHALL BE DEDUCTIBLE FOR INCOME**
5 **TAX PURPOSES."**

6 Succeeding sections of RA 11165 are hereby renumbered accordingly.

7 Sec. 5. *Implementing Rules and Regulations.* – The Department of Labor and
8 Employment (DOLE), the Civil Service Commission (CSC), the Department of Finance
9 (DOF), and the Bureau of Internal Revenue (BIR), shall promulgate the rules and
10 regulations to implement this Act within ninety (90) days from the effectivity of this
11 Act.

12 Sec. 6. *Separability Clause.* – If any provision or part hereof is held invalid or
13 unconstitutional, the remainder of the law or the provision or part not otherwise
14 affected shall remain in full force and effect.

15 Sec. 7. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or
16 parts thereof contrary to, or inconsistent with, this Act are hereby repealed, modified
17 or amended accordingly.

18 Sec. 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete
19 publication either in the *Official Gazette* or in two (2) newspapers of general circulation
20 in the Philippines.

Approved,