



LABOR ADVISORY NO. 28
Series of 2020

GUIDELINES ON THE PAYMENT OF THIRTEENTH MONTH PAY

Pursuant to Article 5 of the Labor Code of the Philippines, as renumbered, Presidential Decree No. 851 requiring employers in the private sector to pay their rank-and-file employees a 13th Month Pay, this Guidelines is hereby issued.

I. COVERAGE

Rank-and-file employees in the private sector shall be entitled to 13th month pay regardless of their position, designation, or employment status, and irrespective of the method by which their wages are paid, provided that they have worked for at least one (1) month during the calendar year.

II. AMOUNT OF 13TH MONTH PAY

The minimum 13th month pay required by law shall not be less than one-twelfth (1/12) of the total basic salary earned by an employee within a calendar year. To illustrate:

$$\frac{\text{Total basic salary earned during the year}}{12 \text{ months}} = \text{proportionate } 13^{\text{th}} \text{ month pay}$$

This minimum amount shall be provided without prejudice to existing company practice and policy, employment contract or collective bargaining agreement, if any.

III. TIME OF PAYMENT

The employer shall pay the 13th month pay on or before 24 December 2020.

IV. NO EXEMPTION OR DEFERMENT


No request or application for exemption from payment of 13th month pay, or for deferment of the payment thereof shall be accepted and allowed.

V. REPORT OF COMPLIANCE

Employers shall make a report of their compliance with the law to the nearest Regional Office not later than January 15 of the following year. The report shall conform substantially with the following:

1. Name of establishment
2. Address
3. Principal product of business
4. Total employment
5. Total number of workers benefitted
6. Amount granted per employee
7. Total amount of benefits granted
8. Name, position and telephone number of person giving information

Be guided accordingly.


SILVESTRE H. BELLOMI
Secretary

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