

Compensation and benefits are important to employees and your company. Following all the Philippines' compensation laws means your company will stay compliant, and providing a competitive benefits plan will attract the best employees to your open positions.

Globalization Partners can help you navigate complex employment laws and take care of your Philippines benefit management plan. When you work with us, you'll get a partner who will keep you in compliance, hire employees on your behalf, and take the stress off your shoulders and onto our own.

Philippines Compensation Laws

The minimum wage in the Philippines depends on the location of your business. A general estimate is that an employee would need at least 9,064 pesos to make a living throughout the country. Employees are entitled to overtime of 1.30% of their regular wages if they work on Sunday or a paid holiday. If an employee works more than eight hours a day, they should receive 1.25% of their regular wages. However, these figures could change if an employee is part of a union or collective bargaining agreement.

Employers are also responsible for giving employees a 13th-month salary. This 13th-month bonus is equal to one month's salary and has to be given to employees before December 24. Most employers will try to give out 13th-month bonuses at the beginning of December since Filipinos often use these bonuses to purchase Christmas gifts.

Guaranteed Benefits to Know

Your Philippines benefit management strategy must include statutory benefits that every employee is guaranteed to receive. For example, employees must get five days of paid time off that can be used for vacation or sick leave. The Philippines has two types of holidays — regular and special non-working days. Employees get paid time off for regular holidays and non-paid time off for special non-working days.

How to Handle Philippines Benefit Management

An important part of dispersing benefits is also giving out supplemental benefits that aren't required but are generally expected by employees. Offering these additional benefits can also make a big difference in finding key talent to help your company grow. Many employers choose to give housing, transportation, and medical allowances, which are tax-deductible if they're classified as a cost of living allowance. You can also offer supplementary insurances such as life, disability, and health insurance in addition to the country's universal healthcare scheme.

Restrictions for Benefits and Compensation in the Philippines

The biggest restriction to benefits and compensation in the Philippines is that you cannot hire or pay employees before setting up a subsidiary in the country. From start to finish, the process could take months to complete, delaying your operations and causing you to lose top employment prospects.

Globalization Partners makes it easier. Choosing Philippines compensation outsourcing with us means using our Employer of Record platform to operate quickly and efficiently. We can get you started in a matter of days by hiring employees on your behalf and helping you avoid the lengthy subsidiary setup process.

Choose to Work With Globalization Partners

We're the partner you need to succeed in the Philippines. Contact us today to learn more about our services.