



LABOR ADVISORY NO. 18  
Series of 2021

andrei  
DOLE-AS 25OCT'21 10:25

## GUIDELINES ON THE PAYMENT OF THIRTEENTH MONTH PAY

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

### I. COVERAGE

Rank-and-file employees in the private sector shall be entitled to 13<sup>th</sup> 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 13<sup>TH</sup> MONTH PAY

The minimum 13<sup>th</sup> 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 the formula:

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

#### **Illustration:**

Using the basic wage in the National Capital Region at ₱537.00 per day and a six-day workweek or an equivalent Monthly Basic Salary of ₱14,006.75 (₱537.00\*313/12 months):

January	no absence	₱14,006.75
February	no absence	₱14,006.75
March	no absence	₱14,006.75
April	company shutdown	No salary
May	company shutdown	No salary
June	5 days leave with pay	₱14,006.75
July	company shutdown	No salary
August	company shutdown	No salary
September	10 days leave w/o pay	₱8,636.75
October	no absence	₱14,006.75
November	1 day leave w/o pay	₱13,469.75
December	no absence	<u>₱14,006.75</u>

Total basic salary earned for the year ₱106,147.00

$$\frac{₱106,147.00}{12 \text{ months}} = ₱8,845.58 \text{ is the proportionate } 13^{\text{th}} \text{ month pay}$$

The minimum amount shall be given without prejudice to existing company practice or policy, employment contract or collective bargaining agreement (CBA), if any.

### III. TIME OF PAYMENT

Employers shall pay the 13<sup>th</sup> month pay on or before December 24, 2021.

### IV. NO EXEMPTION OR DEFERMENT

No request or application for exemption from payment of 13<sup>th</sup> 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 via online through the DOLE Establishment Report System at [reports.dole.gov.ph](https://reports.dole.gov.ph), 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.

25 October 2021

  
SILVESTRE H. BELLO III  
Secretary

Dept. of Labor & Employment  
Office of the Secretary



042037