

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City
Twentieth Congress
First Regular Session
House Bill No. 6572**



**Introduced by Honorable Representatives
JOSE MANUEL TADEO "CHEL" I. DIOKNO (Akbayan Partylist)
PERCIVAL V. CENDAÑA (Akbayan Partylist)
DADAH KIRAM ISMULA (Akbayan Partylist)
KAKA BAG-AO (Dinagat Islands)**

**AN ACT
REGULATING WORK MEDIATED, ORGANIZED, OR ALLOCATED
THROUGH ONLINE PLATFORMS FOR THE PROTECTION OF
FILIPINO WORKERS IN THE GIG ECONOMY, APPROPRIATING
FUNDS THEREFOR, PROVIDING PENALTIES FOR VIOLATION
THEREOF, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The global gig economy has changed the way people work. It is built on online platforms that connect workers with clients for various tasks. These platforms use algorithms and digital systems to remotely manage, monitor, and evaluate workers. Generally, there are two kinds of platforms: (1) web-based platforms for virtual assistance, content creation, and software development; and (2) location-based platforms for ride-hailing and delivery services.¹

In the Philippines, many turned to gig work during the COVID-19 pandemic as a primary means of survival and income. When businesses

¹ Ashley Yap & Jeremy Heng, Digital platform work and employment, International Labour Organization (2023), <https://www.google.com/url?q=https://www.ilo.org/media/251866/download%23:~:text=3D41&sa=D&source=docs&ust=1759494762911852&usq=AOvVaw2EwaQ7jbISm4ns40ymBQjr>

closed and traditional jobs disappeared, online platforms became an opportunity for thousands to work as delivery riders, virtual assistants, graphic designers, and content creators. In 2020, ride-hailing services earned about US\$ 625 million, while food delivery platforms made around US\$ 1.2 billion.²

Despite this growth, Filipino online workers face several challenges. Many are treated as independent contractors instead of employees.³ Their status means they lack basic safety nets.⁴ As a result, they do not receive benefits such as health insurance, social security, or paid leave. Their jobs remain unstable, leaving them vulnerable to financial shocks and uncertainty. Moreover, the 12% VAT on digital services increased costs for essential tools like Adobe Creative Cloud, Notion, Canva Pro, and Zoom.⁵ Skill obsolescence adds pressure, especially for low-level skills easily displaced by automation and artificial intelligence (AI). Online platform workers must constantly re-skill or up-skill but many lack resources to adapt, worsening cash flow problems and competitiveness.⁶ Clearly, there is an urgent need for the State to intervene to protect the dignity and promote the welfare of online platform workers.

In addressing these issues, the Constitution provides guidance. Article II, Section 8 of the Constitution states: “The State affirms labor as a

² Fairwork, *Fairwork Philippines Ratings 2022: Towards Fair Labor Conditions in the Philippine Platform Economy* (Oxford, U.K.; Berlin, Ger.; Manila, Phil., 2022), <https://fair.work/wp-content/uploads/sites/17/2022/08/Fairwork-Philippines-Ratings-2022-EN-accessible-1.pdf>

³ Jayvy R. Gamboa, *A Review of Policy Options and Scenarios on Philippine Platform Work: Policy Brief* (Fairwork Philippines, Apr. 11, 2024), https://fair.work/wp-content/uploads/sites/17/2024/04/Fairwork-Philippine-Policy-Brief_2024-04-11.pdf

⁴ Philippine Institute for Development Studies, *Expert Highlights Lack of Policy as a Key Issue in the Gig Economy* (Nov. 11, 2024), <https://www.pids.gov.ph/details/news/press-releases/expert-highlights-legal-classification-of-gig-workers-as-a-key-issue>

⁵ UNA Tax & Accounting Services, *BIR 12% VAT on Digital Services in the Philippines: Updated Tax Compliance Guide 2025* (May 28, 2025), <https://una-acctg.com/bir-12-vat-digital-services-philippines/>

⁶ Zulum Avila, *Exploring the gig economy: Challenges and opportunities. A self-guided resource* (International Labour Organization (2025), https://www.ilo.org/sites/default/files/2025-06/ILO%20-%20Mini%20Guide_%28Digital%29_13jun.pdf

primary social economic force. It shall protect the rights of workers and promote their welfare.”⁷ In addition, the State is mandated to “guarantee the rights of *all* workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law..”⁸ Ultimately, technological innovation must serve human dignity.

Hence, this *Protektadong Online Workers, Employees, Riders, at Raketera* (POWERR) Bill which provides a comprehensive approach in addressing the needs and challenges of online platform workers. Specifically, this bill seeks to: (1) safeguard the rights and welfare of online platform workers regardless of their employment status or classification; (2) mandate transparency in the use of algorithm management systems; (3) increase the competitiveness of Filipino workers on web-based platforms by directing the Technical Education and Skills Development Authority (TESDA) to provide access to and subsidy for tech stacks; (4) protect online platform workers from misclassification or automatic classification as independent contractors; and (5) provide penalties for violations of online platform workers’ rights.

⁷ Article II, Section 8 of the 1987 Constitution.

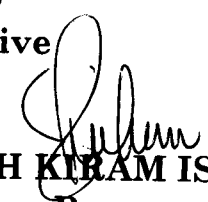
⁸ Article XIII, Section 3 of the 1987 Constitution.



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

CHAPTER I

GENERAL PROVISIONS

SECTION 1. Short Title. – This Act is called the “Protektadong
Online Workers, Employees, Riders, at Raktera (“POWER”) Act.”

Sec. 2. Declaration of Policy. – It is the policy of the State that:

- a. Technological innovation in the digital age must serve human dignity;
- b. Online platform workers must be guaranteed their basic workers’ rights under the Constitution, including their rights to self-

1 organization, humane conditions of work, and a living wage,
2 regardless of the form or label of their engagement; and

- 3 c. The government must provide opportunities for Filipino workers
4 on web-based platforms to improve their skills and competitiveness
5 in the global gig economy for crowdwork.

6 **Sec. 3. Coverage.** – This Act covers all online platform providers,
7 whether based in the Philippines or abroad. It applies to those that hire or
8 deploy Filipino online platform workers, or offer services that allow their
9 hiring within the country. It covers Filipino online platform workers on web-
10 based platforms or location-based platforms, regardless of employment
11 status, classification, or place of work. The rights, benefits, and privileges
12 established under this Act and other laws of the Republic of the Philippines
13 are guaranteed to all Filipino online platform workers, regardless of the
14 stipulations of any contract or document, including any agreement that a
15 foreign law will govern their relationship with the online platform provider.

16 **Sec. 4. Definition of Terms.** – As used in this Act:

- 17 a. **Algorithmic management system** – refers to technological tools
18 and techniques used to remotely manage workers, relying on data
19 collection and surveillance. It enables automated or semi-
20 automated management, monitoring, supervision, evaluation, or
21 decision-making.
- 22 b. **Innovation voucher** – refers to a financial mechanism, akin to a
23 credit or grant, provided to individual online platform workers to
24 procure specific tech stacks, designed to encourage technology
25 adoption and innovation.
- 26 c. **Location-based platform** – refers to an online platform that
27 mediates, organizes, or allocates work to individuals in a specific

1 geographical area, typically to perform local, service-oriented
2 tasks.

3 d. **Online platform** – refers to a digital service that mediates,
4 organizes, or allocates services between three or four distinct
5 parties. If three (3) parties are involved, these are the online
6 platform provider, the online platform worker, and the client or
7 customer. If four (4) parties are involved, these are the online
8 platform provider, the online platform worker, the partner
9 merchant or establishment, and the client or customer.

10 e. **Online platform provider** – refers to any natural or juridical
11 person that owns, manages, or operates an online platform.

12 f. **Online platform worker** – refers to a worker within the
13 Philippines performing work mediated, organized, or allocated
14 through an online platform, regardless of employment status or
15 classification.

16 g. **Web-based platform** – refers to an online platform that
17 mediates, organizes, or allocates work through an open call to a
18 geographically dispersed crowd, a system called “crowdwork.”

19 h. **Tech stacks** – refer to a collection of digital tools, software
20 applications, and platforms enabling online platform workers to
21 perform tasks, boost productivity, and adapt technologically. It
22 includes proprietary software licenses, access to premium features
23 on relevant digital platforms, and specialized digital learning
24 resources.

25 i. **Trainee** – refers to any individual enrolled in or having recently
26 completed a technical-vocational education and training program

1 accredited by the Technical Education and Skills Development
2 Authority (TESDA).

3 ***Sec. 5. Classification of Online Platform Workers.*** – An online
4 platform worker who receives payment from an online platform provider for
5 work or services rendered or to be rendered, regardless of the manner,
6 method, means, conditions, or circumstances of payment or any deductions
7 thereon, is deemed a regular employee of the online platform. This rule shall
8 apply regardless of the stipulations of any contract or document or any term
9 used to label the online platform worker.

10 ***Sec. 6. Opt-out Clause.*** – An online platform worker intending to
11 become an independent contractor may submit a written application for
12 independent contractorship with the Department of Labor and Employment
13 (DOLE). The worker must undergo a seminar conducted by the DOLE on
14 the advantages of being considered a regular employee. Thirty (30) days
15 after the seminar, the worker may submit a written confirmation under
16 oath of their choice to become an independent contractor. The DOLE may
17 only approve the application for independent contractorship after
18 determining that the worker freely, voluntarily, and intelligently made
19 their choice to become an independent contractor and that *prima facie*
20 evidence shows that the online platform provider has no power of control
21 over the online platform worker.

22 CHAPTER II

23 RIGHTS AND STANDARDS

24 ***Sec. 7. Minimum Regulatory Standards for Online Platform***
25 ***Workers.*** – The following minimum regulatory standards must be observed:

- 26 a. *Written Agreement.* – Each agreement between an online
27 platform worker and an online platform provider must be in

1 writing and must indicate the consent of both parties thereto.
2 The written agreement shall describe the work, rate and
3 method of pay, place of work, and the name and address of the
4 online platform provider. For a foreign online platform provider,
5 the name and address of its local representative must be
6 included. The executed agreement must be accessible and
7 understandable to the online platform worker. Any waiver of
8 rights under this Act is invalid.

9 b. *Transparency in the Use of Algorithmic Management System.* –
10 Online platform providers must inform online platform workers
11 in writing about algorithmic management systems and any
12 automated systems that may affect their working conditions.
13 The notice must include what actions are monitored or
14 evaluated and the factors behind automated decisions. Online
15 platform providers must retain data from such systems for at
16 least five (5) years.

17 c. *Occupational Safety and Health Standards.* – Online platform
18 providers must ensure that services performed through their
19 online platforms are safe and do not harm the health of online
20 platform workers. They must provide online platform workers,
21 free of charge, personal protective equipment such as helmets
22 or hard hats, safety belts or harnesses, gas or dust respirators
23 or masks, and protective shields whenever necessary by reason
24 of the hazardous work process or environment, chemical,
25 radiological, mechanical, and other irritants or hazards capable
26 of causing injury or impairment in the function of any part of
27 the body through absorption, inhalation, or physical contact.
28 Online platform providers are responsible in the concept of an

1 employer for any injury sustained by online platform workers
2 while performing such services.

3 ***Sec. 8. Right to Due Process.*** – Regardless of their employment
4 status or classification, online platform workers have the right:

- 5 a. To be informed of any decision or action affecting their continued
6 engagement or working conditions;
- 7 b. To have the opportunity to clarify the facts, circumstances, and
8 reasons for such decisions with a human contact person;
- 9 c. To be provided with a written statement of the basis for any
10 decision to restrict, suspend, or terminate the worker's
11 engagement, refuse compensation for services or work performed,
12 or affect the worker's contractual status;
- 13 d. To be terminated only for a valid cause in accordance with law;
14 and
- 15 e. To be paid the remaining amount of the full compensation as
16 defined in their written agreement, plus 10% of the rate of
17 compensation by way of indemnity, in case there is termination
18 without valid cause.

19 ***Sec. 9. Right to Organize.*** – Regardless of their employment status
20 or classification, online platform workers have the right:

- 21 a. To form, join, or assist a workers' organization;
- 22 b. To bargain collectively and negotiate with online platform
23 providers;
- 24 c. To engage in peaceful concerted activities;
- 25 d. To form, join, or affiliate with local, national, or international
26 workers' organizations; and

- 1 e. To be protected from any adverse action or discrimination by
2 online platform providers for exercising their freedom of
3 association and right to self-organize.

4 ***Sec. 10. Right against Discrimination.*** – Online platform workers
5 must be treated fairly in hiring, pay, and benefits. They must be provided
6 with immediate protection against adverse treatment or discrimination
7 from online platform providers. Discrimination based on religion, race,
8 color, marital status, age, disability, sexual orientation, gender identity,
9 gender expression, or sex characteristics is prohibited.

10 ***Sec. 11. Right to Just Compensation and Benefits.*** – Regardless of
11 their employment status or classification, online platform workers have the
12 right:

- 13 a. To receive at least the highest minimum wage provided under
14 Philippine law, computed on an hourly or per-task basis, including
15 night shift differential, overtime pay, holiday pay, and premium
16 pay;
- 17 b. To receive the full agreed contract price once performance of the
18 service has started;
- 19 c. To have deductions limited to taxes, social protection contributions,
20 or those mutually and specifically agreed upon by the parties in
21 writing; and
- 22 d. To mandatory social protection programs under the Philippine
23 Health Insurance Corporation (“PhilHealth”), Social Security
24 System (“SSS”), and Home Development Mutual Fund (“Pag-
25 IBIG”). Online platform workers are entitled to maternity benefits
26 as determined by the SSS.

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CHAPTER III

SKILLS DEVELOPMENT AND DIGITAL EMPOWERMENT

Sec. 12. Mandate to Provide Tech Stacks. –TESDA is hereby mandated to identify, procure, and provide access to essential tech stacks for its trainees pursuing careers related to web-based platform work or crowdwork.

Sec. 13. Tech Stack Subsidy Framework. – A tiered, temporary, and decreasing tech stack subsidy framework shall be established to support workers on web-based platforms. The subsidy will only cover a defined period when new technology emerges or new types of gigs become available. The subsidy will decrease over time as the workers gain sustainable income and are able to invest in their own tools. TESDA is authorized to implement an innovation voucher or similar credit-based system as a mechanism for subsidy delivery.

Sec. 14. Innovation Sharing Platform. – A dedicated digital service will be established and maintained within TESDA. The purpose thereof is to facilitate the sharing of innovations, best practices, and successful gig business models.

CHAPTER IV

FINAL PROVISIONS

Sec. 15. Penalties. – Any online platform provider that misclassifies an online platform worker as an independent contractor or non-regular employee shall be punished by a fine of not less than One Hundred Thousand Pesos (₱100,000.00) but not more than Five Hundred Thousand Pesos (₱500,000.00) or imprisonment of one (1) year and one (1) day to six (6) years, or both. For this purpose, the criminal action may be instituted at

1 any time independently of any labor or other case that may be filed by the
2 online platform worker.

3 Any other violation of this Act shall be punished by a fine of not less
4 than Fifty Thousand Pesos (P50,000.00) but not more than Five Hundred
5 Thousand Pesos (P500,000.00) or imprisonment of one (1) year and one (1)
6 day to three (3) years, or both.

7 If the offender is a juridical person or entity, the officers, directors,
8 partners, or representatives thereof who failed to act against the
9 misclassification or other violation will be held liable.

10 ***Sec. 16. Appropriations.*** – This Act will be implemented initially
11 within the framework of the budget of the DOLE and the TESDA for the
12 year it is enacted into law. Thereafter, the amounts as may be necessary for
13 the implementation of this Act will be included in the budget of DOLE and
14 TESDA in the annual General Appropriations Act. DOLE and TESDA are
15 authorized to seek and accept grants, donations, and other forms of
16 assistance from local and international sources, subject to existing laws and
17 regulations.

18 ***Sec. 17. Construction in Favor of Online Platform Workers.*** –
19 All doubts in the interpretation or implementation of this Act, including its
20 implementing rules and regulations, as well as in agreements between
21 online platform workers and online platform providers, must be resolved in
22 favor of online platform workers.

23 ***Sec. 18. Application of the Labor Code.*** – The provisions of the
24 Labor Code, particularly on general labor standards and occupational safety
25 and health standards, applies to work arrangements under this Act.

26 ***Sec. 19. Implementing Rules and Regulations.*** – Within sixty (60)
27 days from the effectivity of this Act, TESDA, in consultation with relevant

1 government agencies, and representatives of gig platforms, tech providers,
2 and freelancer associations, must promulgate the necessary rules and
3 regulations for the effective implementation of this Act.

4 ***Sec. 20. Separability Clause.*** – If any provision of this Act or the
5 application thereof to any person or circumstance is declared invalid or
6 unconstitutional, other provisions of this Act not affected thereby shall
7 continue to be in full force and effect.

8 ***Sec. 21. Repealing Clause.*** – All laws, presidential decrees or
9 issuances, executive orders, letters of instruction, administrative orders,
10 rules, or regulations contrary to or inconsistent with the provisions of this
11 Act are hereby repealed, modified, or amended accordingly.

12 ***Sec. 22. Effectivity.*** – This Act takes effect fifteen (15) days after its
13 publication in the Official Gazette or in a newspaper of general circulation.

14 *Approved,*