

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FOURTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. _____ 1955

Introduced by HON. **DANILO RAMON "DAN" S. FERNANDEZ**

EXPLANATORY NOTE

This bill seeks to address the development, rights and protection of the big number of poor, marginalized, unprotected and underrepresented workers in the informal sector.

The informal sector comprises 76.34% or 24, 666, 680 million of the country's total workforce (2005 Labor Force Survey.) They include among others the micro-entrepreneurs, homebased workers (including subcontracted, own-account workers and self-employed), vendors, small transport operators (tricycles, pedicabs and bancas), petty retailers, barter traders, small-scale miners and quarry workers, non-corporate construction workers, entertainers, beauticians, laundry persons, hairdressers, small and landless farmers, artisanal fisherfolk, on-call domestic helpers, Volunteer workers, barkers, unorganized cargo handlers, etc.

The National Statistical and Coordination Board (NSCB), issued the following operational definition of the informal sector after consultations with stakeholders:

Units engaged In the production of goods and services with the primary objective of generating employment and incomes to the persons concerned. It consists of household unincorporated enterprises that are market and non-market producers of goods as well as market producers of services.

These enterprises are operated by own -account workers, which may employ unpaid family workers as well as occasional, seasonally hired workers.

These enterprises may also be owned and operated by employers which may employ less than 10 employees on a continuous basis. (NSCB Reso. No 15, series of 2002)

Internationally, the International Labor Organization (ILO) and other United Nations (UN) institutions, informal sector is now referred to by the more encompassing phrase "informal economy," which includes "all economic activities by workers and economic units that are - in law or in practice-not covered or insufficiently covered by formal arrangements." -

In recent years, the term "*informal economy*" came to replace the previously used "*informal sector*". There was a new realization that the formal and informal areas of the economy are interdependent. The informal area is not a separate sector of a national economy, but an integral part of it, particularly since transnational enterprises began to restructure their production worldwide. This led to the development of small core workforces with onward links to a network of smaller enterprises operating worldwide, to intermediaries and to the homeworkers in particular, who were right at the end of the production chain.

Workers in the informal sector are now interchangeably called ""workers in the informal economy" or "workers in informal employment". This bill recognizes these shifts in terminology to keep pace with global trends.

The big majority of workers in the Informal sector is not covered by the Labor Code and other legislation that could protect their rights, thus:

- They are often subject to exploitation by unscrupulous employers, both formal and informal, who make them work long hours at very low wages and without benefits.
- Their work environment is not subject to regulation and monitoring often exposing them to occupational safety and health hazards.
- For all subsectors in the informal sector, the absence of or inconsistent policies work against their access to productive resources, justice, social protection, and programs preventive of work-related diseases and risks.
- They are severely under-represented in policy making bodies relevant to their issues or implementers of social protections programs.

There is an obvious exclusion of programs promoting the protection and socio-political-economic empowerment of the sector In the yearly appropriations of the GAA despite the fact that the informal sector contributes almost half of the GDP and is the catch basin of all those displaced from formal work or have no other choice but to create their own employment.

The absence of a comprehensive body for the protection and empowerment of Filipinos belonging to the informal sector further contributes to their social exclusion.

Most of the workers in the Informal economy are unorganized. Support to organizing the sector is necessary to empower them in the advocacy for the protection of their rights.

The big majority of economically active women are in the informal sector. **Women In the sector are saddled with problems of multiple burden, discrimination,, abuse and harassment etc. because they are women.** These on top of the issues they face as workers in the informal economy.

Child labor, which exists side by side with the informal sector not only violates children's rights, it robs our children of their childhood.

GOVERNMENT RESPONSIBILITY

The 2002 ILO document declares that:

Policies and programs should focus on bringing marginalized workers and economic units into the economic and social mainstream, thereby reducing their vulnerability and exclusion. It means that programmes addressing the informal economy, such as provision of education, training, microfinance, etc. should be designed and implemented with the main objective of bringing workers or economic units in the informal economy into the mainstream, so that they are covered by the legal and institutional framework.

It is the government's responsibility 'to provide an enabling framework at national and local levels to support representational rights of workers and employers in the informal economy through their legitimate, democratic, accessible, transparent, and accountable membership-based organizations.'

Government also has the responsibility to make social services available and accessible to the poor who need social protection the most.

Policies and programs addressed to the informal sector must eliminate discrimination and promote gender equity, women's economic rights and independence, including access to resources, social protection, occupational and reproductive health services, and representational rights.

There is also a need for structural reforms in all levels of government by creating committees/special offices for informal sector (IS) development and protection/ or other bodies to ensure efficient and effective mainstreaming of IS concerns.

Census for the informal economy workers needs to be conducted to guide national and local project and policy development because of the heterogeneity of the workers in this informal economy.

All this shows that government must do a lot more than what it is doing if it is determined to protect and promote the interest and welfare of 25 million Filipinos belonging to the informal economy.

Given the recent shift to a rights-based framework of development and the ILO's decent work agenda emphasizing core labor standards, the following fundamental rights of informal workers will be recognized, promoted, protected and fulfilled by this bill:

- a) the right to self-organization;
- b) the right to enhance their entrepreneurial skills and their capabilities to become more productive and self-reliant thereby ensuring participation in mainstream economic activities;
- c) the right to be free from any form of discrimination, whether this be based on gender, age, ethnicity, political, religious or sexual orientation, etc.;
- d) the right to just and humane working conditions, access to productive resources, and social protection, including occupational and reproductive health services;
- e) the right to represent their organizations in a continuing process of consultation and dialogue towards maximizing the provision of a comprehensive package of reforms, interventions, and services in accordance with their articulated needs and interests; and
- f) the right to access justice by enactment of national and local policies to create alternative dispute resolution .

This bill offers a comprehensive, integrated, rights-based and gender-responsive policy instrument to address empowerment issues and bring the workers in the informal sector into the mainstream of Philippine economy.

Accordingly, approval of this measure is earnestly sought.

DANILO RAMON "'DAN" FERNANDEZ

Representative
1st District, Laguna

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FOURTEENTH CONGRESS
FIRST REGULAR SESSION

HOUSE BILL No. 1955

Introduced by HON. **DANILO RAMON "DAN" S. FERNANDEZ**

ANACT
PROVIDING FOR A MAGNA CARTA FOR WORKERS IN THE INFORMAL
ECONOMY, INSTITUTIONALIZING MECHANISMS FOR
IMPLEMENTATION THEREOF AND FOR OTHER PURPOSES

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

TITLE I
GENERAL PROVISIONS

Chapter I
Framework and Principles

SECTION 1. Short Title. - This Act shall be known as the "Magna Carta for Workers in the Informal Economy."

SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State:

- (a) To promote the total well-being of all workers in the informal economy;
- (b) To ensure their human dignity, economic advancement and access to justice by providing timely services including social, political, economic and legal;
- (c) To recognize, protect and fulfill the rights of every worker in the informal sector including:: the right to self-organization; the right to decent work, just and humane working conditions, access to social protection; the right to represent their organizations in a continuing process of consultation and dialogue towards maximizing the provision of a comprehensive package of reforms, interventions, and services in accordance with their articulated needs and interests;
- (d) To recognize the roles and contributions of workers in the informal economy and make them visible in the national and local statistics;

- (e) To develop and enhance their entrepreneurial skills and capabilities so that they can become more productive and self-reliant citizens thereby ensuring participation in mainstream economic activities;
- (f) To promote gender equity and equality and protect women workers in the informal economy against gender-based discrimination, exploitation and abuse; to advance women's social, economic, political, and reproductive rights; and improve their access to social protection and participation in decision-making bodies;
- (g) To protect vulnerable groups in the informal sector such as: children, differently-abled persons, and those from ethnic communities from discrimination, exploitation, abuse and harassment as well as from performing work hazardous to their occupational, physical, mental, emotional, reproductive and spiritual health; and
- (h) To progressively eliminate child labor in the informal sector through the creation of more quality jobs for adults, effective enforcement of laws against child labor, elimination of gender-based discrimination against girl child workers; improved access to universal education and social protection, and elimination of cultural factors that tolerate, even accept child labor.

SEC. 3. *Framework and Principles* - It is the State's responsibility to provide an enabling environment at national and local levels to enable all workers to fully develop into productive, responsible and happy citizens. Towards this end, the government shall pursue a comprehensive, rights-based, participatory and gender-responsive framework for workers the informal economy that will include but not limited to:

- (a) Putting in place policies and programs that will bring marginalized workers and economic units into the economic and social mainstream, thereby reducing their vulnerability and exclusion.
- (b) Pursuing structural reforms in all relevant levels of government by creating committees, special offices for development and protection of workers in the informal economy and supporting their representational rights through their legitimate organizations.
- (c) Extending coverage of accessible and affordable social security and health benefits to workers in the informal economy.
- (d) Implementing minimum and simplified regulation to encourage the development of ingenuity and entrepreneurial spirit among workers in the informal economy.
- (e) Hastening the growth and expansion of the various business activities or enterprises under the informal economy preferably with the cooperation and support of the private sector.

SEC. 4. *Definition of Terms*. - As used in this Act, the following terms shall mean:

- (a) *Informal Economy* - based on International Labor Conference (ILC) 2002a, refers to "all economic activities by workers and economic units that are - in law or in practice - not covered or insufficiently covered by formal arrangements".

(b) *Workers in the Informal Economy* - includes the following:

- b. 1. small farmers owning land not more than three (3) hectares;
- b.2. small fisherfolk/operators owning boats of three (3) gross tons or less and other fishing equipment;
- b.3. rural workers who are tenants or sharecroppers, laborers;
- b.4. fisherfolk who are without boats or fishing equipment but share in the first catch;
- b.5. home-based workers who are independent producers of goods or services;
- b.6. industrial homeworkers - workers involved in a system of production under which work for an employer or contractor is carried out by a homemaker at his/her home and where materials may or may not be furnished by the employer or contractor;
- b.7. self-employed who are engaged in sub-contracting arrangement with other enterprises;
- b.8. vendors, whether with stalls or without permanent workplace including street hawkers or those plying their goods and trades in the streets and those engaged in sari-sari stores with operating capitalization of not more than one million pesos (P1,000,000.00) excluding land and building;
- b.9. drivers of modes of transportation on land and sea whether motorized or not, including two (2) wheels such as habal-habal, calesa,; three (3) wheels such as pedicabs, tricycles; four (4) wheels such as jeepneys, buses; boats one (1) ton and below; including 'barkers', fare collectors, dispatchers and other workers who share income with self-employed or unincorporated operators;
- b. 10. operators of jeepneys, tricycles, pedicabs, taxi, and other vehicles or transportation whose capitalization is not more than one million pesos (P1,000,000.00) excluding land and building;
- b. 11. "on-call" domestic workers which refer to persons who provide service to households such as maids, cooks, family drivers, gardeners and baby sitters on a live-out basis and "on-call" arrangement only;
- b. 12. non-corporate construction workers;
- b.13. small scale miners doing their own product processing; including those involved in small scale mining and quarrying with capitalization of below one million pesos (P1,000,000.00);
- b. 14. workers of Barangay Micro Business Enterprises (BMBEs);
- b. 15. unorganized cargo handlers;
- b. 16. workers engaged in producing seasonal products;
- b. 17. "on-call" workers in the entertainment, movie, and media such as bit players, stuntmen and women, crew, make-up artist, etc.;
- b. 18. volunteer workers in government and non-government entities who only receive allowances or honoraria. These include but are not limited to:

barangay health workers (BHW), barangay tanod, barangay nutrition scholars (BNS), barangay daycare workers, and volunteers in non-government or people's organizations; and

b. 19. unpaid family members, or workers receiving allowances and seasonally hired workers who are engaged in micro-enterprises or assist unincorporated household enterprises.

- (c) *Informal Sector*, herein otherwise referred to as IS, refers to units engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons concerned. It consists of households unincorporated enterprises that are market and non-market producers of goods as well as market producers of services.

These enterprises are operated by own-account workers, which may employ unpaid family workers as well as occasional, seasonally hired workers.

These enterprises may also be owned and operated by employers which may employ less than ten (10) employees on a continuous basis.

- (d) *Worker* refers to a general term to mean either or both the self-employed or paid employee covered under the provisions of this Act.

- (e) *Self-employed Worker* refers to any person whether male or female, who has no employer and who works for himself/herself by producing goods or services for the mar

Worker of minor age refers to children fifteen (15) to seventeen (17) years of age who are engaged in productive employment under a valid contract of employment.

- (g) *Employer* refers to a natural person or group or partnership of people for which a paid worker renders productive employment or service.

- (h) *Hazardous Work Condition* refers to any activity or circumstance where a worker is exposed to any risk which constitutes imminent danger to his/her health and safety.

- (i) *Working Hours* refers to the period of time within which a worker is required to be on call to perform any and all tasks that may be designated, regardless of whether there are actual tasks being undertaken.

- (j) *Daily Basis* refers to the per day mode of paying a private worker as bilaterally agreed upon by both the employer and the worker.

- (k) *Monthly Basis* refers to the per month mode of paying a private worker as bilaterally agreed upon by both the employer and worker.

- (l) "Pakyaw " Basis refers to the pre-contracted wholesale mode of paying a worker as bilaterally agreed upon by both the employer and worker.

- (m) *Social protection* refers to policies and programs to reduce poverty and vulnerability to poverty by promoting efficient labor markets, diminishing exposure to risks, and enhancing capacity to protect against hazards or loss of income. Social protection includes the following schemes:

- j.1. labor market and safety nets;
- j.2. social assistance and welfare programs;
- j.3. social insurance;
- j.4. micro-finance and other area-based schemes; and
- j.5. child labor protection programs.

- (n) *Social Risk Management (SRM)* is a framework used to analyze the sources of vulnerability, how society manages risks and the relative costs and benefits of various public interventions on household welfare. As such, SRM addresses how vulnerable individuals and households can be helped to better manage risks and become less susceptible to damaging welfare losses. SRM also highlights the broad range of formal and informal, proactive and reactive risk management strategies used by individuals, communities, nations and communities of nations, including actions by the public, private and informal sectors. Such strategies include those that focus on prevention, coping and mitigating (World Bank).

**Chapter 11
Coverage, Qualifications and Accreditation**

SEC. 5. Registration and Accreditation. There shall be a simple standard registration and accreditation system in accordance with the framework and principles of this Act. IS business activities or enterprises shall, upon registration, pay not less than Fifty pesos (P50.00) but not more than One Hundred pesos (P 100.00) to the municipality or city where they intend to be productively employed during their initial year of operation. The said fee shall cover the cost of the issuance of the license to operate.

Any worker who meets such eligibility, qualification and other necessary requirements as provided for under this Act shall be accredited as eligible to avail of development programs for workers in the informal economy.

Such accreditation shall be reviewed, revalidated and reassessed every two (2) years from the date of last accreditation by the LGUs where the worker operates. Renewal of eligibility shall be in accordance with the merit and fitness principle.

SEC. 6. Annual Dues - IS business activities or enterprises shall pay annual dues which shall accrue to the municipality or city and shall be exclusively used for IS development programs approved by the municipal or city council as recommended by the Workers in the Informal Economy Local Development Office (WIELDO) referred to in Chapter V of this Act. Such dues shall be paid to the municipal or city treasurer where they are registered and accredited, starting on their second year of operations, based on the following schedule:

(a) Those with capitalization amounting to not more than Two Thousand Pesos (P2,000.00)	P 100.00
(b) Those with capitalization of more than Two thousand pesos (P2,000.00) up to Five Thousand Pesos (P5,000.00)....	P 200.00
(c) Those with capitalization of more than Five Thousand Pesos (P5,000.00) up to Fifty Thousand Pesos (P50,000.00)...	P 300.00
(d) Those with capitalization of more than Fifty Thousand Pesos (P50,000.00) up to One Hundred Fifty Thousand Pesos (P150,000.00)	P 500.00

(e) Those with capitalization of more than One Hundred Fifty Thousand Pesos (P 150,000.00) up to Three Hundred Thousand Pesos (P300,000.00)... P 600.00

(f) Those with capitalization of more than Three Hundred Thousand Pesos (P300,000.00) up to Five Hundred Thousand Pesos (P500,000.00)... P 700.00

(g) Those with capitalization of more than Five Hundred Thousand Pesos (P500,000.00) up to Three Million Pesos (P3,000,000.00)... P1,000.00

SEC. 7. Coverage. - Workers in the informal economy as defined in Sec. 4 of this Act are covered; provided, however, that the aforesaid workers qualify under the minimum requirements set forth in Sec. 10 of this Act.

Chapter III **Special Allocations for Development Initiatives**

SEC. 8. *Special Allocations for Development Initiatives* - The development initiatives for the informal sector shall form part of an integrated and convergent approach to address poverty and vulnerability to poverty. Such an approach requires "Social Risk Management" as defined in Sec. 4 of this Act to effectively and efficiently design programs to protect and empower workers in the informal economy. The national and local government units shall work shoulder to shoulder in support of this integrated and convergent approach to maximize meager resources.

- (a) At least five percent (5%) of the annual national budget shall be appropriated for programs and services for workers in the informal economy to be implemented by the Informal Economy Development Authority (IEDA) and Workers in the Informal Economy Local Development Office (WIELDO) as created by Chapters IV and V of this Act. Support to WIELDO shall be based on the principles of merit and equity.
- (b) For programs involving social services as defined in Sec. 4 of this Act, an annual supplementary budget of at least One Hundred Million Pesos (P 100, 000,000.00) shall be allocated by the Philippine Games and Amusement Corporation (PAGCOR) and the Philippine Charity Sweepstakes Office (PCSO) to be managed by IEDA.
- (c) The Implementing Rules and Regulations (IRR) of this Act shall determine additional guidelines on the use of such finances to ensure that programs and services truly benefit workers in the informal economy.

SEC. 9. *Sourcing and Adopting Development Initiatives* - Other sources of funds to be used exclusively for initiatives addressing the needs and empowerment of workers in the informal economy shall be identified in the Implementing Rules and Regulations (IRR) of this Act and may include the following:

- (a) Government financial institutions and mechanisms such as the Land Bank of the Philippines, Development Bank of the Philippines, National Livelihood Support Fund, Quedan Rural Credit and Guarantee Corporation shall set aside a specific percentage of their loan portfolio to informal economy enterprises and shall give priority to women-led informal economy enterprises by providing loans at an interest of not more than twelve percent (12%) per annum, consistent with the spirit of R.A. 7882.
- (b) The Department of Social Welfare and Development (DSWD) shall strengthen its Self-Employment Assistance Program (SEAK) to uplift and empower women in poverty, particularly those in the informal economy, by adopting an integrated, credit-plus approach to micro finance

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- (c) The Small Business Guarantee and Finance Corporation (SBGFC) created under Republic Act (R.A.) No. 8289. SBGFC shall assist in the sourcing and adopting of development initiatives for competitive enterprises in terms of finance, technology, production, management and business linkages. It shall also provide and promote, develop and widen in both scope and service reach various alternative modes of financing for informal economy business activities or

enterprises, including but not limited: to direct and indirect project lending, venture capital, financial leasing, secondary mortgage and/or rediscounting of loan papers to such business activities or enterprises, and crop production financing.

The Corporation shall guarantee loans obtained by qualified worker or business activity or enterprise, under such terms and conditions adopted by its Board.

- (d) Department of Trade and Industry (DTI) shall contribute to enable the development of business environment that shall include initiatives such as supply chain and market outlets, and schemes to develop Special Credit Window to upscale informal sector enterprises.
- (e) The Department of Science and Technology (DOST) shall support technology-related initiatives for workers in the informal economy.
- (f) Additional Sources of Funds for LGUs - The following shall be tapped by LGUs as additional sources of funds for focused development initiatives:
 - f. 1. Ten percent (10%) of amusement and sin taxes - for programs for workers in the entertainment and similar industries;
 - Q. Ten percent (10%) of income derived from fees collected from small transport - for programs for workers in the small transport industry;
 - 0. Ten percent (10%) of collected fees from business establishments and entrepreneurs - for programs focusing on micro-entrepreneurs and their workers;
 - f.4. Ten percent (10%) of income from issuing health and sanitary permits -for programs for health volunteers and programs promoting safe workplaces for workers in the informal economy; and
 - f.5. Ten percent (10%) of income from issuing hawkers' permits - for programs for vendors.

SEC. 10. Eligibility for Government Assistance. - The selection and appointment of beneficiaries under this Act shall be in accordance with the merit and fitness principle. To qualify for assistance, incentives and grants, a worker, business activity or enterprise shall be:

- (a) duly registered and accredited with the appropriate agency in the LGU where they are actively operating and paid the necessary fees for registration and accreditation from the concerned office of the municipal or city treasurer;
- (b) one hundred per cent (100%) owned and capitalized by Filipino citizens, be it single proprietorship or a partnership venture; and
- (c) covered by the definition of workers in the informal economy in Sec. 4 of this Act.

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SEC. 11. Exclusivity of Government Programs - The government shall ensure that programs of financing, grants and other similar incentives shall be exclusively extended to an accredited worker or business activity or enterprise in the informal economy.

SEC. 12. Tax Exemption - A duly accredited IS worker or business activity or enterprise shall be exempted from all taxes, national or local, license and building permit fees and other business taxes except real property and capital gains taxes, import duties and other taxes on

imported articles. In addition, any and all income, receipts and proceeds derived from their business operations shall be excluded in the computation of gross income for purposes of computing the individual income tax of the members thereof.

SEC. 13. Inclusivity of Benefits - The exemptions and other benefits provided in this Act shall apply for a period of not exceeding ten (10) years from the date of registration of such IS worker or business activity or enterprise.

Chapter IV Informal Economy Development Authority

SEC. 14. Creation of the Informal Economy Development Authority (IEDA). - There is hereby created an Informal Economy Development Authority, herein otherwise referred to as the IEDA, which shall be attached to the office of the President and shall be constituted within thirty (30) days after the approval of this Act.

The IEDA shall be the primary agency responsible for the promotion, growth development and empowerment of the workers in the informal economy in the country. It shall be a one-stop shop that will facilitate and closely coordinate national efforts to promote the sector's viability and growth, including the provision of an integrated program for skills enhancement, literacy and education, health services, social welfare and services and assistance in tapping of local as well as foreign funds. It shall also perform regulatory and quasi-judicial and other functions relative to the attainment of the objectives of this Act.

SEC. 15. Composition. - The Chair of the IEDA shall be appointed by the President based on recommendations of IEDA members and shall have the rank of a Secretary. IEDA members may elect from among themselves a Vice-Chair to preside over meetings in the absence of the Chair. The members shall be the following:

- (a) Secretary of the Department of Trade and Industry (DTI)
- (b) Director General of the National Economic and Development Authority (NEDA);
- (c) Secretary of Department of Agriculture (DA);
- (d) Secretary of Department of Agrarian Reform (DAR);
- (e) Secretary of Department of Labor and Employment (DOLE);
- (f) Secretary of Department of Social Welfare and Development (DSWD);
- (g) Secretary of Department of Health (DOH);
- (h) Secretary of Department of Transportation and Communication (DOTC);
- (i) Secretary of Department of Public Works and Highways (DPWH);
- (j)** Secretary of the Department of Interior and Local Government (DILG);
- (k) Lead Convenor of the National Anti-Poverty Commission (NAPC);
- (l) Director General of Technical Education and Skills Development Authority (TESDA);
- (m) Director General of National Statistics Office (NSO);

- (n) President of Development Bank of the Philippines (DBP);
- (o) Chair of the Social Security System (SSS);
- (p) Chair of PhilHealth;
- (q) Chair of the National Commission on the Role of Filipino Women (NCRFW);
- (r) Head of the Housing and Urban Development Coordinating Council (HUDCC);
- (s) Three (3) representatives from the private sector at large, all Filipino citizens to represent Luzon, Visayas and Mindanao; provided that at least one (1) is a woman;
- (t) One (1) representative each from the League of Cities, League of Municipalities, League of Provinces and League of Councilors;
- (u) Five (5) representatives from organizations of workers in the informal economy, provided that, three (3) shall come from the NAPC-Workers in the Informal Sector Council, and designated by the NAPC Convenor, provided moreover that, the other two (2) shall come from organizations outside of NAPC and appointed by the President from among those recommended by these organizations; and provided finally, that at least two (2) of the five (5) representatives are women; and
- (v) Two (2) representatives of women's organizations actively involved in women's and informal economy issues and appointed by the President from among those recommended by these organizations.

The private sector, informal sector and women's organizations' representatives to the Council shall be entitled to receive *per diem* of at least Two Thousand Five Hundred Pesos (P2,500.00) per meeting. The Council shall meet once every two (2) months and it may call for special meetings as the need may arise; provided, that the frequency of such special meetings shall not exceed four (4) times annually.

Ten million pesos (P 10,000,000.00) shall be allocated from the Presidential discretionary fund for the initial operating expenses of the IEDA.

SEC. 16. Executive Committee of the IEDA - An Executive Committee of seven (7) members shall be convened. Besides the Chair and Vice-Chair, the following shall be elected by the IEDA members from among themselves or their duly designated alternate representatives: two (2) representatives of workers in the informal economy, one (1) from the different leagues of local officials, one (1) from the private sector, and one (1) from a national government agency, provided, that at least two (2) members of the Executive Committee are women.

The Executive Committee shall have the authority to act for and in behalf of IEDA during intervals of meetings, and within the specific authority granted by the IEDA.

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SEC. 17. IEDA Secretariat - The Executive Committee shall create a secretariat that will have the following duties and functions:

- (a) Prepare, in coordination with LGUs and other government agencies, and recommend annual as well as medium-term Enterprise Development Plans for approval of the IEDA;
- (b) Coordinate the preparation of position papers' and background materials for discussion or approval during IEDA meetings;

- (c) Assist in coordinating and monitoring policies, programs and activities of all government agencies with respect to the implementation of this Act;
- (d) Prepare, collate, integrate all inputs to the IEDA's yearly report on the status of informal economy business activities or enterprises in the country;
- (e) Submit periodic reports to IEDA on the progress and accomplishments of its work programs; and
- (f) Perform ad hoc functions as authorized by the IEDA.

SEC. 18. Mandate of IEDA. - The mandate and functions of IEDA shall include the following:

- (a) Develop a system of registration and accreditation for the IS in accordance with the standards and provisions of this Act;
- (b) Provide guidelines for the implementation of LGUs of a fair and credible system of evaluation, accreditation, review and assessment, merit promotion, rendering of grant and incentive awards and other policies relative to the effective and efficient implementation of this Act;
- (c) Further develop the existing Philippine Country Program for the development and protection of the workers in the informal economy towards institutionalizing comprehensive, rights-based, gender-responsive and child friendly programs and policies for the IS;
- (d) Develop gender-based monitoring and evaluation mechanisms to ensure that programs and policies are implemented effectively and efficiently; and ensure gender-responsiveness of interventions toward harnessing full potentials of women workers in the informal economy;
- (e) Coordinate with LGUs for the development and implementation of periodic evaluation of all accredited IS members - taking into account their accomplishments, capabilities and potentials - the results of which shall be used as bases for evaluation, registration, accreditation, the grant of awards and incentives, training and retraining;
- (f) Establish a performance appraisal system for all accredited workers in the informal economy which shall be the basis for granting or renewal of incentives, rewards and recognition, training and development, including adequate mechanisms to ensure their active participation and involvement;
- (g) Ensure effective participation of the workers in the informal economy through the establishment of regular consultative mechanisms and processes. Annual national, regional and provincial consultations among the organizations of

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workers in the informal economy shall be conducted to determine specific issues and problems affecting their sector, and monitor and evaluate implementation of programs and policies.

- (h) Establish and develop a centralized and sex-disaggregated database system to effectively guide policy formulation relative to the workers in the informal economy. The databank shall be available for public use and shall include but not be limited to the following:

h. 1. Sex-disaggregated statistical profile of various informal economy workers based on age, location, type of work, average monthly income, number of hours worked, and other statistical information;

h.2. Sex-disaggregated data on informal enterprises, including capitalization and sources of capital, number and status of workers, average income,

h.3. List and contact information of government and non-government organizations which provide educational, socio-economic and legal services to workers in the informal economy;

h.4. Inventory of upheld and pending cases involving activities of workers in informal economy;

h.5. Database on the needs and problems of women and children in the sector nationwide aimed at strengthening policies and programs against child labor; and

h.6. Compilation of existing laws and programs affecting the interest and welfare of informal economy workers and information on how these workers may use or avail of such laws and programs.

- (i) Develop and implement a communication plan including massive information dissemination activities targeting workers in the informal economy in the various regions towards making them understand and appreciate the benefits this Act may bring them; and

Develop alternative conflict or dispute resolution systems and mechanisms. which shall aim to promote dialogue, conciliation and mediation while protecting the rights of workers in the informal economy.

SEC. 19. Authority of the IEDA to Solicit Assistance from Various Agencies. -

The IEDA may, from time to time, call upon the participation of any government agency or bureaucracy in its deliberations especially when such agency is directly or indirectly concerned with and/or affecting the growth and development of the IS in any particular area or manner.

SEC 20. Regional IEDA Offices. - Regional IEDA offices shall be established and will have functions that include: monitoring and coordinating IEDA initiatives in the regions; evaluation of policies programs for workers in the informal economy; providing technical assistance in the development of local plans and programs; as well as other administrative functions necessary for the success of IEDA initiatives in their jurisdiction.

IEDA Regional Office shall have an automatic seat in all Regional Development Councils.

Chapter V

Workers in the Informal Economy Local Development Office (WIELDO)

SEC. 21. Workers in the Informal Economy Local Development Office (WIELDO)- The Workers in the Informal Economy Local Development Office (WIELDO) shall be established in every province, city/municipality to perform functions that shall include but are not limited to the following:

- (a) Consistent with the Philippine Informal Sector Country Program, prepare an over-all development plan and work program that will address the needs of the workers in the informal sector and incorporate them in their respective provincial, regional, city, municipal and barangay development plans;

- (b) In consultation with organizations of workers in the informal economy in the area, identify specific needs of the sector and recommend appropriate measures to be taken;
 - (c) Ensure registration and accreditation of the workers in the informal economy
 - (d) Monitor, assess and evaluate implementation of the plans and programs as well as the performance of the sector in the areas;
 - (e) Coordinate with other local offices, private sector and other organizations with existing programs for the workers in the informal economy towards integration and convergence;
 - (f) Conduct training programs which will provide new ideas to the workers and upgrade the technical and entrepreneurial skills of others who are already in the field;
 - (g) Implement consciousness-raising and capability building activities to include information on workers', women's and children's rights and leadership training;
 - (h) Provide technical support and access to credit, market, technology, social security schemes, and training for micro-entrepreneurs and those in service industry, small transport, non-corporate construction workers, etc.;
 - (i) Train pools of community trainers in business counseling and awareness-raising on occupational safety and health hazards, risks and social security;
- Support organizing activities among workers in the informal economy;
- (k) Establish sex-disaggregated data banks on human resources and skills registry to be used as tools for LGU planning and budgeting;
 - (l) Provide offices and other necessary resources to support organizing, advocacy, training and other activities of local organizations of workers in the informal economy;
 - (m) Train workers in the informal economy on negotiation skills and on the conduct of time and motion studies to determine proper wages; and
 - (n) Provide services, to include but not limited to counseling and legal assistance for the furtherance of this Act.

In addition to the allocations specified in this Act, the LGUs shall annually allocate at least One Hundred Thousand Pesos (P 100,000.00) or at least 5% of the twenty

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percent (20%) Development Fund of their respective IRA whichever is higher for the operations and maintenance of WIELDO.

Following the principle of merit and equity, LGUs that fulfill such allocations may receive additional assistance from the national government as recommended by IEDA; provided, that they have formulated their local development plan for workers in the informal economy.

SEC. 22. Composition. The local chief executives shall act as the primary overseers to the overall operation of WIELDO. Composition of WIELDO shall be determined by the Implementing Rules and Regulations (IRR) of this Act; provided that, workers in the informal economy shall be equitably represented; and provided further, that concerned LGUs maintain their right to include additional members as needed.

Chapter VI Basic Rights

SEC. 23. **Basic Rights.** - The rights of workers in- the informal economy shall be actively protected, promoted and upheld. These include the right to:

- (a) self-organization to collectively negotiate with other parties in the promotion of their welfare and advancement of their interests;
- (b) participate in decision-making processes relevant to the concerns of workers in the informal economy through their legitimate organizations;
- (c) equal treatment before the law;
- (d) safe conditions in the workplace that will safeguard their general and reproductive health;
- (e) accessible and affordable medical care;
- (t) accessible social protection and basic services including but not limited to health services and low-cost housing to enable IS members to have a humane quality of life;
- (g) equal access to education, skills training, and economic resources to develop their self-reliance;
- (h) information, especially on issues and concerns affecting the welfare and interests of their sector;
- (i) be free from any form of discrimination, violence, sexual exploitation, harassment and abuse;
- 0) common workplaces, merchandising centers, and inventory bulk-buying centers;
- (k) common facilities and capacity building to access E-marketing;
- (1) alternative dispute resolution mechanisms and processes; and
- (m) equal access to justice through appropriate mechanisms.

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Chapter VII SOCIAL SECURITY

SEC. 24. **Medical/Health Insurance.** - As a matter of right and in the interest of social justice, an IS worker, regardless of age and compensation levels, shall be covered by medical/health insurance under the Philippine Health Insurance Corporation (PHILHEALTH), and be entitled to all benefits provided for under the law. Poverty shall not be an impediment for IS workers to enjoy full medical and/or health insurance. Towards this end, IS self-employed workers whose declared monthly earnings fall below the existing minimum wages shall be covered for free based on rules formulated by Philhealth. Provided, however, that the worker is eligible to receive such benefit as prescribed under Sections 10 and 13 of this Act.

For purposes of this section, the PHILHEALTH, shall, within ninety (90) days from the effectivity of this Act, promulgate guidelines to implement this provision including mechanisms of collecting contributions from concerned workers through their legitimate organizations.

SEC. 25. Social Security Coverage. - As a matter of right and in the interest of social justice, a worker in the informal economy, regardless of age and compensation levels, shall be covered by social security and be entitled to all benefits provided for under R.A. 8282 or the Social Security Act of 1997.

- (a) Coverage and Contributions - Poverty shall not be an impediment for workers in the informal economy to enjoy full social security. Towards this end, concerned workers whose declared monthly earnings fall below the existing minimum wages shall be covered by the Social Security System for free. Provided, however, that the worker is eligible to receive such benefit as prescribed under Section 10 of this Act.

Workers whose declared monthly income is more than the legally mandated minimum wages but below Thirty Thousand Pesos (P30,000.00), the SSS shall cover them with the government shouldering the employer's contributions.

- (b) Government contribution to SSS - Government contributions to SSS budget shall include subsidy to workers in the informal economy as mandated by this section.

For purposes of this section, the SSS, shall, within ninety (90) days from the effectivity of this Act, promulgate guidelines to implement this provision including the mechanism of collecting contributions from concerned IS workers. The SSS is hereby mandated to implement an outreach program that will facilitate the remittance of premiums by either the employer, or the worker, or the organization of IS workers by whatever means deemed feasible and efficient.

Sec. 26. Social Security for Volunteers of Government Instrumentalities - As a matter of right and in the interest of social justice, volunteer workers of government instrumentalities as defined in Sec. 4 of this Act, regardless of age and amount of allowances or honoraria received, shall be covered by the Government Service Insurance System (GSIS) and be entitled to all benefits provided for regular government workers.

Poverty shall not be an impediment for government's volunteer workers to enjoy full benefits from the GSIS. Towards this end, concerned volunteers who receive monthly allowances or honoraria below the existing lowest base pay among government employees shall be covered by the GSIS for free. Provided however, that the worker is eligible to receive such benefits as prescribed under Section 10 of this Act.

Volunteer workers who receive monthly allowances or honoraria higher than the lowest base pay among government workers shall be covered by the GSIS following its regular policies.

Necessary government subsidy to volunteer workers pursuant to this section shall be included in the General Appropriations Act (GAA).

For purposes of this section, the GSIS, shall, within ninety (90) days from the effectivity of this Act, promulgate guidelines to implement this provision including the mechanism of collecting contributions from concerned volunteer workers. The GSIS is hereby mandated to implement an outreach program that will facilitate the remittance of premiums by either the volunteer, or their organizations by whatever means deemed feasible and efficient.

Sec. 27. Alternative Schemes of Providing Social Security - To further widen access to social security of workers in the informal economy especially in poor urban and rural areas, indigenous and alternative social protection schemes such as: "damayan", "tulungan", saranay, small mutual benefit associations, and micro-finance organizations as well as community-based micro-health insurance schemes initiated or participated in by workers in the informal economy shall be supported and strengthened by concerned national agencies and LGUs so that these can be sustained, systematized and upscaled.

An enabling environment for such organizations and schemes shall be developed. Toward this end, the Insurance Commission (IC) is hereby mandated to review its policies to make them more supportive of alternative schemes of providing social security.

Other mechanisms to support such schemes shall be outlined by the IRR of this Act.

TITLE II WORKERS IN THE INFORMAL ECONOMY ENTERING INTO CONTRACTED AGREEMENT

Chapter I Requisites for Contracting Agreement

SEC. 28. *Employment* Contract - All working arrangements entered into by workers in the informal economy shall be covered by a written agreement, in a language or dialect understood by both employer and worker, duly signed by both the employer and worker. Under this Act, the employer and worker can agree on any of the following working arrangements: daily basis, monthly basis, pakyaw basis, per commission basis, boundary basis, piece rate, per job order and per service negotiated.

In every contract entered into, each contracting party shall be provided with a full set of the duly signed agreement, the basic provisions of which shall include:

- (a) working arrangement/mode;
- (b) period/duration of employment;
- (c) compensation and mode of payment;
- (d) computation of contributions for social security and medical insurance;
- (e) computation of contributions for social security and medical insurance for those who fall under DOLE Department Order No. 5

- (f) duties and responsibilities;
- (g) working hours and day-off schedules;
- (h) living quarters or sleeping arrangements (for live-in workers);
- (i) the date, term and mode of delivery or date of completion;
- (j) minimum of twenty percent (20%) down payment for labor cost and services and minimum of 50% for inventory of raw materials used in the production for homeworkers per DOLE Order No.5.

Whenever an employer shall contract with a worker in the informal economy for the performance of the work, it shall be the duty of the employer to provide such contract and the worker shall be paid in accordance with the provisions stated in this Act.

In cases wherein minors are contracted with, the said negotiated contract shall be signed on his/her behalf by either parent or legal guardian, with the expressed written consent of the said minor.

In cases wherein illiterate workers are contracted 'With, the said contract shall be explained to the worker concerned and attested to by a representative from the LGU or an elected Barangay official in the city or municipality where the worker is designated to work.

SEC. 29. Medical Certificate as Pre-Requisite for Employment - A medical certificate attesting to the physical and mental fitness of an applicant for work must be secured from a licensed physician as a pre-requisite for employment, the cost of which shall be for the account of the employer.

Chapter 11 IS Workers of Minor Age

SEC. 30. Allowable Employment of Workers of Minor Age - Children fifteen (15) years up to seventeen (17) years of age may be employed; provided, that parental or legal guardian consent be presented and attested by any representative of the LGU or duly elected Barangay official where the work is to be done. In no instance however, shall children below fifteen (15) years old be engaged in whatever form of productive services.

Workers of minor age shall not be allowed to render work for more than four (4) hours, five (5) day a week, exclusive of one (1) hour break for breakfast or lunch whichever is applicable.

Chapter III Just Compensation Package

SEC. 31. Standardized Wage Rate. - The Bureau of Working Conditions-DOLE shall develop and implement capacity building program on the conduct of time and motion studies as a basis of standardizing piece rates. Likewise, the Regional Wage Boards shall do the same to determine wages of workers of the IS employers.

Moreover, the Regional Wage Board shall formulate just compensation for on call domestic workers who still fall under the informal economy.

While there is no standardized rates for workers in informal economy jobs, the basis of computation shall not be below the applicable minimum wage of the region where they are covered.

SEC. 32. *Payment of Wages* - *Payment* derived from negotiated agreement shall be made directly to the workers according to the agreement. No deductions from such payments shall be made by the employer except those provided by law. The expressed written consent of the worker shall be first secured before the deduction is made.

Chapter IV Prohibited Acts

SEC. 33. *Prohibition Against Forced Night Work* - *It* is unlawful to force, threaten, intimidate or otherwise harass workers in the informal economy to engage in night work. Moreover, workers of minor age shall not be allowed to render work between eight o'clock in the evening and six o'clock in the morning of the following day.

SEC. 34. *Prohibition Against Work to be Undertaken* - *Workers* of minor age shall not be allowed to render work beyond their physical and mental capabilities.

SEC. 35. *Prohibition Against Bonded Labor* - A worker shall not be allowed to use his/her future services as collateral for any loan or advances made to or to be made by said worker with the employer. Likewise, no employer shall be allowed to bind the worker to his/her continued employ as a form of payment for any loan or advances which he/she may have made with the employer. Should there be an outstanding loan incurred and he/she decides to unilaterally terminate the contract of employment, said loan or advance shall be paid by him/her to the employer under terms and conditions specified in a duly executed promissory note between parties.

SEC. 36. *Prohibition Against Labor-Only Contracting* - *In* no instance shall the employer sub-contract the services of a worker to any third party, unless such activity falls within the purview of an employment arrangement for which the necessary permits and licenses had been priory secured.

Labor only contracting means that the contracting party does not provide any raw materials, inputs, or other forms of investment to the worker and merely uses his/her labor to make profit.

SEC. 37. *Prohibition Against Recruitment and Finders Fees* - Regardless whether the worker was sourced either through an employment agency or a third party, said worker shall neither be charged nor levied a share in the recruitment fees or finder's fees by the aforementioned employment agency or third party.

SEC. 38. *Prohibition Against Hazardous Work and Conditions* - *Any* worker shall not be employed in any hazardous work, activity or undertaking, and neither shall he/she be exposed to hazardous working conditions.

For purposes of this Section, hazardous work or conditions shall include, but not be limited to the following:

- (a) Any work which requires workers to render services beyond ten (10) hours;
- (b) Any work, employment or activity which exposes the worker to physical, emotional or sexual abuse;
- (c) Any work which involves manual handling or transport of heavy loads;

- (d) Any work in an unhealthy environment which exposes workers to hazardous substances, agents or processes, or to temperature, noise levels, or vibrations damaging to their health;
- (e) Any work which requires workers to continuously render service during late nights;
- (f) Any or all forms of slavery or practices similar to slavery, such as the sale and trafficking of persons, forced or compulsory -labor, debt bondage and serfdom;
- (g) Any use, procuring or offering of the worker for prostitution or pornography;
- (h) Any use, procuring or offering of the worker for the commission of any offense or crime, particularly for the production and trafficking of narcotic drugs and substances as defined in the Dangerous Drugs Act;
- (i) Any other type of work or activity which, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of the worker; and
- (j) Any other type of work, activity, condition or undertaking that maybe hereinafter be defined as hazardous by the DOLE.

SEC. 39. *Prohibition Against Interference and Coercion* - Any person is prohibited from committing any of the following acts of interference and coercion:

- (a) To prevent a worker from upholding or exercising his/her rights;
- (b) To prevent workers from joining or assisting organizations or unions for purposes not contrary to law, in order to protect and defend their mutual interests and to obtain redress of grievances through peaceful concerted efforts;
- (c) To prevent a worker from carrying out his/her duties or functions in an organization or union, or to penalize the same for any lawful action performed in that capacity;
- (d) To make calculated harassment and interference with the intention of intimidating or preventing the worker from performing his/her duties and functions;
- (e) To make calculated harassment against, or to transfer, penalize or terminate the services of a worker who is carrying out his/her function or role for and in behalf of his/her employer; and
- (f) To perform acts calculated to diminish the independence and freedom of workers' union or organization to direct its own affairs.

Chapter V

Rights and Benefits of Employed Workers in Informal Economy

SEC. 40. *Rights to Wages Earned* - The employer shall pay directly to the workers on time based agreement, any and all wages, remuneration or compensation earned by him/her during the period of his/her employment.

No parent, guardian, relative or any other person shall be allowed to borrow against the compensation of his/her relative -worker of minor age without the express written consent of the concerned relative-worker. Neither shall the worker of minor age be mandated to work in payment of loan or liability by a parent, guardian, relative, or any other person

SEC. 41. *The Right to Privacy and Confidentiality* - The employer shall respect the privacy of all workers during the course of the latter's rest periods. This right to privacy shall extend to any and all forms of personal communication, including letters of correspondents issued or received. The worker shall be allowed communications coursed through the private telephone of the employer; provided that any additional expense incurred in the course of communication shall be borne by the worker and shall be deducted after the employer's due notice to the worker of the amount incurred due to specific reason/s, from the receivable wage of the worker.

The State, further guarantees the protection of the right of the worker to communicate with relatives and other persons and to receive visitors subject to reasonable limits prescribed in the employment contract agreed and entered into by both the employer and the worker.

SEC. 42. *Access to Education and Training* - A worker shall not be deprived of formal or non-formal education. In cases where he/she is productively employed, he/she shall be allowed to attend or pursue any kind of educational program during free time or any other time as agreed by the employer and the worker.

The Department of Education (DEPED), CHED and other appropriate agencies, whichever offices are applicable, shall extend its services of Study Now, Pay Later Program to the workers in the IS.

SEC. 43. *Access to Lawful Third Party Mediation* - The LGUs shall provide workers and their employers the names, addresses and telephone numbers of the designated liaison officers of the following:

- (a) DTI;
- (b) DOLE;
- (c) The Barangay office where he/she is productively working; and
- (d) Duly registered non-government organizations accredited to mediate the disputes of their sector.
- (e) IEDA

The employer guarantees the worker the access to all means of communication for the purpose of contacting any of the above-enumerated institutions.

SEC. 44. *Normal Hours of Work* - The normal hours of work shall be set at eight (8) hours per day, exclusive of one (1) hour breaks each for breakfast, lunch and dinner. The worker shall be allowed at least eight (8) hours of continuous rest per day. Otherwise, any work done by him/her beyond the normal hours of work per day shall be duly compensated.

SEC. 45. *Regular Working Days* - No worker shall render work for more than six (6) days per week.

SEC. 46. *Longevity Pay* - A longevity pay equivalent to five percent (5%) of his/her latest monthly basic pay shall be paid to a worker for every two (2) years of continuous and satisfactory service rendered.

SEC. 47. *Clothing and Personal or Protection Equipment Allowance*- A worker shall be entitled to a minimum of One Thousand (P1, 000.00) pesos clothing and

personal or protection equipment (PPE) allowance annually. Provided, that the worker has rendered at least one (1) year of continuous service in the employment he/she is currently in.

SEC. 48. Service Incentive Leave - A worker who has been employed for one (1) year shall be entitled to a five (5)-day service incentive leave with pay, in addition to the one (1) day per week designated as rest day. Said leave may only commence at the end of the first year of employment and shall not cumulate from year to year.

SEC. 49. Maternity Benefits. - A female worker who has been employed for one (1) year shall be entitled to maternity benefits as provided for by law.

SEC. 50. –13th Month Pay - A worker shall be entitled to 13th month pay equivalent to one month's basic salary which shall be paid to the worker. Provided, that the worker has reached the required minimum residency. Otherwise, the worker shall be entitled to receive a 13th month pay on a pro-rated basis as provided for in DOLE D.O. No. 5.

SEC. 51. Allowing Subcontracting - A worker may enter into sub contractual employment or may accept sub contractual jobs from any other enterprise or firm joining or may join productive employment through a cooperative consortium; provided, that the enterprise, firm, cooperative, or consortium shall be mandated to implement the specific provisions of this Act in regard to workers benefits.

SEC. 52. Pre-Termination of Contract - The employer may, at his/her own discretion, terminate the services of the worker; provided however, that the said employer provides the worker with at least fifteen (15) day notice of termination, and termination pay equivalent to at least one half (Y2) month's salary. In lieu of the fifteen (15) day notice of termination, the employer may immediately terminate the services of the worker, provided that said employer provides the worker termination pay equivalent to one (1) month's salary.

The employer may, for valid or just cause of loss of confidence, terminate the services of the worker prior to the expiration of the contract without indemnifying the latter with termination pay.

Should the worker decide, on his/her own volition, to unilaterally leave the workplace prior to the expiration of the contract period, said worker shall *forfeit any* separation pay that may be due him/her.

SEC. 53. Extent of Duty - The employer shall not require a worker to perform any task or work outside what is stipulated in the agreement.

SEC. 54. Deployment Expenses - Deployment expenses of the worker, including transportation and agency fees, shall be shouldered by the employer.

TITLE III FINAL PROVISIONS

SEC. 55. Penal Provision - Any person who shall willfully interfere with, restrain or coerce a worker in the exercise of his/her rights or shall in any manner commit any act in violation of any of the provisions of this Act shall, upon conviction, be punished by a fine of not less than Twenty Thousand Pesos (P20,000.00) or imprisonment of one (1) year to six (6) years or both fine and imprisonment at the discretion of the Court.

If the offender is a public official, the Court, in addition to the penalties provided in the preceding paragraph, may impose the additional penalty of disqualification from public office.

In the case of a private institution/company found to be violating any provision of this Act, it shall be subject to a penalty ranging from suspension of license or revocation of such at the discretion of the Court.

SEC. 56. *Implementing Rules and Regulations (IRR)* - The Implementing Rules and Regulations of this Act shall be formulated by IEDA in consultation with organizations of workers in the informal economy within three (3) months after the effectivity of this Act.

SEC. 57. *Separability Clause* - If any provision of this Act is declared unconstitutional or invalid, the provisions not affected shall continue to be in full force and effect.

SEC. 58. *Repealing Clause* - All laws, decrees, orders, rules and regulations or other issuances inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 59. *Effectivity* - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation or the Official Gazette, whichever comes first.

Approved.