



LABOR ADVISORY NO. 13
Series of 2024

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GUIDELINES ON THE PAYMENT OF THIRTEENTH-MONTH PAY

This Guidelines is hereby issued 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:

I. COVERAGE

The 13th month pay shall be paid to rank-and-file employees in the private sector 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.

It shall also be given to rank-and-file employees who are paid on a piece-rate basis, fixed or guaranteed wage plus commission, those with multiple employers, those who resigned, were terminated from employment, or were on maternity leave and received salary differential.

II. AMOUNT OF 13TH MONTH PAY

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

The "basic salary" of an employee, for the purpose of computing the thirteenth-month pay, shall include all remunerations or earnings paid by his or her employer for services rendered. It does not include allowances and monetary benefits which are not considered or integrated as part of the regular or basic salary, such as the cash equivalent of unused vacation and sick leave credits, overtime, premium, night shift differential and holiday pay, and cost of living allowance. However, these salary-related benefits should be included as part of the basic salary in the computation of the thirteenth-month pay if these are treated as part of the employee's basic salary, through individual or collective agreement, company practice, or policy.

To illustrate:

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

To illustrate, Employee A earned ₱194,682.50 as his basic salary in a calendar year. In this case, his proportionate 13th month pay shall be computed as follows:

January	no absence	₱ 16,823.75
February	no absence	₱ 16,823.75
March	no absence	₱ 16,823.75
April	no absence	₱ 16,823.75
May	no absence	₱ 16,823.75
June	5 days leave with pay	₱ 16,823.75
July	no absence	₱ 16,823.75
August	no absence	₱ 16,823.75
September	10 days leave w/o pay	₱ 10,320.00
October	no absence	₱ 16,823.75
November	1 day leave w/o pay	₱ 16,125.00
December	no absence	₱ 16,823.75
Total basic salary earned for the year		₱ 194,682.50

$$\frac{\text{₱ } 194,682.50}{12 \text{ months}} = \text{₱ } 16,223.54 \text{ is the proportionate 13}^{\text{th}} \text{ month pay}$$

The 13th month pay is ₱16,223.54, without prejudice to additional benefits granted under existing company practice or policy, employment contract, or collective bargaining agreement, if any.

III. TIME OF PAYMENT

The 13th month pay shall be paid on or before 24 December 2024.

IV. NO EXEMPTION OR DEFERMENT

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

V. REPORT OF COMPLIANCE

Employers shall make a report of their compliance through the DOLE Establishment Report System at <https://reports.dole.gov.ph/> not later than 15 January 2025. The report shall conform substantially with the following:

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

VI. ENFORCEMENT

Compliance with the 13th month pay shall be monitored by the appropriate DOLE Regional/Field/Provincial Office having jurisdiction over the workplace in accordance with Department Order No. 238, Series of 2023.

Be guided accordingly.


BIENVENIDO E. LAGUESMA
Secretary

21 November 2024

 Department of Labor and Employment
Office of the Secretary



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LABOR ADVISORY NO. 25
Series of 2023

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II. AMOUNT OF 13TH MONTH PAY

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

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

Illustration:

Using the minimum wage in the National Capital Region of ₱610.00 per day and considering a six-day workweek or an equivalent monthly basic salary of ₱15,910.83 (₱610.00*313/12 months):

January	no absence	₱ 15,910.83
February	no absence	₱ 15,910.83
March	no absence	₱ 15,910.83
April	no absence	₱ 15,910.83
May	no absence	₱ 15,910.83
June	5 days leave with pay	₱ 15,910.83
July	no absence	₱ 15,910.83
August	no absence	₱ 15,910.83
September	10 days leave w/o pay	₱ 9,810.83
October	no absence	₱ 15,910.83
November	1 day leave w/o pay	₱ 15,300.83

December no absence	₱ 15,910.83
Total basic salary earned for the year	<u>₱ 184,219.96</u>

₱ 184,219.96
12 months = ₱ 15,351.66 is the proportionate 13th month pay

The 13th month pay is ₱15,351.66, without prejudice to additional benefits granted under existing company practice or policy, employment contract or collective bargaining agreement, if any.

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Secretary

08 November 2023