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

RECEIVED BY: 

SENATE  
S.B. No. 1724

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Introduced by **SENATOR IMEE R. MARCOS**

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**AN ACT**  
**PROMOTING WORKERS' HEALTH AND WELLNESS BY PROVIDING**  
**INCENTIVES TO EMPLOYERS FOR THE IMPLEMENTATION OF WORKFORCE**  
**WELLNESS AND WORKPLACE IMPROVEMENT PROGRAMS**

EXPLANATORY NOTE

The Coronavirus Disease 2019 (COVID-19) pandemic has affected more than 3.9 million Filipinos and killed over 63,000. As the world shifted during the last two years, businesses, most especially micro, small, and medium enterprises, are scrambling to mitigate losses and return to normalcy or at least a "new normal". Understandably, once the Philippines begins to normalize, businesses will be prioritizing the recovery of their losses.

The Philippines has seen business enterprises adopting measures on keeping their workers physically healthy to become productive at work, including supporting social distancing with the technology needed to work from home, to new hygiene standards for the workers and workplaces, to introducing COVID-19 responsive leave benefits. However, once the country attains a sense of normalcy, it is reasonable to assume that businesses will again be shifting to on-site work arrangements.

Under this new normal, employers should not ignore an issue of paramount importance for sustained success throughout this crisis and beyond: the mental and physical health of their workers. Employers must recognize that they are dependent on the agility, adaptive capacity and emotional well-being of their people, which require them to stay healthy not just physically, but also emotionally.

Workers spend at least eight (8) hours a day, or 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. Thus, the use by employers of effective worksite policies and programs can reduce health risks and improve job satisfaction and the quality of life for their employees.

In view of the limitations of what the government can offer to help businesses recover from financial crisis and at the same time, nurture their workers who are at the forefront of economic recovery and who have likewise suffered the dire effects of the pandemic, it is fitting that the Philippine government enact measures to complement existing initiatives and incentivize employers who adopt programs and implement programs for the benefit of their workforce.

The primary objective of the bill is to encourage and incentivize employers to educate, inform, and empower their employees in making healthier lifestyle choices. This is an important step, not only to lowering healthcare costs and keeping our population and our workers healthy, but to promote job satisfaction across all industries.

The Bill would grant incentives to employers that implement any or all of the two (2) categories of programs, namely;

1. "Employee Wellness Programs", composed of at least four (4) of the following five (5) components:
  - a. Health awareness component which provides employees the opportunity for periodic health screenings for health problems and referrals to appropriate follow-up measures;
  - b. Health education component which involves the dissemination of health information which addresses the specific needs and health risks of employees;
  - c. Employee engagement component where the employees are engaged and are part of the implementation and assessment of the programs;
  - d. Behavioral change component which involves the adoption of policies, counseling, seminars and programs relating to, among others: (i) obesity; (ii) stress management; (iii) physical fitness; and (iv) nutrition;
  - e. Supportive worksite component which involves, among others, the adoption of policies relating to alternative work schemes/flexible work arrangements, tobacco, e-cigarettes or vape use on the worksite, nutrition of food available on worksite, minimizing stress and

promoting mental health in the worksite, and encouraging physical activity before, during, or after work hours.

## 2. Workplace Improvement Programs

- a. Retrofitting of office spaces occupied by or wherein at least ten (10) rank-and-file employees are stationed or hold office, which shall include finance energy efficiency, renewable energy, and energy retrofitting projects;
- b. Installation or improvement of sufficient ventilation systems in office spaces or work areas; or
- c. Installation of office or building management systems and smart technology to reduce energy use or such equipment, systems, or installations integrating the use of renewable sources of energy.

For the implementation of the Employment Wellness Program, this Act shall provide a tax credit of up to Php 1,000 per employee for employers with less than 200 employees, and up to Php 500 per employee in excess of 200 employees. The tax credit would be available to an eligible employer for a period of three (3) years from when the program was first certified by the Department of Health (DOH).

As for the adoption of Workplace Improvement Programs, an additional 30% of the cost deductible as depreciation expense, with the option to use the accelerated depreciation method for income tax purposes shall be provided.

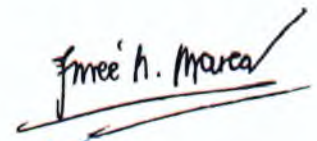
Further, the Act provides for a sunset provision on when availment of the incentives will expire. Any employer will have six (6) years to avail the incentives under this Bill, thereby encouraging businesses to adopt the qualified measures as soon as possible, and at the same time allowing businesses enough time to allot funds, plan and develop such measures.

The passage of this bill will support the initiatives promoted under Republic Act No. 11036, otherwise known as the "*Mental Health Act*" which mandates that employers "*shall develop appropriate policies and programs on mental health in the workplace designed to raise awareness on mental health issues, correct stigma and discrimination associated with mental health condition, identify and provide support for individuals at risk, and facilitate access of individuals with mental health conditions to treatment and psychosocial support*" and the "*Smoke-Free*" policy of the government. Further, this

bill will complement the minimum public health standards of the government in workplaces under DOH Order No. 2020-0015.

If business enterprises can avail of incentives to bring down their tax liabilities, they will be encouraged to prioritize and focus on the wellness of their workers. The country can be assured of a healthier and happier workforce, as well as ensure better job satisfaction that will boost productivity and support our efforts on the road to economic recovery.

In view of the foregoing, the approval of this bill is earnestly sought.

  
**IMEE R. MARCOS**





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**AN ACT  
PROMOTING WORKERS' HEALTH AND WELLNESS BY PROVIDING  
INCENTIVES TO EMPLOYERS FOR THE IMPLEMENTATION OF WORKFORCE  
WELLNESS AND WORKPLACE IMPROVEMENT PROGRAMS**

*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 "Workplace and  
2 *Workers Wellness Act.*"

3  
4       **SEC. 2. Declaration of Policy.** – The Coronavirus Disease 2019 (COVID19)  
5 pandemic has greatly affected nations worldwide, including the Philippines, and the  
6 measures adopted by the government to contain the outbreak have unavoidably caused  
7 serious economic setbacks and tremendous financial pressure on business enterprises,  
8 particularly micro, small, and medium enterprises.

9  
10       The State recognizes the unique role of employers to promote the health and  
11 safety of their employees and that the use by employers of effective worksite policies  
12 and programs can reduce mental and health risks and improve the quality of life for  
13 their employees. Thus, in order to encourage employers to adopt policies, measures,  
14 and programs aimed to benefit their workforce through the granting of tax incentives,  
15 it is necessary to lay down appropriate policies in order to address the wellness of  
16 workers who have likewise suffered the adverse effects of the COVID-19 pandemic. It  
17 is hereby declared the policy of the State to:

18  
19       (a) affirm labor as a primary social economic force in promoting sustainable  
20       development;

- 1 (b) afford full protection to labor, local and overseas, organized and unorganized, and  
2 promote full and productive employment and equality of employment opportunities  
3 for all; and  
4 (c) promote the rights of the people to a balanced and healthful ecology in accord with  
5 the rhythm and harmony of nature.  
6

7 **SEC. 3. Coverage.** – This Act shall apply to all business enterprises and  
8 employers, including government owned and controlled corporations performing  
9 proprietary functions.

10  
11 **ARTICLE II**  
12 **Employee Wellness Program**

13  
14 **SEC. 4. Employee Wellness Program Tax Credit.** –

15  
16 (1) The Employee Wellness Program credit for any taxable year during the credit period  
17 with respect to any employer is an amount equal to fifty percent (50%) of the costs  
18 paid or incurred by the employer in connections with a qualified wellness program  
19 during the taxable year. For purposes of the preceding sentence, in the case of any  
20 qualified Employee Wellness Program offered as part of an employer-provided group  
21 health plan, including health insurance offered in connection with such plan, only  
22 costs directly attributable to the qualified wellness program and not to the group  
23 health plan or health insurance coverage may be taken into account.  
24

25 (2) Limitation. - The amount of tax credit allowed under paragraph (1) for any taxable  
26 year shall not exceed the sum of: (i) the product of One Thousand Pesos (Php  
27 1,000.00) and the number of employees of the employer not in excess of Two  
28 Hundred (200) employees, and (ii) the product of Five Hundred Pesos (Php 500.00)  
29 and the number of employees in excess of Two Hundred (200) employees.  
30

31 **SEC. 5. Qualified Employee Wellness Program.** – The term "*Qualified Employee*  
32 *Wellness Program*" means a program:

- 33  
34 (1) Consists of at least four (4) of the employee wellness program components  
35 set forth under Section 6 hereof; and  
36  
37 (2) Certified by the Department of Health (DOH), as a qualified employee  
38 wellness program under this Section.  
39

1           **SEC. 6. Employee Wellness Program Components.** – The wellness program  
2 components are the following:

3  
4           (1) Health Awareness Component -A health awareness component which  
5 provides for the opportunity for periodic health screenings for health  
6 problems and referrals to appropriate follow-up measures.

7  
8           (2) Health Education Component - The dissemination of health information  
9 through seminars, on-line programs, counselling and other materials, which  
10 addresses the specific needs and health risks of employees.

11  
12           (3) Employee Engagement Component - An employee engagement component  
13 which provides for:

- 14  
15           i. The establishment of a committee to actively engage employees in  
16 the employee wellness programs through program assessment and  
17 program planning, delivery, evaluation, and improvement efforts; and  
18           ii. The tracking of employee participation in the programs.

19  
20           (4) Behavioral Change Component - A behavioral change component which  
21 provides for altering employee lifestyles to encourage health living through  
22 counseling, seminars and on-line programs, or self-help materials which  
23 provide technical assistance and problem-solving skills. This component may  
24 include programs relating to:

- 25           i. obesity;  
26           ii. stress management;  
27           iii. physical fitness;  
28           iv. nutrition;  
29           v. substance abuse;  
30           vi. depression;  
31           vii. anxiety; and  
32           viii. mental health management and promotion.

33  
34           (5) Supportive Worksite Component - A supporting worksite component which  
35 includes policies and services at the worksite which promote a healthy and  
36 balanced lifestyle, such as policies relating to:

- 37           i. The adoption of alternative work schemes/flexible work  
38 arrangements, especially for employees or personnel who reside with

1 senior citizens, individuals with underlying conditions, minors below  
2 the age of seven (7) years of age and pregnant women;

- 3 ii. Tobacco, electronic cigarette or vape use at the worksite;
- 4 iii. The nutrition of food available at the worksite through cafeterias,  
5 restaurants and vending options; and
- 6 iv. Minimizing stress and promoting mental health in the worksite, and  
7 encouraging physical activity before, during or after work hours;

8  
9 *Provided, however,* that such policies shall be compliant with the  
10 minimum public health standards that may be issued by the DOH.

11  
12 *Provided further,* that despite availment of tax credit by an employer,  
13 the employee wellness program may include in the "Sustainability  
14 Report" as may be required by the Securities and Exchange  
15 Commission (SEC) to report significant economic, environmental  
16 and/or social contributions, in accordance with the globally accepted  
17 standards.

18 **SEC. 7. DOH Certification.** – The DOH, shall, as part of the certification process,  
19 encourage employees to make the programs culturally competent and to meet the  
20 health literacy needs of the employees covered by the programs.

21  
22 The DOH shall not certify a program as a qualified employee wellness program  
23 unless the program has the following requisites:

- 24 (1) consistent with evidence-based research and best practices, as identified by persons  
25 with expertise in employer health promotion and wellness programs;
- 26 (2) includes multiple, evidence-based strategies which are based on the existing and  
27 emerging research and careful scientific reviews; and
- 28 (3) includes strategies which focus on employee populations with a disproportionate  
29 burden of health problems.  
30

31  
32 The DOH shall establish procedures for annual review of the implementation of  
33 the programs. Such procedures shall require revisions of programs, if necessary, to  
34 ensure compliance with the requirements and require updating of the programs to the  
35 extent the DOH determines necessary to reflect new scientific findings or minimum  
36 public health standards.  
37







1 outreach programs to inform businesses about the availability of the incentives under  
2 this Act, as well as, to educate businesses on how to develop programs according to  
3 recognized and promising practices and on how to measure the success of implemented  
4 programs.

5  
6 **SEC. 16. Appropriations.** – The funds needed for the initial implementation of  
7 this Act shall be charged against the appropriations of the DOF, DOH, and the DOE.  
8 Thereafter, such amount as may be necessary for its full implementation shall be  
9 included in the annual General Appropriations Act as a distinct and separate item.

10  
11 **SEC. 17. Separability Clause.** – If any provision or part hereof, is held invalid or  
12 unconstitutional, the remainder of the Act or the provision not otherwise affected shall  
13 remain valid and subsisting.

14  
15 **SEC. 18. Repealing Clause.** – Any law, presidential decree or issuance, executive  
16 order, letter of instruction, rule or regulation contrary to, or inconsistent with the  
17 provisions of this Act is hereby repealed, modified or amended accordingly.

18  
19 **SEC. 19. Effectivity Clause.** – This Act shall take effect fifteen (15) days after  
20 its publication in the Official Gazette and in a newspaper of general circulation.

*Approved,*