



HOUSE OF REPRESENTATIVES

House Bill No. 6133

Introduced by Representative Victor A. Yap

EXPLANATORY NOTE

Self-employed individuals derive their income from their own capital based on their occupational and entrepreneurial interests. The Philippine Statistics Authority reported in January 2019 that about 26.2 percent of the total employed persons in the country were engaged in self-employment.¹ As part of the labor force, these self-employed individuals are also entitled to occupational continuity, decent living wage, and basic social benefits. The State is mandated to recognize and protect their rights and the organizations that they may form under existing laws. The State shall ensure their fair treatment and humane conditions of work, respect the principle of subsidiarity, promote self-reliance and the spirit of enterprise.

This bill is thus created in order to address these ends. It shall include a provision that all self-employed workers are covered by a social security program and shall be allowed to enrol as members of the Social Security System. Furthermore, training and certification by Technical Education and Skills Development Authority shall be accessible to self-employed workers in order to continuously enhance and upgrade the entrepreneurial and occupational capacity of self-employed individuals. This measure ensures that government agencies with special concerns on employment and poverty alleviation, along with all local government units, shall draw and adopt sustainable programs for the empowerment and encouragement of self-employment in support of the expressed intentions of this legislation.

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



VICTOR A. YAP

Representative, 2nd District of Tarlac

¹ <https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/title/Employment%20Situation%20in%20January%202019>

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AN ACT
TO FURTHER STRENGTHEN THE STANDARD OF PROTECTION AND
ENHANCEMENT OF THE WELFARE OF SELF-EMPLOYED WORKERS AND
CRAFTSMEN AND THE PROMOTION OF ENTREPRENEURSHIP,
AMENDING FOR THIS PURPOSE SECTION 8 OF REPUBLIC ACT NO. 8282,
OTHERWISE KNOWN AS THE SOCIAL SECURITY ACT OF 1997

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

SECTION 1. Short Title. - This Act shall be known as the "Self-Employed Workers Protection and Enhancement Act."

SEC. 2. Declaration of Policy. - The State shall promote self-employment as a primary tool for poverty alleviation. The State shall recognize and protect the rights of self-employed workers and the organizations that they may form under existing law. The State shall ensure their fair treatment and humane conditions of work, including the basic right to a decent living wage. The State shall respect the principle of subsidiarity, promote self-reliance and the spirit of enterprise. The State shall further promote their right to self-organization, including but not limited to craft unions, guilds, workers cooperatives, and other forms of group entrepreneurship.

SEC. 3. Guiding Principles. - Self-employed workers are entitled to occupational continuity, decent living wage, and basic social benefits. These basic rights can be enhanced and strengthened through legitimate organizations duly organized under existing laws which are dedicated to protecting their rights and interests.

SEC. 4. Definition of Terms. - As used in this Act, the following terms shall be defined as:

- a. Craft Union - Refers to a labor union with membership limited to workers of the same craft.
- b. Entrepreneurship - Refers to the self-organization and management of a business or enterprise by an individual.
- c. Group Entrepreneurship - Refers to the association of different entrepreneurial organizations of common interests.
- d. Guild - Refers to an association of people with similar interests or pursuits.
- e. Self-employed - Refers to a person who has his own occupational capacity put to productive use by applying his own capital raised by himself or together with other self-employed persons pursuing related occupational and entrepreneurial interest. A self-employed individual earns from his labor as well as from his own capital. He may be contingent, non-regular, or an overseas worker.

- 1 f. Workers cooperative - Refers to a cooperative owned and controlled by the
2 workers themselves. It is organized by workers including self-employed, who
3 are at the same time the members and owners of the enterprise. As understood
4 herein, the term "ownership" shall mean actual contribution to the share
5 capital of the cooperative up to the maximum allowed by the law and the by-
6 laws. All share capital shall be entitled to interest as may be declared from
7 time to time. The term "control" shall mean the exercise of right to vote. As
8 mandated by law, each regular member shall only have one vote regardless of
9 the number of shares actually held. Its principal purpose is to provide jobs and
10 business opportunities to its members and manage it in accordance with
11 cooperative principles.
12

13 **SEC. 5. Contractual Relations.** - Contracts with self-employed workers are
14 governed primarily by the civil and commercial laws of the Philippines. Therefore, the
15 provisions under Book III of Presidential Decree No. 442, as amended, otherwise known
16 as the Labor Code of the Philippines, shall not be applicable to self-employed workers
17 who have the right to determine the terms and conditions of their own engagements.
18 Notwithstanding the foregoing, agricultural, industrial, commercial, and service sectors
19 engaging self-employed workers shall ensure that the terms and conditions of their
20 service should be above or comparable to the benefits provided in their respective sectors,
21 as mandated by all social legislation.
22

23 **SEC. 6. Training.** - Training and certification by Technical Education and Skills
24 Development Authority (TESDA) shall be accessible to self-employed workers in order
25 to continuously enhance and upgrade the entrepreneurial and occupational capacity of
26 self-employed individuals. For this purpose, TESDA may enter into agreements with
27 various associations of self-employed workers to effect this policy.
28

29 **SEC. 7. Social Security.** - All government agencies mandated to render services
30 and extend social security are hereby mandated to ensure that all self-employed workers
31 as defined under this Act are covered by a social security program and shall be allowed to
32 enroll as members of the Social Security System (SSS) under Article 9-A of Republic Act
33 8282, otherwise known as the Social Security Act of 1997.

34 The enrollment can be done directly by the self-employed workers or through
35 their respective guilds, craft unions, worker cooperatives, or other associations acting as
36 their collecting agent for premiums due to SSS.

37 Paragraph (S.) of Section 8 under Republic Act 8282 is hereby amended to read
38 as follows:

39 "(S) SELF-EMPLOYED. - A SELF-EMPLOYED IS A PERSON WHO HAS
40 HIS OWN OCCUPATIONAL CAPACITY PUT TO PRODUCTIVE USE BY
41 APPLYING HIS OWN CAPITAL RAISED BY HIMSELF OR TOGETHER
42 WITH OTHER SELF-EMPLOYED PERSONS PURSUING RELATED
43 OCCUPATIONAL INTEREST."
44

45 **SEC. 8. Disputes.** - Disputes involving workers under this Chapter shall be under
46 the jurisdiction of the regular courts without prejudice to the provisions of Article 137 of
47 Republic Act 9520, otherwise known as the Philippine Cooperative Code of 2008, insofar
48 as worker cooperatives are concerned.
49

50 **SEC. 9. Reportorial Requirement** - Worker guilds, craft unions, worker
51 cooperatives, and other associations organized and representing self-employed workers
52 must register with the Department of Labor and Employment (DOLE) and Department of
53 Trade and Industry (DTI) and other regulatory agencies under such forms, conditions,
54 and frequency as may be determined by each particular regulatory government agency.
55

56 **SEC. 10. Penalty Clause.** - Any individual, association, entity or institution
57 found in violation of this Act shall be punished with a fine of not less than Fifty

1 Thousand Pesos (Php50,000.00) nor more than One Hundred Thousand Pesos
2 (Php100,000.00).
3

4 **SEC. 11. Implementing Rules and Regulations.** - All government agencies are
5 hereby mandated to implement rules and regulations that will enact the express policies
6 of this Act, to encourage and promote self-employment as a primary tool for poverty
7 alleviation and enhance the welfare of the self-employed.
8

9 **SEC. 12. Mandatory Assistance.** - Government agencies with special concern on
10 employment and poverty alleviation such as but not limited to Department of Labor and
11 Employment (DOLE), Cooperative Development Authority (CDA), Department of Trade
12 and Industry (DTI), Department of Interior and Local Government (DILG), Department
13 of Agriculture (DA), Bureau of Internal Revenue (BIR), National Anti-Poverty
14 Commission (NAPC), and all local government units (LGUs) shall draw and adopt
15 sustainable programs for the empowerment and encouragement of self-employment in
16 support of the express intentions of this Act.
17

18 **SEC. 13. Separability Cause.** - If any part, section or provision of this Act is
19 held invalid or unconstitutional, other provisions not affected thereby shall remain in full
20 force and effect.
21

22 **SEC. 14. Repealing Cause.** - All laws, decrees, orders, issuances, rules and
23 regulations contrary to or inconsistent with the provisions of this Act are hereby repealed,
24 amended or modified accordingly.
25

26 **SEC. 15. Effectivity.** - This Act shall take effect fifteen (15) days after its
27 publication in at least two (2) newspapers of national circulation.

Approved,