

Good News
Department of Labor and Employment
Bureau of Working Conditions
30 May 2020

Uncovering May 25 holiday pay rules

For this year, May 25 was declared as a regular holiday in order to bring the religious and cultural significance of Eid'l Fitr or Feast of Ramadhan to the fore of national consciousness. This was contained in Proclamation No. 944, issued on 19 May 2020. The festivity was celebrated by Muslims worldwide to mark the end of their month-long fasting.

In relation to the Proclamation, employees shall be entitled to holiday pay as provided under Book III, Rule IV of the Omnibus Rules Implementing the Labor Code of the Philippines. To be entitled to holiday pay, the employee must be present or on leave of absence with pay on the last work day immediately preceding the regular holiday. Hence, as provided in Section 6 of the Omnibus Rules, employees who were on leave of absence without pay may not be paid the required holiday pay if he has not worked on such regular holiday.

Section 7 thereof likewise provides that in cases of temporary or periodic shutdown and temporary cessation of work of an establishment, as when a yearly inventory or when the repair or cleaning of machineries and equipment is undertaken, the regular holidays falling within the period shall be compensated in accordance with the Rule. However, those that falls during the cessation of operation of an enterprise due to business reverses as authorized by the Secretary of Labor and Employment may not be paid by the employer.

In view of the existence of national emergency arising from the COVID-19 pandemic, Secretary Silvestre H. Bello III allowed the holiday pay deferment of payment until such time that the present situation has been abated and normal operations of the establishment is in place. Exempted from the pay rules are establishments that have totally closed or ceased their operation during the community quarantine period.

Computation details of the May 25 holiday pay may be found under Labor Advisory No. 20, Series of 2020, issued on 20 May 2020. This may be viewed and downloaded in the website of the Department of Labor and Employment and Bureau of Working Conditions.

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