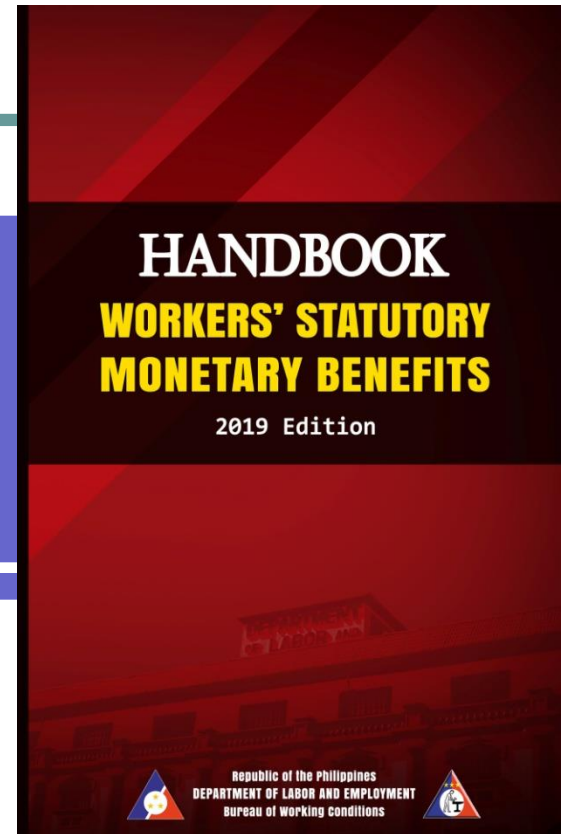


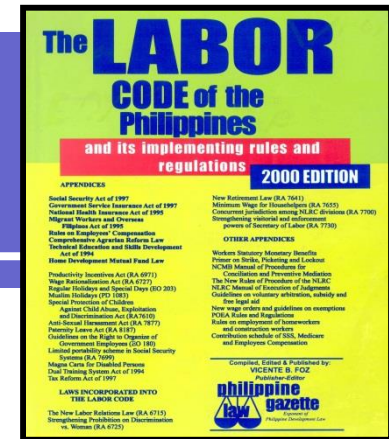
FAQ on Labor Standards



BARRYMORE C. MABAYLAN
Bureau of Working Conditions
Department of Labor and Employment

What are Labor Standards

- the minimum requirements prescribed by existing laws, rules and regulations relating to **wages, hours of work, allowances and other monetary and welfare benefits**, including those set by **occupational safety and health standards**.



GENERAL LABOR STANDARDS

- **Minimum Wage** (Art. 99, as amended by RA6727)
- **Holiday Pay** (Art. 94)
- **Premium Pay** (Art. 91-93)
- **Overtime Pay** (Art. 87)
- **Night shift Differential** (Art. 86)
- **Service Charges** (Art. 96)
- **Service Incentive Leave** (Art. 95)
- **Maternity Leave** (RA 11210)



GENERAL LABOR STANDARDS

- **Paternity Leave** (RA 8187)
- **Parental Leave for Solo Parents** (RA 8972)
- **Leave for Victims of VAWC** (RA 9262)
- **Special Leave for Women** (RA 9710)
- **13th Month Pay** (PD 851)
- **Separation Pay** (Art. 297-298 Formerly Art. 283-284)
- **Retirement Pay** (Art. 301 Formerly Art. 287, amended)
- **Social Welfare Benefits**



Minimum Wage Rates



The Regional minimum wages:

- Minimum wage rates for agricultural and non-agricultural employees and workers in each and every region of the country shall be those prescribed by the Regional Tripartite Wages and Productivity Boards (RTWPB) (Art. 99 amended by RA6727)
- **Payment by results:** The secretary of Labor shall regulate the payment of wages by results, including pakyao, piece-work and other nontime work, in order to ensure the payment of fair and reasonable wage rates, preferably through **time and motion studies** or in consultation with representatives of workers and employer's organization (Art. 101)



DAILY MINIMUM WAGE RATES (NCR)

Wage Order No. NCR-22

(Effective: 22 November 2018)

Sector/Industry	Basic Wage/ Integration of COLA	Basic Wage Increase	New Minimum Wage Rates	
Non-Agriculture	P 512.00	P 25.00	P 537.00	
Agriculture (Plantation and Non- Plantation	P 475.00	P 25.00	P 500.00	
Retail/Service Establishments employing 15 workers or less	P 475.00	P 25.00	P 500.00	
Manufacturing Establishments regularly employing less than 10 workers	P 475.00	P 25.00	P 500.00	

EEMR: Monthly-Paid & Daily-Paid Employees: (Department Advisory No. 1, S.2010)



Computation of Estimated Equivalent Monthly Rate (EEMR):

- Monthly-paid employees are those **who are paid everyday of the month** including un-worked rest days, regular holidays and special days.

For monthly paid-employees, Factor 365 days in a year is used:

$$\frac{\text{Applicable Daily Rate (ADR)} \times 365}{12 \text{ months}} = \text{EEMR}$$

12 months

$$\begin{array}{rcl} \text{Where } 365 \text{ days/year} & = & 297 \text{ ordinary working days} \\ & & 52 \text{ rest days} \\ & & 12 \text{ regular holidays} \\ & & \underline{4} \text{ special days} \\ & & 365 \text{ Total equivalent no. of days/year} \end{array}$$

- For those who are **required to work everyday**:

$$\frac{\text{Applicable Daily Rate (ADR)} \times 393.8}{12 \text{ months}} = \text{EEMR}$$

12 months

$$\begin{array}{rcl} \text{Where } 393.80 \text{ days/year} & = & 297 \text{ ordinary working days} \\ & & 67.60 \text{ (52 rest days x 130\%)} \\ & & 24 \text{ (12 regular holidays x 200\%)} \\ & & \underline{5.20} \text{ (4 special days x 130\%)} \\ & & 393.80 \text{ Total equivalent no. of days/year} \end{array}$$



EEMR: Monthly-Paid & Daily-Paid Employees: (Department Advisory No. 1, S.2010)



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

$$\text{Applicable Daily Rate (ADR)} \times 313^1 = \text{EEMR}$$

12 months

Where **313** days/year = 297 ordinary working days
12 regular holidays
4 special days (if actually worked, 5.2 days)
313 Total equivalent no. of days/year

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

$$\text{Applicable Daily Rate (ADR)} \times 261^U = \text{EEMR}$$

12 months

Where **261** days/year = 245 ordinary working days
12 regular holidays
4 special days (if actually worked, 5.2 days)
261 Total equivalent no. of days/year

s Dec 8 was declared as Special non-working day as per RA 10966 – Feast of Immaculate Conception of Mary

¹ Factor 309 may be used instead of 313 if the 4 special days are not considered paid

^U Factor 257 may be used instead of 261 if the 4 special days are not considered paid



Meal and Rest Periods



- **60 minutes** time-off for regular meals. [non-compensable] (Art. 85)
- Rest periods or coffee breaks (**5-20 minutes**) are compensable working time. (Art. 84)
- **40 minutes** breastfeeding break – for lactating employees (**RA10028** - The Expanded Breastfeeding Promotion Act of 2009)
Necessary facilities for Lactation Station:
 - a) lavatory for hand-washing;
 - b) refrigeration or appropriate cooling facilities- for milk storing;
 - c) electrical outlets for breast pumps;
 - d) small table & comfortable seats.



Weekly Rest Periods



- Not less than **24 hours** (1-day) after 6 consecutive normal work days. (Art. 91)
 - The **employer** shall determine and schedule the weekly rest day.
 - He shall **respect** the preference of employees when such preference is based on **religious grounds**.



RULES FOR PAY ON REGULAR HOLIDAYS AND SPECIAL DAYS



Regular Holidays



- **Holiday Pay** - payment of daily wage for any **unworked** regular holiday. (Art. 94)
 - if unworked - **100%** of the daily wage
 - if worked - **200%** of the daily wage
 - 200% + 30% or a total of **260%** (regular holiday falling on rest day)
- ***Condition for entitlement:***
 - **present** or **on leave with pay** on the last working day prior to the holiday.



Regular Holidays (RA 9849)



New Year's Day	January 1
Maundy Thursday	Movable date
Good Friday	Movable date
Araw ng Kagitingan	Monday nearest April 9
Labor Day	Monday nearest May 1
Independence Day	Monday nearest June 12
National Heroes Day	Last Monday of August
Bonifacio Day	Monday nearest Nov. 30
Eidul Fitr	Movable date
Eidul Adha	Movable date
Christmas Day	December 25
Rizal Day	Monday nearest Dec. 30



2019 Regular Holidays



New Year's Day	01 January (Tuesday)
Araw ng Kagitingan	09 April (Tuesday)
Maundy Thursday	18 April
Good Friday	19 April
Labor Day	01 May (Wednesday)
Independence Day	12 June (Wednesday)
National Heroes Day	26 August (Monday)
Bonifacio Day	30 November (Saturday)
Christmas Day	25 December (Wednesday)
Rizal Day	30 December (Monday)
Eidul Fitr	05 June (Wed)-[Proc.#729; May 28, 2019]
Eidul Adha	To be proclaimed



Special Days (Art. 93)

- **Premium Pay** - **additional compensation** for work performed within 8 hours on a special day.
 - if unworked - **no pay**, unless there is favorable company policy, practice or CBA
 - if worked - plus 30%
 - plus 50% [**special day** falling on **rest day**]
- **National Special Days (RA 9849):**
 1. Ninoy Aquino Day --- Monday nearest Aug. 21
 2. All Saints Day --- November 1
 3. Last Day of the Year --- December 31
 4. Feast of the Immaculate Conception of Mary
(**December 8 of Every Year** [\[RA10966 dated 28 Dec 2017\]](#))



2019 Special Days

Chinese New Year
EDSA People Power
Revolution Anniversary
Black Saturday
Ninoy Aquino Day
All Saints Day
Additional Special
Feast of the Immaculate
Conception of Mary
Additional Special
Last Day of the Year

- 05 February (Tuesday)
- 25 February (Monday)
- 20 April
- 21 August (Wednesday)
- 01 November (Friday)
- 02 November (Saturday)
- 08 Dec (Sun) [[RA10966 \(28 Dec 2017\)](#)]
- 24 December (Tuesday)
- 31 December (Tuesday)

[**Proclamation No. 555, 15 Aug 2018**](#)



Overtime Pay (Art. 87)



- **additional compensation for work performed beyond 8 hours.**
 - **25%** - ordinary work days
 - **30%** - rest days, special days & regular holidays



Night Shift Pay (Art. 86)



- **additional** compensation for work performed between **10 pm to 6 am**.
 - **10%** or regular for each hour of work



Non-interference in the Disposal of Wages & Allowable Deductions *

Payment of Wages

✓ **direct** to the employee ➔ **NO** deductions

Exceptions:

- **Authorized by law**
(e.g. Tax payment / SSS / Pag-IBIG/ Philhealth premium payment) OR
- **Authorized in writing by the employee**
(e.g. insurance premium/union dues)
- With **written authorization** of the employees for payment to THE EMPLOYER or a third person and employer agrees to do so, provided that the latter does not receive any pecuniary benefit, directly or indirectly from the transaction.



LEAVE BENEFITS



Leave Benefits

- **Service Incentive Leave (5)**
- **Maternity Leave (60 or 105)**
- **Paternity Leave (7)**
- **Parent Leave for Solo Parents (7)**
- **VAWC leave (up to 10)**
- **Special Leave for Women (up to 60)**

Service Incentive Leave (Art. 95)

- **5 days leave with pay** for employees who rendered 1 year of service



Usage/Commutation to Cash:

- for **sick** and **vacation** leave purposes.
- The unused SIL is **convertible to cash** at the end of the year.



Maternity Leave (RA 11210)



Coverage

- Female employee who has paid at least **3-monthly contributions in the 12-month period** prior to child birth, miscarriage, or emergency termination of pregnancy

Benefit

- The daily maternity benefit equivalent to **100%** of her average monthly salary credit.
 - ⇒ **105 days-normal delivery or caesarian**
 - ⇒ **60 days-miscarriage or emergency termination**



Paternity Leave (RA 8187)



Coverage - **MARRIED** male employees

Benefit

- **7 days** leave with pay for the 1st four deliveries of his lawful wife.

Conditions for entitlement

- **employee** at the time of delivery of his child.
- **cohabiting** with spouse at the time of delivery or miscarriage.
- **applied** for paternity leave w/n reasonable period.
- his wife has **given birth** or suffered a **miscarriage**.



Parental Leave of Solo Parents (RA 8972)

Coverage

- Any individual under the 10 categories provided by law

Benefit

➔ **7 working days with pay**

(Where physical presence is required)

Conditions for Entitlement

- **rendered** 1 year of service.
- **notified** employer of usage within a reasonable time.
- **presented** a **Solo Parent ID Card** to the employer which may be obtained from the DSWD Office of the City or municipality of residence.



10 categories

Any individual who is left alone with the responsibility of parenthood due to:

1. **giving birth** as a result of rape or crimes against chastity.
2. **death** of spouse.
3. spouse is **detained**, or is serving sentence for a criminal conviction for at least 1 year.
4. **physical** and/or **mental incapacity** of spouse as certified by a public medical practitioner.
5. declaration of **nullity** or **annulment** of marriage.



10 categories cont...

6. **legal separation** or **de facto separation** from spouse for at least 1 year.
7. **abandonment** of spouse for at least 1 year.
8. Unmarried mother/father who has **preferred to keep and rear** the children.
9. Any other person who **solely provides** parental care and support to a child provided he/she is **licensed as foster parent** or **appointed legal guardian**.
10. Any family member who **assumes** the responsibility of head of family as a result of the death, abandonment, disappearance or prolonged absence of the parents or solo parent for at least 1 year.



Leave for Victims of VAWC (RA9262)

Violence Against Women & their Children (VAWC)

- any act or a series of acts committed by any person 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 will result in or is likely to result in **physical, sexual, psychological harm** or **suffering**, or **economic abuses** including threats of such acts, battery, assault, coercion, harassment or arbitrary deprivation of liberty.



Leave for Victims of VAWC cont...

Benefit

- leave with pay **up to 10 days**, extendible when the necessity arises as specified under the protection order.

Requirement for entitlement

- **certification** from the **Punong Barangay** or **kagawad**, or **Prosecutor** or the **Clerk of Court**, as the case may be, that an action is pending.
- Availment – **option of the woman** employee

Circumstances for availment

- **Medical** and **legal** concerns



SPECIAL LEAVE BENEFIT FOR WOMEN EMPLOYEES



- Signed into law by PGMA : August 14, 2009
- Published at PDI & Malaya : August 31, 2009
- Took effect on : September 15, 2009

Special Leave for Women

SEC. 18. *Special Leave Benefits* for Women. – A woman employee having rendered continuous aggregate employment service of **at least six (6) months** for the **last twelve (12) months** shall be entitled to a special leave benefit of two (2) months with full pay based on her gross compensation following surgery caused by gynecological disorders.

- Signed into law by PGMA : August 14, 2009
(R.A. 9710 “Magna Carta of Women”)
- Published at PDI & Malaya : August 31, 2009
- Took effect on : September 15, 2009

Definition of terms

“Gynecological disorders” – those 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.

“Gynecological surgeries” – include **hysterectomy, ovariectomy, and mastectomy.**

Definition of terms

- **“Gross monthly compensation”** – the monthly basic pay plus mandatory allowances fixed by the regional wage boards.
- **“Two (2) months”** – sixty (60) calendar days pursuant to Article 13 of the New Civil Code.
- The two (2) months special leave is the maximum period of leave with pay per year a woman employee can avail of.

Definition of terms

“At least six (6) months continuous aggregate employment service for the last twelve (12) months prior to surgery” –

the woman employee should have been with the company for **twelve (12) months**, prior to surgery. An aggregate service of **at least six (6) months** within the said 12-month period is sufficient to entitle her to avail of the special leave benefit (SLB).

Definition of terms

- “Competent physician” – means a medical doctor preferably specializing in **gynecological disorders** or is in the position to **determine the period of recuperation** of the woman employee.
- 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.

Conditions for Entitlement

- **rendered** at least 6 months continuous aggregate employment service for the last 12 months prior to surgery
- **filed application** within reasonable period from the expected date of surgery or as may be provided by company rules or by CBA
- **undergone surgery** due to gynecological disorders as certified by a competent physician

Application for Special Leave

- **Prior application** for leave is **not necessary** in emergency cases, provided that employer shall be **notified** verbally or in writing within a reasonable period and provided further that after the surgery or appropriate recuperating period, the female employee shall immediately file her leave application
- The special leave is **non-cumulative** and **non-convertible** to cash unless otherwise provided by CBA

SLB vs. SSS sickness leave

⇒ **DIFFERENT** from the SSS sickness benefit

- **SLB** is granted by the **employer** to a woman employee who has undergone surgery due to gynecological disorder in accordance with RA 9710.
- The **SSS sickness benefit** is administered and given by the **SSS** in accordance with the SSS law or RA1161 as amended by RA 8282.

SLB vs. existing statutory leaves

- ⇒ an **ADDITION** to the leave benefits granted under existing laws.
- The grant of the special leave benefit under the law is in recognition of the fact that patients with gynecological disorder needing surgery **require a longer period** for recovery.

SLB vs. maternity leave

Where the woman employee had undergone surgery due to gynecological disorder during her maternity leave, she is entitled only to the **difference** between the SLB and maternity leave benefit.

SSS CONTRIBUTION TABLE 2016

Employer - Employee
(Effective January 2014 - 2016)

Range of Compensation	Monthly Salary Credit	EMPLOYER - EMPLOYEE						
		SOCIAL SECURITY			EC	TOTAL CONTRIBUTION		
		ER	EE	Total	ER	ER	EE	Total
1,000 - 1,249.99	1,000	73.70	36.30	110.00	10.00	83.70	36.30	120.00
1,250 - 1,749.99	1,500	110.50	54.50	165.00	10.00	120.50	54.50	175.00
1,750 - 2,249.99	2,000	147.30	72.70	220.00	10.00	157.30	72.70	230.00
2,250 - 2,749.99	2,500	184.20	90.80	275.00	10.00	194.20	90.80	285.00
2,750 - 3,249.99	3,000	221.00	109.00	330.00	10.00	231.00	109.00	340.00
3,250 - 3,749.99	3,500	257.80	127.20	385.00	10.00	267.80	127.20	395.00
3,750 - 4,249.99	4,000	294.70	145.30	440.00	10.00	304.70	145.30	450.00
4,250 - 4,749.99	4,500	331.50	163.50	495.00	10.00	341.50	163.50	505.00
4,750 - 5,249.99	5,000	368.30	181.70	550.00	10.00	378.30	181.70	560.00
5,250 - 5,749.99	5,500	405.20	199.80	605.00	10.00	415.20	199.80	615.00
5,750 - 6,249.99	6,000	442.00	218.00	660.00	10.00	452.00	218.00	670.00
6,250 - 6,749.99	6,500	478.80	236.20	715.00	10.00	488.80	236.20	725.00
6,750 - 7,249.99	7,000	515.70	254.30	770.00	10.00	525.70	254.30	780.00
7,250 - 7,749.99	7,500	552.50	272.50	825.00	10.00	562.50	272.50	835.00
7,750 - 8,249.99	8,000	589.30	290.70	880.00	10.00	599.30	290.70	890.00
8,250 - 8,749.99	8,500	626.20	308.80	935.00	10.00	636.20	308.80	945.00
8,750 - 9,249.99	9,000	663.00	327.00	990.00	10.00	673.00	327.00	1,000.00
9,250 - 9,749.99	9,500	699.80	345.20	1,045.00	10.00	709.80	345.20	1,055.00
9,750 - 10,249.99	10,000	736.70	363.30	1,100.00	10.00	746.70	363.30	1,110.00
10,250 - 10,749.99	10,500	773.50	381.50	1,155.00	10.00	783.50	381.50	1,165.00
10,750 - 11,249.99	11,000	810.30	399.70	1,210.00	10.00	820.30	399.70	1,220.00
11,250 - 11,749.99	11,500	847.20	417.80	1,265.00	10.00	857.20	417.80	1,275.00
11,750 - 12,249.99	12,000	884.00	436.00	1,320.00	10.00	894.00	436.00	1,330.00
12,250 - 12,749.99	12,500	920.80	454.20	1,375.00	10.00	930.80	454.20	1,385.00
12,750 - 13,249.99	13,000	957.70	472.30	1,430.00	10.00	967.70	472.30	1,440.00
13,250 - 13,749.99	13,500	994.50	490.50	1,485.00	10.00	1,004.50	490.50	1,495.00
13,750 - 14,249.99	14,000	1,031.30	508.70	1,540.00	10.00	1,041.30	508.70	1,550.00
14,250 - 14,749.99	14,500	1,068.20	526.80	1,595.00	10.00	1,078.20	526.80	1,605.00
14,750 - 15,249.99	15,000	1,105.00	545.00	1,650.00	30.00	1,135.00	545.00	1,680.00
15,250 - 15,749.99	15,500	1,141.80	563.20	1,705.00	30.00	1,171.80	563.20	1,735.00

13th Month Pay (PD 851)

Coverage

Rank-and-file employees who worked for at least 1 month during a calendar year, regardless of :

- *amount of basic salary receive per month*
- *designation or employment status*
- *method by which wages are paid*

Minimum amount of 13th month pay:

➡ **not less than 1/12** of the total basic salary earned by an employee within a calendar year.



13th Month Pay cont...

Time of payment:

- ⇒ **not later** than December 24 of each year.
- ⇒ employer may give **1/2** of the 13th month pay **before the opening** of the regular school year and the other half **on or before December 24** of every year.
- ⇒ **frequency** of payment may be the subject of agreement



13th Month Pay cont...

13th Month Pay of Resigned or Separated Employee

- ➔ **proportionate** to the length of time worked during the year reckoned from the start of work during the calendar year up to the time of resignation or termination from the service.

Formula:

$$\frac{\text{Total Basic Salary}}{12 \text{ months}} = 13^{\text{th}} \text{ Month Pay}$$



Separation Pay (Art. 297-298 Formerly 283-284)

One-Half (1/2) Month Pay Per Year of Service

- **Retrenchment** to prevent losses
- **Closure** or **cessation of operation** of an establishment not due to serious losses or financial reverses
- **disease** of an employee not curable within six (6) months and his continued employment is prejudicial to his health or to the health of his co-employees

(renumbered pursuant to RA No. 10151 "Employment of Night Workers" / cited in the case of Pepsi-Cola vs. Molon, et.al. G.R. No. 175002, 18 Feb. 2013)



Separation Pay cont...

One (1) Month Pay Per Year of Service

- **Installation** of labor-saving devices
- **Redundancy**
- When an employee is **illegally dismissed** but reinstatement is no longer feasible

NOTE: In computing separation pay -
basic salary + regular allowances

(Planters' Products, Inc. vs. NLRC G.R. No. 78524, 20 Jan. 1989)



Retirement Pay (RA 7641)

Coverage:

- **all employees** regardless of their position, designation or status and irrespective of the method by which their wages are paid.

Except: 1) government employees; 2) employees of retail, service and agricultural establishments/operations regularly employing not more than ten (10) employees.

- includes **part-time** employees, employees of **service** and other **job contractors** and **domestic helpers** or **persons in the personal service** of another.

Optional Retirement:

- 60 years old
- 5 years service
- no retirement plan

Compulsory Retirement:

- 65 years old



Retirement Pay cont...

Amount of Retirement Pay : “**one-half month salary**”

Component of “one-half month salary”:

- **15** days salary
- cash equivalent of **5** days of SIL
- **1/12 of the 13th month pay** or a total of **22.5 days** (*Capitol Wireless, Inc. vs. Sec. Confessor, G.R. No. 117174, Nov. 13, 1996*)

Formula:

Minimum retirement pay

$$= \text{Daily Rate} \times 22.5 \text{ days} \times \text{years in service}$$



Retirement Pay cont...

Total Benefits a retired employee should receive from employer at the time of retirement:

- **Retirement** pay (RA 7641)
- **Proportionate 13th** month pay
- **Cash equivalent** of leave benefits, if demandable



have a nice day.....

THANK YOU !

For more information, visit or contact:

DOLE – Regional/Provincial/Field Offices or

DOLE CALL CENTER:



1349



Bureau of Working Conditions