

The Labor Code of the Philippines (LABOR STANDARDS)

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THE LABOR CODE OF THE PHILIPPINES¹²⁹
(Presidential Decree No. 442 as amended)

STATE POLICIES

- **Declaration of Basic Policy:** The State shall afford protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race or creed, and regulate the relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work.¹³⁰
- **Construction in Favor of Labor:** All doubts in the implementation and interpretation of the provisions of this Code, including its implementing rules and regulations, shall be resolved in favor of labor.¹³¹
- **Prohibition Against Elimination or Diminution of Benefits:** Nothing in this Book shall be construed to eliminate or in any way diminish supplements, or other employee benefits being enjoyed at the time of promulgation of this Code.¹³²

PART 1
LABOR STANDARDS

- the **minimum requirements** prescribed by existing laws, rules and regulations and other issuances **relating to wages, hours of work, cost of living allowances and other monetary and welfare benefits**, including those set by occupational safety and health standards.¹³³

SALARIES, WAGES, AND PAY

- Broadly, **the word "salary" means a recompense or consideration made to a person for his pains or industry in another man's business.** Whether it be derived from "salarium," or more fancifully from "sal," the pay of the Roman soldier, it carries with it the fundamental idea of compensation for services rendered.
 - Indeed, there is eminent authority for holding that **the words "wages" and "salary" are in essence synonymous** "Salary," the etymology of which is the Latin word "salarium," is often used interchangeably with "wage," the etymology of which is the Middle English word "wagen." **Both words generally refer to one and the same meaning, that is, a reward or recompense for services performed.**
 - Likewise, **"pay" is the synonym of "wages" and "salary"**¹³⁴

- **"WAGE"** paid to any employee shall mean:
 - the **remuneration or earnings**, however designated, **capable of being expressed in terms of money**, whether fixed or ascertained on a time, task, piece, or commission basis, or other method of calculating the same, **which is payable by an employer to an employee under a written or unwritten contract of employment for work done or to be done, or for services rendered or to be rendered** and
 - includes the fair and reasonable value, as determined by the Secretary of Labor and Employment, of board, lodging, or other facilities customarily furnished by the employer to the employee. "Fair and reasonable value" shall not include any profit to the employer, or to any person affiliated with the employer.¹³⁵

BASIC PAY

- Quite obvious from the foregoing is that the term **"basic salary" is to be understood** in its common, generally-accepted meaning, i.e., **as a rate of pay for a standard work period**¹³⁶ **exclusive of such additional payments as bonuses and overtime.**¹³⁷

WAGE RATES (RATE OF PAY)

- It is **preferred that the terms of employment be set voluntarily and by agreement.** And the State shall promote collective bargaining as the primary mode of settling wages and other terms and conditions of employment. However, there are moments **when negotiations do not achieve the desired results.** As such, **the State needs to force the issue and mandate the lowest amount an employee is entitled to.**
 - **Thus, whenever necessary, the minimum wage rates shall be adjusted (by the State, either by Wage Order or by Law) in a fair and equitable manner,** considering existing regional disparities in the cost of living and other socio-economic factors and the national economic and social development plans.

REGIONAL MINIMUM WAGES¹³⁸

- The **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.**¹³⁹
- **No wage order shall be construed to prevent workers in particular firms or enterprises or industries from bargaining for higher wages** with their respective employers.¹⁴⁰
- 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.

¹²⁹ A Decree Instituting a Labor Code Thereby Revising and Consolidating Labor and Social Laws to Afford Protection to Labor, Promote Employment and Human Resources Development and Insure Industrial Peace Based on Social Justice

¹³⁰ Labor Code, Art. 2

¹³¹ Labor Code, Art. 4

¹³² Labor Code, Art. 100

¹³³ Ceprado, Jr., et al. v. Nationwide Security and Allied Services, Inc., et al. G.R. No. 175198, September 23, 2015

¹³⁴ Songco, et al. v. National Labor Relations Commission, et al. G.R. NOs. 50999-51000, March 23, 1990 (citations omitted)

¹³⁵ Labor Code, Art. 97, par. (f)

¹³⁶ For better understanding of the **standard work period** please see discussions on overtime pay and night shift differential.

¹³⁷ Boie-Takeda Chemicals, Inc. v. De la Serna, et al. G.R. No. 92174, December 10, 1993

¹³⁸ Labor Code, Art. 99

¹³⁹ Art. 122. CREATION OF REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARDS. — **There is hereby created Regional Tripartite Wages and Productivity Boards, hereinafter referred to as Regional Boards, in all regions, xxx which shall have the following powers and functions in their respective territorial jurisdiction: (a) xxx; (b) To determine and fix minimum wage rates applicable in their region, provinces or industries therein and to issue the corresponding wage orders,** subject to guidelines issued by the Commission; (c) xxx; (d) xxx; (e) **To receive, process and act on applications for exemption from prescribed wage rates as may be provided by law or any Wage Order;** and (f) To exercise such other powers and functions as may be necessary to carry out their mandate under this Code. (PD 442 as amended)

¹⁴⁰ Labor Code, Art. 125

HOLIDAY PREMIUM

- **HOLIDAY PAY¹⁴¹**
- The **employee is entitled to at least 100% of his/her daily 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 workday immediately preceding the holiday.
 - Any employee who is **permitted or suffered to work on any regular holiday**, not exceeding eight (8) hours, shall be **paid at least 200% of his regular daily wage**.¹⁴²
 - In case of **a double regular holiday**: if **unworked – 200%** of the daily wage rate; and, **if worked – 300%** of the daily wage rate.¹⁴³
- **HOLIDAY PAY – COVERAGE¹⁴⁴**
- This benefit **applies to all employees except**:
 - 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;
 - **Those of retail and service establishments regularly employing less than TEN (10) workers**;
 - Kasambahay and persons in the personal service of another;
 - Managerial employees,: if they meet all of the following conditions: a) Their primary duty is to manage the establishment in which they are employed or of a department or subdivision thereof; b) They customarily and regularly direct the work of two or more employees therein; and, c) 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.
 - Officers or members of a managerial staff, if they perform the following duties and responsibilities: a) Primarily perform work directly related to management policies of their employer; b) Customarily and regularly exercise discretion and independent judgment; c) 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 execute, under general supervision, work along specialized or technical lines requiring special training, experience, or knowledge; or execute, under general supervision, special assignments and tasks; and, d) 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 a, b, and c above.
 - 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.

- **HOLIDAY PAY – REGULAR HOLIDAYS¹⁴⁵**
- Unless otherwise modified by law, order, or proclamation, **the following regular holidays** and special days **shall be observed in the country**:

New Year's Day	January 1
Maundy Thursday	Movable Date ¹⁴⁶

Good Friday	Movable Date
Eidul Fitr	Movable Date
Eidul Adha	Movable Date
Araw ng Kagitingan (Bataan and Corregidor Day)	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 November 30
Christmas Day	December 25
Rizal Day	Monday nearest December 30

- **HOLIDAY PAY - ABSENCES¹⁴⁷**
- 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.**
 - Where the **day immediately preceding the holiday is a non-workday** in the establishment **or the scheduled rest day**, the employee shall not be deemed to be on leave of absence on that day, in which case **the employee shall be entitled to the holiday pay if he/she worked on the day immediately preceding the non-workday or rest day.**
 - Where there are two successive regular holidays, 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.**¹⁴⁸
- **PREMIUM PAY¹⁴⁹ - additional compensation** for work performed within eight hours on **rest days and special days**.
- The minimum statutory premium pay rates are as follows:
 - If **unworked**, the **"no work, no pay principle"** shall apply, **unless there is a favorable company policy, practice, or CBA granting payment** on a special day.
 - If employee **worked on special (non-working) day**, the employee shall be paid an additional 30% of the basic wage on the first eight hours of work. **(130% of regular daily wage)**
 - If employee **worked on a special (non-working) day that also falls on the employee's rest day**, the employee shall be paid an additional 50% of the basic wage on the first eight hours of work. **(150% of regular daily wage)**
 - 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%. **(260% of regular daily wage)**

- **PREMIUM PAY - COVERAGE¹⁵⁰**
- This benefit applies to **all employees except**:

¹⁴¹ Labor Code, Art. 94
¹⁴² IRR-Labor Code, Rule IV, Section 4
¹⁴³ See 2024 Handbook on Statutory Workers' Benefits (DOLE)
¹⁴⁴ See 2024 Handbook on Statutory Workers' Benefits (DOLE)
¹⁴⁵ Section 26, Chapter 7, Book I of Executive Order No. 292 (Administrative Code of the Philippines) *as amended* by Republic Act No. 9849

¹⁴⁶ R.A. No. 9849, Section 2 (c) **"...Provided, That for movable holidays, the President shall issue a specific date shall be declared as a nonworking day."**
¹⁴⁷ IRR-Labor Code, Rule IV, Section 6
¹⁴⁸ IRR-Labor Code, Rule IV, Section 10
¹⁴⁹ Labor code, Articles 91 – 93
¹⁵⁰ See 2024 Handbook on Statutory Workers' Benefits (DOLE)

- 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;
- Kasambahay and persons in the personal service of another;
- Managerial employees,: if they meet all of the following conditions: a) Their primary duty is to manage the establishment in which they are employed or of a department or subdivision thereof; b) They customarily and regularly direct the work of two or more employees therein; and, c) 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.
- Officers or members of a managerial staff, if they perform the following duties and responsibilities: a) Primarily perform work directly related to management policies of their employer; b) Customarily and regularly exercise discretion and independent judgment; c) 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 execute, under general supervision, work along specialized or technical lines requiring special training, experience, or knowledge; or execute, under general supervision, special assignments and tasks; and, d) 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 a, b, and c above.
- **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**
- 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.

➤ **PREMIUM PAY – REST AND SPECIAL DAYS**

- **WEEKLY REST DAY¹⁵¹** - Every employer shall give his employees **a rest period of not less than twenty-four (24) consecutive hours after every six consecutive normal work days.**
 - The employer shall determine and schedule the weekly rest day of his employees subject to collective bargaining agreement and to such rules and regulations as the Secretary of Labor and Employment may provide.
 - However, the employer shall respect the preference of employees as to their weekly rest day when such preference is based on religious grounds.
- **WHEN WORK ON REST DAY AUTHORIZED.** - An **employer may require any of his employees to work on his scheduled rest day** for the duration of the following emergencies and exceptional conditions:¹⁵²
 - In case of actual or impending emergencies caused by serious accident, fire, flood, typhoon, earthquake,

- epidemic or other disaster or calamity to prevent loss of life and property, or imminent danger to public safety;
- In cases of urgent work to be performed on the machinery, equipment, or installation, to avoid serious loss which the employer would otherwise suffer;
- In the event of abnormal pressure of work due to special circumstances, where the employer cannot ordinarily be expected to resort to other measures;
- To prevent loss or damage to perishable goods;
- Where the nature of the work requires continuous operations and the stoppage of work may result in irreparable injury or loss to the employer; and
- Under other circumstances analogous or similar to the foregoing as determined by the Secretary of Labor and Employment.

○ **SPECIAL (NON-WORKING) DAYS¹⁵³**

- 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

OVERTIME PREMIUM AND NIGHT SHIFT DIFFERENTIAL

➤ **OVERTIME¹⁵⁴ PAY (PREMIUM)¹⁵⁵**

- **NORMAL HOURS OF WORK. (STANDARD WORK PERIOD)** – The normal hours of work of any employee shall not exceed eight (8) hours a day.¹⁵⁶
- For work done¹⁵⁷ 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. **(125% of hourly rate x number of overtime work hours)**
 - 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. **(130% of hourly rate x 130% x number of overtime work hours)**
 - 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. **(150% of hourly rate x 130% x number of overtime work hours)**
 - a **regular holiday**, the employer shall pay the employee an additional 30% of the hourly rate on said day. **(200% of hourly rate x 130% x number of overtime work hours)**
 - a **regular holiday that also falls on the employee's rest day**, employer shall pay the employee an additional 30% of the hourly rate on said day. **(260% of hourly rate x 130% x number of overtime work hours)**

¹⁵¹ IRR-Labor Code, Rule III, Sections 3 and 4

¹⁵² IRR-Labor Code, Rule III, Section 6

¹⁵³ Section 26, Chapter 7, Book I of Executive Order No. 292 (Administrative Code of the Philippines) *as amended* and Republic Act No. 10966.

¹⁵⁴ See Labor Code, ART. 88. **Undertime Not Offset by Overtime.** – Undertime work on any particular day shall not be offset by overtime work on any other day. Permission given to the employee to go on leave on some other day of the week shall not exempt the employer from paying the additional compensation required in this Chapter.

¹⁵⁵ Labor Code Art. 87

¹⁵⁶ Labor Code, Art. 83

¹⁵⁷ See Labor Code, ART. 84. **Hours Worked.** – _Hours worked shall include (a) all time during which an employee is required to be on duty or to be at a prescribed workplace; and (b) all time during which an employee is suffered or permitted to work. *See also*, Labor Code, ART. 85. **Meal Periods.** – Subject to such regulations as the Secretary of Labor may prescribe, it shall be the duty of every employer to give his employees not less than sixty (60) minutes time-off for their regular meals.

➤ OVERTIME PAY (PREMIUM) - COVERAGE¹⁵⁸

- This benefit applies to **all employees except:**
 - 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;
 - Kasambahay and persons in the personal service of another;
 - Managerial employees, if they meet all of the following conditions: a) Their primary duty is to manage the establishment in which they are employed or of a department or subdivision thereof; b) They customarily and regularly direct the work of two or more employees therein; and, c) 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.
 - Officers or members of a managerial staff, if they perform the following duties and responsibilities: a) Primarily perform work directly related to management policies of their employer; b) Customarily and regularly exercise discretion and independent judgment; c) 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 execute, under general supervision, work along specialized or technical lines requiring special training, experience, or knowledge; or execute, under general supervision, special assignments and tasks; and, d) 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 a, b, and c above.
 - **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**
 - 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.

➤ COMPULSORY OVERTIME WORK.¹⁵⁹ — In any of the following cases, **an employer may require any of his employees to work beyond eight (8) hours a day**, provided that the employee required to render overtime work is paid the additional compensation required by these regulations:

- When the country is at war or when any other national or local emergency has been declared by Congress or the Chief Executive;
- When overtime work is necessary to prevent loss of life or property, or in case of imminent danger to public safety due to actual or impending emergency in the locality caused by serious accident, fire, floods, typhoons, earthquake, epidemic or other disaster or calamities;
- When there is urgent work to be performed on machines, installations, or equipment, in order to avoid serious loss or damage to the employer or some other causes of similar nature;
- When the work is necessary to prevent loss or damage to perishable goods;
- When the completion or continuation of work started before the 8th hour is necessary to prevent serious obstruction or prejudice to the business or operations of the employer; or

- When overtime work is necessary to avail of favorable weather or environmental conditions where performance or quality of work is dependent thereon.

➤ NIGHTSHIFT DIFFERENTIAL¹⁶⁰

- 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. **(110% of hourly rate x number of night shift work hours)**

➤ NIGHTSHIFT DIFFERENTIAL - COVERAGE¹⁶¹

- This benefit **applies to all employees except:**
 - 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;
 - **Those of retail and service establishments regularly employing less than FIVE (5) workers;**
 - Kasambahay and persons in the personal service of another;
 - Managerial employees, if they meet all of the following conditions: a) Their primary duty is to manage the establishment in which they are employed or of a department or subdivision thereof; b) They customarily and regularly direct the work of two or more employees therein; and, c) 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.
 - Officers or members of a managerial staff, if they perform the following duties and responsibilities: a) Primarily perform work directly related to management policies of their employer; b) Customarily and regularly exercise discretion and independent judgment; c) 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 execute, under general supervision, work along specialized or technical lines requiring special training, experience, or knowledge; or execute, under general supervision, special assignments and tasks; and, d) 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 a, b, and c above.
 - Field personnel and other employees whose time and performance is unsupervised by the employer.

13TH MONTH PAY

➤ 13TH MONTH PAY¹⁶²

- 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

¹⁵⁸ See 2024 Handbook on Statutory Workers' Benefits (DOLE)

¹⁵⁹ Labor Code, Art. 86

¹⁶⁰ Labor Code Art. 87

¹⁶¹See 2024 Handbook on Statutory Workers' Benefits (DOLE)

¹⁶² IRR-Presidential Decree 851 (1975) as amended by Memorandum Order No. 28 (1986)

the basic salary of the employees, through individual or collective agreement, company practice or policy.

- **13TH MONTH PAY - COVERAGE**¹⁶³
 - **All employers are required to pay their rank-and-file**¹⁶⁴ **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 following employers are not covered by Presidential Decree No. 851:**
 - 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;
 - Employers who are already paying their employees a thirteenth-month pay or more in a calendar year or its equivalent at the time of the issuance of Presidential Decree No. 851;
 - Employers of **household helpers**¹⁶⁵ and persons in the personal service of another in relation to such workers; and
 - 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, where the workers who are paid on piece-rate basis in which case the employer shall grant them thirteenth-month pay to such workers

PART 2 - LEAVES

- **SERVICE INCENTIVE LEAVE**¹⁶⁶
 - Every employee who has rendered **at least one (1) year of service**¹⁶⁷ shall be entitled to a **yearly service incentive leave of five (5) days with pay.**
 - The service incentive leave shall be **commutable to its money equivalent if not used or exhausted at the end of the year.**¹⁶⁸
 - 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.¹⁶⁹
- **SERVICE INCENTIVE LEAVE - COVERAGE**¹⁷⁰
 - This benefit **applies to all employees who have rendered at least one (1) year of service, except:**
 - 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;
 - Persons in the personal service of another;
 - Managerial employees, if they meet all of the following conditions: a) Their primary duty is to manage the establishment in which they are employed or of a department or subdivision thereof; b) They customarily and regularly direct the work of two or more employees therein; and, c) 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.

- Officers or members of a managerial staff, if they perform the following duties and responsibilities: a) Primarily perform work directly related to management policies of their employer; b) Customarily and regularly exercise discretion and independent judgment; c) 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 execute, under general supervision, work along specialized or technical lines requiring special training, experience, or knowledge; or execute, under general supervision, special assignments and tasks; and, d) 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 a, b, and c above.
- Field personnel and other employees whose time and performance is unsupervised by the employer.
- Those already enjoying this benefit;
- Those enjoying vacation leave with pay of at least five days; and
- Those employed in establishments regularly employing less than ten employees.

MATERNITY LEAVE

- **MATERNITY LEAVE**¹⁷¹

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

 - 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.
 - 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.**
- **MATERNITY LEAVE - COVERAGE**¹⁷²
 - This benefit applies to female employees, regardless of civil status, employment status, and the legitimacy of her child, more particularly the following:
 - Female workers in the Public Sector;¹⁷³

working days in the establishment as a matter of practice or policy, or that provided in the employment contract is less than 12 months, in which case said period shall be considered as one year.

¹⁶³ See 2024 Handbook on Statutory Workers' Benefits (DOLE)
¹⁶⁴ See 2024 Handbook on Statutory Workers' Benefits (DOLE) "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.**"
¹⁶⁵ But see Republic Act No. 10361 (Batas Kasambahay), Section 25: **"...The a domestic worker is entitled to thirteenth-month pay as provided for by law."**
¹⁶⁶ Labor Code, Art. 95
¹⁶⁷ IRR-Labor Code, Rule V, Section 3 - "AT LEAST ONE-YEAR SERVICE" means service for not less than 12 months, whether continuous or broken reckoned from the date the employee started working, including authorized absences and paid regular holidays unless the
¹⁶⁸ IRR-Labor Code, Rule V, Section 5
¹⁶⁹ See 2024 Handbook on Statutory Workers' Benefits (DOLE)
¹⁷⁰ See 2024 Handbook on Statutory Workers' Benefits (DOLE)
¹⁷¹ Republic Act No. 11210, 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 ("EMLL")
¹⁷² IRR-EMLL, Rule III, sec. 1
¹⁷³ IRR-EMLL, Rule II, sec. 1, par. h. - **"Female workers in the public sector"** refer to women in government service who, in accordance with existing laws, rules and regulations, hold public office by virtue of an appointment issued by the proper appointing officer/authority or by

- Female workers in the Private Sector;¹⁷⁴
 - Female workers in the Informal Economy;¹⁷⁵
 - Female members who are voluntary contributors to the Social Security System (SSS); and
 - Female national athletes.¹⁷⁶
- o A female employee shall be entitled to maternity leave **provided that:**
- She has **at least three monthly contributions** to the SSS in the 12-month period immediately preceding the semester of childbirth, miscarriage, or emergency termination¹⁷⁷ of pregnancy; and
 - She has **notified her employer (or the SSS)** about her pregnancy and the probable date of her childbirth.

MATERNITY LEAVE ALLOCATION

- **ALLOCATION TO THE CHILD'S FATHER OR ALTERNATE CAREGIVER.¹⁷⁸**
- o A female worker entitled to maternity leave benefits may, at her option, **allocate up to seven (7) 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 the Paternity Leave Act of 1996.**
- o In case of **death, absence, or incapacity of the child's father**, the female worker may allocate to **an alternate caregiver** who may be any of the following, upon the election of the mother taking into account the best interests of the child:
- A relative within the fourth degree of consanguinity; or
 - The current partner,¹⁷⁹ regardless of sexual orientation or gender identity, of the female worker sharing the same household.
- o The **option to allocate** maternity leave credits shall **not be applicable in case the female worker suffers miscarriage or emergency termination of pregnancy.**
- **ALLOCATION IN CASE OF DEATH OR PERMANENT INCAPACITY OF THE FEMALE WORKER.¹⁸⁰**
- o In the event the beneficiary female worker **dies or becomes permanently incapacitated, the balance of her maternity leave benefits**, if any, shall accrue to the **child's father** or to a qualified **alternate caregiver**, subject to the following conditions:
- That the maternity leave benefits have not yet been commuted to cash, if applicable; and
 - That a certified true copy of the death certificate or medical certificate or abstract is provided to the employers of both the female worker and the child's father or alternate caregiver.

way of election in National Government Agencies (NGAs), Local Government Units (LGUs), Government-Owned or -Controlled Corporations (GOCCs), State Universities and Colleges (SUCs), or Local Universities and Colleges (LUCs).

¹⁷⁴ IRR-EMLL, Rule II, sec. 1, par. g. - "**Female workers in the private sector covered by the SSS**" Female workers in the private sector who may avail of the maternity benefit shall include those who are covered under Republic Act No. 11199, or the *Social Security Act of 2018*, particularly in Section 9, Section 9-A and 9-B.

¹⁷⁵ IRR-EMLL, Rule II, sec. 1, par. i. - "**Female workers in the informal economy**" refer to self-employed, occasionally or personally hired, subcontracted, paid and unpaid family workers in household incorporated and unincorporated enterprises, including home workers, micro-entrepreneurs and producers, and operators of sari-sari stores.

¹⁷⁶ IRR-EMLL, Rule II, sec. 1, par. l. - "**National athletes**" refer to athletes including persons with disabilities who are Filipino citizens, members of the national training pool, recognized and accredited by the Philippine Olympic Committee (POC) and the Philippine Sports Commission (PSC), including athletes with disabilities (AWD) who are recognized and accredited by the National Paralympic Committee of the Philippines (NPC PHIL) and the PSC and who have represented the country in international sports competitions.

- o In case the maternity leave benefits of the deceased or permanently incapacitated female worker have already been paid to the latter in full, the child's father or alternate caregiver shall be entitled to enjoy the remaining unexpired leave credits of the female worker, if there be any, without pay:
- *Provided*, That such leave without pay shall not be considered as a gap in the service of the child's father or alternate caregiver, in both the public and private sector.

PATERNITY LEAVE

➤ **PATERNITY LEAVE¹⁸¹**

Every **married male employee** in the private and public sectors shall be entitled to **a paternity leave of seven (7) days with full pay for the first four (4) deliveries of the legitimate spouse with whom he is cohabiting.**

- o The male employee applying for paternity leave shall notify his employer of the pregnancy of his legitimate spouse and the expected date of such **delivery, which shall include childbirth or any miscarriage.**¹⁸²
- 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.**

➤ **PATERNITY LEAVE - COVERAGE¹⁸³**

- o This benefit applies to **all married male employees**, regardless of their employment status (e.g., probationary, regular, contractual, project basis), **provided that:**¹⁸⁴
- He is an employee at the time of the delivery of his child;
 - He is cohabiting¹⁸⁵ with his spouse at the time that she gives birth or suffers a miscarriage;
 - He has applied for paternity leave with his employer within a reasonable 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;¹⁸⁶ and
 - His wife has given birth or suffered a miscarriage.

¹⁷⁷ IRR-EMLL, Rule II, sec. 1, par. c. - "**Emergency termination of pregnancy**" refers to pregnancy loss on or after the 20th week of gestation, including stillbirth.

¹⁷⁸ IRR-EMLL, Rule VIII, section 1

¹⁷⁹ IRR-EMLL, Rule II, sec. 1, par. b. - "**Current partner**" refers to a person who shares an intimate relationship and lives with the female worker.

¹⁸⁰ IRR-EMLL, Rule VIII, section 4

¹⁸¹ Republic Act No. 8187 ("**Paternity Leave Act of 1996**"), Section 3 - *Paternity Leave* refers to the benefits granted to a married male employee allowing him not to report for work for seven (7) days but continues to earn the compensation therefor, on the condition that his spouse has delivered a child or suffered a miscarriage for purposes of enabling him to effectively lend support to his wife in her period of recovery and/or in the nursing of the newly-born child.

¹⁸² Paternity Leave Act of 1996, Section 2

¹⁸³ Paternity Leave Act of 1996, Section 2

¹⁸⁴ IRR- Paternity Leave Act of 1996, Section 3

¹⁸⁵ See 2024 Handbook on Statutory Workers' Benefits (DOLE) - "**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.**

¹⁸⁶ IRR- Paternity Leave Act of 1996, Section 4

PARENTAL LEAVE

PARENTAL LEAVE FOR SOLO PARENT

- PARENTAL LEAVE.¹⁸⁷ In addition to leave privileges under existing laws, **a forfeitable and noncumulative parental leave of not more than seven (7) working days with pay every year** shall be granted to **any solo parent employee** in the government and the private sector, **regardless of employment status, who has rendered service of at least six (6) months.**
 - 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.**
 - 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.**

PARENTAL LEAVE FOR SOLO PARENT - COVERAGE¹⁸⁸

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

- A parent who provides sole parental care and support¹⁸⁹ of the child or children¹⁹⁰ due to –
 - 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;
 - Death of the spouse;
 - Detention of the spouse for at least three months or service of sentence for a criminal conviction;
 - Physical or mental incapacity of the spouse as certified by a public or private medical practitioner;
 - 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;
 - 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
 - Abandonment by the spouse for at least six months;
- 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;
- Unmarried mother or father who keeps and rears the child or children;
- Any legal guardian, adoptive or foster parent who solely provides parental care and support to a child or children;
- Any relative within the fourth (4th) civil degree of consanguinity or affinity of the parent or legal guardian whose death, or disappearance, absence or abandonment of the child or children, for at least six (6) months, led to the said relative assuming solo parental care and support of the child or children:

- Provided, That in case of solo grandparents who are senior citizens and who have the sole parental care and support over their grandchild or grandchildren who are unmarried, or unemployed, and twenty-two (22) years old or below, or those twenty-two (22) or over but who are unable to fully take care or protect themselves from abuse, neglect, cruelty, exploitation or discrimination because of physical or mental disability or condition,
- Provided, further, That the child or children entitled to be supported beyond the age of majority shall be limited to those who are in school or in training for some profession, trade or vocation, consistent with and as provided in Article 194 of Executive Order No. 209 (E.O. No. 209), or The Family Code of the Philippines; The solo grandparents shall be entitled to the benefits of this Act in addition to the benefits granted to them by Republic Act No. 9994 (R.A. No. 9994) or the "Expanded Senior Citizens Act of 2003"

- A pregnant woman who provides sole parental care and support to the unborn child or children.

CONDITIONS FOR ENTITLEMENT¹⁹¹

- A solo parent shall be entitled to parental leave **provided that:**
 - They have rendered **at least six months of service**, whether continuous or broken, at the time of the effectivity of Republic Act No. 11861;
 - They have **notified their employer** of the availment thereof **within a reasonable time**; and
 - They have presented a **valid Solo Parent Identification Card (SPIC).**

¹⁸⁷ Republic Act No. 8972 as amended by Republic Act No. 11861, Expanded Solo Parents Welfare Act ("ESPWA"), Section 8 see also IRR-ESPWA, Article III, Section 6, par. aa - "Parental leave" - refers to leave benefits granted to a solo parent to enable the performance of parental duties and responsibilities where physical presence is required or beneficial to the child or children;

¹⁸⁸ ESPWA, Section. 4

¹⁸⁹ IRR- ESPWA, Article III, Section 6, par. z. - "Parental care and support" - refer to the acts of nurturing and providing for the basic needs, health care, mental and physical safety, emotional support, and development of the personality of the child, children, or dependent/s, and do not depend solely on the financial capability of or support given by the person obligated to a support

¹⁹⁰ IRR- ESPWA, Article III, Section 6, par. g. – "Children or dependents" - refer to those living with and dependent upon the solo parent for support who are unmarried, unemployed and twenty-two (22) years old or below, or those over twenty-two (22) years old but 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; *Provided*, that children or dependent/s entitled to be supported beyond the age of majority shall be limited to those who are in school or in training for some profession, trade or vocation, consistent with and as provided in Article 194 of Executive Order No. 209 (E.O. No. 209), or The Family Code of the Philippines; *Provided*, further, That this definition shall only apply for purposes of availing of the benefits under this Act;

¹⁹¹ IRR- ESPWA, Article V, Section 23

A Primer on Wage Computation¹⁹²
(Articles 86-87 and 91-95 of P.D. No. 442 as amended
and P.D. No. 851 as amended)



1. Q: What are the concepts needed in the computation of wages?

A: Aside from the basic wage, we need to familiarize ourselves with the following:

- a) 13TH MONTH PAY - Thirteenth-month pay refers to one-twelfth of the total basic salary earned by an employee within a calendar year.
- b) SERVICE INCENTIVE LEAVE - 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.
- c) HOLIDAY PAY - Holiday pay refers to the payment of the regular daily wage for any unworked regular holiday.
- d) PREMIUM PAY - Premium pay refers to the additional compensation for work performed within eight (8) hours on rest days and special days.
- e) OVERTIME PAY - Overtime pay refers to the additional compensation for work performed beyond eight (8) hours a day.
- f) NIGHT SHIFT DIFFERENTIAL - Night Shift Differential (NSD) refers to the additional compensation of ten percent (10%) of an employee's regular wage for each hour of work performed between 10 p.m. and 6 a.m.

2. Q: How do we compute for the 13th MONTH PAY?

A: Thirteenth-month pay refers to one-twelfth (1/12) of the **total basic salary earned** by an employee **within 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).**

The formula is as follows:

$$\frac{\text{Total Annual Basic Salary Earned}}{12} = \text{Proportionate 13th Month Pay}$$

EXAMPLES:

For all following examples, we will assume that the employee is a MINIMUM WAGE EARNER and the minimum daily wage is Php570.00.

- a) If the employee is paid on a MONTHLY BASIS (with no unpaid absences) the computation for the 13TH MONTH PAY is as follows:

Daily Wage	570.00	
x Factor	365.00	208,050.00
div. by # months/yr		12
Estimated Equivalent Monthly Rate		17,337.50
x months worked		12
Total Basic Salary Earned		208,050.00
x 13th Month Rate (1/12)		0.08
13th Month Pay		17,337.50

- b) If the employee is paid on a MONTHLY BASIS (with no unpaid absences), but had been hired and started working only on July 1, the computation for the 13TH MONTH PAY is as follows:

Daily Wage	570.00	
x Factor	365.00	208,050.00
div. by # months/yr		12
Estimated Equivalent Monthly Rate		17,337.50
x months worked		6
Total Basic Salary Earned		104,025.00
x 13th Month Rate (1/12)		0.08
13th Month Pay		8,668.75

NOTE: This is also the computation to be used when the employee was separated from employment before the payment of the applicable 13th month pay.



¹⁹² This is based on the 2023 Handbook on Statutory Workers' Benefits (DOLE)

- c) If the employee is paid on a DAILY BASIS (with no unpaid absences) and is not considered paid on Sundays or rest days, the computation for the 13th Month Pay is as follows:

Daily Wage	570.00	
x Factor	313.00	178,410.00
div. by # months/yr		12
Estimated Equivalent Monthly Rate		14,867.50
x months worked		12
Total Basic Salary Earned		178,410.00
x 13th Month Rate (1/12)		0.08
13th Month Pay		14,867.50



- d) Assume that a wage order increased the minimum wage from Php570 to Php610, and it took effect on July 16. If the employee is paid on a DAILY BASIS (with no unpaid absences) and is not considered paid on Sundays or rest days, the computation for the 13th Month Pay is as follows:

Period:	Daily Wage	Factor	Total	EEMR	Months	Total
Jan 01 to June 30	570.00	313.00	178,410.00	14,867.50	6	89,205.00
July 01 to 31 (average)				15,389.17	1	15,389.17
Aug. 01 to Dec. 31	610.00	313.00	190,930.00	15,910.83	5	79,554.17
Total Basic Salary Earned						184,148.33
x 13th Month Rate (1/12)						0.08
13th Month Pay						15,345.69

3. Q: How do we compute for the SERVICE INCENTIVE LEAVE?

A: 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. 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. 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.

EXAMPLE:
For the following example, we will assume that the employee is a MINIMUM WAGE EARNER and the minimum daily wage is Php570.00. The employee has not used or commuted any of his SIL since the hiring date on January 01, 20x1, until March 01, 20x2, when the employee resigned. Assuming at the date of the commutation (resignation), the daily salary rate of the employee still is Php570.00. the total monetary equivalent of the SIL shall be computed as follows:

SIL as of December 31, 20x1 (5 days)	5.00
SIL for January and February 20x2 (2/12 x 5 days)	0.83
Total accrued SIL as of March 01, 20x2	5.83
x Daily Salary Rate	570.00
SIL Monetary Equivalent	3,325.00

4. Q: How do we compute for the HOLIDAY PAY?

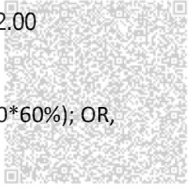
A: Holiday pay refers to the payment of the regular daily wage for any unworked regular holiday. Every employee covered by the Holiday Pay Rule is entitled to the minimum wage rate. This means that the employee is entitled to at least 100% of his/her minimum wage rate even if he/she did not report for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

EXAMPLES:

For all following examples, we will assume that the employee is a MINIMUM WAGE EARNER and the minimum daily rate is Php570.00. If the employee works within eight (8) hours on regular holiday, the Total Pay (depending on the type of day worked) is computed as follows:

Type of Day Worked	Daily Wage	Daily Rate (%)	Premium Rate	Basic Rate	Basic Pay/day	Premium Pay/day	Total Pay
Regular Holiday	570	200%	0%	200%	1140.00	0.00	1140.00
Regular Holiday AND Rest Day	570	200%	60%	260%	1140.00	342.00	1482.00

- NOTES:
- a) You can compute for the Total Pay by getting the sum of a) Basic Pay/day (570*200%); and, b) Premium Pay/day (570*60%); OR,
 - b) Multiplying the Daily Wage by the Basic Rate (570*260%).



5. Q: How do we compute for the PREMIUM PAY?

A: Premium pay refers to the additional compensation for work performed within eight (8) hours on rest days and special days (also known as SPECIAL NON-WORKING HOLIDAYS). 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. Please note that there are two Premium Pay rates you need to watch out for: 30% (special) and 50% (special AND rest day).

EXAMPLES:
For all following examples, we will assume that the employee is a MINIMUM WAGE EARNER and the minimum daily wage is Php570.00. If the employee works within eight (8) hours on rest days and special days (also known as SPECIAL NON-WORKING HOLIDAYS), the Total Pay (depending on the type of day worked) is computed as follows:

Type of Day Worked	Daily Wage	Daily Rate (%)	Premium Rate	Basic Rate	Basic Pay/day	Premium Pay/day	Total Pay
Rest OR Special Day	570	100%	30%	130%	570.00	171.00	741.00
Rest AND Special Day	570	100%	50%	150%	570.00	285.00	855.00
Regular Holiday AND Rest Day	570	200%	60%	260%	1140.00	342.00	1482.00

NOTES:
a) You can compute for the Total Pay by getting the sum of a) Basic Pay/day (570*200%); and, b) Premium Pay/day (570*60%); OR,
b) Multiplying the Daily Wage by the Basic Rate (570*260%).

6. Q: How do we compute for the OVERTIME PAY?

A: OVERTIME PAY (“OT”) refers to the additional compensation for work performed beyond eight (8) hours a day. Typically you will be given the DAILY WAGE which means you will first need to solve for the HOURLY WAGE (DAILY WAGE/8HRS) before you can compute for the OT. Please note that there are two OT rates you need to watch out for: 25% (generally) and 30% (rest OR special days).

EXAMPLES:
For all following examples, we will assume that the employee is a MINIMUM WAGE EARNER and the minimum daily wage is Php570.00. If the employee works 2 hours in excess of 8 hours, the Total Pay for the hours covered by OT (depending on the type of day worked) is computed as follows:

Type of Day Worked	Hourly Wage	Basic Rate	OT Rate	Combined Rate	Basic Pay/hr	OT/hr	OT hours	Total Pay
Regular Day	71.25	100%	125%	125%	71.25	17.81	2	178.13
Rest OR Special Day	71.25	130%	130%	169%	92.63	27.79	2	240.83
Rest AND Special Day	71.25	150%	130%	195%	106.88	32.06	2	277.88
Regular Holiday	71.25	200%	130%	260%	142.50	42.75	2	370.50
Regular Holiday AND Rest Day	71.25	260%	130%	338%	185.25	55.58	2	481.65

NOTES:
a) You can compute for the Total Pay by getting the sum of a) Basic Pay/hr (71.25*260%); and, b) OT/hr [185.25*(130%-100%)] and multiplying by the number of OT hours; OR,
b) Multiplying the Hourly Wage by the Combined Rate and multiplying again by the number of OT hours (71.25*338%*2).

7. Q: How do we compute for the NIGHT SHIFT DIFFERENTIAL?

A: Night Shift Differential (NSD) refers to the additional compensation of ten percent (10%) of an employee’s regular wage for each hour of work performed between 10 p.m. and 6 a.m. Typically you will be given the DAILY WAGE which means you will first need to solve for the HOURLY WAGE (DAILY WAGE/8HRS) before you can compute for the NSD.

EXAMPLES:
For all following examples, we will assume that the employee is a MINIMUM WAGE EARNER and the minimum daily wage is Php570.00. If the employee works 2 hours between 10 p.m. and 6 a.m., the Total Pay for the hours covered by NSD (depending on the type of day worked) is computed as follows:

Type of Day Worked	Hourly Wage	Basic Rate	NSD Rate	Combined Rate	Basic Pay/hr	NSD/hr	NSD hours	Total Pay
Regular Day	71.25	100%	110%	110%	71.25	7.13	2	156.75
Rest OR Special Day	71.25	130%	110%	143%	92.63	9.26	2	203.78
Rest AND Special Day	71.25	150%	110%	165%	106.88	10.69	2	235.13
Regular Holiday	71.25	200%	110%	220%	142.50	14.25	2	313.50
Regular Holiday AND Rest Day	71.25	260%	110%	286%	185.25	18.53	2	407.55

NOTES:
a) You can compute for the Total Pay by getting the sum of a) Basic Pay/hr (71.25*260%); and, b) NSD/hr [185.25*(110%-100%)] and multiplying by the number of NSD hours; OR,
b) Multiplying the Hourly Wage by the Combined Rate and multiplying again by the number of NSD hours (71.25*286%*2).

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8. Q: Are there other combinations of days and corresponding rates we should take note of?

A: Yes. Depending on the type of day and the hours worked, the rates are as follows:

Work on:	Equivalent pay:
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) days	1.5 or 150%
Double special (non-working) days falling on rest day	1.95 or 195%
Regular holiday	2 or 200%
Regular holiday falling on rest day	2.6 or 260%
Double holiday	3 or 300%
Double holiday falling on rest day	3.9 or 390%
Ordinary day, night shift	1 x 1.1 = 1.1 or 110%
Rest day, night shift	1.3 x 1.1 = 1.43 or 143%
Special (non-working) day, night shift	1.3 x 1.1 = 1.43 or 143%
Special (non-working) day, rest day, night shift	1.5 x 1.1 = 1.65 or 165%
Double special (non-working) days, rest day, night shift	1.95 x 1.1 = 2.145 or 214.5%
Regular holiday, night shift	2 x 1.1 = 2.2 or 220%
Regular holiday, rest day, night shift	2.6 x 1.1 = 2.86 or 286%
Double holiday, night shift	3 x 1.1 = 3.3 or 330%
Double holiday, rest day, night shift	3.9 x 1.1 = 4.29 or 429%
Ordinary day, overtime (OT)	1 x 1.25 = 1.25 or 125%
Rest day, OT	1.3 x 1.3 = 1.69 or 169%
Special (non-working), OT	1.3 x 1.3 = 1.69 or 169%
Special (non-working) day, rest day, OT	1.5 x 1.3 = 1.95 or 195%
Double special (non-working) days, rest day, OT	1.95 x 1.3 = 2.535 or 253.5%
Regular holiday, OT	2 x 1.3 = 2.6 or 260%
Regular holiday, rest day, OT	2.6 x 1.3 = 3.38 or 338%
Double holiday, OT	3 x 1.3 = 3.9 or 390%
Double holiday, rest day, OT	3.9 x 1.3 = 5.07 or 507%
Ordinary day, night shift, OT	1 x 1.1 x 1.25 = 1.375 or 137.5%
Rest day, night shift, OT	1.3 x 1.1 x 1.3 = 1.859 or 185.9%
Special (non-working) day, night shift, OT	1.3 x 1.1 x 1.3 = 1.859 or 185.9%
Special (non-working) day, rest day, night shift, OT	1.5 x 1.1 x 1.3 = 2.145 or 214.5%
Double special (non-working) days, rest day, night shift, OT	1.95 x 1.1 x 1.3 = 2.7885 or 278.85%
Regular holiday, night shift, OT	2 x 1.1 x 1.3 = 2.86 or 286%
Reg. holiday, rest day, night shift, OT	2.6 x 1.1 x 1.3 = 3.718 or 371.8%
Double holiday, night shift, OT	3 x 1.1 x 1.3 = 4.29 or 429%
Double holiday, rest day, night shift, OT	3.9 x 1.1 x 1.3 = 5.577 or 557.7%

- NOTHING FOLLOWS -
--End--

LABOR STANDARDS

QUESTIONS

1. Presidential Decree No. _____, as amended instituted a Labor Code thereby revising and consolidating labor and social laws to afford protection to labor, promote employment, and human resources development and insure industrial peace states based on social justice or the Labor Code of the Philippines, states that the State shall afford protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race or creed and regulate the relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work.

a. Presidential Decree No. 442

b. Republic Act No. 442

c. Commonwealth Act No. 442

d. Executive Order No. 442
2. The provisions of Title I, Book III of the Labor Code shall apply to employees in all establishments and undertakings whether for profit or not, but not to: I. government employees; II. Managerial employees; and, III. Domestic helpers. Which is/are false?

a. Only two of the statements

b. Only one of the statements

c. All three of the statements

d. None of the statements
3. According to the provisions of Title I, Book III of the Labor Code, the normal hours of work of any employee shall not exceed eight (8) hours a day. Hours worked shall include (a) all time during which an employee is required to be on duty or to be at a prescribed workplace; and (b) all time during which an employee is suffered or permitted to work. Consider the following: I. it shall be the duty of every employer to give his employees not less than sixty (60) minutes time-off for their regular meals; II. Every employee shall be paid a night shift differential of not less than ten percent (10%) of his regular wage for each hour of work performed between ten o'clock in the evening and six o'clock in the morning; and, III. Work may be performed beyond eight (8) hours a day, provided that the employee is paid for the overtime work, an additional compensation equivalent to his regular wage plus at least twenty-five percent (25%) thereof. Work performed beyond eight hours on a holiday or rest day shall be paid an additional compensation equivalent to the rate of the first eight hours on a holiday or rest day plus at least thirty percent (30%) thereof. Which is/are true?

a. Only two of the statements

b. Only one of the statements

c. All three of the statements

d. None of the statements
4. According to the provisions of Title I, Book III of the Labor Code, if the daily rate is Php537.00, the premium pay should be: I. For work performed on rest days or on special non-working days – Php698.10; II. For work performed on a rest day which is also a special non-working day – P805.50; and, III. For work performed on special working days – Php537.00. Which is/are true?

a. Only two of the statements

b. Only one of the statements

c. All three of the statements

d. None of the statements
5. According to the provisions of Title I, Book III of the Labor Code, every worker shall be paid his regular daily wage during regular holidays. If the daily rate is PhpP537.00, the employee should be paid: I. For work performed on a regular holiday – Php1,074.00; II. For work performed on a regular holiday which is also the rest day – Php1,396.20; and, III. For work performed on a day on which two (2) regular holidays coincide – Php1,611.00. Which is/are true?

a. Only two of the statements

b. Only one of the statements

c. All three of the statements

d. None of the statements
6. According to the provisions of Title I, Book III of the Labor Code, every worker shall be paid his regular daily wage during regular holidays. Consider the following: I. 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; II. Employees who are on leave of absence without pay on the day immediately preceding a regular holiday may not be paid on the required holiday pay if they do not work on such regular holiday; and, III. Where there are two (2) 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. Which is/are true?

a. Only two of the statements

b. Only one of the statements

c. All three of the statements

d. None of the statements

7. Statement I: Maternity Leave – this benefit applies to all covered female employees, regardless of civil status, employment status, and the legitimacy of her child. The maternity leave benefit shall be for one hundred five (105) days with full pay, and additional fifteen (15) days with full pay in case the female employee qualifies as a solo parent under RA 8972, or the “solo Parents’ Welfare Act of 2000”. In case of miscarriage or emergency termination of pregnancy, the maternity leave shall be for sixty (60) days with full pay. In cases of live childbirth, an additional maternity leave of thirty (30) days without pay, can be availed of, at the option of the female employee, provided that the employer shall be given due notice.

Statement II: Paternity leave – Paternity Leave is granted to all married male employees in the private sector, regardless of their employment status. Paternity leave benefit shall apply to the first four (4) deliveries of the employee’s lawful wife with whom he is cohabiting. 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. The paternity leave shall be for seven (7) calendar days, with full pay, consisting of basic salary and mandatory allowances fixed by the Regional Wage Board, if any, provided that his pay shall not be less than the mandated minimum wage. Usage of the paternity leave shall be after the delivery, without prejudice to an employer’s policy of allowing the employee to avail of the benefit before or during the delivery, provided that the total number of days shall not be more than seven (7) calendar days for each covered delivery. These liabilities are not mutually exclusive; and,

Statement III: Solo Parent’s Leave – The parental leave, in addition to leave privileges under existing laws, shall be for seven (7) work days every year, with full pay, consisting of basic salary and mandatory allowances fixed by the Regional Wage Board, if any, provided that his/her pay shall not be less than the mandated minimum wage. Which is/are true?

- a. Only two of the statements

b. Only one of the statements

c. All three of the statements

d. None of the statements
8. The additional compensation pertaining to night shift differential should be at least:
- a. 5% of an employee's regular wage

b. 10% of an employee's regular wage

c. 15% of an employee's regular wage

d. 20% of an employee's regular wage
9. Statement 1: Vacation leaves are mandated by law.
Statement 2: Sick leaves are mandated by law.
- a. Only Statement 1 is true.

b. Only Statement 2 is true.

c. Both statements are true.

d. Both statements are not true.
10. The 13th month pay is payable:
- a. Anytime of the year

b. Every December

c. Anytime not later than December 24

d. From November to December