
COMPLIANCE OF LABOR SERVICE CONTRACTORS TO LABOR LAWS AND REGULATIONS

**1st Labor Service and Workers Cooperatives Cluster Congress
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Department of Labor and Employment

Department Order No. 18-A

- **recognizes contracting/subcontracting as a legitimate business undertaking**
- **strikes balance between the rights of both the employers and workers**
- **salient feature: mandatory registration of all contractors**

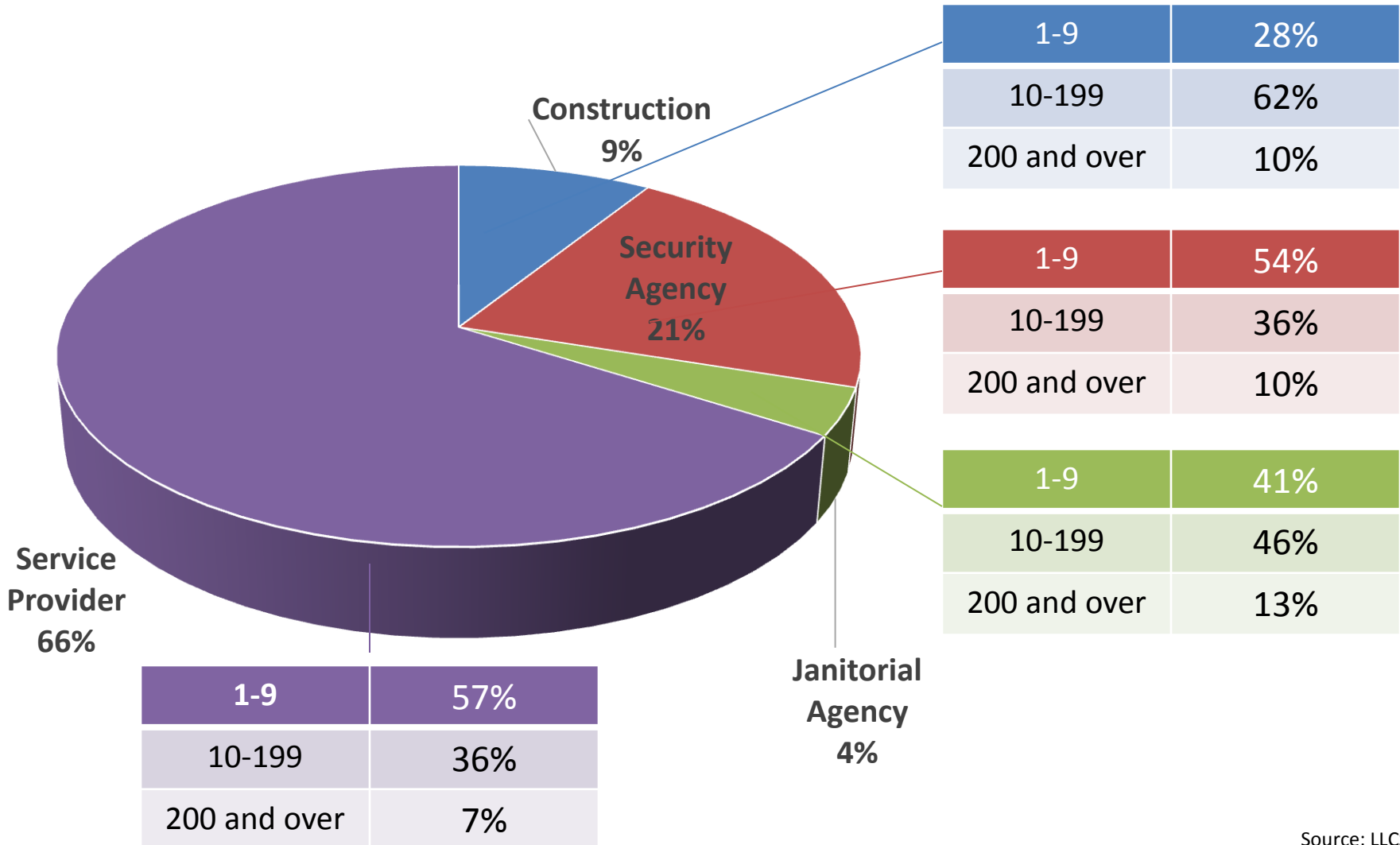
Department Order No. 18-A

- **Registered contractors: 4,975**
 - **From 18,000 contractors**
 - **Stricter safeguards to prevent fly-by-night contractors without substantial capital or tools**
- **Priority for Joint Assessment under LLCS**
 - **(2014) Covered 12,672 contracting arrangements (including offices in regions where they deploy workers)**
- **Corrective Plan of Actions under LLCS**

BREAKDOWN

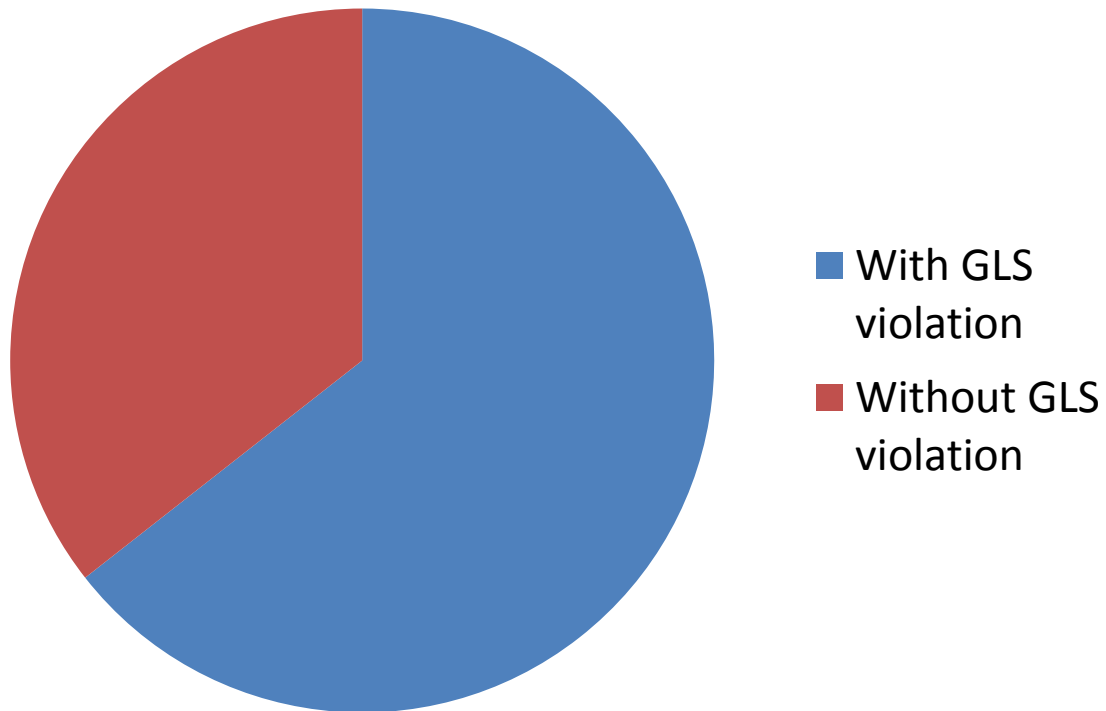
- **More than 44.1% of establishments nationwide engage workers through contractors and subcontractors (LF Survey)**
- **Nearly 32.1% engaged by establishments for their security and janitorial needs (LF Survey)**
- **The rest are spread across construction work and other services providers**

Con/Subcon covered by LLCS in 2014



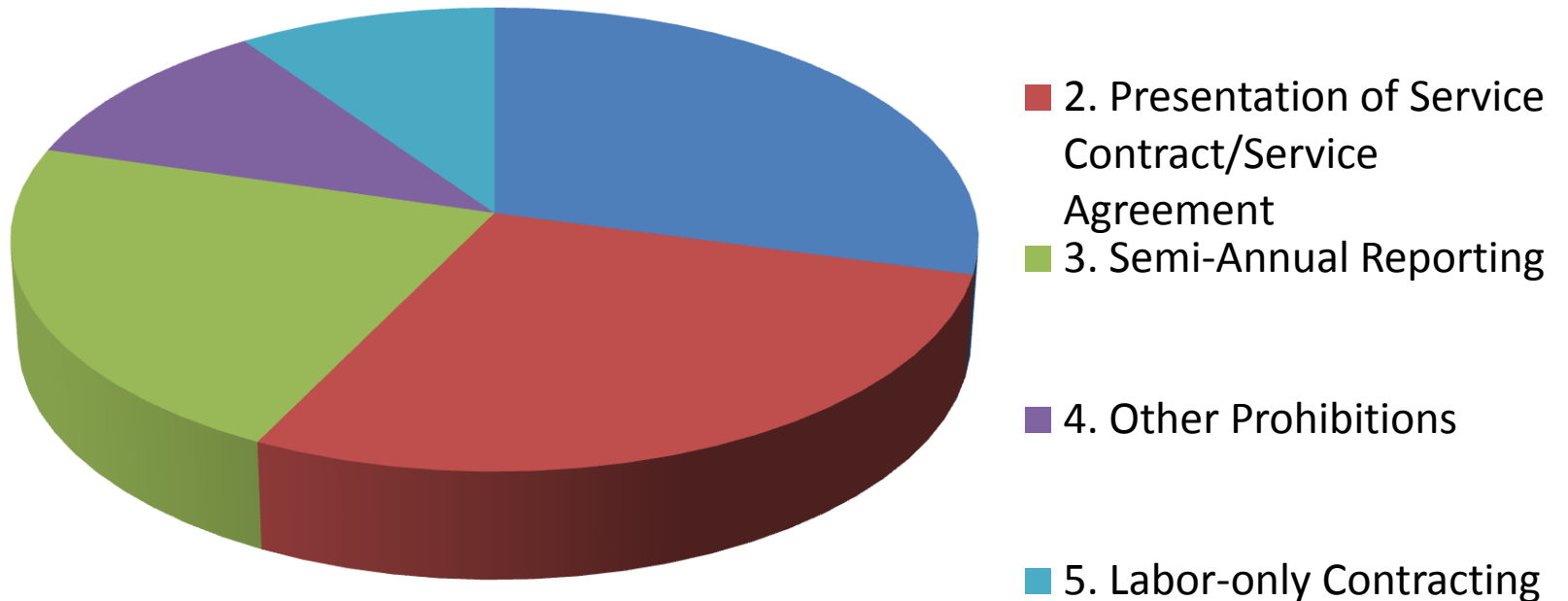
Common Violations

Covered 12,672 con/subcon



Common Violations

DO 18-A Violations



COMPLIANCE ON WAGE AND BENEFITS

- **HIGH**

- ✓ **Child Labor Law (98.79%)**
- ✓ **Maternity Leave (98.78%)**
- ✓ **Paternity Leave (97.21%)**
- ✓ **60-day Gyne leave (96.88%)**
- ✓ **10-day VAWC Leave (96.79%)**
- ✓ **Solo Parent Leave (95.92%)**
- ✓ **13th Month Pay (92.65%)**
- ✓ **SSS (89.79%)**
- ✓ **Pag-Ibig (89.47%)**
- ✓ **Philhealth (88.18%)**

Compliance On Wage and Benefits

- **LOW**

- **Records Keeping (68.01%)**
- **Minimum Wage (83.86%)**
- **Regular Holiday Pay (86.94%)**
- **Service Incentive Leave (87.60%)**

COMPLIANCE ON OSH

HIGH compliance on OSH...

LOW in –

- 1. Overall rating - D.O.18-A (71.97%)**
 - **Registration (78.38%)**
 - **Presentation of Contracts/Agreements (79.22%)**
- 2. Submission of Admin Reports (85.94%)**
- 3. Policies on Drug-free (79.64%); HIV (78.55%)**
Hepa B (78.52%); Prevention of TB (78.85)

Plan of Action

- **Contractors should:**
 - ✓ **Timely register**
 - ✓ **Enter into employment contracts with workers**
 - ✓ **Enter into service agreements with principals**
 - ✓ **Follow the requirements of DO 18-A**

GEARING UP for 2015

COMPLIANCE

- Labor laws and legislations
- Social welfare legislations

TRAINING

- Continuous training programs
- Improve service
- Obtain higher productivity

LABOR-MANAGEMENT COOPERATION

- Settle issues and concerns at plant-level
- Ensure industrial peace

THANK YOU !

