

[DOLE DEPARTMENT ORDER NO. 5, February 04, 1992]

**RULE XIV OF THE RULES IMPLEMENTING BOOK III OF THE
LABOR CODE ON EMPLOYMENT OF HOMEWORKERS**

By virtue of the power vested in the Secretary of Labor and Employment under Articles 5, 153 and 154 of the Labor Code of the Philippines, as amended, the following regulations governing the employment of homeworkers are hereby issued and shall constitute Rule XIV, Book Three of the Rules Implementing the Labor Code.

SECTION 1. General statement on Coverage — This Rule shall apply to any person who performs industrial homework for an employer, contractor or subcontractor.

SECTION 2. Definitions — As used in this Rule, the following terms shall have the meanings indicated hereunder:

a. **Industrial Homework** is a system of production under which work for an employer or contractor is carried out by a homeworker at his/her home. Materials may or may not be furnished by the employer or contractor. It differs from regular factory production principally in that, it is a decentralized form of production where there is ordinarily very little supervision or regulation of methods of work.

b. **Industrial Homeworker** means a worker who is engaged in industrial homework.

c. **Home** means any room, house, apartment or other premises used regularly, in whole or in part, as dwelling place, except those situated within the premises or compound of an employer, contractor or subcontractor and the work performed therein is under the active or personal supervision by or for the latter.

d. **Employer** means any natural or artificial person who, for his own account or benefit, or on behalf of any person residing outside the Philippines, directly or indirectly, or through any employee, agent, contractor, subcontractor, or any other person:

- 1) delivers or causes to be delivered any goods, articles or materials to be processed or fabricated in or about a home and thereafter to be returned or to be disposed of or distributed in accordance with his direction; or
- 2) sells any goods, articles or materials for the purpose of having such goods or articles processed in or about a home and then repurchases them himself or through another after such processing.

e. **Contractor or subcontractor** means any person who, for the account or benefit of an employer, delivers or causes to be delivered to a homeworker goods or articles to be processed in or about his home and thereafter to be returned, disposed of or distributed in accordance with the direction of the employer.

f. **Processing** means manufacturing, fabricating, finishing, repairing, altering, packing, wrapping or handling in any way connected with the production or preparation of an article or material.

g. **Cooperative** is an association registered under the Cooperative Code of the Philippines.

h. **Department** means the Department of Labor and Employment.

SECTION 3. Self-Organization — Homeworkers shall have the right to form, join or assist organizations of their own choosing, in accordance with law.

SECTION 4. Registration of Homeworkers' Organization — Any applicant homeworker organization or association shall acquire legal personality, and shall be entitled to the rights and privileges granted by law to legitimate labor organizations upon issuance of the certificate of registration based on the following requirements:

- a. Fifty-five Pesos (P55.00) registration fee;
- b. The names of its officers, their addresses, the principal address of the homeworkers organization, the minutes of the organizational meetings and the list of workers who participated in such meetings;
- c. The names of all its members comprising at least 20 percent of all the workers in the bargaining unit where it seeks to operate, if applicable;
- d. If the applicant has been in existence for one or more years, copies of its annual financial reports; and
- e. Four copies of the constitution and by-laws of the applicant organization, the minutes of its adoption or ratification and the list of members who participated in it.

SECTION 5. Registration of Employer, Contractor and Subcontractor — The Department shall, as soon as possible, conduct consultation meetings with government agencies requiring registration of employers and determine if the data being supplied by the registration forms of such agencies are the same as or similar those needed by the Department in the implementation of this regulations. If the registration forms of other agencies do not provide the data needed by DOLE, it shall inquire into the possibility of adopting a common registration form with other agencies that will provide the data needed by all the agencies concerned.

SECTION 6. Payment for homework — Immediately upon receipt of the finished goods or articles, the employer shall pay the homeworker or the contractor or subcontractor, as the case may be, for the work performed less corresponding homeworkers' share of SSS, MEDICARE and ECC premium contributions which shall be remitted by the contractor/subcontractor or employer to the SSS with the