



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 1018**

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**Introduced by Rep. Precious Hipolito Castelo**

**EXPLANATORY NOTE**

It is the right of every employee, regular or contractual, in any public agency or private company to receive the salary duly considered as the minimum wage as well as receive the benefits and privileges accorded to him or her by law.

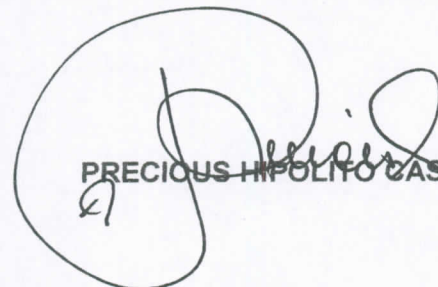
The changing landscape of private companies drifting into the practice of contractualization and any form of flexible labor arrangement has raised grave and serious concerns necessitating effective State action as would ban or avert this practice from becoming the new normal in the employment world. It is as if human labor is cheapened and marketed as a commodity akin to machines thus rendering our country's human capital in a grossly sad state of affairs. This sad practice has already held long sway and as if no government agency was quite in control which should not be the case.

The brakes must now be applied to the whole idea of circumventing a law in order to withhold benefits, privileges, and other emoluments otherwise accruing to bonafide and eligible employees of many private companies involved in this scheme of contractualization which is in principle a form of underemployment. It shall not be within the right of private companies or employers to decide on a 6-month employment or any predetermined period of labor time or work much less to enjoy the discretion to remove non-regulars without valid ground.

There are existing data to show how the country's workforce has been violated in terms of their rights, benefits, and privileges. Furthermore, in the process, the State failed to insure their protection, the security of tenure, and importance of union for purposes of collective bargaining agreements between the management and the concerned workers or employees.

It is high time to ban contractualization and any form of flexible labor arrangement inimical to the workers and employees in private companies. It is the intent of the bill to veer toward the regularization of employees with the end in view of making this practice the true 'new normal' in the labor industry across all levels of private enterprise, business, and activity.

The urgent passage of this bill is strongly sought.

  
**PRECIOUS HIPOOLITO CASTELO**

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**AN ACT**

**EFFECTIVELY AUTHORIZING THE DEPARTMENT OF LABOR AND EMPLOYMENT TO BAN AND AVERT THE PRACTICE OF PRIVATE COMPANIES OF CONTRACTUALIZATION OF EMPLOYMENT AND ANY FORM OF FLEXIBILIZATION OF LABOR THEREBY ASSISTING SAID COMPANIES TOWARD A SHIFT TO REGULARIZATION OF EMPLOYMENT AND SECURITY OF TENURE FOR CONTRACTUAL WORKERS, LABORERS, AND EMPLOYEES**

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

SECTION 1. This Act shall be known as the 'Contractual Workers Welfare Act.'

SEC. 2. As a matter of declared policy, the State shall afford full protection to labor and promote full employment opportunities for all. Further, it shall guarantee the rights of all workers to self-organization, collective bargaining and negotiation, and peaceful concerted activities including the right to strike in accordance with law. Not least, they shall be entitled to security of tenure, humane conditions of work and a living wage and shall participate in decision-making processes affecting their rights and benefits as maybe provided by law.

SEC. 3. The Department of Labor and Employment under this Act shall be effectively authorized to ban and avert the practice of private companies of contractualization of employment and any other form of flexibilization of labor toward a shift to regularization of employment and security of tenure for contractual workers, laborers, and employees.

SEC. 4. Any violation of this Act shall authorize the Department of Labor and Employment to impose fines, penalties, and sanctions as it may best determine striking a balance between the welfare and rights of marginalized contractual workers and employees and the financial viability of concerned private companies or employers.

SEC. 5. This Act shall take effect thirty (30) days upon its approval and publication in the Official Gazette and in at least three (3) newspapers of general circulation.

*Approved,*