

**[ BWC DEPARTMENT ORDER NO. 40, November 25, 1994 ]**

**COMPUTATION OF MINIMUM WAGE AND OTHER WAGE-RELATED BENEFITS OF WORKERS OF SERVICE AND OTHER JOB CONTRACTORS**

To insure that the statutory minimum wage adjustments effected by Republic Act No. 6727 and the different wage orders and other statutory monetary benefits are properly implemented by service contractors such as security agencies, janitorial service firms and other service/job contractors, the following guidelines are hereby issued for the information and guidance of all concerned:

1.

Minimum Daily Rate

For all workers/employees both in and outside Metro Manila	P89.00 + mandated Wage Increase effected by Regional Wage Orders for the non-agricultural sector.
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2.

Recommended computation of Equivalent Minimum Monthly Rates

For those who are required to work everyday including Sundays or rest days, special days and holidays = 302.0 - ordinary working days

18.0 - 9 regular holidays x 200%

2.6 - 1 regular holiday falling on last Sunday of August x 200% + (30% of 200%)

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391.5 days

Equivalent Monthly Rate (EMR) =  $\frac{\text{Applicable Daily Wage Rate or ADR} \times 391.5}{12}$

12

For those who do not work but are considered paid on rest days and holidays = 302 - ordinary working days

2 - special days

51 - rest days  
10 - regular holidays

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365 days

$$\text{Equivalent Monthly Rate (EMR)} = \frac{\text{ADR} \times 365}{12}$$

For those who do not work and are considered paid on Sundays or rest days = 302.0 - ordinary working days

2.6 - 2 special days (if worked)  
x 130%

10.0 - regular holidays

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262.6

$$\text{Equivalent Monthly Rate (EMR)} = \frac{\text{ADR} \times 262.6}{12}$$

3.

#### Components of Monthly Rates

Using the above indicated factors (a factor representing number of days as multiplier), the basic wage for the worked days and the holiday pay for the ten regular holidays are included in the monthly rates to be derived. Thirty percent (30%) rest day premium pay has been integrated in factor 391.5 for all the Sundays/rest days in a year including the last Sunday of August and in factors 314.6 and 262.6 for the two special days (November 1 and December 31) under Executive Order 203.

4.

#### Salary-Related benefits

Security guards, janitors and other workers of service agencies and similar job contractors are entitled to other statutory monetary benefits not included in the above monthly rates, as follows:

- a. Night shift differential pay equivalent to 10% of the regular hourly rate for working between 10:00 p.m. to 6:00 a.m. of the following day;
- b. 13th month pay which is 1/12 of the total basic salary earned by an employee within a calendar year;
- c. 6-day service incentive leave which is commutable to its cash equivalent if unused;