

CLIENT ADVISORY

Computation of Wages on Holidays (as of 02 April 2020)

Q: Are there holidays falling within the enhanced community quarantine period?

A. Yes. The following holidays fall within the enhanced community quarantine period:

- (a) Double Regular Holiday on 09 April 2020 (*Araw ng Kagitingan* and Holy Thursday);
- (b) Regular Holiday on 10 April 2020 (Good Friday); and
- (c) Special (Non-Working) Day on 11 April 2020.

Q: What are the rules for the payment of wages for the said holidays?

A: The rules for the said holidays are laid out in DOLE Labor Advisory No. 13-2020 which took into consideration the enhanced community quarantine. While the rules provide that holiday pay shall only be available to an employee if he or she is present (or on leave with pay) on the working day prior to the holiday, the Labor Advisory now requires presence of the employee or on leave with pay **on the workday prior to the start of the enhanced community quarantine** in order for him or her to be paid his or her holiday pay. Further, the same Advisory reiterates that since there is a double holiday on April 9, 2020 (*Araw ng Kagitingan* and Holy Thursday) the pay for that day shall be double.

Particularly, the rules for pay on the said holidays are as follows:

Regular Holiday - April 9, 2020 (*Araw ng Kagitingan* and Holy Thursday):

- (a) If the employee did not work, he/she shall be paid 200% of his/her wage for that day, subject to the requirement that he or she was present or on leave with pay on the workday prior to the start of the enhanced community quarantine on 17 March 2020 [(Basic wage + COLA) x 200%];
- (b) For work done during the double regular holiday, the employee shall be paid a total of 300% of his/her wage for that day for the first eight hours. [(Basic wage + COLA) x 300%];
- (c) For work done in excess of eight hours (overtime work), he/she shall be paid an additional 30% of his/her hourly rate on said day [hourly rate of the basic wage x 300% x 130% x number of hours worked];
- (d) For work done during a double regular holiday that falls on his/her rest day, he/she shall be paid an additional 30% of his/her basic wage of 300% [(basic wage + COLA) x 300%] + [30% (basic wage x 300%)]; and

- (e) For work done in excess of eight hours (overtime work) during a double regular holiday that also falls on his/her rest day, he/she shall be paid an additional 30% of his/her hourly rate on said day (hourly rate of the basic wage x 300% x 130% x 130% x number of hours worked).

Regular Holiday – April 10, Good Friday:

- (a) If the employee did not work, he/she shall be paid 100% of his/her wage for that day, subject to the requirement that he or she was present or on leave with pay on the workday prior to the start of the enhanced community quarantine on 17 March 2020 [(Basic wage + COLA) x 100%];
- (b) For work done during the regular holiday, the employee shall be paid a total of 200% of his/her wage for that day for the first eight hours. [(Basic wage + COLA) x 200%];
- (c) For work done in excess of eight hours (overtime work), he/she shall be paid an additional 30% of his/her hourly rate on said day [hourly rate of the basic wage x 200% x 130% x number of hours worked];
- (d) For work done during a regular holiday that falls on his/her rest day, he/she shall be paid an additional 30% of his/her basic wage of 200% [(basic wage + COLA) x 200%] + [30% (basic wage x 200%)]; and
- (e) For work done in excess of eight hours (overtime work) during a regular holiday that also falls on his/her rest day, he/she shall be paid an additional 30% of his/her hourly rate on said day (hourly rate of the basic wage x 200% x 130% x 130% x number of hours worked).

Special Non-Working Day – April 11:

- (a) If the employee did not work, the “no work, no pay” principle shall apply unless there is a favorable company policy, practice or collective bargaining agreement (CBA) granting payment on a special day;
- (b) For work done during the special day, he/she shall be paid an additional 30% of his/her basic wage on the first eight hours of work [(Basic wage x 130%) + COLA];

- (c) For work done in excess of eight hours (overtime work), he/she shall be paid an additional 30% of his/her hourly rate on said day [hourly rate of the basic wage x 130% x 130% x number of hours worked];
- (d) For work done during a special holiday that also falls on his/her rest day, he/she shall be paid an additional 50% of his/her basic wage on the first eight hours of work [(basic wage x 150%) + COLA]; and
- (e) For work done in excess of eight hours (overtime work) during a special day that also falls on his/her rest day, he/she shall be paid an additional 30% of his/her hourly rate on said day (hourly rate of the basic wage x 150% x 130% x 130% x number of hours worked).

Q: Can employers defer payment of holiday pay for 09, 10, and 11 April 2020?

A: Yes. DOLE Labor Advisory 13A-2020 provides that employers may defer payment of holiday pay on 09, 10, and 11 April 2020 until the abatement of the emergency situation and the normal operations of the establishment are in place.

Q: Is there an exemption to the payment of holiday pay for 09, 10, 11 April 2020?

A: Yes. DOLE Labor Advisory 13-2020 also provides that establishments that have totally closed or ceased operation during the enhanced community quarantine period are exempt from the payment of holiday pay previously mentioned in Labor Advisory No. 13-2020.

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