



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

23 MAY -3 A11 :33

SENATE
S. No. 2107

RECEIVED BY:

Introduced by Senator Christopher Lawrence "Bong" T. Go

AN ACT
PROVIDING PROTECTION AND INCENTIVES TO FREELANCE WORKERS

EXPLANATORY NOTE

Article II, Section 18 of the 1987 Constitution provides that "the State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare." By virtue of this policy, Filipino workers are ensured of their entitlement to humane conditions of work and just share in the fruits of production.

Over the past years especially during the recent pandemic, there has been a rise in the number of Filipinos who engage in freelancing as a source of income. They are known in the business industry as "freelance workers", which refers to any person who is hired to provide services as an independent contractor and is not under the control of the hiring party, in exchange for compensation.

Freelance workers contribute to the growth of our economy in just the same manner as other Filipino workers who are rendering their worthwhile service. However, due to the nature of their services, freelance workers often lack protection and encounter drawbacks such as non-payment for services rendered. Though considered self-employed they should also be subjected to the equal protection and entitlement given to other Filipino workers.

As the government strives to ensure the implementation of protecting, promoting, and ensuring the rights and welfare of every Filipino worker, the State shall also recognize and ensure that freelance workers are protected and well

compensated for the services rendered. Thus, it is imperative to require the hiring party to execute and follow a written contract with the freelance worker before the services are rendered and provide adequate mandatory hazard pay and night shift differential pay. Furthermore, this bill can give Filipino freelance workers the right to demand payment for rendered services through any legal channel, impose penalties on dishonest hiring parties, and criminalize failure of compensating Filipino freelance workers.

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



SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO



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

23 MAY -3 A11 :33

SENATE
S. No. 2107

RECEIVED BY



Introduced by Senator Christopher Lawrence "Bong" T. Go

**AN ACT
PROVIDING PROTECTION AND INCENTIVES FOR FREELANCE WORKERS**

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

**CHAPTER I
GENERAL PROVISIONS**

1 **SECTION 1. Short Title.** – This Act shall be known as the "*Freelance Workers*
2 *Protection Act.*"

3 **SEC. 2. Declaration of Policy.** – Pursuant to Article II, Section 18, and Article XIII,
4 Section 3 of the Constitution, it is hereby declared the policy of the State to protect the
5 rights of workers, promote their welfare, and ensure their entitlement to humane conditions
6 of work and just share in the fruits of production. To this end, the State shall recognize the
7 right of freelance workers to protection from late or nonpayment of fees for services
8 rendered.

9 **SEC. 3. Definition of Terms.** – As used in this Act:

10 (a) *Freelance worker* refers to any natural person or entity composed of no more
11 than one (1) natural person, who is hired or retained to provide services, in
12 exchange for compensation, as an independent contractor to do work according
13 to one's own methods and without being subjected to the control of the hiring
14 party, except only as to the results of the work;

15 (b) *Hiring party* refers to any person or entity that obtains or retains the services of a
16 freelance worker; and

17 (c) *Retaliation* refers to any act reasonably likely to prevent a freelance worker from
18 further being offered freelance work and contracts.

19 **SEC. 4. Written Contract.** – Any hiring party obtaining or retaining the services of a

1 freelance worker shall execute a written contract with such freelance worker before said
2 services are rendered. The hiring party and the freelance worker shall each retain a signed
3 copy of the contract.

4 The contract shall be written in plain language, understood by both parties. It shall
5 include, at the minimum, the following:

- (a) Itemization of all services to be provided by the freelance worker;
- (b) Details of compensation and other worker's benefits, including rate, method and schedule of payment;
- (c) Period of employment;
- (d) Grounds for breach of contract on the part of the hiring party and of the freelance worker; and
- (e) Any other condition, term or clause that the Department of Labor and Employment (DOLE) may direct, subject to the provisions of this Act.

6 The contract must state the necessary personal circumstances of the freelance worker.
7 No modification of the terms of the contract shall be enforceable unless signed by both the
8 hiring party and the freelance worker.

9 **SEC. 5. *Down Payment.*** - An initial partial payment for the contracting of services of
10 the freelance worker shall be made upon engagement, which shall be not less than thirty
11 percent (30%) of the contract price.

12 **SEC. 6. *Night Shift Differential.*** - Freelance workers who are required to be
13 physically present in the workplace, or those on field assignments, shall be paid a night shift
14 differential of not less than ten percent (10%) of their regular compensation for each hour
15 of work performed between ten o'clock in the evening and six o'clock in the morning, unless
16 there is a more favorable fee stipulated in the contract.

17 **SEC. 7. *Hazard Pay.*** - All freelance workers deployed in dangerous areas such as
18 strife-torn or embattled locations, distressed or isolated stations, prison camps, mental
19 hospitals, radiation-exposed clinic, laboratories or disease-infested areas, or in areas
20 declared under a state of calamity or emergency for the duration of deployment and unduly
21 exposes them to great danger, contagion, radiation, occupational risks or perils to life, shall
22 be compensated with a hazard pay equivalent to at least twenty-five percent (25%) of the
23 total payment for the period of such deployment as agreed upon in the contract, unless
24 there is a more favorable fee stipulated therein.

25 **SEC. 8. *Unlawful Practices.*** - It shall be unlawful for any hiring party to:

- 26 (a) Engage with a freelance worker without a written contract;
- 27 (b) Pay the compensation due the freelance worker later than fifteen (15) days after the

- 1 date of payment of compensation stated in the written contract or after the rendition
2 of services in cases where there is no written contract;
- 3 (c) Require as a condition of payment of compensation, at any time after a freelance
4 worker has commenced rendition of services, that a freelance worker accept less
5 than the specified contract price; or
- 6 (d) Commit any acts of retaliation against any freelance worker for:
- 7 (1) Opposing any practice prohibited by this Act;
8 (2) Filing a complaint authorized under this Act;
9 (3) Testifying or assisting in any proceeding authorized under this Act;
10 (4) Commencing a civil action alleging a violation of this Act;
11 (5) Assisting the DOLE in an investigation commenced pursuant to this Act; or
12 (6) Providing information to the DOLE pursuant to the terms of a mediation or
13 conciliation agreement under this Act.

14 **SEC. 9. *Civil Penalty.*** – A person who commits any of the unlawful practices
15 enumerated in Section 8 of this Act shall be punished by a fine of not less than Fifty
16 Thousand Pesos (Php50,000.00) but not more than Five Hundred Thousand Pesos
17 (Php500,000.00)

18 **CHAPTER II**

19 **AGENCY ENFORCEMENT AND ADMINISTRATIVE PROCESS**

20 **SEC. 10. *Complaints.*** – Any person or such person's authorized representative
21 aggrieved by a violation of this Act, may file a complaint with the DOLE, through the
22 Undersecretary for Workers with Special Concerns, without prejudice to the filing of civil
23 action in appropriate cases.

24 **SEC. 11. *Prohibition Against Forum Shopping.*** – When a civil action has been
25 initiated in a court of competent jurisdiction arising from any violation of this Act, a breach
26 of contract, or any similar claim at law or equity arising out of the same transaction or series
27 of transactions, no other case involving the same cause of action shall be filed with the
28 DOLE.

29 **SEC. 12. *Investigation.*** – Upon receiving a complaint alleging a violation of this Act,
30 the DOLE shall notify the respondent in writing and investigate such complaint in a timely
31 manner. Within fifteen (15) calendar days of receiving such written notification, the
32 respondent shall provide the DOLE with a written response and such other information as
33 the DOLE may request. The DOLE shall notify each complainant in writing, not less than
34 thirty (30) calendar days after the complaint is filed, of the status of the complaint and any
35 resulting investigation.

1 regarding the effectiveness of the provisions of this Act at improving freelance contracting
2 and payment practices. Similarly, the DOLE shall submit the report, to the Philippine
3 Creative Industries Development Council, through its Creative Workers' Welfare Standing
4 Committee. The report shall include, at the minimum, the number of complaints received,
5 investigations initiated and notices issued by the DOLE on violations of this Act, and
6 complains settled by mediation or conciliation.

7 **SEC. 20. *Information Campaign.*** – The DOLE, in coordination with the DTI, BIR,
8 local government units and other relevant agencies, shall initiate a program with the
9 objective of informing freelance workers of their rights and obligations, the proper
10 procedure of registering as a taxpayer, and the modes of legal redress as provided for in
11 this Act, and in other laws and regulations.

12 **SEC. 21. *Suppletory Application*** - The provisions of Republic Act No. 11058, entitled
13 "An Act Strengthening Compliance with Occupational Safety and Health Standards and
14 Providing Penalties for Violations Thereof shall be applied suppletorily.

15 **SEC. 22. *Implementing Rules and Regulations.*** – Within sixty (60) days from the
16 effectivity of this Act, the Secretary of Labor and Employment shall, in coordination with
17 other relevant agencies, issue the necessary rules and regulations from the implementation
18 of this Act.

19 **SEC. 23. *Separability Clause.*** – If any part, section or provision of this Act is
20 declared invalid or unconstitutional, the other provisions not affected by such declaration
21 shall remain in full force and effect.

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

25 **SEC. 25. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication
26 in the Official Gazette or in a newspaper of general circulation.

Approved,