

## SALARIES AND WAGES

(source: Department of Labor and Employment)

Salaries and wages vary depending on several factors like nature of work, location of work and time of work. Salaries in the urban areas are higher than those working in the rural areas. There are, however, laws implemented in relation to employment to give equitable compensation and benefits to employees. Examples of these are the minimum wage, health and insurance benefits, and holiday pays.

### CURRENT DAILY MINIMUM WAGE RATES

**National Capital Region (NCR) a/  
Per Wage Order No. NCR-14  
Effective 14 June 2008**

<b>Sector/Industry</b>	<b>Minimum Wage under Wage Order No. NCR 13</b>	<b>Basic Wage Increase Under W.O. No. NCR 14</b>	<b>Cost of Living Allowance under W.O. NCR 14*</b>	<b>New Minimum Wage Rates</b>
Non-Agriculture	P 362.00	P15.00	P 5.00	P 382.00
Agriculture (Plantation and Non Plantation)	P 325.00	P15.00	P 5.00	P 345.00
Private Hospitals with bed capacity of 100 or less	P 325.00	P15.00	P 5.00	P 345.00
Retail/Service Establishments employing 15 workers or less	P 325.00	P15.00	P 5.00	P 345.00
Manufacturing Establishments regularly employing less than 10 workers	P 325.00	P15.00	P 5.00	P 345.00

\* To be integrated into the basic wage on 28 August 2008.

*a/ Covers the Cities of Caloocan, Las Pinas, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Navotas, Paranaque, Pasay, Pasig, Quezon, San Juan, Taguig and Valenzuela and the Municipalities of Pateros.*

*b/ Grants a P20.00 per day increase consisting of P15.00 basic wage and P5.00 COLA to all minimum wage workers in the private sector in the region.*

**REGION XI, Davao Region a/  
Per Wage Order No. RTWPB-XI-15 b/  
Effective September 16, 2008**

<b>SECTOR/INDUSTRY</b>	<b>Basic Wage</b>	<b>New COLA</b>	<b>New Minimum Wage Rate</b>
Non-agriculture	P250.00	P15.00	P265.00
Agriculture	240.00	15.00	255.00
Retail/service			
Employing more than 10 workers	250.00	15.00	265.00
Employing not more than 10 workers	219.00	15.00	234.00

*a/ Covers the Cities of Davao, Digos, Island Garden of Samal, Mati, Panabo and Tagum and Provinces of Davao Del Norte, Davao Del Sur, Davao Oriental and Compostela Valley.*

*b/ Grants a P15.00 COLA per day in addition to the existing P16.00 COLA under W.O. No. RB XI-13 and P10.00 COLA under W.O. No. RB XI-14, which shall be integrated to the basic wage on June 16, 2008 and September 16, 2008, respectively.*

*Note: The Provinces of South Cotabato and Sarangani and General Santos City which used to be part of Region XI had been transferred to Region XII per Executive Order No. 36 series of 2001.*

**REGION VII, Central Visayas  
Per Wage Order No. ROVII-14 a/  
Effective June 16, 2008**

<b>INDUSTRY/SECTOR</b>	<b>MINIMUM WAGE RATES</b>			
	<b>CLASS A</b>	<b>CLASS B</b>	<b>CLASS C</b>	<b>CLASS D</b>
<b>Non Agriculture</b>	P267.00	P247.00	P237.00	P222.00
<b>Agriculture</b>				

Non-Sugar	249.00	232.00	217.00	202.00
Sugar	217.00	217.00	217.00	217.00
<b>Sugar Mills</b>	237.00	237.00	237.00	237.00

**Class** *Cities of Carcar, Cebu, Danao, Lapulapu, Mandaue, Naga and Talisay, A - and the Municipalities of Compostela, Consolacion, Cordova, Liloan, Minglanilla, and San Fernando (or expanded Metro Cebu)*

**Class** *Cities of Toledo and Bogo, and the rest of the Municipalities in the B - Province of Cebu except the Municipalities in the Islands of Bantayan and Camotes*

**Class** *Cities and Municipalities in the Provinces of Bohol and Negros Oriental C -*

**Class** *Municipalities in the Province of Siquijor and Municipalities in the Islands D - of Bantayan and Camotes*

*a/ Grants a P17.00 basic wage increase per day to all minimum wage workers in the region.*

**REGION III, Central Luzon a/  
Per Wage Order No. RBIII-14 b/  
Effective June 16, 2008**

SECTOR	PAMPANGA, BULACAN, TARLAC, BATAAN, ZAMBALES, NUEVA ECIJA		
	Basic Wage	COLA under WO RBIII-14	Minimum Wage
<b>NON-AGRICULTURE</b>			
Establishments with total assets of P30 million or more	P 292.00	P 10.00	P 302.00
Establishments with total assets less than of P30 million	284.50	10.00	294.50
<b>AGRICULTURE</b>			
Plantation	262.00	10.00	272.00
Non-Plantation	246.00	10.00	256.00
<b>HOSPITALS</b>			
With 20 or more bed capacity	283.00	10.00	293.00
With less than 20 bed capacity	268.00	10.00	278.00
<b>RETAIL/SERVICE</b>			

With 16 or more workers	281.00	10.00	291.00
With less than 16 workers	267.00	10.00	277.00
<b>COTTAGE/HANDICRAFT</b>	246.00	10.00	256.00
<b>SECTOR A U R O R A P R O V I N C E</b>			
	<b>Basic Wage</b>	<b>COLA under WO RBIII-14</b>	<b>Minimum Wage Under WO RBIII-14</b>
<b>NON-AGRICULTURE</b>	P 241.00	P 10.00	251.00
<b>AGRICULTURE</b>			
Plantation	226.00	10.00	236.00
Non-Plantation	206.00	10.00	216.00
<b>RETAIL/SERVICE</b>			
Employing not more than 10 workers	163.00	10.00	173.00
<b>COTTAGE/HANDICRAFT</b>	214.00	10.00	224.00

*a/Covers the Cities of Angeles, Balanga, Cabanatuan, Gapan, Malolos, Muñoz, Olongapo, Palayan, San Fernando, San Jose, San Jose Del Monte, and Tarlac and the Provinces of Aurora, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac and Zambales.*

*b/Grants a P10.00 COLA per day and P5.00 increase in the basic wage to all minimum wage earners in the region. The P9.00 COLA under W.O. NO. RB III-13 shall be integrated into the basic pay upon the effectivity of this Wage Order.*

**SUMMARY OF CURRENT REGIONAL DAILY MINIMUM WAGE RATES  
Non-Agriculture, Agriculture As of May 2009 (In pesos)**

REGION	WO No./ DATE OF EFFECTIVITY	NON-AGRICULTURE	AGRICULTURE	
			Plantation	Non-Plantation
NCR a/	WO 14/June 14, 2008	P 345.00 - 382.00	P 345.00	P 345.00
CAR b/	WO 13/June 16, 2008	243.00 - 260.00	226.00 - 242.00	226.00 - 242.00
I c/	WO 13/June 22, 2008	220.00 - 240.00	220.00	195.00

II d/	WO 13/June 15, 2008	227.00 - 235.00	215.00 - 223.00	215.00 - 223.00
III e/	WO 14/June 16, 2008	251.00 - 302.00	236.00 - 272.00	216.00 - 256.00
IV-A f/	WO 13/June 01, 2008	236.00 - 320.00	216.00 - 295.00	196.00 - 275.00
IV-B g/	WO 04/June 19, 2008	240.00 - 252.00	198.00 - 207.00	178.00 - 187.00
V h/	WO 13/ July 1, 2008	196.00 - 239.00	207.00 - 217.00	187.00 - 197.00
VI i/	WO 17/ December 25,2008	240.00 - 250.00	218.00	208.00
VII j/	WO14/June 16, 2008	222.00 - 267.00	202.00 - 249.00	202.00 - 249.00
VIII k/	WO 15/June16, 2008	238.00	219.00	219.00
IX l/	WO 15/ July 3, 2008	240.00	215.00	195.00
X m/	WO 14/June 1, 2008	241.00 - 256.00	229.00 - 244.00	229.00 - 244.00
XI n/	WO 15/June 16, 2008	265.00	255.00	255.00
XII o/	WO 15/June 16, 2008	245.00	225.00	220.00
XIII p/	WO 09/June 20,	233.00	223.00	203.00

### ***Other conditions of employment and benefits given to employees***

1. Normal working hours not exceeding 8 hours a day
2. Payment of overtime work (at least 25% of the employee's regular wage)
3. Weekly rest period of not less than 24 consecutive hours after every 6 consecutive normal work days
4. Provision of holiday pay
5. Service incentive leave of at least 5 days with pay for every year of service
6. Worker preference in case of bankruptcy
7. Paternity and maternity leave benefits
8. Minimum age for employment
9. Employees compensation and insurance fund (SSS and GSIS)
10. Provision of medical or health insurance

### **Manpower**

#### **I. Manpower Resources (Labor):**

The laws on labor standards and employment relations are consolidated in the Labor Code of the Philippines. The salient points of employment conditions and employee benefits under the Philippine labor laws are as follows:

**Hours of Work.** Eight (8) hours per day or 48 hours per week. Rest periods of short duration during work hours shall be counted as hours worked.

**Work Day.** A day is the 24-hour period which commences from the time the employee regularly starts to work.

**Minimum Wage (Manufacturing Sector).** The minimum wage rate for agricultural and non-agricultural workers in every region are determined by the Regional Tripartite Wages and Productivity Board.

**Fringe Benefits.** This refers to goods, services, or other benefits furnished by an employer in cash or kind, in addition to basic salaries; to managerial or supervisory employees such as but not limited to the following:

- Housing
- Expense Account
- Vehicle of Any Kind
- Household personnel, such as maid, driver and others
- Interest on loans at less than market rate to the extent of the difference between the market rate and actual rate granted;

- Membership fees, dues and other expenses borne by the employer for the employee in social and athletic clubs or other similar organizations;
- Holiday and vacation expenses
- Educational assistance to the employee or his dependents; and
- Life or health insurance and other non-life insurance premiums or similar amounts in excess of what the law allows

Managerial employees refer to those who are given powers or prerogatives to lay down and execute managerial policies and or to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees.

Supervisory employees are those who effectively recommend such managerial actions if the exercise of such authority is not merely routinary or clerical in nature but requires the use of independent judgment.

**Overtime (OT) Remuneration.** Overtime premium is allotted for work exceeding the maximum prescribed period. Every employee who is entitled to premium pay is likewise entitled to the benefit of overtime pay.

### **Computation of Wages.**

#### Computing Overtime:

On Ordinary Days

Number of hours in excess of 8 hours (125% x hourly rate)

On a Rest Day, Special Day or Regular Holiday

Number of hours in excess of 8 hours (130% x hourly rate)

#### Computing pay for work done on:

A Special Day (130% x basic pay)

A Special Day, which is also a scheduled Rest Day (150% x basic pay)

A Regular Holiday (200% x basic pay)

A Regular Holiday, which is also a scheduled Rest Day (260% x basic pay)

#### Computing Night Shift Premium where Night Shift is a Regular Work:

On Ordinary Day (110% x basic hourly rate)

On a Rest Day, Special Day, Regular Holiday (110% of regular hourly rate for Rest Day, Special Day, Regular Holiday)

#### Computing Overtime on Night Shift:

On Ordinary Day (110% x overtime hourly rate)

On Rest Day, Special Day or Regular Holiday (110% x overtime hourly rate for Rest Days, Special Days, Regular Holidays)

#### Computing 13th Month Pay:

Total basic salary earned for the year exclusive of overtime, holiday, and night shift differential pay divided by 12 = 13th month pay.

**Night-Shift Differential Pay.** Night-shift employees must be paid a differential of not less than 10% of the regular wage for each hour of work performed between 10:00 p.m. and 6:00 a.m.

**Service Incentive Leave.** Every employee who has rendered at least one year of service is entitled to a yearly service incentive of five days with pay. **Meal and Rest Periods.** One-hour time-off for regular meals.

## **II. Mandatory Employment Contribution**

**13th Month Pay.** By law, companies are required to give its employees a 13th pay equivalent to one (1) month salary.

**Social Security System (SSS) Contributions.** As Mandated by law, both employer and employees are to contribute for the social security benefits of the employees in accordance with the new schedule provided by SSS.

**Contribution to Home Development and Mutual Fund (HDMF).** Companies/employers are also required to contribute at least P100.00 per month to HDMF for employee benefits. Companies/employers remit this contribution plus that of the employee's which will be deducted from their payroll, in accordance with the periodic remittance schedule provided by HDMF.

**Contribution to National Health Insurance Program (NHIP).** As mandated by Republic Act 7835 on Medicare Program which is administered by the Philippine Health Insurance Corporation (Philhealth), both employers and employees are to contribute for the medical insurance/benefits of the employees in accordance with the schedule provided by Philhealth.

For up to date information regarding salaries and wages kindly visit the National Wages and Productivity Commission (NWPC) website at :  
<http://www.nwpc.dole.gov.ph>