



**HOUSE OF REPRESENTATIVES**

**H. No. 8817**

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BY REPRESENTATIVES SALCEDA, VARGAS, VILLANUEVA (E.), RIVERA, DE VENECIA, YAP (V.), VILLAFUERTE, CABREDO, ALBANO, PADUANO, BUSTOS, NIETO, ARENAS, BOLILLA, TADURAN, CASTRO (F.H.), DELOS SANTOS, ALONTE, BILLONES, AUMENTADO, TEVES (J.), CARI, EBCAS, YU, SAVELLANO, TAMBUNTING, PINEDA, MENDOZA, LOYOLA, GAITE, BABASA, LUSOTAN, PANOTES, MARIANO-HERNANDEZ, VILLARICA, GO (M.), MOMO, BROSAS, NUNEZ-MALANYAON, SINSUAT, CHATTO, CASTRO (F.L.), BENITEZ, LACSON, ABUEG-ZALDIVAR, DAGOOC, NOGRALES (J.J.), HARESCO, BASCUG, ESCUDERO, CRISOLOGO, VIOLAGO, SUANSING (E.), TAN (A.S.), ONG (J.), GARCIA (P.J.), DEFENSOR (L.), FUENTEBELLA, UNGAB, TEJADA, GARIN (S.), SINGSON-MEEHAN, SUNTAY, RODRIGUEZ, SUANSING (H.), FARIÑAS (R.C.), JIMENEZ, VILLA, DELOSO-MONTALLA, SALO, ESPINO, NOLASCO, LAGON, GATCHALIAN, MACAPAGAL ARROYO, PADIERNOS, UY (J.), GORRICETA, REYES, SALIMBANGON, REVILLA, KHO (W.), DALIPE AND CAYETANO (M.L.), PER COMMITTEE REPORT NO. 769

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**AN ACT  
PROVIDING PROTECTION FOR FREELANCE WORKERS**

**CHAPTER I  
GENERAL PROVISIONS**

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

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

7           **SEC. 3. Definition of Terms.** – As used in this Act:  
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9           (a) *Freelance worker* refers to any natural person or entity composed of no more than  
10 one (1) natural person, whether incorporated under the Securities and Exchange Commission,  
11 registered as a sole proprietorship under the Department of Trade and Industry (DTI) or  
12 registered as self-employed with the Bureau of Internal Revenue (BIR), who is hired or retained  
13 to provide services, in exchange for compensation, as an independent contractor to do work  
14 according to one's own methods and without being subjected to the control of the hiring party,  
15 except only as to the results of the work;  
16

17           (b) *Hiring party* refers to any person or entity that obtains or retains the services of a  
18 freelance worker; and  
19

20           (c) *Retaliation* refers to any act reasonably likely to prevent a freelance worker from  
21 further being offered freelance work and contracts.  
22

23           **SEC. 4. Written Contract.** – Any hiring party obtaining or retaining the services of a  
24 freelance worker shall execute a written contract with such freelance worker before said  
25 services are rendered. The hiring party and the freelance worker shall each retain a signed copy  
26 of the contract.  
27

28           The contract shall be written in plain language, understood by both parties. It shall  
29 include, at the minimum, the following:  
30

31           (a) Itemization of all services to be provided by the freelance worker;

32           (b) Details of compensation and other worker's benefits, including rate, method and  
33 schedule of payment;  
34

35           (c) Period of employment;  
36

37           (d) Grounds for breach of contract on the part of the hiring party and of the freelance  
38 worker;  
39

40           (e) Tax identification number of the freelance worker; and  
41

42           (f) Any other condition, term or clause that the Department of Labor and Employment  
43 (DOLE) may direct, subject to the provisions of this Act.  
44

45           No modification of the terms of the contract shall be enforceable unless signed by both  
46 the hiring party and the freelance worker.  
47

48           **SEC. 5. Night Shift Differential.** – Freelance workers who are required to be physically  
49 present in the workplace or those on field assignments shall be paid a night shift differential of  
50 not less than ten percent (10%) of one's regular compensation for each hour of work performed  
51 between ten o'clock in the evening and six o'clock in the morning, unless there is a more  
52 favorable fee stipulated in the contract.



1 request. The DOLE shall notify each complainant in writing, not more than thirty (30) calendar  
2 days after the complaint is filed, of the status of the complaint and any resulting investigation.  
3

4 **SEC. 12. Mediation and Conciliation.** – The DOLE may, at any time after the filing of a  
5 complaint, attempt to resolve the complaint by any method of dispute resolution, including  
6 mediation and conciliation. If a conciliation agreement is entered into, the DOLE shall embody  
7 such agreement in an order and serve a copy of such order upon all parties to the conciliation  
8 agreement.  
9

### 10 CHAPTER III 11 CIVIL ENFORCEMENT 12

13 **SEC. 13. Notice of Violation and Order of Payment.** – If, as a result of an  
14 investigation of a complaint or an investigation conducted upon its own initiative, the DOLE finds  
15 cause to believe that a violation of this Act has occurred, it shall issue a notice of violation to the  
16 respondent and order the corresponding payment of compensation due to the prevailing party.  
17

18 **SEC. 14. Violation of Order of Payment.** – The order of payment shall include an  
19 interest rate of six percent (6%) per annum which shall be awarded to the prevailing party in  
20 case the violation continues.  
21

22 **SEC. 15. Civil Action.** – Except as otherwise provided by law, any person claiming to  
23 be aggrieved by a violation of this Act has a cause of action to file a complaint in a court of  
24 competent jurisdiction for damages, injunctive relief and such other remedies as may be  
25 appropriate without prejudice to the filing of a criminal action in appropriate cases. The  
26 prevailing party shall be entitled to an award of reasonable attorney's fees and costs.  
27

28 No person claiming to be aggrieved by a violation of this Act may bring a civil action in a  
29 court of competent jurisdiction if such aggrieved person or one's representative has filed a  
30 complaint with the DOLE pursuant to Chapter II of this Act based upon the same transaction or  
31 series of transactions, unless the complaint has been terminated without prejudice to a  
32 subsequent civil action.  
33

34 **SEC. 16. Non-Waiver.** – Except as otherwise stipulated by law, any provision of a  
35 contract or agreement claiming to waive rights provided under this Act is against public policy  
36 and shall be null and void.  
37

38 **SEC. 17. Coverage.** – This Act shall apply only to contracts or agreements entered into  
39 upon the effectivity of this Act.  
40

### 41 CHAPTER IV 42 TAXATION 43

44 **SEC. 18. Taxpayer Registration.** – All freelance workers, as defined under this Act,  
45 shall register with the BIR.  
46

47 **SEC. 19. Filing and Payment of Taxes.** – Except as otherwise provided for by law,  
48 freelance workers shall pay their income taxes annually.  
49

50 Freelancers, as defined under this Act, shall be entitled to tax relief within the threshold  
51 provided under Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration  
52 and Inclusion Act", and Republic Act No. 9178, otherwise known as the "Barangay Micro  
53 Business Enterprises (BMBEs) Act of 2002."

1           **SEC. 20. Taxpayer Service.** – Every BIR Revenue District Office shall designate a lane  
2 or a special assistance desk dedicated to freelance workers that shall be manned by an officer  
3 who shall assist freelance workers in the registration and processing of documents and other  
4 inquiries.

5   **CHAPTER V**  
6   **FINAL PROVISIONS**

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8           **SEC. 21. Report.** – One (1) year after the effectivity of this Act, and every year  
9 thereafter, the Secretary of Labor and Employment shall submit a report to the Committees on  
10 Labor and Employment of the Senate of the Philippines and the House of Representatives  
11 regarding the effectiveness of the provisions of this Act at improving freelance contracting and  
12 payment practices. The report shall include, at the minimum, the number of complaints  
13 received, investigations initiated and notices issued by the DOLE on violations of this Act, and  
14 complaints settled by mediation or conciliation.

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16           **SEC. 22. Information Campaign.** – The DOLE, in coordination with the DTI, BIR, local  
17 government units and other relevant agencies, shall initiate a program with the objective of  
18 informing freelance workers of their rights and obligations, the proper procedure of registering  
19 as a tax payer, and the modes of legal redress as provided for in this Act, and in other laws and  
20 regulations.

21  
22           **SEC. 23. Implementing Rules and Regulations.** – Within fifteen (15) days from the  
23 effectivity of this Act, the Secretary of Labor and Employment shall, in coordination with the BIR  
24 and other relevant agencies, issue the necessary rules and regulations to implement the  
25 provisions of this Act.

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27           **SEC. 24. Separability Clause.** – If any part, section or provision of this Act is declared  
28 invalid or unconstitutional, the other provisions not affected by such declaration shall remain in  
29 full force and effect.

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31           **SEC. 25. Repealing Clause.** – All laws, decrees, orders, rules and regulations, or other  
32 issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed,  
33 amended or modified accordingly.

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35           **SEC. 26. Effectivity.** – This Act shall take effect after its publication in the *Official*  
36 *Gazette* or in a newspaper of general circulation.

                  Approved,