Good News
Department of Labor and Employment
Bureau of Working Conditions
14 December 2018

DOLE ISSUED LABOR ADVISORY ON PAYMENT OF 13TH MONTH PAY

On 04 December 2018, Labor Advisory No. 18, Series of 2018 was issued pursuant to the provisions of Presidential Decree No. 851 and its implementing rules and regulations requiring employers in the private sector to pay their rank-and-file employees a thirteenth-month pay on or before December 24 of every year.

Under PD 851, the minimum thirteenth-month pay which a worker may receive shall not be less than one-twelfth (1/12) of his or her total basic salary earned during the calendar year.

The basic salary of an employee, for the purpose of computing thirteen-month pay, shall include all remunerations or earnings paid by his or her employer for services rendered. This, however, does not include allowances and monetary benefits which are not considered or integrated as part of the regular or basic salary.

Regardless of the nature of employment and irrespective of the methods by which wages are paid, minimum qualification for entitlement of thirteenth month pay is that (i) he or she is a rank-and-file employee and (ii) have worked for at least one (1) month during the calendar year.

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

Aside from payment of 13th month pay, employers are likewise mandated to submit a report of compliance to the nearest DOLE Regional Office not later than January 15 of every year which must conform to the required content of the report.

Should there be non-payment of thirteenth-month pay, workers are advised to report the same to the nearest DOLE Regional, Field, Provincial or Satellite Office for its appropriate action.

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