



Committee Daily Bulletin

18th Congress
Third Regular Session

A publication of the Committee Affairs Department

Vol. III No. 8
June 14, 2021

COMMITTEE MEETINGS ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Labor and Employment	HB 7619	Rep. Quimbo	Granting employees in the private sector the right to designate the bank account to which their wages or compensation may be deposited, amending for the purpose PD 442, otherwise known as the Labor Code of the Philippines	<p>The Committee, chaired by Rep. Enrico Pineda (Party-List, 1-PACMAN), approved HB 7619, subject to style and amendment.</p> <p>Rep. Stella Luz Quimbo (2nd District, Marikina City), author of HB 7619, said that her bill seeks to grant employees in the private sector the right to designate the bank of their choice, to which their wages or compensation can be deposited and conveniently withdrawn, in the interest of promoting market competition and employee welfare.</p> <p>Rep. Quimbo noted that at present, it is the employer who solely decides which bank to use for the payroll accounts of the employees. The current setup may entail additional cost for the employees and may prove inconvenient for them to transact with the employer's designated bank. Likewise, it can affect market competition as it favors the chosen bank, which will have a large number of employee-depositors over other banks. Moreover, the employer's chosen bank may not be restrained from raising transaction and other fees since its depositor-employees are locked in.</p> <p>Rep. Zarate expressed support for the passage of the bill.</p> <p>Expressing support for the proposed law were representatives from the Department of Labor and Employment (DOLE) and Associated Labor Unions of the Trade Union Congress of the Philippines (ALU-TUCP).</p> <p>On the other hand, Employers Confederation of the Philippines (ECOP) Corporate Secretary Robert Maronilla expressed reservation on the bill, citing the difficulties in implementing the same. He said that the proposed law will entail additional cost and effort for employers if they will have to open and deal with several banks for their employees' payroll accounts. Maronilla stressed that the bill will have a negative impact not only on micro and small enterprises, but more so on medium and large enterprises, who are also affected by the pandemic.</p> <p>Rep. Quimbo commented that the employers may probably end up with only three to five choices of payroll depository banks, and</p>

Continuation... Labor and Employment				<p>everything can now be done online. Thus, she said it is just a matter of setting up an efficient system.</p> <p>Upon the suggestion of Rep. Pineda, it was agreed that the employers will be allowed to offer a list of at least five payroll depository banks for the employees to choose from. If the employee's bank of choice is not included in the list, or if the employee refuses to choose, the employee's wages or compensation will be paid either in cash or company check.</p> <p>Meanwhile, People Management Association of the Philippines (PMAP) Treasurer Mark Enrick Hernandez said that he still needs to bring up the matter to the PMAP's Board of Trustees for discussion.</p>
	HR 1792	Speaker Velasco	Commending the transparency, accountability, and good governance exemplified by the Department of Labor and Employment (DOLE) on the 2019 Commission on Audit (COA) unqualified audit opinion and the international citations garnered by the Tulong Panghanapbuhay sa Ating Displaced/Disadvantaged Workers Program #Barangay Ko, Bahay Ko (TUPAD #BKBK) Program	The Committee adopted HR 1792.
	HB 6253	Rep. Delos Santos	Granting mental health wellness leave to all employees in the private sector	<p>The Committee agreed to refer HB 6253 to the Subcommittee on Labor Standards for further deliberation.</p> <p>Rep. Pineda mentioned that RA 11036, otherwise known as the Mental Health Act, mandates the Department of Health (DOH) and the local government units (LGUs) to conduct and sustain a nationwide multi-media campaign to raise the level of public awareness on the protection and promotion of mental health. The information campaign should include mental health nutrition, stress handling, and guidance and counseling, among others. Additionally, Rep. Pineda said that RA 11036 encourages employers and employees to develop appropriate policies on mental health in the workplace.</p> <p>Rep. Alfred delos Santos (Party-List, ANG PROBINSYANO), author of HB 6253, said that the bill aims to provide employees in the private sector a five-day leave per year, which they can use to consult a mental health professional, receive therapy from a mental health practitioner, or even just to take a break from the stressors of daily life.</p> <p>Rep. Delos Santos said that mental health is a concern that should be addressed especially during this time of pandemic. He said that as early as 2018, the DOH already reported that the number of individuals in the country with major depressive disorder is already at 17 million, while the incidence of suicide increased in both males and females. To</p>

<p>Continuation... Labor and Employment</p>				<p>address this urgent and growing concern, the passage of the proposed law is earnestly sought, he said.</p> <p>Expressing support for the bill were representatives from the DOH, DOLE Occupational Safety and Health Center (DOLE-OSHC), Psychological Association of the Philippines (PAP), Philippine Guidance and Counseling Association (PGCA), and TUCP.</p> <p>The ECOP and PMAP stated that the proposed five-day paid mental health wellness leave, which is in the nature of a holiday, will affect the productivity of businesses as well as the cost of doing business.</p> <p>Maronilla said while ECOP recognizes the noble intention of the bill, it supports Presidential Proclamation 1107, which states that for the country to recover from the adverse economic impact of the COVID-19 pandemic, there is a need to encourage economic productivity by, among others, minimizing work disruptions and declaration of special holidays.</p> <p>PGCA Vice President Francis Ray Subong suggested that the leave benefit under the measure be also extended to employees in the public sector.</p> <p>DOLE Undersecretary Ana Dione suggested the inclusion in the measure of certain conditions for the entitlement to or availment of the proposed mental health wellness leave to avoid conflicting interpretations on who qualifies for such leave.</p> <p>Rep. Alfredo Garbin Jr. (Party-List, AKO BICOL) expressed support for the bill, but sought clarification whether the five-day mental health wellness leave is mandatory, and over and above the existing service incentive leaves. He also suggested the definition in the bill of "mental health wellness."</p> <p>Rep. Pineda said that the leave is mandatory based on the wording of Section 3 (Mental Health Wellness Leave) of the bill.</p> <p>Section 3 provides that "notwithstanding any laws, rules, and regulations to the contrary, all employees of the private sector are entitled to mental health wellness leaves" of five days with full pay per annum; provided that, if unused, said leaves cannot be carried over to the next year nor can they be monetized at the end of the year.</p> <p>Rep. Garbin suggested that, to be fair to the employers, the proposed leave should not be made mandatory and must be made available only to employees with mental health issues.</p>
---	--	--	--	---

Continuation... Labor and Employment				<p>He also suggested that the bill must set the criteria for the entitlement of such leave and must require the submission of a medical certificate for the purpose.</p> <p>Rep. Leonardo Babasa Jr. (2nd District, Zamboanga del Sur) concurred with the observation of Rep. Garbin. He, likewise, recommended that the government sector be included in the coverage of the bill.</p>
Public Accounts	HR 1670	Rep. Singson	<p>Investigation into the audit findings of the Commission on Audit (COA) on the Department of Education (DepEd), regarding various errors in its learning materials and modules, for purposes of instituting reforms, reviewing policies, and assessing DepEd's efficiency</p>	<p>The Committee, chaired by Rep. Jose "Bonito" Singson Jr. (Party-List, PROBINSYANO AKO), will deliberate further on the issues raised in HR 1670 in its next meeting.</p> <p>At the outset, Rep. Singson, who is also the author of HR 1670, said that the purpose of the hearing is to formulate laws aimed at improving the delivery of educational services and to find ways on how to assist the DepEd in effectively implementing its existing programs. He added that his filing of HR 1670 was prompted by the 2018 COA audit report which noted the various errors in some of the learning materials intended for elementary students despite these materials going through the review process of the DepEd. Rep. Singson asked what the DepEd has done so far to correct the errors.</p> <p>DepEd Undersecretary for Legislative Affairs, External Partnerships and Project Management Service Tonisito Umali said that DepEd already conducted an investigation on the matter. He further explained that while there were errors in spelling found in the textbooks, it is the Department's view that many of the words and phrases referred to by the COA audit team to be notably erroneous are matters of editorial preference.</p> <p>Umali cited as an example the use of the word "water" to describe the liquid inside a thermometer, instead of specifically writing "mercury." He said that DepEd does not intend to teach the students what liquid is exactly found inside the thermometer, but to just let them know that there is liquid inside the thermometer.</p> <p>The response of Umali did not sit well with Rep. Sergio Dagooc (Party-List, APEC). Rep. Dagooc asserted that the learners should be given the correct information and should understand what they are reading without the need for further explanation.</p> <p>Likewise, Rep. Lawrence "Law" Fortun (1st District, Agusan del Norte) said that although he recognizes editorial preference in coming up with learning materials, the focus should be on making the information accurate and easily comprehensible by the readers to avoid any confusion.</p>

Continuation...
Public Accounts

DepEd Undersecretary for Curriculum and Instruction Diosdado San Antonio informed the Committee that DepEd created an Error Watch tasked to monitor, gather reports, and validate reports on alleged errors in the learning materials.

San Antonio said that from October 2020 to June 2021, the Error Watch gathered a total of 163 reported errors and out of this number, 155 were confirmed errors. San Antonio explained that DepEd prepared notes to serve as the teachers' reference in explaining and rectifying the errors. The notes were uploaded to the Learning Resource (LR) Portal of DepEd. However, DepEd was not able to complete the preparation of the notes due to the pandemic since it gave priority to the monitoring and development of self-learning modules that will be used for online learning.

According to San Antonio, 104 of the reported errors were contained in locally-developed materials which were then referred to concerned division offices for the issuance of errata. He also said that more than 20 of the reported errors came from unknown sources, which DepEd could not validate because they could no longer locate the specific materials where those errors appeared or who made those materials.

In reply to the query of Party-List Reps. Sharon Garin (AAMBIS-OWA) and Ron Salo (KABAYAN), San Antonio explained that the errors from unknown sources could no longer be validated by DepEd. He said that such errors are usually reported in social media.

Rep. Salo inquired on the mechanism in place to ensure that errors in the learning materials will be avoided in the future.

San Antonio explained that a group of learning resource evaluators from the central, regional, and division offices of DepEd continuously coordinate among themselves to ensure that learning resources are compliant with standards. The DepEd has also tapped academic reviewers from the Philippine Normal University as third-party evaluators to have a final look at the learning materials prior to their release to the learners. With regard to private schools, San Antonio said that the vetting process is just the same, however, there are no third-party evaluators.

Meanwhile, educator Antonio Calipjo-Go, who reported the numerous errors in the learning materials used in public schools, brought to the attention of the Committee a module used by Grade 10 students in Pampanga that defined the Philippine mythical creature "aswang" using a "vulgar word."

San Antonio said that DepEd already recalled the module last February and issued an errata on the particular concern.

Continuation... Public Accounts				<p>Umali assured that a corresponding disciplinary action will be imposed on the person who used the offensive language.</p> <p>Meanwhile, Deputy Speaker Rodante Marcoleta (Party-List, SAGIP) questioned DepEd for its continuous production of books and self-learning modules, which he claims violates or circumvents Sections 10 and 11 of RA 8047 or the Book Publishing Industry Development Act. He said these sections of the law mandate DepEd to phase out its function of producing books and learning materials and to let private sector publishers do the job. The Deputy Speaker averred that the errors in the learning materials could have been avoided if DepEd relinquished early on the publication of such materials to the private sector.</p> <p>DepEd Undersecretaries Umali and San Antonio informed the Committee that Education Secretary Leonor Magtolis-Briones has already created a technical working group to harmonize the policies of DepEd with existing laws.</p> <p>Deputy Speaker Divina Grace Yu (1st District, Zamboanga del Sur) said that DepEd should decentralize the publishing of learning materials to ensure faster delivery of learning materials to the students and provide economic opportunities to the publishers in the provinces. San Antonio said that the DepEd will look into this suggestion.</p>
------------------------------------	--	--	--	---

AGENCY BRIEFING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Mindanao Affairs	<p>Briefing by concerned government agencies on the following:</p> <ul style="list-style-type: none"> Status of the National Action Plan against COVID-19 	<p>The Committee, chaired by Rep. Mohamad Khalid Dimaporo (1st District, Lanao del Norte), listened to the presentation of concerned government agencies on the status of the National Action Plan against COVID-19, the current COVID-19 situation in Mindanao, and the status of the vaccination program in the region.</p> <p>Rep. Dimaporo explained to the body that the purpose of today's meeting is to give the Committee Members from Mindanao an update on the ongoing mitigating programs and action plans of the government in response to the COVID-19 pandemic, focusing on the Mindanao Region.</p> <p>Office of the Presidential Adviser on the Peace Process Undersecretary Isidro Purisima informed the Committee that the National Action Plan against COVID-19 (NAP-COVID-19) is already on its Phase III of implementation. He said this phase involves managing health risks and learning to live with the virus by complying with minimum health standards. It also involves planning and assessment activities to ensure efficient implementation of the vaccination program. He said the objective is to vaccinate 70 million Filipinos by the end of the year and to achieve vaccine security through a steady supply of the vaccines by 2022-2023, which is Phase IV of NAP-COVID-19.</p>

Continuation... Mindanao Affairs		Camiguin Rep. Xavier Jesus Romualdo asked about the efficacy of the available vaccines in the country against other variants of COVID-19. The DOH said that the existing vaccines are still effective against the other variants especially in preventing severe illness or death.
-------------------------------------	--	--

DISCUSSION ON PROPOSED MEASURES		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Ways and Means	<p>Discussion on the fiscal regime for proprietary schools in relation to the following measures:</p> <ul style="list-style-type: none"> • HBs 9573, 9577 & 9596 – Amending Section 27(B) of RA 8424, as amended, otherwise known as the National Internal Revenue Code of 1997 [by defining the tax rates for proprietary schools in a manner that allows them to avail of the 10% discount preferential rate on taxable income and extends to them the same relief granted to non-profit schools pursuant to RA 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)] – authored by Rep. Francisco ‘Kiko’ Benitez, Deputy Speaker Rufus Rodriguez, and Rep. Joey Sarte Salceda; and • HR 1877 – Urging the Bureau of Internal Revenue (BIR) to revoke Revenue Regulation No. 5-2021 (Implementing the new income tax rates on the regular income of corporations on certain passive incomes, including additional allowable deductions from gross income of persons engaged in business or practice of profession pursuant to RA 11534, which further amended RA 8424) – authored by Rep. Mark Go 	<p>The Committee, chaired by Rep. Joey Sarte Salceda (2nd District, Albay), agreed to come up with a draft substitute bill to the four measures using HB 9596 as the lead measure, and incorporating therein the recommendations made in today’s meeting. The draft substitute bill will be formally presented to the Committee for its consideration and approval on July 28.</p> <p>Rep. Salceda, who is also the author of HB 9596, informed the body that the four bills have not been formally referred yet to the Committee. However, due to the urgency of the measures’ intent to provide relief to private schools amid the ongoing pandemic, he said it is imperative to already obtain the inputs and consensus of the agencies concerned with regard to the proposed measures. According to Rep. Salceda, the goal is to expedite the deliberation and approval of the measures at the Committee level so that the proposed law will be immediately taken up in the plenary upon the resumption of session.</p> <p>All the bills’ authors were present during the meeting and they all recognized the need to amend Section 27 (B) of RA 8424 to clarify the tax rates that should be imposed on proprietary educational institutions.</p> <p>Under Section 27 (B), “proprietary educational institutions and hospitals which are nonprofit shall pay a tax of 10% on their taxable income.” This was the basis for BIR Revenue Regulation (RR) No. 5-2021 which provides that only private schools which are non-profit are entitled or subjected to preferential tax treatment of 10%. With the enactment of the CREATE law, non-profit educational institutions will just pay a tax of 1% from July 1, 2020 to June 30, 2023 as a relief measure due to the pandemic. This means that private schools which are established as a stock for profit corporation will be classified as “domestic corporations in general” under this RR and shall be imposed a tax rate of 25% on their taxable income.</p> <p>Rep. Salceda explained that this increase in the income tax could force private educational institutions, with already a dwindling labor force, to shed another 21,661 jobs. On the other hand, he said applying the same CREATE tax rate to private schools up to 2023 will allow them to save an equivalent of 3.43% of compensation expenses which could help them rehire at least 12,996 teachers at the start of the next school year. He also relayed to the body that the Speaker is supportive of the proposed measures.</p> <p>The author of HB 9573, Rep. Francisco “Kiko” Benitez (3rd District, Negros Occidental), said the increase in income tax for private schools is unacceptable given that many private schools are still reeling from the effects of the pandemic.</p> <p>Likewise, Deputy Speaker Rufus Rodriguez (2nd District, Cagayan de Oro City), author of HB 9577, cited the huge drop</p>

<p>Continuation... Ways and Means</p>		<p>in enrollment which can be attributed to the closing down of some private schools across the country.</p> <p>To address the confusion and ambiguities in the interpretation of RA 8424, the authors recommended that the term "non-profit" in Section 27 (B) should only apply to hospitals and not to proprietary educational schools.</p> <p>The Coordinating Council of Private Educational Associations (COCOPEA) also suggested the amendment of the definition of "proprietary" in Section 27 (B) which will now be stated as:</p> <p>"Proprietary means a private hospital, or any private school established as a stock for profit corporation or as a cooperative, maintained and administered by private individuals or groups with an issued permit to operate from the Department of Education, or the Commission on Higher Education, or the Technical Education and Skills Development Authority."</p> <p>The authors were amenable to the suggestion of COCOPEA. Rep. Salceda also recommended to state in Section 27 (B) that proprietary educational institutions, as defined above, may avail of the preferential rate for their taxable income beginning taxable year 2016 provided that there will be no refund.</p> <p>COCOPEA Managing Director Joseph Noel Estrada suggested that the taxable year should be 2012 since it was during this year that the Supreme Court (SC) finally settled the issue on whether non-profit hospitals should be covered by Section 27 (B). The SC ruled that St. Luke's Medical Center, Inc., a non-profit charitable institution, shall not be totally exempt from income tax since it does not operate exclusively for charitable purposes. However, it shall be entitled to preferential tax rate of 10% as provided for in Section 27 (B) [SC Ruling on BIR vs. St. Luke's Medical Center, Inc. dated September 26, 2012].</p> <p>The authors agreed with the suggestion to change the taxable year to 2012.</p> <p>The BIR and the Department of Finance expressed their support to the recommendations of the Members and the COCOPEA that will amend Section 27 (B) of RA 8424.</p>
---	--	--