



BUREAU OF WORKING CONDITIONS
Department of Labor and Employment

WORKERS' STATUTORY MONETARY BENEFITS

2024 HANDBOOK

HANDBOOK ON WORKERS' STATUTORY MONETARY BENEFITS

DEPARTMENT OF LABOR AND EMPLOYMENT
BUREAU OF WORKING CONDITIONS
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The Project Team

Atty. Alvin B. Curada, Atty. Carlo S. Casabar, Jennifer I. Obien,
Pauli Andrenette Grace D. Ong, and other BWC staff

Special Credit:

Nicanor V. Bon and Emila T. de Guzman

Cover Art:

Euniz Johanne G. Bingil

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Department of Labor and Employment
3rd Floor, DOLE Building, Muralla cor. Gen. Luna Streets, Intramuros, Manila
Tel. No. (02) 8527-3000 locals 306 or 308; Telefax No. (02) 8527-3478;
email: ask@bwc.dole.gov.ph; website: bwc.dole.gov.ph

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Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Intramuros, Manila



MESSAGE FROM THE SECRETARY

The Department of Labor and Employment proudly presents the 2024 Edition of the Handbook on Workers' Statutory Benefits, featuring the latest updates and significant developments in labor standards, rules, and regulations.

Building upon the foundation laid by the 2023 edition, our 2024 update reaffirms our commitment to providing current information and guidance on workers' wages and related benefits. This edition features direct links to recent wage orders which reflect the increased daily minimum wage for private sector workers and the updated monthly minimum wage of domestic helpers or "Kasambahay." Additionally, this integrates important updates from DOLE Department Order 242, Series of 2024, which revises the Rules and Regulations of Article 96 of the Labor Code of the Philippines, as amended by Republic Act No. 11360 expanding coverage and distribution of service charges. The handbook also provides a summary of statutory benefits and addresses frequently asked questions offering clarity on eligibility, duration, and computation. Furthermore, it includes updated contact details of the DOLE- Regional Offices for easy reference of the public inquiries.



As we transition from the 2023 edition, we assure the public that DOLE remains committed to promoting gainful employment opportunities, developing human resources, protecting workers, promoting their welfare, and maintaining industrial peace.

We hope this updated handbook serves not only as a handy guide but also a testament to our dedication to the Filipino workforce. We believe that an informed workforce is an empowered workforce – capable of making decisions that enhance professional and personal lives.

Samahan ninyo ang DOLE sa aming paglalakbay at tulungan ninyo kami sa aming layunin at hakbangin tungo sa katuparan ng pangarap at mithiin ng ating Pangulong Ferdinand R. Marcos, Jr. na isang Bagong Pilipinas kung saan may matatag, maginhawa at panatag na buhay ang bawat pamilyang Pilipino.

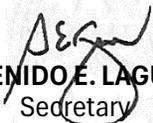

BIENVENIDO E. LAGUESMA
Secretary

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COMPLIANCE GUIDE

Applicable Labor Standards	Retail & Service Establishments		Non-Agriculture & Agriculture	Ref. (Page no.)
	Employing 1 to 5 workers	Employing 1 to 9 workers		
Minimum Wage	✓	✓	✓	5
Holiday Pay	N/A	N/A	✓	16
Premium Pay	✓	✓	✓	20
Overtime Pay	✓	✓	✓	23
Night Shift Differential	N/A	✓	✓	25
Service Charges	✓	✓	✓	27
Service Incentive Leave	N/A	N/A	✓	28
Maternity Leave	✓	✓	✓	30
Paternity Leave	✓	✓	✓	32
Parental Leave	✓	✓	✓	34
Leave for VAWC	✓	✓	✓	37
Special Leave for Women	✓	✓	✓	38
13 th -Month Pay	✓	✓	✓	40
Separation Pay	✓	✓	✓	45
Retirement Pay	N/A	N/A*	✓	48
ECC Benefits	✓	✓	✓	52
PhilHealth Benefits	✓	✓	✓	56
SSS Benefits	✓	✓	✓	58
Pag-IBIG Benefits	✓	✓	✓	60

**Not applicable to retail, service and agricultural establishments/operations regularly employing not more than ten (10) employees.*

A. Guide Computations for Holiday Pay, Premium Pay, Overtime Pay, and Night Shift Differential

<u>Work on:</u>	<u>Equivalent pay:</u>
Ordinary day	1 or 100%
Sunday or rest day	1.3 or 130%
Special (non-working) day	1.3 or 130%
Special (non-working) day falling on rest day	1.5 or 150%
Double special (non-working) day	1.5 or 150%
Double special (non-working) day falling on rest day	1.95 or 195%
Regular holiday	2 or 200%
Regular holiday falling on rest day	2.6 or 260%
Double regular holiday	3 or 300%
Double regular holiday falling on rest day	3.9 or 390%
Ordinary day, night shift	$1 \times 1.1 = 1.1$ or 110%
Rest day, night shift	$1.3 \times 1.1 = 1.43$ or 143%
Special (non-working) day, night shift	$1.3 \times 1.1 = 1.43$ or 143%
Special (non-working) day, rest day, night shift	$1.5 \times 1.1 = 1.65$ or 165%
Double special (non-working) day, night shift	$1.5 \times 1.1 = 1.65$ or 165%
Double special (non-working) day, rest day, night shift	$1.95 \times 1.1 = 2.145$ or 214.5%
Regular holiday, night shift	$2 \times 1.1 = 2.2$ or 220%
Regular holiday, rest day, night shift	$2.6 \times 1.1 = 2.86$ or 286%
Double holiday, night shift	$3 \times 1.1 = 3.3$ or 330%
Double holiday, rest day, night shift	$3.9 \times 1.1 = 4.29$ or 429%
Ordinary day, overtime (OT)	$1 \times 1.25 = 1.25$ or 125%
Rest day, OT	$1.3 \times 1.3 = 1.69$ or 169%
Special (non-working), OT	$1.3 \times 1.3 = 1.69$ or 169%
Special (non-working) day, rest day, OT	$1.5 \times 1.3 = 1.95$ or 195%
Double special (non-working) day, OT	$1.5 \times 1.3 = 1.95$ or 195%
Double special (non-working) day, rest day, OT	$1.95 \times 1.3 = 2.535$ or 253.5%
Regular holiday, OT	$2 \times 1.3 = 2.6$ or 260%
Regular holiday, rest day, OT	$2.6 \times 1.3 = 3.38$ or 338%
Double holiday, OT	$3 \times 1.3 = 3.9$ or 390%
Double holiday, rest day, OT	$3.9 \times 1.3 = 5.07$ or 507%
Ordinary day, night shift, OT	$1 \times 1.1 \times 1.25 = 1.375$ or 137.5%
Rest day, night shift, OT	$1.3 \times 1.1 \times 1.3 = 1.859$ or 185.9%
Special (non-working) day, night shift, OT	$1.3 \times 1.1 \times 1.3 = 1.859$ or 185.9%

Special (non-working) day, rest day, night shift, OT	$1.5 \times 1.1 \times 1.3 = 2.145$ or 214.5%
Double special (non-working) day, night shift, OT	$1.5 \times 1.1 \times 1.3 = 2.145$ or 214.5%
Double special (non-working) day, rest day, night shift, OT	$1.95 \times 1.1 \times 1.3 = 2.7885$ or 278.85%
Regular holiday, night shift, OT	$2 \times 1.1 \times 1.3 = 2.86$ or 286%
Reg. holiday, rest day, night shift, OT	$2.6 \times 1.1 \times 1.3 = 3.718$ or 371.8%
Double holiday, night shift, OT	$3 \times 1.1 \times 1.3 = 4.29$ or 429%
Double holiday, rest day, night shift, OT	$3.9 \times 1.1 \times 1.3 = 5.577$ or 557.7%

B. Summary of Statutory Leave Benefits

Type of Leave Benefit	Conditions of Entitlement	Duration of Paid Leave
1. Service Incentive Leave	<ul style="list-style-type: none"> The employee has rendered at least one year of service. 	five days
2. Maternity Leave	<ul style="list-style-type: none"> The female employee has at least three monthly contributions to the SSS in the 12-month period immediately preceding the semester of childbirth, miscarriage, or emergency termination of pregnancy; and The female employee has notified her employer about her pregnancy and the probable date of her childbirth. 	<p>If live childbirth: 105 days; an additional 15 days or a total of 120 days if the female employee is a qualified solo parent</p> <p>If miscarriage or emergency termination of pregnancy: 60 days</p>
3. Paternity Leave	<ul style="list-style-type: none"> The married male is an employee at the time of the delivery of his child; The married male employee is cohabiting with his spouse at the time that the latter gives birth or suffers a miscarriage; The married male employee has applied for paternity leave with his employer within a reasonable period of time from the expected date of delivery by his pregnant spouse, or within such period as may be provided by company rules and regulations or by collective bargaining agreement, provided that prior application for leave shall 	seven days

Type of Leave Benefit	Conditions of Entitlement	Duration of Paid Leave
	not be required in case of miscarriage; and <ul style="list-style-type: none"> • The wife of the married male employee has given birth or suffered a miscarriage. 	
4. Parental Leave	<ul style="list-style-type: none"> • The employee has rendered at least six months of service, whether continuous or broken, at the time of the effectivity of Republic Act No. 11861; • The employee has notified his/her employer of the availment thereof within a reasonable time; and • The employee has presented a valid Solo Parent Identification Card (SPIC). 	seven days
5. Leave for VAWC	<ul style="list-style-type: none"> • The victim-employee presents to her employer a certification from the barangay chairman (<i>punong barangay</i>), barangay councilor (<i>barangay kagawad</i>), prosecutor, or Clerk of Court, as the case may be, that an action related to VAWC is pending. 	ten days
6. Special Leave for Women	<ul style="list-style-type: none"> • The female employee has rendered at least six months continuous aggregate employment service for the last 12 months prior to surgery; • The female employee has filed an application for special leave with her employer within a reasonable period of time from the expected date of surgery or within such period as may be provided by company rules and regulations or collective bargaining agreement; and • The female employee has undergone surgery due to gynecological disorders as certified by a competent physician. 	Up to 60 days

1

MINIMUM WAGE

Republic Act No. 6727 or the “Wage Rationalization Act” mandates the fixing of the minimum wages applicable to different industrial sectors, namely, non-agriculture, agriculture plantation, and non-plantation, cottage/handicraft, and retail/service, depending on the number of workers or capitalization or annual gross sales in some sectors.

The Rules Implementing RA 6727 define the following as basis for wage classification:

“Agriculture” refers to farming in all its branches and, among others, includes the cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural or horticultural commodities, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farms or ponds, and any activities performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, but does not include the manufacturing and/or processing of sugar, coconut, abaca, tobacco, pineapple, aquatic or other farm products.

“Retail establishment” is one principally engaged in the sale of goods to end-users for personal or household use. A retail establishment that regularly engages in wholesale activities loses its retail character.

“Service establishment” is one principally engaged in the sale of service to individuals for their own or household use and is generally recognized as such.

The said law rationalized wage determination by establishing the mechanism and proper standards through the creation of Regional Tripartite Wages and Productivity Boards (RTWPBs) authorized to determine the daily minimum wage rates in the following different regions based on established criteria:

National Capital Region (NCR)	
Cordillera Administrative Region (CAR)	
Region I	- Northern Luzon or Ilocos
Region II	- Cagayan Valley
Region III	- Central Luzon
CALABARZON ^a	- Provinces of Cavite, Laguna, Batangas, Rizal, and Quezon
MIMAROPA	- Provinces of Mindoro Oriental, Mindoro
Region ^b	Occidental, Marinduque, Romblon, and Palawan

^a See Executive Order No. 103, Series of 2002 (Dividing Region IV into Region IV-A and Region IV-B, Transferring the Province of Aurora to Region III and for Other Purposes).

^b See Republic Act No. 10879 or the MIMAROPA Act.

Region V	-	Bicol
Region VI	-	Western Visayas
Region VII	-	Central Visayas
Region VIII	-	Eastern Visayas
Region IX	-	Western Mindanao or Zamboanga Peninsula
Region X	-	Northern Mindanao
Region XI	-	Southern Mindanao or Davao
Region XII	-	Central Mindanao or SOCCSKSARGEN (South Cotabato, North Cotabato, Sultan Kudarat, Sarangani, and General Santos)
Caraga Region ^c	-	Provinces of Agusan del Norte, Agusan del Sur, Surigao del Norte, and Surigao del Sur
Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) ^d		

The Regional Wage Orders prescribe the daily minimum wage rates per industry per locality within the region and in some instances depending on the number of workers.

A. Coverage

The wage increases prescribed under Wage Orders apply to all private sector workers and employees receiving the daily minimum wage rates or those receiving up to a certain daily wage ceiling, where applicable, regardless of their position, designation, or status of employment, and irrespective of the method by which their wages are paid, except workers of duly registered Barangay Micro Business Enterprises (BMBEs) with Certificate of Authority pursuant to Republic Act No. 10644.

Upon application with and as determined by an RTWPB, based on documentation and other requirements in accordance with applicable rules and regulations issued by the National Wages and Productivity Commission (NWPC), retail/service establishments regularly employing not more than ten workers and establishments adversely affected by natural calamities and/or human-induced disasters, may be granted full exemption for one year from the effectivity of the wage order.

^c See Republic Act No. 7901 entitled An Act Creating Region XIII to be known as the Caraga Administrative Region, and for Other Purposes.

^d See Republic Act No. 11054 or the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao and Wage Order issued by the BTWPB.

B. Current Regional Daily Minimum Wage Rates (MWR)

REGION	Link to Current Regional Daily Minimum Wage Rates (MWR)
NCR	https://nwpc.dole.gov.ph/ncr/
CAR	https://nwpc.dole.gov.ph/car/
I	https://nwpc.dole.gov.ph/region-i/
II	https://nwpc.dole.gov.ph/region-ii/
III	https://nwpc.dole.gov.ph/region-iii/
CALABARZON	https://nwpc.dole.gov.ph/region-iva/
MIMAROPA	https://nwpc.dole.gov.ph/region-ivb/
V	https://nwpc.dole.gov.ph/region-v/
VI	https://nwpc.dole.gov.ph/region-vi/
VII	https://nwpc.dole.gov.ph/region-vii/
VIII	https://nwpc.dole.gov.ph/region-viii/
IX	https://nwpc.dole.gov.ph/region-ix/
X	https://nwpc.dole.gov.ph/region-x/
XI	https://nwpc.dole.gov.ph/region-xi/
XII	https://nwpc.dole.gov.ph/region-xii/
Caraga	https://nwpc.dole.gov.ph/region-xiii/
BARMM	https://nwpc.dole.gov.ph/barmm/

The National Wages and Productivity Commission updates monthly the summary of current regional daily minimum wage rates which may be accessed at <https://nwpc.dole.gov.ph/statistics/>.

C. Rules in Determining Compensable Working Hours^e

The basis of the minimum wage rates prescribed by law shall be the normal working hours of eight hours a day.

1. Hours worked

The following shall be considered as compensable hours worked:

- a. All time during which an employee is required to be on duty or to be at the employer's premises or to be at a prescribed work place; and
- b. All time during which an employee is suffered or permitted to work.

2. Principles in determining hours worked

The following general principles shall govern in determining whether the time spent by an employee is considered hours worked:

^e Rule I, Book III of the Omnibus Rules Implementing the Labor Code of the Philippines.

- a. All hours are hours worked which the employee is required to give his employer, regardless of whether or not such hours are spent in productive labor or involve physical or mental exertion.
- b. An employee need not leave the premises of the work place in order that his rest period shall not be counted, it being enough that he stops working, may rest completely and may leave his work place, to go elsewhere, whether within or outside the premises of his work place.
- c. If the work performed was necessary, or it benefited the employer, or the employee could not abandon his work at the end of his normal working hours because he had no replacement, all time spent for such work shall be considered as hours worked, if the work was with the knowledge of his employer or immediate supervisor.
- d. The time during which an employee is inactive by reason of interruptions in his work beyond his control shall be considered working time either if the imminence of the resumption of work requires the employee's presence at the place of work or if the interval is too brief to be utilized effectively and gainfully in the employee's own interest.

3. Treatment on waiting time

- a. Waiting time spent by an employee shall be considered as working time if waiting is an integral part of his work or the employee is required or engaged by the employer to wait.
- b. An employee who is required to remain on call in the employer's premises or so close thereto that he cannot use the time effectively and gainfully for his own purpose shall be considered as working while on call. An employee who is not required to leave work at his home or with company officials where he may be reached is not working while on call.

4. Attendance at lectures, meetings, training programs, and other similar activities

Attendance at lectures, meetings, training programs, and other similar activities shall not be counted as working time if all of the following conditions are met:

- a. Attendance is outside of the employee's regular working hours;
- b. Attendance is in fact voluntary; and
- c. The employee does not perform any productive work during such attendance.

5. Meal and Rest Periods

Every employer shall give his employees, regardless of sex, not less than one (1) hour time-off for regular meals, except in the following cases when a meal period of not less than twenty (20) minutes may be given by the employer provided that such shorter meal period is credited as compensable hours worked of the employee:

- a. Where the work is non-manual work in nature or does not involve strenuous physical exertion;
- b. Where the establishment regularly operates not less than sixteen (16) hours a day;
- c. In case of actual or impending emergencies or there is urgent work to be performed on machineries, equipment or installations to avoid serious loss which the employer would otherwise suffer; and
- d. Where the work is necessary to prevent serious loss of perishable goods.

Rest periods or coffee breaks running from five (5) to twenty (20) minutes shall be considered as compensable working time.

D. Monthly-Paid Employees and Daily-Paid Employees

“Monthly-paid employees” are those who are paid every day of the month, including unworked rest days, special days, and regular holidays. Factor 365 days in a year is used in determining the equivalent monthly salary of monthly-paid employees.

“Daily-paid employees” are those who are paid on the days they actually worked and on unworked regular holidays.

E. Computation of the Estimated Equivalent Monthly Rate (EEMR) of Monthly-Paid and Daily-Paid Employees^f

Without prejudice to existing company policies, practices, or agreements, the following formula^g are merely suggestions and may be used as guides in determining the equivalent monthly minimum wage rates.

^f Section 6, Chapter I of the Rules Implementing Republic Act No. 6727.

^g The breakdown of the formula provided may vary depending on the proclaimed regular holidays and special (non-working) days in a year. Additionally, if the year is a leap year, one day shall be added to account for the extra day in February.

1. Monthly-paid employees

- **For those who do not work but considered paid on rest days, special (non-working) days, and regular holidays:**

$$\text{EEMR} = \frac{\text{Applicable Daily Rate (ADR)} \times 365.0}{12 \text{ months}}$$

Where 365.0 days	=	293.0	Ordinary working days
		52.0	Rest days
		12.0	Regular holidays
		8.0	Special (non-working) days
		<u>365.0</u>	Total equivalent no. of days in a year

2. Daily-paid employees

- **For those who are required to work everyday, including Sundays or rest days, special (non-working) days and regular holidays**

$$\text{EEMR} = \frac{\text{Applicable Daily Rate (ADR)} \times 395.0}{12 \text{ months}}$$

Where 395.0 days	=	293.0	Ordinary working days
		67.6	Rest days (52 x 1.3)
		24.0	Regular holidays (12 x 2)
		10.4	Special (non-working) days (8 x 1.3)
		<u>395.0</u>	Total equivalent no. of days in a year

- **For those who do not work and are not considered paid on Sundays or rest days**

$$\text{EEMR} = \frac{\text{Applicable Daily Rate (ADR)} \times 313.0}{12 \text{ months}}$$

Where 313.0 days	=	293.0	Ordinary working days
		12.0	Regular holidays
		8.0	Special (non-working) days (10.4 if worked)
		<u>313.0^h</u>	Total equivalent no. of days in a year

^h Factor 305 may be used instead of 313 if the 8 special (non-working) days are not considered paid.

- **For those who do not work and are not considered paid on Saturdays and Sundays or rest days**

$$\text{EEMR} = \frac{\text{Applicable Daily Rate (ADR)} \times 261.0}{12 \text{ months}}$$

Where 261.0 days	=	241.0	Ordinary working days
		12.0	Regular holidays
		8.0	Special (non-working) days (10.4 if worked)
		<hr/>	
		261.0 ⁱ	Total equivalent no. of days in a year

F. Subsidized Meals and Snacks

The employer may provide subsidized meals and snacks to his employees provided that the subsidy shall not be less than 30% of the fair and reasonable value of such facilities. In such case, the employer may deduct from the wages of the employees not more than 70% of the value of the meals and snacks enjoyed by the employees, pursuant to the Facility Evaluation Order issued by the RTWPB concerned.^j For the computation of the fair and reasonable value of the meals given, the employer may seek assistance from concerned Regional Tripartite Wages and Productivity Board (RTWPBs) for the conduct of facility evaluation.

G. Wage of *Kasambahay*^k

After one year from the effectivity of the *Batas Kasambahay* and periodically thereafter, the Regional Tripartite Wages and Productivity Boards (RTWPBs) were mandated to review and, if proper, determine and adjust the minimum wage rates of *Kasambahay*. The RTWPBs shall conduct consultations/hearings with stakeholders prior to the issuance of a wage order.

ⁱ Factor 253 may be used instead of 261 if the 8 special (non-working) days are not considered paid.

^j Sec. 4, Rule VII-A, Book III of the Rules Implementing the Labor Code.

^k See also DOLE Q&A on *Batas Kasambahay* (Republic Act No. 10361) Revised Edition. Published by the DOLE-Bureau of Workers with Special Concerns.

REGION	Link to Minimum Wage Rates for Domestic Workers
NCR	https://nwpc.dole.gov.ph/ncr/
CAR	https://nwpc.dole.gov.ph/car/
I	https://nwpc.dole.gov.ph/region-i/
II	https://nwpc.dole.gov.ph/region-ii/
III	https://nwpc.dole.gov.ph/region-iii/
CALABARZON	https://nwpc.dole.gov.ph/region-iva/
MIMAROPA	https://nwpc.dole.gov.ph/region-ivb/
V	https://nwpc.dole.gov.ph/region-v/
VI	https://nwpc.dole.gov.ph/region-vi/
VII	https://nwpc.dole.gov.ph/region-vii/
VIII	https://nwpc.dole.gov.ph/region-viii/
IX	https://nwpc.dole.gov.ph/region-ix/
X	https://nwpc.dole.gov.ph/region-x/
XI	https://nwpc.dole.gov.ph/region-xi/
XII	https://nwpc.dole.gov.ph/region-xii/
Caraga	https://nwpc.dole.gov.ph/region-xiii/
BARMM	https://nwpc.dole.gov.ph/barmm/

The National Wages and Productivity Commission updates monthly the summary of monthly minimum wage of *Kasambahay* which may be accessed at <https://nwpc.dole.gov.ph/statistics/>.

H. Wage of *Kasambahay* who Works as Salesclerk

A *kasambahay* who works as salesclerk should receive wage in accordance with the prescribed minimum wage in the region applicable for retail and service establishments.

I. Effect of Reduction of Workdays on Wages

In situations where the employer has to reduce the number of regular working days to prevent serious losses, such as when there is a substantial slump in the demand for his/her goods or services or when there is lack of raw materials, the employer may deduct the wages corresponding to the days taken off from the workweek, consistent with the principle of “no work, no pay.” This is without prejudice to an agreement or company policy which provides otherwise.

J. Penalty and Double Indemnity for Violation of the Prescribed Increases or Adjustments in the Wage Rates (Republic Act No. 8188)

Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with RA 6727, shall be punished by a fine of not less than ₱25,000.00 nor more than ₱100,000.00 or imprisonment of not less than two years

nor more than four years, or both such fine and imprisonment at the discretion of the court: Provided, that any person convicted hereof shall not be entitled to the benefits provided for under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: Provided, that payment of indemnity shall not absolve the employer from the criminal liability imposable hereof.

If the violation is committed by a corporation, trust, firm, partnership, association or any other entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers, including, but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner.

K. Barangay Micro Business Enterprises (BMBEs)

BMBEs or business enterprises with valid certificate of registration engaged in the production, processing or manufacturing of products or commodities including agro-processing, trading and services whose total assets, excluding the land on which the particular business entity's office, plant and equipment are situated, are not more than ₱3,000,000.00 are not covered by the Minimum Wage Law: Provided, that all employees shall still be entitled to the same benefits given to regular employees such as social security and health care benefits.

The DTI, through the Negosyo Center in the city or municipality level, shall have the sole power to issue the Certificate of Authority for BMBEs to avail of the benefits provided by Republic Act No. 9178, otherwise known as the "Barangay Micro Business Enterprises (BMBE's) Act of 2002".^l

The BMBE workers and owners shall agree on the acceptable wage rates based on the wage advisories issued by the RTWPBs.

L. Wage of Workers Paid by Results^m

All workers paid by results, including homeworkers and those who are paid on piecework, *takay*, *pakyaw* or task basis, shall receive not less than the prescribed minimum wage rates under the Regional Wage Orders for the normal working hours which shall not exceed eight hours a day, or a proportion thereof for work less than the normal working hours.

To ensure the payment of fair and reasonable wage rates, the wage rates of workers who are paid by results as may be determined through time and motion studies or in consultation with representatives of employers' and workers' organizations.

A Piece-Rate Order or Production Standard Order shall be issued by the DOLE

^l Section 5(b) of Republic Act No. 10644 entitled An Act Promoting Job Generation and Inclusive Growth Through the Development of Micro, Small and Medium Enterprises. Issued on 15 July 2014.

^m See Department Order No. 125, Series of 2013 or the Revised Guidelines on the Conduct of Time and Motion Study (TMS). Issued on 01 April 2013 and NWPC Guidelines No. 02, Series of 2020 or the Operational Guidelines in the Conduct of Time and Motion Study (TMS). Issued on 26 May 2020.

Regional Director, in his capacity as DOLE Chairperson, based on the recommendation of the Secretariat of the RTWPB as a result of the time and motion study conducted in the workplace of the applicant. It should be adjusted every time a new Wage Order is issued by the RTWPB to ensure that piece rates correspond to the applicable minimum wage.

M. Wage of Apprentices, Learners, and Persons with disability

Wage of apprentices and learners shall in no case be less than 75% of the applicable minimum wage rates.

Apprentices and learners are those who are covered by apprenticeship and learnership agreements duly approved by the Technical Education and Skills Development Authority (TESDA).ⁿ

A qualified employee with disability shall be subject to the same terms and conditions of employment and the same compensation, privileges, benefits, fringe benefits or allowances as a qualified able-bodied person.^o

N. Annual Establishment Report on Wages (AERW)^p

Pursuant to Article 124 of the Labor Code, as amended by Republic Act No. 6727 or the Wage Rationalization Act, all private establishments are required to submit an annual report on “a verified itemized listing of their labor component, specifying the names of their workers and employees below the managerial level, including learners, apprentices and disabled/handicapped workers who were hired under the terms prescribed in the employment contracts, and their corresponding salaries and wages.”

For this purpose, all private establishments are required to register and log-in to the online report of the AERW at <https://annualwagereport.nwpc.dole.gov.ph/>. Establishments that do not have access to online facilities may go to the nearest RTWPB for assistance. Concerns and technical problems encountered may be sent to: wage.report@produktiboatsahod.onmicrosoft.com or to the Wage Report Hotlines at 8527-5519, 8527-8011 and 09178630855.

O. Coverage from Income Tax^q

Effective 01 January 2018, the following income payments are exempted from the requirement of withholding tax on compensation:

1. Compensation income of Minimum Wage Earners (MWEs) who work in the private sector and being paid the Statutory Minimum Wage (SMW), as fixed

ⁿ See Revised Guidelines in the Implementation of the Apprenticeship and Learnership Programs.

^o Sec. 1 of Republic Act No. 10524 or the Magna Carta for Persons with Disability.

^p See DOLE Labor Advisory No. 09, Series of 2022 for reference.

^q BIR Revenue Regulations No. 11-2018 [Amending Certain Provisions of Revenue Regulations No. 2-98, as Amended, to Implement Further Amendments Introduced by Republic Act No. 10963, Otherwise Known as the “Tax Reform for Acceleration and Inclusion (TRAIN)” Law, Relative to Withholding of Income Tax]. Issued on 31 January 2018.

by Regional Tripartite Wage and Productivity Board (RTWPB)/National Wages and Productivity Commission (NWPC), applicable to the place where he/she is assigned.

Aside from the SMW, the holiday pay, overtime pay, night shift differential pay, and hazard pay, earned by the aforementioned MWE shall likewise be covered by the above exemption. For this purpose, hazard pay shall mean the amount paid by the employer to MWEs who were actually assigned to danger or strife-torn areas, disease-infested places, or in distressed or isolated stations and camps, which expose them to great danger or contagion or peril to life. Any hazard paid to MWEs which does not satisfy the above criteria is deemed subject to income tax and consequently, withholding tax on the said hazard pay.

Additional compensation such as commissions, honoraria, fringe benefits, benefits in excess of the allowable statutory amount of ₱90,000.00, taxable allowances, and other taxable income given to an MWE by the same employer other than those which are expressly exempt from income tax shall be subject to withholding tax using the withholding tax table.

2. Compensation during the year not exceeding ₱250,000.00.

<p>For questions regarding minimum wage rates, please contact the</p> <p style="text-align: center;">NATIONAL WAGES AND PRODUCTIVITY COMMISSION</p> <p>Address: 2F & 3F, DY Intl. Building, San Marcelino corner Gen. Malvar Streets, Malate, Manila Telephone number: (02) 8527-8013 Website: https://nwpc.dole.gov.ph Facebook: www.fb.com/dole.nwpc E-mail address: info@nwpc.dole.gov.ph</p>	<p>For questions regarding rights and benefits of domestic workers, please contact the</p> <p style="text-align: center;">BUREAU OF WORKERS WITH SPECIAL CONCERNS</p> <p>Address: DOLE Annex Building, Cabildo Street corner Muralla Street, Intramuros, Manila Telephone number: (02) 8527-5858 Website: https://bwsc.dole.gov.ph Facebook: www.fb.com/BWSC.DOLE E-mail address: bwsc@dole.gov.ph</p>
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2

HOLIDAY PAY

(Article 94)

A. Definition

Holiday pay refers to the payment of the regular daily wage for any unworked regular holiday.

B. Coverage

This benefit applies to all employees except:

1. Government employees, whether employed by the National Government or any of its political subdivisions, including those employed in government-owned and/or controlled corporations with original charters or created under special laws;
2. Those of retail and service establishments regularly employing less than ten workers;
3. *Kasambahay* and persons in the personal service of another;
4. Managerial employees, if they meet all of the following conditions:
 - 4.1 Their primary duty is to manage the establishment in which they are employed or of a department or subdivision thereof;
 - 4.2 They customarily and regularly direct the work of two or more employees therein; and
 - 4.3 They have the authority to hire or fire other employees of lower rank; or their suggestions and recommendations as to hiring, firing, and promotion, or any other change of status of other employees are given particular weight.
5. Officers or members of a managerial staff, if they perform the following duties and responsibilities:
 - 5.1 Primarily perform work directly related to management policies of their employer;
 - 5.2 Customarily and regularly exercise discretion and independent judgment;
 - 5.3 (a) Regularly and directly assist a proprietor or managerial employee in the management of the establishment or subdivision thereof in which he or she is employed; or (b) execute, under general supervision, work along specialized or technical lines requiring special training, experience, or knowledge; or (c) execute, under general supervision, special assignments and tasks; and
 - 5.4 Do not devote more than 20% of their hours worked in a workweek to activities which are not directly and closely related to the performance

of the work described in paragraphs 5.1, 5.2, and 5.3 above.

6. Field personnel and other employees whose time and performance is unsupervised by the employer, including those who are engaged on task or contract basis, purely commission basis or those who are paid a fixed amount for performing work irrespective of the time consumed in the performance thereof.

C. Regular Holidays^r

Unless otherwise modified by law, order, or proclamation, the following regular holidays shall be observed in the country:

New Year's Day	-	January 1
Maundy Thursday	-	Movable date
Good Friday	-	Movable date
<i>Eidul Fitr</i>	-	Movable Date
<i>Eidul Adha</i>	-	Movable Date
<i>Araw ng Kagitingan</i>	-	April 9
Labor Day	-	May 1
Independence Day	-	June 12
National Heroes Day	-	Last Monday of August
Bonifacio Day	-	November 30
Christmas Day	-	December 25
Rizal Day	-	December 30

In addition to the above regular holidays, Article 94(c) of the Labor Code also treats “the day designated by law for holding a general election” as a “holiday”. However, Presidential Proclamations have declared general elections as special (non-working) holiday such as the 2019 and 2022 National and Local Election and the 2023 Barangay and Sangguniang Kabataan Elections.^s

Moreover, for movable regular holidays, the President issues a Proclamation specifying the date to be observed as such. Further, the President of the Philippines issues a Proclamation annually declaring specific dates as regular holidays to be observed nationwide.

D. Holiday Pay Rates

Every employee covered by the Holiday Pay Rule is entitled to the minimum wage rate. This means that the employee is entitled to at least 100% of his/her minimum wage rate even if he/she did not report for work, provided he/she is present or is on leave of absence with pay on the work day immediately preceding the holiday. Work performed on that day merits at least twice (200%) the daily wage of the employee.

The above mentioned is without prejudice to any voluntary practice or

^r Section 26, Chapter 7, Book I of Executive Order No. 292, otherwise known as the “Administrative Code of 1987,” as amended.

^s See Proclamation No. 719, Series of 2019, No. 1357, Series of 2022, and No. 359, Series of 2023.

provision in the Collective Bargaining Agreement (CBA) providing for payment of wages and other benefits for days declared as special days even if unworked.

The minimum statutory holiday pay rates are as follows:

1. If the employee does not work, the employer shall pay 100% of the employee's wage for that day. **(basic wage x 100%)**
2. For work done during the regular holiday, the employer shall pay a total of 200% of the employee's wage for that day for the first eight hours. **(basic wage x 200%)**
3. If the employee does not work on a double regular holiday, the employer shall pay 200% of the employee's wage for that day. **(basic wage x 200%)**
4. For work done during a double regular holiday, the employer shall pay a total of 200% of the employee's wage for that day for the first eight hours. **(basic wage x 300%)**

E. Absences

1. All covered employees shall be entitled to holiday pay when they are on leave of absence with pay on the workday immediately preceding the regular holiday. Employees who are on leave of absence without pay on the day immediately preceding a regular holiday may not be paid the required holiday pay if they do not work on such regular holiday.
2. Employers shall grant the same percentage of the holiday pay as the benefit granted by competent authority in the form of employee's compensation or social security payment, whichever is higher, if the employees are not reporting for work while on such leave benefits.
3. Where the day immediately preceding the holiday is a non-work day in the establishment or the scheduled rest day of the employee, he/she shall not be deemed to be on leave of absence on that day, in which case he/she shall be entitled to the holiday pay if he/she worked on the day immediately preceding the nonwork day or rest day.

F. Successive Regular Holidays

Where there are two successive regular holidays, like Maundy Thursday and Good Friday, an employee may not be paid for both holidays if he/she absents himself/herself from work on the day immediately preceding the first holiday, unless he/she works on the first holiday, in which case he/she is entitled to his/her holiday pay on the second holiday.

G. Temporary or Periodic Shutdown/Cessation of Work

In cases of temporary or periodic shutdown and temporary cessation of work of an establishment, as when a yearly inventory or when the repair or cleaning of machineries and equipment is undertaken, the regular holidays falling within the period shall be compensated in accordance with the Rules Implementing the Labor Code, as amended.

H. Holiday Pay of Certain Employees

1. Where the covered employee is paid on piece-rate basis, his / her holiday pay shall not be less than his/her average daily earnings for the last seven actual work days preceding the regular holiday; provided, however, that in no case shall the holiday pay be less than the applicable statutory minimum wage rate.
2. Seasonal workers may not be paid the required holiday pay during off-season when they are not at work.
3. Workers who do not have regular working days, such as stevedores, shall be entitled to this benefit.

3

PREMIUM PAY

(Articles 91-93)

A. Definition

Premium pay refers to the additional compensation for work performed within eight hours on rest days and special days.

B. Coverage

This benefit applies to all employees except:

1. Government employees, whether employed by the National Government or any of its political subdivisions, including those employed in government-owned and/or controlled corporations with original charters or created under special laws;
2. Managerial employees, if they meet all of the following conditions:
 - 2.1 Their primary duty is to manage the establishment in which they are employed or of a department or subdivision thereof;
 - 2.2 They customarily and regularly direct the work of two or more employees therein; and
 - 2.3 They have the authority to hire or fire other employees of lower rank; or their suggestions and recommendations as to hiring, firing, and promotion, or any other change of status of other employees are given particular weight.
3. Officers or members of a managerial staff, if they perform the following duties and responsibilities:
 - 3.1 Primarily perform work directly related to management policies of their employer;
 - 3.2 Customarily and regularly exercise discretion and independent judgment;
 - 3.3 (a) Regularly and directly assist a proprietor or managerial employee in the management of the establishment or subdivision thereof in which he or she is employed; or (b) execute, under general supervision, work along specialized or technical lines requiring special training, experience, or knowledge; or (c) execute, under general supervision, special assignments and tasks; and
 - 3.4 Do not devote more than 20% of their hours worked in a workweek to activities which are not directly and closely related to the performance of the work described in paragraphs 3.1, 3.2, and 3.3 above.
4. *Kasambahay* and persons in the personal service of another;
5. Workers who are paid by results, including those who are paid on piece

rate, *takay*, *pakyaw*, or task basis, and other non-time work, if their output rates are in accordance with the standards prescribed in the regulations, or where such rates have been fixed by the Secretary of Labor and Employment; and

6. Field personnel, if they regularly perform their duties away from the principal or branch office or place of business of the employer and whose actual hours of work in the field cannot be determined with reasonable certainty.

C. Special Days

1. Special (Non-Working) Days^t

Unless otherwise modified by law, order or proclamation, the following special (non-working) days shall be observed in the country:

Ninoy Aquino Day	- August 21
All Saints' Day	- November 1
Feast of the Immaculate Conception of Mary	- December 8
Last Day of the Year	- December 31

In addition to the above, the following are also traditionally declared as additional special (non-working) days:

Chinese New Year	- Movable date
Black Saturday	- Movable date
All Souls' Day	- November 2
Christmas Eve	- December 24

Annually, the President of the Philippines issues a Proclamation declaring specific dates as special (non-working) days to be observed nationwide.

2. Special (Working) Days

For work performed on a declared special (working) day, an employee is entitled only to his/her daily wage. No premium pay is required since work performed on said day is considered work on an ordinary workday.

D. Premium Pay Rates

The “no work, no pay” principle applies during special days and on such other special days as may be proclaimed by the President or by Congress.

Workers who are not required or permitted to work on special days are not entitled to any compensation. This, however, is without prejudice to any voluntary practice or provision in the Collective Bargaining Agreement (CBA) providing for payment of wages and other benefits for days declared as special days even if

^t Section 26, Chapter 7, Book I of Executive Order No. 292, otherwise known as the “Administrative Code of 1987,” as amended and Republic Act No. 10966.

unworked.

On the other hand, work performed on special (non-working) days merits additional compensation of at least 30% of the basic wage or a total of 130%. Where the employee works on a special (non-working) day falling on his rest day, he/she shall be entitled to an additional compensation of 50% of his/her basic wage or a total of 150%.

The minimum statutory premium pay rates are as follows:

1. If the employee does not work, the “**no work, no pay**” principle shall apply unless there is a favorable company policy, practice, or CBA granting payment on a special day.
2. For work done during a special (non-working) day, the employer shall pay the employee an additional 30% of the basic wage on the first eight hours of work. (***basic wage x 130%***)
3. For work done during a special (non-working) day that also falls on the employee’s rest day, the employer shall pay the employee an additional 50% of the basic wage on the first eight hours of work. (***basic wage x 150%***)
4. For work done during a regular holiday that also falls on the employee’s rest day, the employer shall pay the employee an additional 30% of the basic wage on the basic wage of 200%. (***basic wage x 200% x 130%***)

4

OVERTIME PAY

(Article 87)

A. Definition

Overtime pay refers to the additional compensation for work performed beyond eight hours a day.

B. Coverage

Same as those covered under **3. Premium Pay.**

C. Overtime Pay Rates

The minimum overtime pay rates vary according to the day the overtime work is performed, as follows:

1. For work done in excess of eight hours on an ordinary working day, the employer shall pay the employee an additional 25% of the hourly rate on said day. ***(hourly rate of the basic wage x 125%)***
2. For work done in excess of eight hours on a special (non-working) day or scheduled rest day, the employer shall pay the employee an additional 30% of the hourly rate on said day. ***(hourly rate of the basic wage x 130% 130% x number of overtime work hours)***
3. For work done in excess of eight hours on a special (non-working) day that also falls on the employee's rest day, the employer shall pay the employee an additional 30% of the hourly rate on said day. ***(hourly rate of the basic wage x 150% 130% x number of overtime work hours)***
4. For work done in excess of eight hours on a regular holiday, the employer shall pay the employee an additional 30% of the hourly rate on said day. ***(hourly rate of the basic wage x 200% 130% x number of overtime work hours)***
5. For work done in excess of eight hours on a regular holiday that also falls on the employee's rest day, the employer shall pay the employee an additional 30% of the hourly rate on said day. ***(hourly rate of the basic wage x 200% 130% x 130% x number of overtime work hours)***

D. Stipulated Overtime Rates

Generally, the premium pay for work performed on rest days, special days, or regular holidays is included as part of the regular rate of the employee in the computation of overtime pay for overtime work rendered on said days, especially if the employer pays only the minimum overtime rates prescribed by law.

The employees and employer, however, may stipulate in their collective agreement the payment for overtime work at rates higher than those provided by law.

5

NIGHT SHIFT DIFFERENTIAL

(Article 86)

A. Definition

Night Shift Differential (NSD) refers to the additional compensation of 10% of an employee's regular wage for each hour of work performed between 10:00 p.m. and 6:00 a.m. of the following day.

B. Coverage

This benefit applies to all employees except:

1. Government employees, whether employed by the National Government or any of its political subdivisions, including those employed in government-owned and/or controlled corporations with original charters or created under special laws;
2. Those of retail and service establishments regularly employing not more than five workers;
3. *Kasambahay* and persons in the personal service of another;
4. Managerial employees, if they meet all of the following conditions:
 - 4.1 Their primary duty is to manage the establishment in which they are employed or of a department or subdivision thereof;
 - 4.2 They customarily and regularly direct the work of two or more employees therein; and
 - 4.3 They have the authority to hire or fire other employees of lower rank; or their suggestions and recommendations as to hiring, firing, and promotion, or any other change of status of other employees are given particular weight.
5. Officers or members of a managerial staff, if they perform the following duties and responsibilities:
 - 5.1 Primarily perform work directly related to management policies of their employer;
 - 5.2 Customarily and regularly exercise discretion and independent judgment;
 - 5.3 (a) Regularly and directly assist a proprietor or managerial employee in the management of the establishment or subdivision thereof in which he or she is employed; or (b) execute, under general supervision, work along specialized or technical lines requiring special training, experience, or knowledge; or (c) execute, under general supervision, special assignments and tasks; and
 - 5.4 Do not devote more than 20% of their hours worked in a workweek to activities which are not directly and closely related to the performance

of the work described in paragraphs 5.1, 5.2, and 5.3 above; and

6. Field personnel and those whose time and performance are unsupervised by the employer.

C. Night Shift Differential Rate

The minimum night shift differential varies according to the day the night shift work is performed. For work performed between 10:00 p.m. and 6:00 a.m. the following day, the employer shall pay the employee an additional 10% of the corresponding hourly rate for the night shift work.

6

SERVICE CHARGES

(Article 96, as amended by Republic Act No. 11360^u)

A. Definition

Service charge refers to the amount that is added to the bill for work or service rendered.

B. Coverage

This applies to all employees of covered establishments,^v except managerial employees,^w regardless of their position, designation or employment status, and irrespective of the method by which their wages are paid.

C. Distribution of Service Charges

All service charges collected by covered establishments shall be distributed completely and equally, based on actual hours or days of work or service rendered, among the covered employees.

D. Frequency of Distribution

The service charges collected shall be distributed and paid to the covered employees not less than once every two weeks or twice a month at intervals not exceeding 16 days.

E. Increase in Minimum Wage

In the event that the minimum wage is increased by law or wage order, service charges paid to the employees shall not be considered in determining the establishment's compliance with the increased minimum wage.

^u See also DOLE Department Order No. 242, Series of 2024 or the Revised Implementing Rules and Regulations of Article 96 of the Labor Code of the Philippines, as Amended by Republic Act No. 11360 Entitled "An Act Providing that Service Charges Collected by Hotels, Restaurants and Other Similar Establishments be distributed in Full to All Covered Employees." Issued on 01 February 2024. See also DOLE Labor Advisory No. 10, Series of 2020 entitled Clarification on the Effectivity Date of Republic Act No. 11360 (issued on 28 February 2020). Republic Act 11360 was signed into law on 07 August 2019. It was published on 19 August 2019 in Manila Bulletin and Business Mirror, and took effect fifteen days after its publication or on 04 September 2019.

^v As defined in Sec. 2(b) of DO 242-2024, covered establishments refer to those that collect service charges for work or services they offer.

^w As defined in Sec. 2(c) of DO 242-2024, managerial employees refer to any person vested with powers or prerogatives to lay down and execute management policies or hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees or to effectively recommend such managerial actions.

7

SERVICE INCENTIVE LEAVE

(Article 95)

A. Definition

Service incentive leave (SIL) refers to the paid leave of five days granted to an employee who has rendered at least one year of service that may be used for sick, vacation, and other leave purposes.

B. Coverage

This benefit applies to every employee who has rendered at least one year of service, except the following:

1. Government employees, whether employed by the National Government or any of its political subdivisions, including those employed in government-owned and/or controlled corporations with original charters or created under special laws;
2. Persons in the personal service of another;
3. Managerial employees, if they meet all of the following conditions:
 - 3.1 Their primary duty is to manage the establishment in which they are employed or of a department or subdivision thereof;
 - 3.2 They customarily and regularly direct the work of two or more employees therein; and
 - 3.3 They have the authority to hire or fire other employees of lower rank; or their suggestions and recommendations as to hiring, firing, and promotion, or any other change of status of other employees are given particular weight.
4. Officers or members of a managerial staff, if they perform the following duties and responsibilities:
 - 4.1 Primarily perform work directly related to management policies of their employer;
 - 4.2 Customarily and regularly exercise discretion and independent judgment;
 - 4.3 (a) Regularly and directly assist a proprietor or managerial employee in the management of the establishment or subdivision thereof in which he or she is employed; or (b) execute, under general supervision, work along specialized or technical lines requiring special training, experience, or knowledge; or (c) execute, under general supervision, special assignments and tasks; and
 - 4.4 Do not devote more than 20% of their hours worked in a workweek to activities which are not directly and closely related to the performance of the work described in paragraphs 4.1, 4.2, and 4.3 above;

5. Field personnel and those whose time and performance is unsupervised by the employer;
6. Those already enjoying this benefit;
7. Those enjoying vacation leave with pay of at least five days; and
8. Those employed in establishments regularly employing less than ten employees.

C. Meaning of “one year of service”

The phrase “one year of service” of the employee means service within 12 months, whether continuous or broken, reckoned from the date the employee started working. The period includes authorized absences, unworked weekly rest days, and paid regular holidays. If through individual or collective agreement, company practice, or policy, the period of the working days is less than 12 months, said period shall be considered as one year for the purpose of determining the entitlement to the service incentive leave.^x

D. Conversion

The employee may choose to either use his/her leave credit or commute it to its monetary equivalent if not exhausted at the end of the year. If the employee does not use or commute his/her SIL, he/she is entitled upon his/her resignation or separation from work to the commutation of the same.^y

The basis of the computation shall be the salary rate at the date of the commutation. The use and conversion of this benefit may be on a pro rata basis.^z

To illustrate, Employee A has not used or commuted any of his SIL since he was hired on 01 January 2023 and resigned on 01 March 2024. Assuming at the date of the commutation, the daily salary rate of Employee A is ₱610.00. In this case, his SIL shall be computed as follows:

SIL earned as of 31 December 2023	5.000 days
Proportionate SIL for January and February 2024 ($2/12 \times 5 \text{ days}$)	0.833 day
Total accrued SIL as of 01 March 2024	5.833 days
Monetary equivalent of the SIL (<i>daily salary rate x remaining accrued SIL</i>)	₱3,558.13

^x Sec. 3, Rule V of the Omnibus Rules Implementing the Labor Code of the Philippines.

^y Auto Bus Transport System, Inc. v. Bautista, 497 Phil. 863 (2005).

^z DOLE Legal Service Opinion.

8

MATERNITY LEAVE

(Republic Act No. 11210^{aa})

A. Definition

Maternity leave refers to the paid leave granted to a female employee for every instance of pregnancy, miscarriage, and emergency termination of pregnancy, regardless of frequency, providing her an ample transition time to regain health and overall wellness and to assume maternal roles.

B. Coverage

This benefit applies to female employees, regardless of civil status, employment status, and the legitimacy of her child.

C. Duration

The maternity leave shall be for 105 days with full pay, and additional 15 days with full pay in case the female employee qualifies as a solo parent under Republic Act No. 8972, as amended by Republic Act No. 11861. In cases of live childbirth, an additional maternity leave of 30 days without pay, can be availed of, at the option of the female employee, provided that the employer shall be given due notice. Further, this leave benefit may also be credited as combinations of prenatal and postnatal leave as long as it does not exceed 105 days and provided that compulsory postnatal leave shall not be less than 60 days.

In case of miscarriage or emergency termination of pregnancy, the maternity leave shall be for 60 days with full pay.

Nothing in Republic Act No. 11210 and its IRR shall be construed as to diminish existing maternity benefits currently enjoyed whether or not these are granted under CBA or present laws, if the same are more beneficial to the female worker. Any other working arrangement which the female worker shall agree to, during the additional maternity leave period, shall be allowed: Provided, that this shall be consented to in writing by the female worker and shall primarily uphold her maternal functions and the requirements of postnatal care.

D. Conditions for Entitlement

A female employee shall be entitled to maternity leave provided that:

1. She has at least three monthly contributions to the SSS in the 12-month

^{aa} Entitled An Act Increasing the Maternity Leave Period to One Hundred Five (105) Days for Female Workers with an Option to Extend for an Additional Thirty (30) Days Without Pay, and Granting an Additional Fifteen (15) Days for Solo Mothers, and for Other Purposes. Enacted on 20 February 2019 and was published in the Manila Bulletin on 23 February 2019. RA 11210 took effect on 11 March 2019. See also the Implementing Rules and Regulations of RA 11210 issued on 01 May 2019.

period immediately preceding the semester of childbirth, miscarriage, or emergency termination of pregnancy^{bb}; and

2. She has notified her employer about her pregnancy and the probable date of her childbirth.

E. Availment

Maternity leave shall be granted to a qualified female worker in every instance of pregnancy, miscarriage or emergency termination of pregnancy regardless of frequency.

A female worker entitled to maternity leave benefits may, at her option, allocate up to seven days of said benefits to the child's father, whether or not the same is married to the female worker. The allocated benefit granted to the child's father under this law is over and above that which is provided under Republic Act No. 8187, or the "Paternity Leave Act of 1996".

The employer shall pay the salary differential between the full salary of the female worker during her maternity leave and the actual cash benefits received from the Social Security System (SSS).^{cc}

Additionally, the salary differential shall be included as part of the basic salary for purposes of computation thirteenth-month pay of the rank and file employee.

^{bb} You may view the step-by-step video illustration of the SSS at <https://www.youtube.com/watch?v=qhwsbRR6OXc>.

^{cc} See also DOLE Department Advisory No. 1, Series of 2019 or the Guidelines on the Computation of Salary Differential of Female Workers during her Maternity Leave and its Criteria for Exemption Pursuant to Republic Act No. 11210 and its Implementing Rules and Regulations. Issued on 09 July 2019.

9

PATERNITY LEAVE

(Republic Act No. 8187)

A. Definition

Paternity leave refers to the paid leave granted to a married male employee allowing him to lend support to his lawful wife during her period of recovery and/or in nursing of their newborn child, including miscarriage.

B. Coverage

This benefit applies to all married male employees, regardless of their employment status (*e.g.*, probationary, regular, contractual, project basis).

C. Duration

The paternity leave grants male employees his full pay for the seven days during which he is allowed not to report for work.

This is granted to an employee after the delivery by his wife, without prejudice to an employer allowing an employee to avail of the benefit before or during the delivery; Provided, that the total number of days shall not exceed seven days for each delivery.

In the event that the paternity leave is not availed of, said leave shall not be convertible to cash.

Where a male employee is already enjoying the paternity leave benefits by reason of contract, company policy or collective bargaining agreement, the following rules shall apply:

- a. If the existing paternity leave benefit is greater than the benefit herein provided, the greater benefit shall prevail; and
- b. If the existing paternity leave is less than that provided herein, such existing benefit shall be adjusted to the extent of the difference.

However, where a contract, company policy or collective bargaining agreement provides for an emergency or contingency leave without specific provisions on paternity leave, the paternity leave as provided in Republic Act No. 8187 shall apply in full.

D. Conditions for Entitlement

A married male employee shall be entitled to paternity leave provided that:

1. He is an employee at the time of the delivery of his child;
2. He is cohabiting with his spouse at the time that she gives birth or suffers a miscarriage;
3. He has applied for paternity leave with his employer within a reasonable

period of time from the expected date of delivery by his pregnant spouse, or within such period as may be provided by company rules and regulations or by collective bargaining agreement, provided that prior application for leave shall not be required in case of miscarriage; and

4. His wife has given birth or suffered a miscarriage.

For this purpose, “*cohabiting*” means the obligation of the husband and wife to live together. If the spouses are not physically living together because of the workstation or occupation, the male employee is still entitled to the paternity leave benefit.

E. Frequency of Availment

Paternity leave benefit shall apply to the first four deliveries of the employee’s lawful wife with whom he is cohabiting.

10

PARENTAL LEAVE FOR SOLO PARENTS

(Republic Act No. 8972, as amended by Republic Act No. 11861^{dd})

A. Definition

Parental leave refers to the paid leave granted to a qualified solo parent to enable the performance of parental duties and responsibilities where physical presence is required or beneficial to the child.

B. Coverage

This benefit applies to all employees who belong to the following categories of solo parents:

1. A parent who provides sole parental care and support of the child or children due to –
 - a. Birth as a consequence of rape, even without final conviction: Provided, That the mother has the sole parental care and support of the child or children: Provided, further, That the solo parent under this category may still be considered a solo parent under any of the categories in this section;
 - b. Death of the spouse;
 - c. Detention of the spouse for at least three months or service of sentence for a criminal conviction;
 - d. Physical or mental incapacity of the spouse as certified by a public or private medical practitioner;
 - e. Legal separation or de facto separation for at least six months, and the solo parent is entrusted with the sole parental care and support of the child or children;
 - f. Declaration of nullity or annulment of marriage, as decreed by a court recognized by law, or due to divorce, subject to existing laws, and the solo parent is entrusted with the sole parental care and support of the child or children; or
 - g. Abandonment by the spouse for at least six months;
2. Spouse or any family member of an Overseas Filipino Worker (OFW), or the guardian of the child or children of an OFW: Provided, That the said OFW belongs to the low/semi-skilled worker category and is away from the Philippines for an uninterrupted period of 12 months: Provided, further, That the OFW, his or her spouse, family member, or guardian of the child or children of an OFW falls under the requirements of this section;
3. Unmarried mother or father who keeps and rears the child or children;

^{dd}Known as the “Expanded Solo Parents Welfare Act.” Enacted on 04 June 2022.

4. Any legal guardian, adoptive or foster parent who solely provides parental care and support to a child or children;
5. Any relative within the fourth civil degree of consanguinity or affinity of the parent or legal guardian who assumes parental care and support of the child or children as a result of the death, abandonment, disappearance or absence of the parents or solo parent for at least six months: Provided, That in cases of solo grandparents who are senior citizens but who have the sole parental care and support over their grandchildren who are unmarried, or unemployed and 22 years old or below, or those 22 years old or over but who are unable to fully take care or protect themselves from abuse, neglect, cruelty, exploitation, or discrimination because of a physical or mental disability or condition, they shall be entitled to the benefits of Republic Act No. 8972, as amended in addition to the benefits granted to them by Republic Act No. 9257, otherwise known as the 'Expanded Senior Citizens Act of 2003'; or
6. A pregnant woman who provides sole parental care and support to the unborn child or children.

For the purpose of this leave benefit, the following terms shall mean:

“Children” or “dependents” refer to those living with and dependent upon the solo parent for support who are unmarried, unemployed and 22 years old or below, or those over 22 years old but who are unable to fully take care or protect themselves from abuse, neglect, cruelty, exploitation, or discrimination because of a physical or mental disability or condition.

“Parental care and support” refer to the acts of providing for the basic needs, health care, mental and physical safety, emotional support and formation of the personality of the child.

C. Duration

In addition to leave privileges under existing laws, a forfeitable and noncumulative parental leave of not more than seven working days with pay every year shall be granted to any solo parent employee, regardless of employment status, who has rendered service of at least six months.

Only a solo parent exercising sole parental care and support of the child or children is entitled to claim the benefits of a solo parent under the law. A solo parent shall not lose his or her status as solo parent if the other parent provides occasional assistance and/or seasonal gifts that do not meet the legal requirement of support under The Family Code of the Philippines.

Moreover, the absence of a valid and legal marriage between the mother and father of a child or dependent does not automatically entitle either individual to the benefits under the law if the factual circumstances demonstrate that parental care and support are shared.

In the event that the parental leave is not availed of, said leave shall not be convertible to cash unless specifically agreed upon previously by the employer and

the employee.

If there is an existing or similar benefit under a company policy or a collective bargaining agreement, the same shall be credited as such. If the same is greater than the seven days provided for in Republic Act No. 8972, as amended, the greater benefit shall prevail. Emergency or contingency leave provided under a company policy or a collective bargaining agreement shall not be credited as compliance with the parental leave provided for under Republic Act No. 8972, as amended.

D. Conditions for Entitlement

A solo parent shall be entitled to parental leave provided that:

1. They have rendered at least six months of service, whether continuous or broken, at the time of the effectivity of Republic Act No. 11861^{ee};
2. They have notified their employer of the availment thereof within a reasonable time; and
3. They have presented a valid Solo Parent Identification Card (SPIC).

Qualified solo parents may apply for their SPIC at the Social Welfare and Development Officer of the city or municipality of their residence.

E. Frequency of Availment

The parental leave of seven working days with pay shall be granted every year. When a solo parent ceases to be such by reason of change of status and circumstances, the said solo parent shall be ineligible to avail of the solo parent benefits.

^{ee} RA 11861 was published on 30 June 2022 in Daily Tribune and took effect on 15 July 2022.

11

LEAVE FOR VICTIMS OF VIOLENCE AGAINST WOMEN AND THEIR CHILDREN (VAWC)

(Republic Act No. 9262)

A. Definition

Leave for victims of violence against women and their children refers to the paid leave granted to a female employee who is a victim of violence against women and their children allowing her to attend to medical and legal concerns at any time during the application of any protection order, investigation, prosecution and/or trial of the criminal case.

B. Coverage

This benefit applies to all female employees who are victims of VAWC.

VAWC, as used in Republic Act No. 9262, “refers to any act or a series of acts committed by any person against a woman who is his wife, former wife, or against a woman with whom the person has or had a sexual or dating relationship, or with whom he has a common child, or against her child whether legitimate or illegitimate, within or without the family abode, which result in or is likely to result in physical, sexual, psychological harm or suffering, or economic abuse including threats of such acts, battery, assault, coercion, harassment or arbitrary deprivation of liberty.”

C. Duration

In addition to other paid leaves under existing labor laws, company policies, and/or collective bargaining agreements, the qualified victim-employee shall be entitled to a leave of up to ten days with full pay, consisting of basic salary and mandatory allowances fixed by the Regional Wage Board, if any. The said leave shall be extended when the need arises, as specified in the protection order issued by the barangay or the court.

D. Conditions for Entitlement

To be entitled to the leave benefit, the only requirement is for the victim-employee to present to her employer a certification from the barangay chairman (*punong barangay*), barangay councilor (*barangay kagawad*), prosecutor, or Clerk of Court, as the case may be, that an action relative to the matter is pending.

E. Frequency of Availment

The usage of the ten-day leave shall be at the option of the woman employee. In the event that the leave benefit is not availed of, it shall not be convertible into cash and shall not be cumulative.

12

SPECIAL LEAVE FOR WOMEN

(Republic Act No. 9710)

A. Definition

Special leave for women refers to the paid leave granted to a female employee allowing her to recuperate following surgery caused by gynecological disorders for a period of up to two months.

B. Coverage

This benefit applies to all qualified female employees, regardless of age and civil status, who have undergone surgery due to gynecological disorders.

C. Duration

Under the Magna Carta of Women, a female employee having rendered continuous aggregate employment service of at least six months for the last 12 months shall be entitled to a special leave benefit of two months^{ff} with full pay based on her gross monthly compensation^{gg} following surgery caused by gynecological disorders.^{hh}

“Gynecological disorders” refers to disorders that would require surgical procedures such as, but not limited to dilatation and curettage and those involving female reproductive organs such as the vagina, cervix, uterus, fallopian tubes, ovaries, breast, adnexa and pelvic floor, as certified by a competent physician. It shall also include hysterectomy, ovariectomy and mastectomy.

The special leave shall be non-cumulative and non-convertible to cash unless otherwise provided by a CBA.

D. Conditions for Entitlementⁱⁱ

A female employee shall be entitled to special leave for women provided that:

1. She has rendered at least six months continuous aggregate employment service for the last 12 months prior to surgery;
2. She has filed an application for special leave with her employer within a

^{ff}The two (2) months special leave is the maximum period of leave with pay that a woman employee may avail of under Republic Act No. 9710. For purposes of determining the period of leave with pay that will be allowed to a woman employee, the certification of a competent physician as to the required period of recuperation shall be controlling. Please see DOLE Department Order No. 112-A, Series of 2012.

^{gg}Gross monthly compensation refers to the monthly basic pay plus mandatory allowances fixed by the regional wage boards.

^{hh} See DOLE Department Order No. 112A, Series of 2012 entitled Amending the Guidelines on the Implementation of the Special Leave. Issued on 22 May 2012.

ⁱⁱ See DOLE Department Order No. 112, Series of 2011 or the Guidelines on the Implementation of the Special Leave benefits for women Employees in the Private Sector. Issued on 11 March 2011.

reasonable period of time from the expected date of surgery or within such period as may be provided by company rules and regulations or collective bargaining agreement; and

3. She has undergone surgery due to gynecological disorders as certified by a competent physician.

E. Frequency of Availment

The special leave may be availed for every instance of surgery due to gynecological disorder for a maximum total period of two months or 60 calendar days per year.

F. Special Leave for Women while on Maternity Leave

The female employee who had undergone surgery due to a gynecological disorder during her maternity leave is entitled to receive the difference between the maternity leave benefits and the special leave benefit. Likewise, whenever the maternity leave and special leave benefits overlap, the female employee will only receive full pay for each day covered by both benefits, since both benefits are considered paid leave.

13

THIRTEENTH-MONTH PAY^{jj}

(Presidential Decree No. 851)

A. Definition

Thirteenth-month pay refers to one-twelfth of the total basic salary earned by an employee within a calendar year.

B. Coverage

All employers are required to pay their rank-and-file employees thirteenth-month pay, regardless of the nature of their employment and irrespective of the methods by which their wages are paid, provided they worked for at least one (1) month during a calendar year.

The Labor Code, as amended, distinguishes a rank-and-file employee from a managerial employee. A managerial employee is one who is vested with powers or prerogatives to lay down and execute management policies and/or to hire, transfer, suspend, layoff, recall, discharge, assign, or discipline employees, or to effectively recommend such managerial actions. All employees not falling within this definition are considered rank-and-file employees. The above distinction shall be used as guide for the purpose of determining who are rank-and-file employees entitled to the thirteenth-month pay.

The following employers are not covered by Presidential Decree No. 851:

1. The government and any of its political subdivisions, including government-owned and controlled corporations, except those corporations operating essentially as private subsidiaries of the government;
2. Employers who are already paying their employees a thirteenth-month pay or more in a calendar year or its equivalent^{kk} at the time of the issuance of Presidential Decree No. 851;
3. Employers of household helpers^{ll} and persons in the personal service of another in relation to such workers; and
4. Employers of those who are paid on purely commission, boundary, or task basis, and those who are paid a fixed amount for performing specific work,

^{jj} See Revised Guidelines on the Implementation of the 13th Month Pay Law. See also DOLE Labor Advisory No. 18, Series of 2021 entitled Guidelines on the Payment of Thirteenth Month Pay. Issued on 25 October 2021.

^{kk} The term "its equivalent" shall include Christmas bonus, midyear bonus, cash bonuses, and other payments amounting to not less than one-twelfth (1/12) of the basic salary but shall not include cash and stock dividends, cost of living allowance, and all other allowances regularly enjoyed by the employee, as well as non-monetary benefits.

^{ll} Under Section 25 of Republic Act No. 10361 or the "*Batas Kasambahay*", a domestic worker is entitled to thirteenth-month pay as provided for by law.

irrespective of the time consumed in the performance thereof, except where the workers who are paid on piece-rate basis in which case the employer shall grant them thirteenth-month pay to such workers.^{mmm}

C. Amount

The thirteenth-month pay shall not be less than one-twelfth (1/12) of the total basic salary earned by an employee in a calendar year. The "basic salary" of an employee for the purpose of computing the thirteenth-month pay shall include all remunerations or earnings paid by his or her employer for services rendered. It does not include allowances and monetary benefits which are not considered or integrated as part of the regular or basic salary, such as the cash equivalent of unused vacation and sick leave credits, overtime, premium, night shift differential and holiday pay, and cost of living allowance (COLA). However, these salary-related benefits should be included as part of the basic salary in the computation of the thirteenth-month pay if these are treated as part of the basic salary of the employees, through individual or collective agreement, company practice or policy.

D. Computation

$$\frac{\text{Total basic salary earned during the year}}{12 \text{ months}} = \text{proportionate 13th-month pay}$$

To illustrate, assume Employee A earned ₱184,219.96 as his basic salary in a calendar year. In this case, his proportionate 13th-month pay shall be computed as follows:

January	no absence	₱15,910.83
February	no absence	15,910.83
March	no absence	15,910.83
April	no absence	15,910.83
May	no absence	15,910.83
June	5 days leave with pay	15,910.83
July	no absence	15,910.83
August	no absence	15,910.83
September	10 days leave w/o pay	9,810.83
October	no absence	15,910.83
November	1 day leave w/o pay	15,300.83
December	no absence	15,910.83
Total basic salary earned for the year		₱184,219.96
Proportionate 13th-month pay (₱184,219.96/12)		₱15,351.66

^{mmm} "Workers paid on piece-rate basis" refer to those who are paid a standard amount for every piece or unit of work produced that is more or less regularly replicated, without regard to the time spent in producing the same.

E.**E. Time of Payment**

The thirteenth-month pay shall be paid not later than December 24 of every year. An employer, however, may give to his or her employees one-half (1/2) of the thirteenth-month pay before the opening of the regular school year and the remaining half on or before December 24 of every year. The frequency of payment of this monetary benefit may be the subject of an agreement between the employer and the recognized/collective bargaining agent of the employees.

F. Thirteenth-Month Pay for Certain Types of Employees

1. Employees who are paid on piecework basis are entitled to the thirteenth-month pay.
2. Employees who are paid a fixed or guaranteed wage plus commission are also entitled to the thirteenth-month pay, based on their earnings during the calendar year (e.g., on both their fixed or guaranteed wage and commission).

In *Boie-Takeda Chemicals, Inc. vs. De la Serna*ⁿⁿ, the Supreme Court ruled that commissions, while included in the generic term wage, are not part of "basic salary/wage" and therefore should not be included in computing the thirteenth-month pay. Thus:

In remunerative schemes consisting of a fixed or guaranteed wage plus commission, the fixed or guaranteed wage is patently the "basic salary" for this is what the employee receives for a standard work period. Commissions are given for extra efforts exerted in consummating sales or other related transactions. They are, as such, additional pay, which this Court has made clear do not form part of the "basic salary".

3. Employees with multiple employers.

Government employees working part-time in a private enterprise, including private educational institutions, as well as employees working in two or more private firms, whether on full-time or part-time basis, are entitled to the thirteenth-month pay from all their private employers, regardless of their total earnings from each of their employers.

G. Thirteenth-Month Pay of Resigned or Separated Employee

An employee who has resigned or whose services are terminated at any time before the time of payment of the thirteenth-month pay is entitled to this monetary benefit in proportion to the length of time he or she has worked during the year, reckoned from the time he or she has started working during the calendar year up to the time of his or her resignation or termination from the service. Thus, if he or she worked only from January to September, his or her proportionate thirteenth-

ⁿⁿ G.R. No. 92174 & G.R. No. 102552, 10 December 1993.

month pay should be equal to one-twelfth (1/12) of his or her total basic salary earned during that period.

H. Thirteenth-Month Pay of Female Employee who is on Maternity Leave^{oo}

The salary differential shall be included as part of the basic salary for purposes of computation of the 13th-month pay of the rank-and-file employee.

I. Non-inclusion in Regular Wage

The thirteenth-month pay is not part of the regular wage of employees for purposes of determining overtime and premium payments, fringe benefits, contributions to the State Insurance Fund, Social Security System, National Health Insurance Program, and private retirement plans.

J. Coverage from Income Tax of Thirteenth-Month Pay and Other Benefits^{pp}

Pursuant to Section 2.78.1(B)(11) of BIR Revenue Regulation No. 2-98, as amended, among other income payments, the following are exempted from the requirement of withholding tax on compensation but may be subject to income tax depending on the nature/sources of income earned by the individual recipient:

- (a) Thirteenth-month pay equivalent to the mandatory one month basic salary of official and employees of the government (whether national or local), including government-owned or controlled corporations, and/or private offices received after the twelfth month pay; and
- (b) Other benefits such as Christmas bonus, productivity incentives, loyalty award, gift in cash or in kind, and other benefits of similar nature actually received by officials and employees of both government and private offices, including the Additional Compensation Allowance (ACA) granted and paid to all officials and employees of the National Government Agencies (NGAs) including State Universities and Colleges (SUCs), Government-Owned and/or Controlled Corporations (GOCCs), Government Financial Institutions (GFIs) and Local Government Units (LGUs).

The above stated exclusions under (a) and (b) shall cover benefits paid or accrued during the year, provided that the total amount shall not exceed ₱90,000.00, which may be increased through rules and regulations issued by the Secretary of Finance, upon recommendation of the Commissioner, after considering among others, the effect on the same of the inflation rate at the end of the taxable year.

^{oo} See Department Advisory No. 01, Series of 2019 or the Guidelines on the Computation of Salary Differential of Female Workers during her Maternity Leave and its Criteria for Exemption Pursuant to Republic Act No. 11210 and its Implementing Rules and Regulations. Issued on 09 July 2019.

^{pp} As amended by BIR Revenue Regulations No. 11-2018 [Amending Certain Provisions of Revenue Regulations No. 2-98, as Amended, to Implement Further Amendments Introduced by Republic Act No. 10963, Otherwise Known as the "Tax Reform for Acceleration and Inclusion (TRAIN)" Law, Relative to Withholding of Income Tax]. Issued on 31 January 2018.

K. No Exemption or Deferment

No request or application for exemption from payment of 13th-month pay, or for deferment of the payment thereof shall be accepted and allowed.

L. Report of Compliance

Employers shall make a report of their compliance via online through the DOLE Establishment Report System at <https://reports.dole.gov.ph/> not later than January 15 of the following year. The report shall conform substantially with the following:

1. Name of establishment
2. Address
3. Principal product of business
4. Total employment
5. Total number of workers benefitted
6. Amount granted per employee
7. Total amount of benefits granted
8. Name, position and telephone number of person giving information

14

SEPARATION PAY

(Articles 298-299^{qq})

A. Definition

Separation pay is a compensation given to an employee who is terminated from employment due to authorized causes provided in Articles 298 and 299 of the Labor Code of the Philippines, as renumbered.

B. Coverage

This benefit applies to an employee in instances of authorized termination of employment covered by Articles 298 and 299 of the Labor Code of the Philippines. An employee's entitlement to separation pay depends on the reason or ground for the termination of his or her services. Where the termination is for authorized causes, separation pay is due.

C. Amount

1. One-Half (1/2) Month Pay for Every Year of Service

An employee is entitled to receive a separation pay equivalent to one-half (1/2) month pay for every year of service, a fraction of at least six months being considered as one whole year, if his/her separation from the service is due to any of the following authorized causes:

- a. Retrenchment to prevent losses (*i.e.*, reduction of personnel effected by management to prevent losses);
- b. Closure or cessation of operation of an establishment not due to serious losses or financial reverses;
- c. When the employee is suffering from a disease not curable within a period of six months and his/her continued employment is prejudicial to his/her health or to the health of his/her co-employees;
- d. Lack of service assignment of security guard for a continuous period of six months;^{rr} and
- e. Lack of service assignment of a worker in a contracting or subcontracting arrangement for a continuous period of three months.^{ss}

^{qq} Formerly Articles 283-284. Renumbered pursuant to DOLE Department Advisory No. 1, Series of 2015 issued on 21 July 2015.

^{rr} See DOLE Department Order No. 150, Series of 2016 or the Revised Guidelines Governing the Employment and Working Conditions of Security Guards and Other Private Security Personnel in the Private Security Industry. Issued on 09 February 2016.

^{ss} See Sec. 13 of Department Order No. 174, Series of 2017 or the Rules Implementing Articles 106 to 109 of the Labor Code, as Amended.

In no case will an employee get less than one month separation pay if the separation is due to the above stated causes.

2. One-Month Pay for Every Year of Service

An employee is entitled to separation pay equivalent to his/her one-month pay for every year of service, a fraction of at least six months being considered as one whole year, if his/her separation from service is due to any of the following:

- a. Installation by employer of labor-saving devices;
- b. Redundancy, as when the position of the employee has been found to be excessive or unnecessary in the operation of the enterprise;
- c. Impossible reinstatement of the employee to his or her former position or to a substantially equivalent position for reasons not attributable to the fault of the employer, as when the reinstatement ordered by a competent authority cannot be implemented due to closure or cessation of operations of the establishment/employer, or the position to which he or she is to be reinstated no longer exists and there is no substantially equivalent position in the establishment to which he or she can be assigned;^{tt} and
- d. Lack of service assignment of security guard by reason of age.^{uu}

D. Computation

The computation of separation pay of an employee shall be based on his/her latest salary rate.

Moreover, it would be an error not to integrate the allowance with the basic salary. The salary base properly used in computing the separation pay should include not just the basic salary but also the regular allowances that an employee has been receiving.^{vv}

E. Notice of Termination^{ww}

The employer may terminate the employment of an employee due to the above-mentioned authorized causes by serving a written notice on the employee and the Department of Labor and Employment through its regional office having jurisdiction over the place of business at least one month before the intended date thereof.

^{tt} Gaco vs. NLRC, et al., G.R. No. 104690, 23 February 1994.

^{uu} Department Order No. 150 s. 2016 or the Revised Guidelines Governing the Employment and Working Conditions of Security Guards and Other Private Security Personnel in the Private Security Industry. Issued on 09 February 2016.

^{vv} Planters' Products, Inc. vs. NLRC, G.R. No. 78524, 20 January 1989.

^{ww} See DOLE Department Order No. 147, Series of 2015 entitled Amending the Implementing Rules and Regulations of Book VI of the Labor Code of the Philippines, as amended. Issued on 07 September 2015.

Notice of termination may be done (a) by accomplishing RKS Form 5 of 2020^{xx} and submitting the same to the DOLE Provincial/Field Office having jurisdiction over the workplace or (b) by accomplishing and submitting an online report at the DOLE Establishment Report Systems (<https://reports.dole.gov.ph/>)

F. Coverage from Income Tax of Separation Pay

Pursuant to Section 32(B)(6)(b) of the Tax Code of 1997, as amended, any amount received by an official or employee or by his heirs from the employer as a consequence of separation of such official or employee from the service of the employer due to death, sickness or other physical disability or for any cause beyond the control of the said official or employee shall not be included in the gross income and shall be exempt from taxation under Title II of the same Code.^{yy}

G. Termination of Employment by the Contractors/Subcontractors^{zz}

In case of termination of employment caused by the pre-termination of the Service Agreement not due to authorized causes under Article 298, the right of the contractor/subcontractor's employee to unpaid wages and other unpaid benefits including unremitted legal mandatory contributions, e.g., SSS, Philhealth, Pag-IBIG and ECC, shall be borne by the party at fault, without prejudice to the solidary liability of the parties to the Service Agreement.

Moreover, where the termination results from the expiration of the Service Agreement, or from the completion of the phase of the job or work for which the employee is engaged, the employee may opt to wait for re-employment within three months to resign and transfer to another contractor-employer.

^{xx} See DOLE Labor Advisory No. 17-A, Series of 2020 entitled Establishment Report Form. Issued on 11 June 2020.

^{yy} See also BIR Ruling No. 057-2014.

^{zz} See DOLE Department Order No. 174, Series of 2017 or the Rules Implementing Articles 106 to 109 of the Labor Code, as amended.

15

RETIREMENT PAY

(Article 302^{aaa})

A. Definition

Retirement pay refers to the compensation given to a retiring employee pursuant to Article 302 of the Labor Code of the Philippines, as renumbered.

B. Coverage

Employees shall be retired upon reaching the age of 60 years or more but not beyond 65 years old and have served the establishment for at least five years.

This benefit applies to all employees except:

1. Government employees; and
2. Employees of retail, service and agricultural establishments/ operations regularly employing not more than ten employees.

C. Amount

The minimum retirement pay shall be equivalent to one-half (1/2) month salary,^{bbb} for every year of service, a fraction of at least six months being considered as one whole year.

D. Computation

For the purpose of computing retirement pay, "one-half month salary" is equivalent to 22.5 days^{ccc} which comprises the following:

1. 15 days salary based on the latest salary rate;
2. Cash equivalent of five days of service incentive leave; and
3. One-twelfth (1/12) or 2.5 days^{ddd} of the thirteenth-month pay.

Thus, the formula in computing the minimum retirement pay is as follows:

Minimum Retirement Pay = Daily Rate^{eee} x 22.5 days x # of years in service

^{aaa} Formerly Article 287. Renumbered pursuant to DOLE Department Advisory No. 1, Series of 2015 issued on 21 July 2015.

^{bbb} The COLA shall not be included in the computation of retirement pay.

^{ccc} Capitol Wireless, Inc. v. Honorable Secretary Ma. Nieves R. Confesor, G. R. No. 117174, 13 November 1996.

^{ddd} $1/12 \times 365/12 = .083 \times 30.41 = 2.5$

^{eee} Cebu Institute of Technology vs. Ople, GR No. 58870, Dec. 18, 1987- Existing laws exclude allowances from the basic salary or wage in the computation of the amount of retirement and other benefits payable to an employee.

Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in the Collective Bargaining Agreement (CBA).

E. Retirement Benefit under a Collective Bargaining Agreement or Applicable Contract

Any employee may retire or be retired by his or her employer upon reaching the retirement age established in the collective bargaining agreement (CBA) or other applicable agreement/contract and shall receive the retirement benefit granted therein; Provided, however, that such retirement benefit shall not be less than the retirement pay required under RA 7641, and Provided, further, that if such retirement benefit under the agreement is lesser, the employer shall pay the difference.

Where both the employer and the employee contribute to a retirement fund pursuant to the applicable agreement, the employer's total contributions and the accrued interest thereof should not be less than the total retirement benefit to which the employee would have been entitled had there been no such retirement benefits' fund. If such total portion from the employer is lesser, the employer shall pay the deficiency.

F. Retirement Benefit of Workers who are Paid by Results

For covered workers who are paid by results and do not have a fixed monthly salary rate, the basis for the determination of the salary for 15 days shall be their average daily salary (ADS). The ADS is derived by dividing the total salary or earnings for the last twelve months reckoned from the date of retirement by the number of actual working days in that particular period, provided that the determination of rates of payment by results are in accordance with the established regulations.

G. Retirement Benefit of Part-time Workers

Part-time workers are also entitled to retirement pay of "one-half month salary" for every year of service under RA 7641 after satisfying the following conditions precedent for optional retirement: (a) there is no retirement plan between the employer and the employee and (b) the employee should have reached the age of 60 years, and should have rendered at least five years of service with the employer.

Applying the foregoing principle, the components of retirement benefit of part-time workers may likewise be computed at least in proportion to the salary and related benefits due them.

H. Retirement Benefit of Underground or Surface Mine Employees under Republic Act No. 8558, as amended by Republic Act No. 10757^{fff}

The retirement age of underground or surface mine employees has been reduced to a much lower age. For this purpose, an underground or surface mine employee refers to any person employed to extract mineral deposits underground or in the surface, or to work in excavations or workings such as shafts, winzes, tunnels, drifts, crosscuts, raises, working places whether abandoned or in use beneath or in the earth's surface for the purpose of searching for and extracting mineral deposits. Moreover, surface mine workers shall only include mill-plant workers, electrical, mechanical and tailings pond personnel.

In the absence of a retirement plan or other applicable agreement providing for retirement benefit of underground mine employees in the establishment, an employee may retire upon reaching the compulsory retirement age of 60 years or upon optional retirement at the age of 50 years, provided he/she has served for at least five years as an underground mine employee or in underground mine of the establishment.

I. Retirement Benefit of Racehorse Jockeys

The compulsory retirement age of professional racehorse jockeys who are duly licensed by the Philippine Racing Commission is 55 years old, provided that he/she has served for at least five years as racehorse jockey and has paid additional premium to the SSS.

J. Other Benefits upon Retirement

The retirement benefits under Republic Act No. 7641 and Republic Act No. 8558 are separate and distinct from those granted by the Social Security System.

Under the law, upon optional or compulsory retirement, the employee is also entitled to the proportionate thirteenth-month pay for the calendar year and to the cash equivalent of accrued leave benefits.

K. Coverage from Income Tax of Retirement Pay

Exempted from taxation are the retirement benefits received under Republic Act No. 7641 (now Article 302 herein) and those received by officials and employees of private firms, whether individual or corporate, in accordance with a reasonable private benefit plan maintained by the employer: Provided, That the retiring official or employee has been in the service of the same employer for at least ten years and is not less than 50 years of age at the time of his retirement: Provided, further, That the benefits granted under this subparagraph shall be availed of by an official or employee only once.

For purposes herein, the term 'reasonable private benefit plan' means a

^{fff} Entitled An Act Reducing the Retirement Age of Surface Mine Workers from Sixty (60) to Fifty (50) Years, amending for the purpose Article 302 of PD 442, otherwise known as the "Labor Code of the Philippines." Enacted on 08 April 2016.

pension, gratuity, stock bonus or profit-sharing plan maintained by an employer for the benefit of some or all of his officials or employees, wherein contributions are made by such employer for the officials or employees, or both, for the purpose of distributing to such officials and employees the earnings and principal of the fund thus accumulated, and wherein it is provided in said plan that at no time shall any part of the corpus or income of the fund be used for, or be diverted to, any purpose other than for the exclusive benefit of the said officials and employees.^{§§§}

^{§§§} Pursuant to Section 32(B)(6)(a) of the National Internal Revenue Code of the Philippines, as amended.

16

EMPLOYEES' COMPENSATION PROGRAM

(Presidential Decree No. 626)

A. Employees' Compensation Program

The Employees' Compensation Program (ECP) is a government program that provides a package of benefits to all workers and/or their beneficiaries in the event of a work-related sickness, injury, disability or death. The ECP is implemented by the Employees' Compensation Commission (ECC), a government corporation attached to the Department of Labor and Employment for policy coordination and guidance.

B. Coverage

The ECP covers the following workers:

1. Private sector workers who are compulsory members of the Social Security System (SSS) including sea-based Overseas Filipino Workers (OFWs) and *kasambahays*. Employees shall be covered starting on the first day of their employment.
2. Government sector employees who are mandatory members of the Government Service Insurance System (GSIS), including uniformed personnel from the Armed Forces of the Philippines, Philippine National Police (PNP), Bureau of Jail and Management Penology (BJMP), Bureau of Fire Protection (BFP), and Philippine Coast Guard (PCG).
3. Active self-employed members of the SSS.^{hhh}

C. Conditions of Compensability

Any work-connected injury or sickness, resulting to disability or death of a covered employee is compensable under the ECP.

1. Compensable Diseases

A sickness is considered compensable if the same is included in the ECC's List of Occupational Diseases and the conditions for its compensability are met. If the conditions were not satisfied and/or the claimed ailment is not included in the list, proof must be shown that the risk of contracting the disease is increased by the working conditions. This is known as the increased-risk theory.

The conditions for the compensability of COVID-19 are the following:

- a. There must be a direct connection between the offending agent or event and the worker based on epidemiologic criteria and

^{hhh} ECC Board Resolution No. 19-03-05 entitled Promulgating the Policy on Expanding the Coverage of the Employee' Compensation Program (ECP) to the Self-Employed Compulsory Members of the SSS. Issued on 06 March 2019.

occupational risk (e.g., healthcare workers, screening and contact tracing teams, etc.);

- b. The tasks assigned to the worker would require frequent face-to-face and close proximity interactions with the public or with confirmed cases for healthcare workers;
- c. Transmission occurred in the workplace; or
- d. Transmission occurred while commuting to and from work.

2. Compensable Injuries

An injury is considered compensable when the same takes place within the period of employment, at a place where the employee may reasonably be in the performance of his duties, and while he is fulfilling those duties or engaged in doing something incidental thereto, or where he is engaged in the furtherance of the employer's business.

An accident may be considered to have risen out of and in the course of employment when it happened:

- a. at the workplace;
- b. while performing official functions;
- c. outside of the workplace, but performing an order/ instruction of the employer;
- d. when going to or coming home from work;
- e. while ministering to personal comfort;
- f. while in a company shuttle bus; or
- g. during a company sponsored activity.

No compensation will be allowed to an employee or the dependents if the injury, sickness, disability or death is due to:

- a. Intoxication;
- b. Willful intention to injure or kill himself or another; or
- c. Notorious negligence.

D. Benefits

The following are the benefits under the EC Program:

1. Sickness/disability benefits – Under the ECP, it is the disability, or the incapacity to work, which is being compensated and not the illness or the injury. There are three types of loss of income benefit, namely:

- a. **Temporary total disability (TTD)** – For a disability that prevents an employee from performing his work for a continuous period not exceeding 120 days. The amount of daily income benefit shall be 90% of the employee's average daily salary credit as determined by the Systems.
- b. **Permanent total disability (PTD)** – A monthly income benefit granted for disabilities, such as, but not limited to, complete loss of sight of both eyes, loss and function loss of both limbs, and brain injury

- resulting to imbecility or insanity. The amount of monthly income benefit for PTD shall be determined by the Systems based on the average monthly salary credit or average monthly compensation (AMSC/AMC).
- c. **Permanent partial disability (PPD)** – A monthly income benefit is granted for disabilities that result in physical loss (amputation) or functional loss of a body part. The number of monthly pensions is based on the corresponding body part loss or functional loss, as provided under Article 193 of Presidential Decree No. 626, as amended, and EC schedule of compensation.
 2. **Medical benefits** – It includes reimbursement of the cost of medicines for the illness or injury, payment to providers of medical care, hospital care, surgical expenses, and the costs of rehabilitation appliances and supplies. The medical services are limited to ward services of hospitals duly accredited by the Department of Health (DOH).
 3. **Carers' allowance** – A supplemental pension of ₱1,000.00/month is provided to pensioners under the ECP who suffer from work-connected PPD and PTD.
 4. **Rehabilitation services/KaGabay Program (*Katulong at Gabay sa Manggagawang May Kapansanan*)** – Provision of remedial treatment, vocational assessment and preparation which is designed to meet the individual needs of each handicapped employee to restore him to suitable employment and to help each person with work-related disability (PWRD) to develop his/her mental, vocational or social potential. Availled directly at ECC once employee has an approved EC claim from the Systems.

Rehabilitation services may be in the form of any of the following:

- a. Medical-surgical management;
 - b. Hospitalization;
 - c. Necessary appliances and supplies;
 - d. Physical restoration;
 - e. Psychosocial counseling;
 - f. Psychiatric evaluation;
 - g. Skills training;
 - h. Entrepreneur training;
 - i. Hearing impairment evaluation;
 - j. Visual impairment evaluation; and
 - k. Job referral.
5. **Death benefit** – The beneficiaries of the deceased employee are entitled to an income benefit if the employee died as a result of a work-related injury or sickness. They shall receive an income benefit paid at the beginning of the month of death of the member and will continue for as long as they are entitled thereto.
 6. **Funeral benefit** – An amount of ₱30,000.00 may be granted for the private and public sectors upon the death of an employee who died as a result of a work-related accident or disease.

For workers who contracted COVID-19 may avail of the following benefits:

1. Sickness/disability benefit;
2. Medical benefit;
3. Death benefit; and
4. Funeral benefit.

E. Notification and Filing of Claims

The employer should be notified of the employee's sickness, injury or death within five days from the occurrence of the contingency. Notice is not necessary if the contingency occurred during working hours, at the place of work and with the knowledge of the employer or representative.

For private sector employees, claims for EC benefits are filed at any SSS branch or representative office nearest the employee's residence or place of work.

F. Contributionⁱⁱⁱ

Employers pay for the EC contributions of their employees. For a covered employee in the private sector, his or her employer shall remit to the SSS a monthly contribution in accordance with the following schedule:

Range of Compensation	Employers' Contribution
Below ₱4,250.00 to ₱14,749.99	₱10.00
₱14,750.00 and above	₱30.00

When a covered employee dies during employment, or is separated from employment, his employer's obligation to pay the monthly contribution arising from that employment shall cease on the last day of the month of contingency. Likewise, when a covered employee becomes disabled during employment, his employer's obligation to pay the monthly contribution shall be suspended during such months that he is not receiving salary or wages.

For questions regarding the ECP, please contact the

EMPLOYEES' COMPENSATION COMMISSION

Address: 4th & 5th Floors, ECC Building, 355 Sen. Gil J. Puyat Avenue, Makati City

Tel. Nos.: (02) 8899-4251 loc. 227/228 or (02) 8896-7837

Website: <https://ecc.gov.ph/>

Facebook: www.facebook.com/ecc.official

E-mail address: ipad@ecc.gov.ph

ⁱⁱⁱ ECC Circular No. 2019-01 entitled Advisory on the Amount of EC Contribution Relative to the Increase in SS Monthly Salary Credit (MSC). Issued on 01 April 2019.

17

PHILHEALTH BENEFITS

(RA 7875, as amended by RA 9241 and RA 10606)

A. National Health Insurance Program

The National Health Insurance Program (NHIP) is a compulsory health insurance program of the government established to provide universal health insurance coverage and ensure affordable, acceptable, available and accessible health care services for all citizens of the Philippines.

B. Coverage

The NHIP covers all Filipinos pursuant to Republic Act No. 11223 or the Universal Health Care (UHC) Act.

Members who are considered direct contributors are the following:

1. Employees with formal employment;
2. *Kasambahays*;
3. Self-earning individuals and professional practitioners;
4. Overseas Filipino Workers;
5. Filipinos living abroad and those with dual citizenship;
6. Lifetime members; and
7. All Filipinos aged 21 years and above with capacity to pay.

C. Benefits^{jjj}

1. Inpatient Benefits
2. Outpatient Benefits
3. Z Benefits
4. SDG Related

D. Contribution^{kkk}

Pursuant to PhilHealth Circular No. 2020-0005, below is the premium contribution table for direct contributors:

Year	Monthly Basic Salary (in PhP)	Premium Rate	Monthly Premium (in PhP)
2022	10,000.00	4.00%	400.00
	10,000.01 to 79,999.99		400.00 to 3,200.00
	80,000.00		3,200.00

^{jjj} Refer to the following link: <https://www.philhealth.gov.ph/benefits/>

^{kkk} PhilHealth Circular No. 2020-0005 entitled Premium Contribution Schedule in the National Health Insurance Program (NHIP) Pursuant to R.A. No. 11223 Known as the "Universal Health Care Act" (Revision 1). Issued on 19 February 2020.

Year	Monthly Basic Salary (in PhP)	Premium Rate	Monthly Premium (in PhP)
2023	10,000.00	4.50%	450.00
	10,000.01 to 89,999.99		450.00 to 4,050.00
	90,000.00		4,050.00
2024 to 2025	10,000.00	5.00%	500.00
	10,000.01 to 99,999.99		500.00 to 5,000.00
	100,000.00		5,000.00

The premium of employed members in the government and private sector, including household help and sea-based OFWs, shall be computed straight based on the monthly basic salary of the employee to be equally shared between the employee and employer.

For those whose basic monthly salary is below the income floor, the premium contribution shall be computed based on the income floor, while those whose basic monthly income is above the income ceiling, the premium contribution shall be computed based on the income ceiling in accordance with the DBM Circular Letter No. 2019-8.

Employers shall ensure that premium contribution of women who are on maternity leave shall be regularly remitted to PhilHealth pursuant to DOLE Department Advisory No. 1, Series of 2019.

For questions regarding the NHIP, please contact the

PHILIPPINE HEALTH INSURANCE CORPORATION

Address: Citystate Centre, 709 Shaw Boulevard, Pasig City

Call Center Hotline: (02) 8441-7442 (PHIC)

Callback Channel: 0917-898-7442 (Text "PHICcallback [space]

Mobile No. or Metro Manila landline [space] details of your concern." PHIC will call you during office hours.

Website: www.philhealth.gov.ph

Facebook: www.facebook.com/PhilHealthOfficial

18

SOCIAL SECURITY BENEFITS

(RA 1161, as amended by RA 11199)

A. Social Security Benefits

Social security benefits are composed of package of benefits under the Social Security Program in the event of death, disability, sickness, maternity, old age and unemployment. Work-related death, disability and sickness also receive benefits under the Employees' Compensation (EC) Programs. Basically, social security provides replacement for income lost on account of the aforementioned contingencies.

B. Coverage

The Social Security System covers all employees including *kasambahays* or domestic workers not over 60 years of age and their employer.^{lil}

C. Benefits

If you are regularly paying your contributions, you will be entitled to these social security benefits:

1. **Sickness** – a daily cash allowance paid for the number of days a member is unable to work due to sickness or injury.
2. **Maternity** – a daily cash allowance granted to a female who is unable to work due to childbirth or miscarriage/emergency termination of pregnancy (ETP).
3. **Retirement** – a cash benefit granted—either as a monthly pension or a lump sum amount—to a member who can no longer work due to old age.
4. **Disability** – a cash benefit granted—either as a monthly pension or a lump sum amount—to a member who becomes permanently disabled, either partially or totally.
5. **Death** – a cash benefit granted—either as a monthly pension or a lump sum amount—to the beneficiaries of a deceased member or pensioner.
6. **Funeral** – a cash benefit given to whomever paid for the burial expenses of the deceased member or pensioner.
7. **Unemployment**^{mmmm} – a cash benefit granted to eligible employees – including householders and OFWs – who were involuntarily unemployed or separated from employment.

^{lil} Republic Act No. 11199, §9 (2019).

^{mmmm} See also DOLE Department Circular No. 1, Series of 2019 or the Guidelines on the Issuance of DOLE Certification as a Requirement for Application for Payment of Unemployment Insurance or Involuntary Separation Benefit. Issued on 29 July 2019.

D. Contribution

Pursuant to SSS Circular No. 2022-033 dated 12 December 2022, the minimum monthly salary credit (MSC) was increased to ₱4,000.00 and the maximum MSC to ₱30,000.00 effective January 2023. Refer to the attached circular for the new schedule of contributions of the employer and employee for the Social Security, the Employee's Compensation and the Worker's Investment Savings Program.

For questions regarding SS benefits, please contact the:

SOCIAL SECURITY SYSTEM

Address: SSS Building, East Avenue, Diliman, Quezon City

SSS Hotline: 1455

Website: www.sss.gov.ph

Facebook: www.facebook.com/SSSPH

E-mail address: member_relations@sss.gov.ph

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PAG-IBIG BENEFITS

(Republic Act No. 9679)

A. Home Development Mutual Fund

The Home Development Mutual Fund (HDMF), also known as Pag-IBIG (*Pagtutulungan sa Kinabukasan: Ikaw, Bangko, Industriya at Gobernyo*) Fund, is a Government-Owned and Controlled Corporation (GOCC) that provides the Filipino workers access to a secured savings and affordable home financing to improve the quality of their lives.

B. Coverage

Pag-IBIG membership is mandatory for all employees covered by the Social Security System (SSS) and the Government Service Insurance System (GSIS); uniformed members of the Armed Forces of the Philippines, the Bureau of Fire Protection, the Bureau of Jail Management and Penology, and the Philippine National Police; and, Filipinos employed by foreign-based employers.

C. Programs and Benefits

The Fund offers its members the following programs and benefits:

1. Provident Savings

- a. **Pag-IBIG Regular Savings** – The Pag-IBIG Regular Savings, or the monthly mandatory membership savings, is a savings facility that gives members high annual dividend earnings. Members who are formally employed contribute a minimum of ₱100.00 from their monthly income, while their employers also match their contributions with a share of ₱100.00. Self-employed members can contribute for as low as ₱100.00 per month. Members can withdraw their Pag-IBIG Savings and its dividend earnings upon retirement, or after 20 years, or equivalent to 240 monthly contributions.
- b. **Modified Pag-IBIG 2 (MP2) Savings** – A special voluntary savings facility that is open to all active Pag-IBIG Members who wish to save more and earn higher dividends, in addition to their Pag-IBIG Regular Savings. The MP2 Savings is an easy and flexible savings program with a five-year maturity period. Members can start saving for as low as ₱500.00 per remittance, making it more accessible. The dividends earned in the MP2 Savings are tax-free and can be withdrawn annually or after the five-year maturity period.

2. Short-Term Loans

- a. **Pag-IBIG Multi-Purpose Loan** – An affordable and easily accessible cash loan program offered by Pag-IBIG Fund. Qualified members can borrow up to 80% of their total Pag-IBIG Regular Savings, which

includes their monthly contributions, employer's contributions, and accumulated dividends earned. The loan proceeds can be used to pay for tuition fees, medical expenses, minor home improvements, travel, or even as a capital for a small business. The loan is payable in 24 or 36 monthly installments at a low interest rate of 10.5% per year.

- b. **Pag-IBIG Calamity Loan** – The Pag-IBIG Calamity Loan aims to provide immediate financial assistance to Pag-IBIG members who have been affected by calamities and are residing in areas declared under a State of Calamity. Eligible members may borrow up to 80% of their total Pag-IBIG Savings, which consist of their monthly contributions, the counterpart employer's contributions, and accumulated dividends earned. Pag-IBIG Calamity Loan is offered at a rate of 5.95% per annum, the lowest rate in the market and is payable over a period of up to three years, with a grace period of three months.

3. Home Financing

a. Retail

- i. **Pag-IBIG Housing Loan** – Allows Pag-IBIG members to borrow up to P6 million at low interest rates with borrower-friendly terms, and a maximum repayment period of up to 30 years.
- ii. **Pag-IBIG Affordable Housing Loan for Minimum-Wage Earners** – Designed for minimum-wage and low-income members who earn up to ₱15,000.00 a month within the National Capital Region (NCR), and earn up to ₱12,000.00 per month outside the NCR. Under the loan program, Pag-IBIG Fund offers a subsidized rate of 3% per annum for home loans up to ₱580,000.00 in socialized subdivision projects and special low rates for home loans of up to ₱750,000.00 for socialized condominium projects.
- iii. **Pag-IBIG Home Equity Appreciation Loan (HEAL)** – A low-interest loan available to all members with updated payments for their Pag-IBIG Housing Loan. With the Pag-IBIG HEAL, eligible members can borrow an amount based on the net value of their mortgaged property with Pag-IBIG Fund to help them fund their life goals – such as to renovate their homes, buy a car or purchase furniture and appliances.
- iv. **Pag-IBIG Home Saver Programs** – Provides options to Pag-IBIG Housing Loan borrowers who have missed payments to update their accounts and save their homes from foreclosure.

b. Institutional

- i. **Direct Developmental Loan [DDL]** – Provides loan financing for property/real-estate developers/proponents to develop residential subdivisions or medium-rise residential buildings, and housing units eligible for mortgage financing under Pag-IBIG Housing Loan.

- ii. **Direct Developmental Loan Program for the Pambansang Pabahay Para sa Pilipino Housing (4PH) Program [DDL-4PH]** – Encourages public-private partnership by providing access to affordable financing mechanism for property developers, Local Government Units (LGUs), contractors, and joint venture entities for the development of residential subdivision/condominium housing projects, and construction of housing units. Aims to support the national government and the Department of Human Settlements and Urban Development (DHSUD) to reduce the 6 million housing backlog of the country.
- iii. **Rental Housing Construction Loan [RHCL]** – A financing facility which may be used to fund the site development and construction of residential units meant for rental housing, which may include staff houses, dormitories, and other similar dwellings. This program is open to employers, whether private or from the government sector.

4. Other Programs and Benefits

- a. **Pag-IBIG Loyalty Card Plus** – The Pag-IBIG Loyalty Card Plus is a discounts and rewards card that allows members to enjoy exclusive offers from more than 380 Loyalty Card partner-establishments nationwide. Members can get discounts and reward points on their grocery purchases, furniture upgrades, tuition fees, hospital bills, fuel expenses, and many more. The Loyalty Card Plus can also be used as a Savings Account, and a means for members to receive their savings claims and loan proceeds more conveniently.
- b. **Virtual Pag-IBIG for Members** – An online platform that allows members to access Pag-IBIG services 24/7, anytime, anywhere. It also includes a 24/7 chat service where members can go to for their inquiries and concerns.
- c. **Virtual Pag-IBIG for Developers** – An online facility that aids partner-developers in evaluating borrowers' eligibility. Through the Virtual Pag-IBIG for Developers, Pag-IBIG Fund is able to digitize and expedite housing loan applications.
- d. **Virtual Pag-IBIG for Employers** – The Virtual Pag-IBIG for Employers is an online facility that allows employers to enjoy Pag-IBIG Fund services for their businesses and employees safely and conveniently.
- e. **Virtual Pag-IBIG Mobile App** – The official mobile application of Pag-IBIG Fund that aims to bring its services closer to the members. With just a few taps on their smartphone and with the internet, members can conveniently access Pag-IBIG Fund's services, such as keeping track of their savings and loan records, and online payments for their dues.

D. Membership Contributionⁿⁿⁿ

Fund Salary	Contribution Rate	
	Employee	Employer (if any)
₱1,500.00 and below	1.00%	2.00%
Over ₱1,500.00	2.00%	2.00%

“**Fund Salary**” shall refer to the basic salary and other allowances, where basic salary includes, but is not limited to, fees, salaries, wages, and similar items received in a month. It shall mean the remuneration or earnings, however designated, capable of being expressed in terms of money, whether fixed or ascertained on a time, task, or piece or commission basis, or other method of calculating the same, which is payable by an employer to an employee or by one person to another under a written or unwritten contract of employment for work done or to be done, or for services rendered or to be rendered.

The maximum fund salary to be used in computing the employee and employer savings has been increased from ₱5,000.00 to ₱10,000.00 taking into consideration financial calculations and rates of benefits in accordance with Section 7 of Republic Act No. 8679.

Employers shall remit two percent (2%) of the monthly Fund Salary of the contributing member as counterpart contribution. The employer is not entitled to deduct from the wages or remuneration of or, otherwise, to recover from the employee the employer’s contribution.

In cases where employees have two or more employers, they shall contribute monthly to the Fund a percentage of their Fund Salary per employer, which shall be matched by the latter in accordance with the specified rates.

For questions regarding the programs and benefits of the Fund, please contact the

HOME DEVELOPMENT MUTUAL FUND

Address: JELP Business Solution Center, 409 Shaw Boulevard,
Brgy. Addition Hills, Mandaluyong City

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ⁿⁿⁿ See Pag-IBIG Fund Circular No. 460 issued on 15 January 2024.

DIRECTORY OF DOLE REGIONAL OFFICES

<p style="text-align: center;">National Capital Region (NCR) DOLE-NCR Building, 967 Maligaya Street, Malate, Manila 1004</p> <p> (02) 8400-6242  ncr@dole.gov.ph  http://ncr.dole.gov.ph/</p>	<p style="text-align: center;">Cordillera Administrative Region (CAR) DOLE-CAR New Building, Cabinet Hill, Baguio City 2600</p> <p> (074) 443-5339  car@dole.gov.ph  https://car.dole.gov.ph/</p>
<p style="text-align: center;">Region I (Ilocos Region) RSRK Bldg., Diversion Road, Brgy. Biday, San Fernando, La Union 2500</p> <p> (072) 607-9981  ro1@dole.gov.ph  http://ro1.dole.gov.ph/</p>	<p style="text-align: center;">Region II (Cagayan Valley) DOLE-RO2 Bldg., Regional Government Center, Carig Sur, Tuguegarao City, Cagayan 3500</p> <p> (078) 304-5085  ro2@dole.gov.ph  http://ro2.dole.gov.ph/</p>
<p style="text-align: center;">Region III (Central Luzon) Diosdado Macapagal Regional Government Center, Brgy. Maimpis, San Fernando, Pampanga 2000</p> <p> 0968-850-0101; 0968-890-0202  ro3@dole.gov.ph  http://ro3.dole.gov.ph/</p>	<p style="text-align: center;">CALABARZON 2/F - 4/F, Andenson Building II, Brgy. Parian, Calamba, Laguna 4027</p> <p> (049) 545-7360; (049) 545-7362  ro4a@dole.gov.ph  http://calabarzon.dole.gov.ph/</p>
<p style="text-align: center;">MIMAROPA Region 2/F – 5/F CONFIL Building, Roxas Drive cor. Sampaguita St., Brgy. Lumangbayan, Calapan City, Oriental Mindoro 5200</p> <p> (043) 288-6078  ro4b@dole.gov.ph  http://mimaropa.dole.gov.ph/</p>	<p style="text-align: center;">Region V (Bicol Region) Doña Aurora St., Old Albay, Legaspi City 4500</p> <p> 0981-461-8788; 0912-330-4751  ro5@dole.gov.ph  http://ro5.dole.gov.ph/</p>
<p style="text-align: center;">Region VI (Western Visayas Region) Kuang Da Bldg., Dela Rama St., Brgy. Zamora-Melliza, Iloilo City 5000</p> <p> (033) 320-8026; 0998-539-4757  ro6@dole.gov.ph  http://ro6.dole.gov.ph/</p>	<p style="text-align: center;">Region VII (Central Visayas Region) 3/F & 4/F, DOLE VII Building, General Maxilom Avenue corner Gorordo Avenue, Cebu City 6000</p> <p> (032) 266-2792; 0945-665-1871  ro7@dole.gov.ph  http://ro7.dole.gov.ph/</p>
<p style="text-align: center;">Region VIII (Eastern Visayas Region) DOLE Compound, Trece Martires St., Tacloban City 6500</p> <p> (053) 832-0433  ro8@dole.gov.ph  http://ro8.dole.gov.ph/</p>	<p style="text-align: center;">Region IX (ZamPen Region) Cortez Building, Evangelista Street, Sta. Catalina, Zamboanga City 7000</p> <p> (062) 991-2673; 0917-724-4334  ro9@dole.gov.ph  https://ro9.dole.gov.ph/</p>
<p style="text-align: center;">Region X (Northern Mindanao Region) Trinidad Building, Corrales-Yacapin Street, Cagayan de Oro City 9000</p> <p> (088) 858-1658  ro10@dole.gov.ph  http://ro10.dole.gov.ph/</p>	<p style="text-align: center;">Region XI (Davao Region) Quimpo Boulevard, Brgy. 74-A Matina Crossing, Davao City 8000</p> <p> (082) 227-4289  ro11@dole.gov.ph  http://ro11.dole.gov.ph/</p>
<p style="text-align: center;">Region XII (SOCCSKSARGEN) 102 Acepal Building, Mabini Extension, Koronadal City 9506</p> <p> (083) 826-1237; (083) 228-2190; (083) 520-0568  dole12.ro@gmail.com  https://ro12.dole.gov.ph/</p>	<p style="text-align: center;">Caraga Region Nimfa Tiu Bldg. III, JP Rosales Avenue, Butuan City 8600</p> <p> (085) 817-2358; (085) 225-3229  caraga@dole.gov.ph  http://caraga.dole.gov.ph/</p>

DIRECTORY OF DOLE-NCR FIELD OFFICES

<p style="text-align: center;">CAMANAVA Field Office (Caloocan, Malabon, Navotas, and Valenzuela) 3/F PPIA Building, 122 A. Del Mundo Street, between 10th and 11th Avenues, Grace Park, Caloocan City</p> <p>☎ (02) 8282-1842, (02) 8283-5044 (02) 8367-3188</p> <p>✉ ncr_camanava@dole.gov.ph</p>	<p style="text-align: center;">MPFO Field Office (Makati and Pasay)</p> <p>2/F, ECC Building, Sen. Gil J. Puyat Avenue Extension, Makati City</p> <p>☎ (02) 8772-8210, (02) 8800-7211 (02) 8336-5062</p> <p>✉ ncr_makatipasay@dole.gov.ph</p>
<p style="text-align: center;">Manila Field Office</p> <p>4/F, DY International Building, 1650 General Malvar corner San Marcelino Streets, Malate, Manila</p> <p>☎ 02) 8244-1532, (02) 8244-1318 (02) 5302-9269, (02) 5302-9270</p> <p>✉ ncr_manila@dole.gov.ph</p>	<p style="text-align: center;">MUNTAPARLAS Field Office (Muntinlupa, Taguig, Parañaque, Las Piñas)</p> <p>3/F, Valenzuela Building, Alabang-Zapote Road, Pamplona 3, Las Piñas City</p> <p>☎ (02) 8815-0086, (02) 8808-6165 (02) 8808-0422</p> <p>✉ ncr_muntaparlas@dole.gov.ph</p>
<p style="text-align: center;">PAPAMAMARISAN Field Office (Pasig, Pateros, Mandaluyong, Marikina, San Juan)</p> <p>4/F, Rudgen II Building, #17 Shaw Boulevard, Barangay San Antonio, Pasig City</p> <p>☎ (02) 8477-3630</p> <p>✉ ncr_papamamarisan@dole.gov.ph</p>	<p style="text-align: center;">Quezon City Field Office</p> <p>2/F Arcadia Building, 860 Quezon Avenue, Quezon City</p> <p>☎ (02) 8921-4973, (02) 8376-5983 0956-962-0982</p> <p>✉ ncr_quezoncity@dole.gov.ph</p>

For inquiries, please call the DOLE Hotline at 1349

or the DOLE Regional Office having jurisdiction

over the workplace of the employee.

The BWC

The roots of the Bureau can be traced back to its inception through the passage of Republic Act 367 which created the Bureau of Industrial Safety (BIS) on June 10, 1949. In 1950, after a year of existence, the BIS was reorganized into the Division of Industrial Safety. Then, on December 10, 1956, the BIS was again reconstituted as the Bureau of Labor Standards (BLS) under Executive Order 218.

On 01 May 1982, through Executive Order No. 797, the bureau was renamed to **Bureau of Working Conditions (BWC)** and a new Labor Standards Research Division (LSRD) was added to the existing divisions of the Bureau, namely the Inspection Standards Division (ISD), Wage and Hour Standards Division (WHSD) and Occupational Safety and Health Division (OSHD).

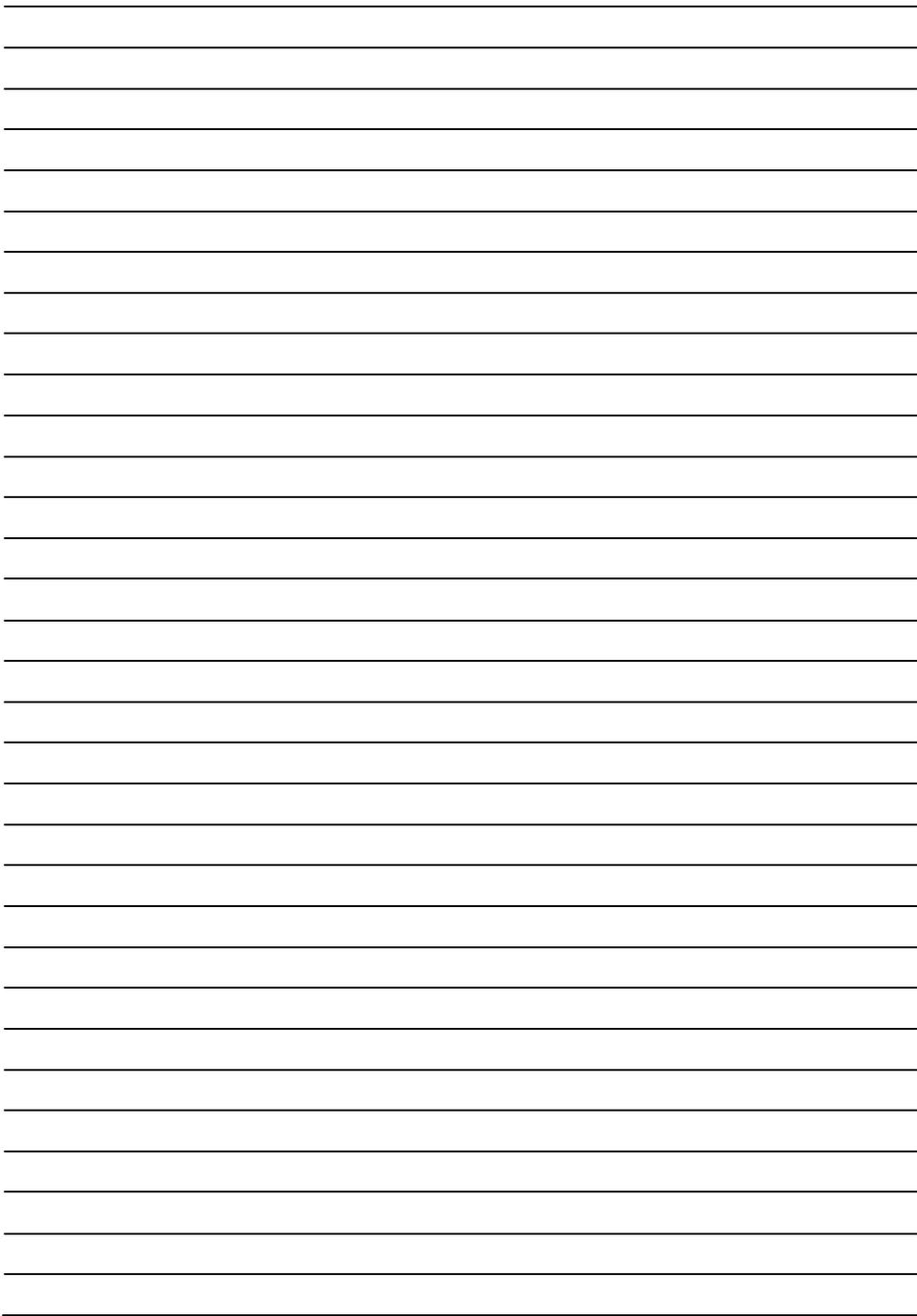
The Bureau has since then assumed a significant role in policy formulation and program development relating to the administration and enforcement of labor standards, particularly in areas such as hours of work, wages, occupational safety and health, and other factors influencing working conditions. Its functions were delineated within the framework of Executive Order 292 and the Administrative Code of 1987 which encapsulates a wide range of duties aimed at improving working conditions and safeguarding the welfare and rights of workers across various industries/sectors.

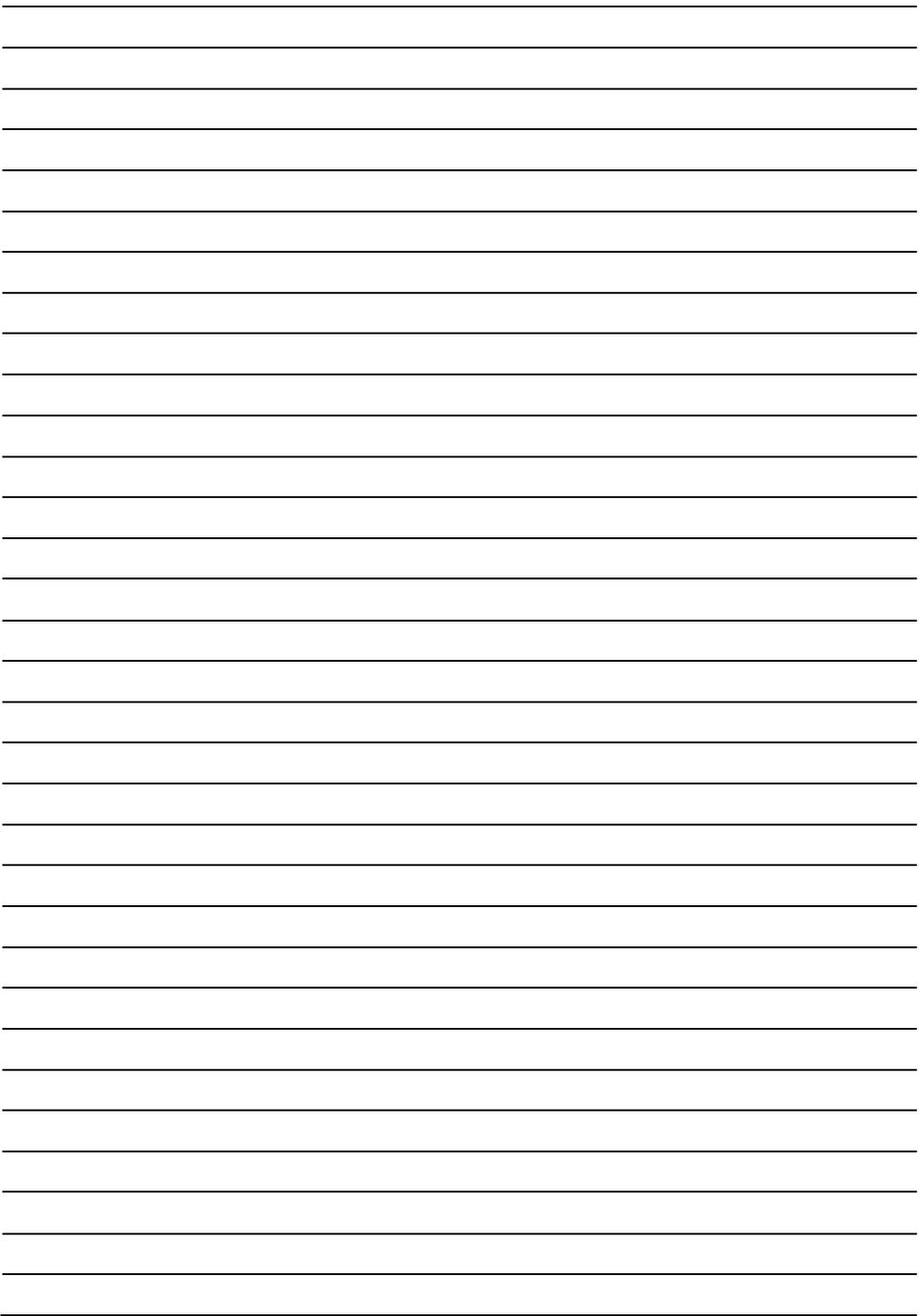
Vision

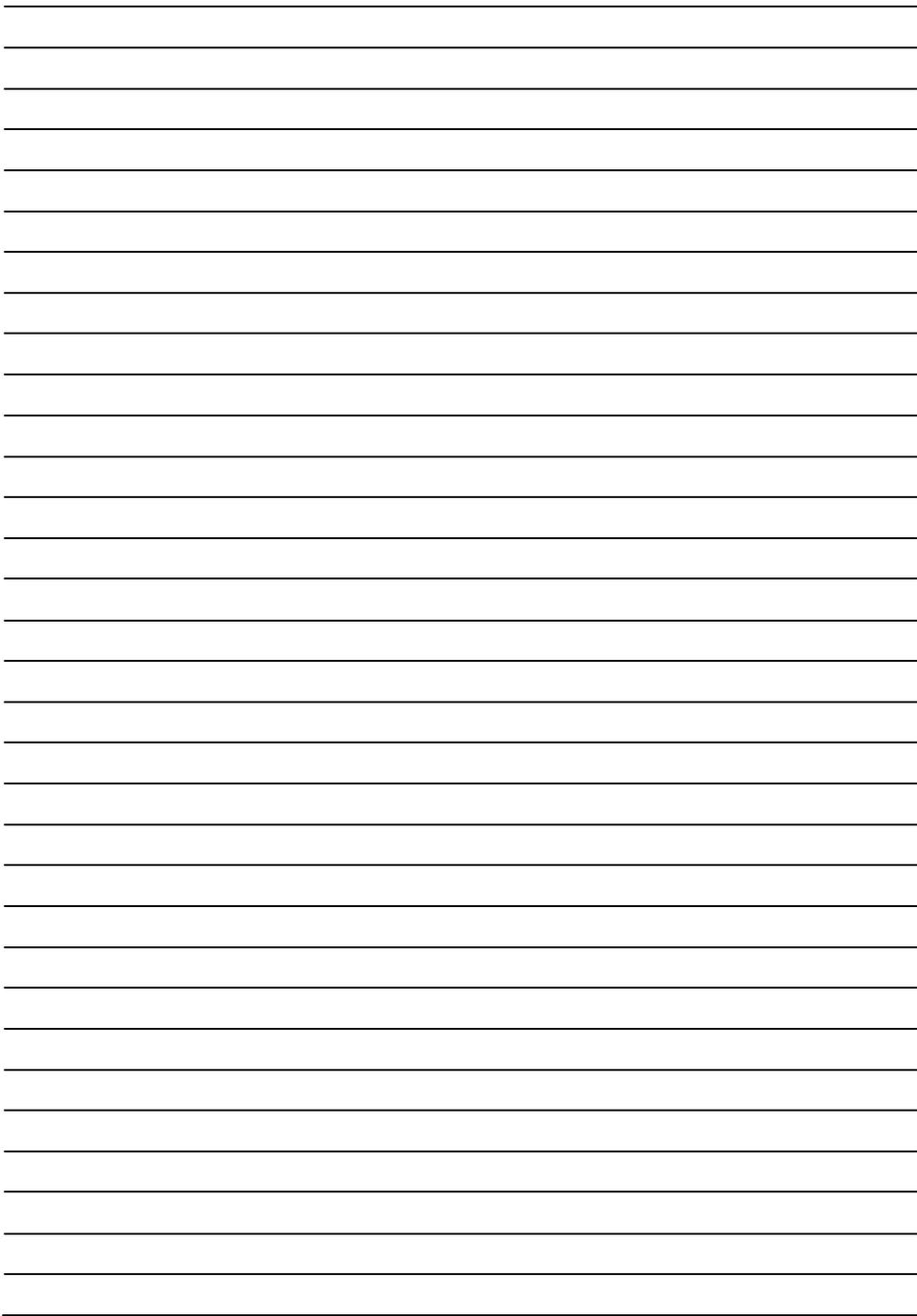
The Bureau of Working Conditions envisions well-guided employers and workers committed to a safe, healthful, and productive work environment, adaptive to industry trends and developments, and equitably enjoying the gains of joint endeavors.

Mission

- To formulate policies and initiate legislations on labor standards, based on relevant information culled from monitoring, consultations, networking, and researches.
- To standardize the use of enforcement instruments and to clothe the inspectorate system with strong enforcement authority to ensure compliance with laws and regulations.
- To develop and sustain the capability of enterprises toward self-management of safety and health in workplaces, thus, upholding the principle of shared responsibility between workers and employers.
- To enhance the capability of small enterprises in implementing practical and efficient methods of improving working conditions and productivity.
- To inform and advise the public on labor standards, including occupational safety and health, and on innovative work practices or arrangements.









BUREAU OF WORKING CONDITIONS

3rd Floor, DOLE Building
Muralla corner General Luna Streets
Intramuros, Manila



bwc.dole.gov.ph



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