



Hire employees in the Philippines
simply, compliantly, and hassle-free

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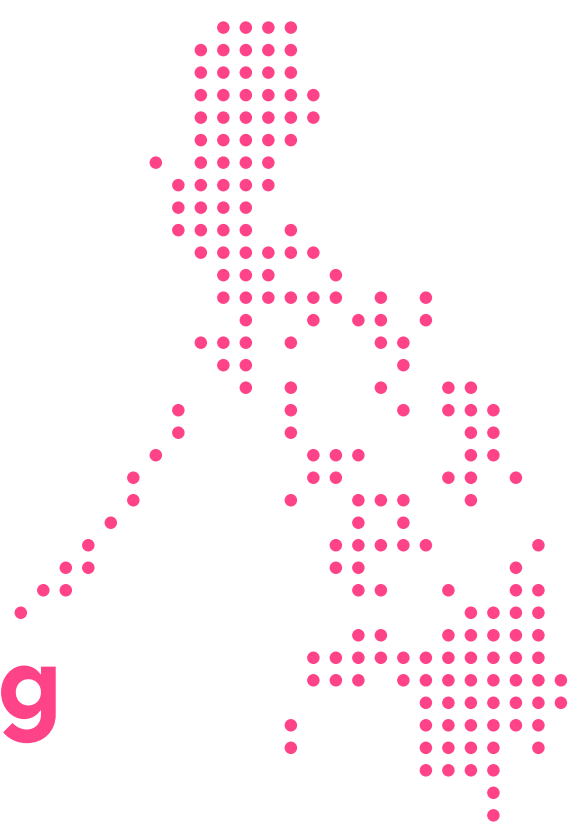
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What you need to know for employing in the Philippines



Employ remote teams worldwide with Omnipresent's Employer of Record (EOR) service. We combine human expertise with automation to deliver your compliance, payroll, benefits, and HR support needs.



Currency: Philippine peso (₱, PHP)



Language(s): English, Filipino



Employer costs: X



Termination: Very Hard
















Onboarding Timeline: ~7 calendar days



Payroll Frequency: X

Benefits

What we offer	Mandatory	Supplementary
Healthcare		
Dental Insurance		
Vision Insurance		
Retirement & Pension (Public)		
Retirement & Pension (Supplementary)(401K)		
Accident Insurance*		
Disability Insurance**		
Illness Insurance*		
Life Insurance**		
Workers' Compensation		
Wellbeing		
Employee Assistance Programs		 
<p>*benefit is voluntary and 100% employee-paid</p> <p>** coverage increase is voluntary and 100% employee-paid</p>		

Health

State medical benefits are provided through qualifying health care plans, as prescribed under the Patient Protection and Affordable Care Act (PPACA) and contributions to MediCare.

Health benefits in the Philippines are provided through the National Health Insurance Program (NHIP) funded in part by government subsidies and through the required employer and employee contributions. It is common for employers to provide supplementary Health Insurance to their employees.

Omnipresent offers supplementary Health Insurance through our partner SafetyWing. There are 2 plans covering emergency room care, hospital stays, surgeries, prescription medications, lab tests and diagnostic studies in the hospital. The premium plan includes dental and vision. Dependents can be added on request.

In addition, employees are covered for travel insurance through SafetyWing when on plan.

We offer three different packages, which include: private healthcare, dental, vision, life insurance and disability insurance.

Retirement

It is a requirement to provide Retirement Benefits in the Philippines through a Mandatory Provident Fund (MPF) known locally as the Workers' Investment and Savings (WISP) program.

Omnipresent provides the required Mandatory Provident Fund contributions processed via payroll.

Employees that have been employed with a company for a minimum of 5 years are entitled to retirement pay upon reaching the age of 60, but not beyond 65. The sum is equivalent to at least 1/2 month salary for every year of service.

Other Benefits

Death and Long-term disability benefits are provided through the state social security program and the Mandatory Provident Fund funded through the required employer and employee contributions processed through payroll.

It is a requirement for all employers to contribute to the State Employees' Compensation Program (ECP) which provides benefits to employees in case of accident, injury or illness as a result of work related activities.

Employment Contracts

We only offer indefinite contracts in the Philippines.

Contract Requirements

Written employment contracts are mandatory and should outline the terms and conditions of employment and provide clarity for both employers and employees. Omnipresent ensures that all necessary key terms are included in the employment contracts we provide.

Contract language: English

Signature requirement: Simple electronic signature

Backdating: Not possible as per Omnipresent's policy

Contract Customisation

We provide optional clauses for customisation when adding an employee to our platform. This allows you to tailor certain contract aspects, such as unlimited time off or extra-legal sick days. However, certain contract elements cannot be customised due to compliance risks or Omnipresent's policy. Examples include overtime, restrictive covenants, and stylistic changes.

Probation

During the probation period, employers evaluate an employee's suitability for the role they have been hired for. It gives the employer an opportunity to assess their performance and determine if they are a good fit for the company. We believe that this process benefits both the employer and the employee.

Here are some key points to know about the probation period:

- Probationary periods may not exceed 6 months.
- No notice required in case of termination during probation.

Please note that the only exception to our policy is in the case of a transfer of the employment relationship.



Onboarding

Timeline

Our normal onboarding timeline for the Philippines is ~7 calendar days. The onboarding steps involved are: Platform Setup, Right-to-Work Check, Employment Contract, Benefits and Payroll enrollment. This timeline does not include exceptions such as visas and medical & background checks.

Registration & Approvals

There is no obligation to submit employment contracts or policies for approval to any third party, except for the employment of foreign nationals.

Immigration & Visas

We currently don't offer visa support in the Philippines.

Right-to-Work

We will carry out right to work (RTW) checks on all prospective employees before they are employed by us.

When moving your employees from another EOR to Omnipresent

If the employee has previously worked for you, whether in another country or through another EOR provider, we can recognise their length of service. This recognition of seniority will need to be mentioned in the employment contract.

Leaves



Annual Leave Entitlement

In the Philippines, employees are legally entitled to 5 days of paid 'service incentive leave,' which can be utilized for either vacation or sick leave. However, it is customary for employers to provide 15 days of paid vacation and 15 days of paid sick leave for most professional-level positions in the country.

Sick Leave

Philippine law does not require employers to grant sick leave or sick pay. The minimum required by the law is 5-day paid service incentive leave (SIL), for employees who have rendered at least 1 year of service - which the employee may avail of in case of sickness. SIL is commutable to cash at the end of the year if unused.

However, employers are not barred from providing more favourable benefits such as sick leave on top of those mandated by law (indeed, most companies grant the same in addition to mandatory leaves under the law).

Maternity Leave

If a female employee has made at least 3 monthly contributions to the Social Security System (SSS) within the year before her childbirth or miscarriage, she's entitled to receive a daily maternity benefit. This benefit amounts to 100% of her average daily salary for 60 days (or 78 days in the case of a caesarean delivery). The employer pays this benefit and can later request reimbursement from the SSS.

Paternity Leave

Married male employees can enjoy seven days of paid paternity leave for their first four children, provided they all reside in the same household.

Public Holidays 2023

In the Philippines, there are two types of holidays: Regular Holidays and Special Non-Working days. The specific number of Regular and Special Non-Working Holidays in a year can vary based on government regulations, but the commonly observed holidays include:

Regular Holidays

1. New Year's Day
2. Araw ng Kagitingan
3. Maundy Thursday
4. Good Friday
5. Labor Day
6. Eid'l Fitr (Tentative)
7. Independence Day
8. Eid'l Adha (Tentative)
9. National Heroes Day
10. Bonifacio Day
11. Christmas Day
12. Rizal Day

Special Non-Working Days:

1. Chinese New Year
2. EDSA People Power Revolution
3. Black Saturday
4. Ninoy Aquino Day
5. All Saints Day
6. Feast of the Immaculate Conception of Mary



Payroll & Tax

Payroll Cycle

The payroll cycle in the Philippines is monthly. Salary shall be paid twice a month at an interval of 2 weeks or ie every 15th and 30th of the month.

- Payroll runs from the **1st of the month to the end of the month**.
- Payroll cut-off date is **6th** of the month (any changes to payroll or variables must be shared with Omnipresent by this date).
- Payment date is the last working day of the month (this is when employees will receive their salary payment).

Extra Payments (Bonus, Commission etc.)

Filipino employees are legally entitled to a 13th-month salary. This is equivalent to 1/12 of the basic salary received by an employee during the year. It has to be paid not later than December 24 of each year.

Hourly Wage

Omnipresent is unable to accept employees on an hourly wage.

Minimum Wage

Minimum Wages in the Philippines for 2023 is set at 610 PHP per day.

Standard Work Schedule

The Standard work schedule in the Philippines consists of 8 hours per day and 40 hours per week, with the work week running from Monday to Friday.

Employer Costs

The employer costs depend on a variety of employee variables. To get a more detailed estimate based on the employee salary use the [OmniCalculator](#), or contact us for further information.

Terminations

Termination Process

Before proceeding with a termination (including verbal discussion with the employee about the risk of termination) you must first get in touch with Omnipresent. We will then provide guidance on next steps. You can read our [full guidance here](#).

To initiate a termination, you need to submit a termination request through the OmniPlatform after which our relevant teams will assess the case and plan a compliant termination process.

Involuntary Termination

Termination of employment needs to be based on a legal cause, including:

- Serious violations of company rules and regulations.
- Infractions or violations of the applicable code of conduct.
- Gross misconduct or redundancy.

Depending on the cause for dismissal different legal procedures may apply.

Severance Pay

Severance pay in the Philippines is determined by the cause of termination, but it is usually calculated as 1 month's salary for each year of service.

Notice Period

A notice of termination in the Philippines is a requirement before an employee can be dismissed. The specific requirements for this notice depend on the grounds for termination:

- For just causes, the notice of termination can only be issued to the employee after following the due process requirements as prescribed by law.
- In the case of authorized causes, the employee must receive notification at least 1 month before the intended date of termination.
- If a probationary employee is being terminated because they failed to qualify as a regular employee under reasonable standards set by the employer, it is sufficient to provide a written notice within a reasonable time before the effective termination date.

Invoice Schedule

Setup Fees:

Once Terms are signed, Omnipresent begins deploying resources for the setup process.

Trigger [*Employee Details Added*]

Deposits:

Payable when the local employment contract is ready for signature. The deposit enables Omnipresent to move forward securely to sign the local employment contract with the employee.

Trigger [*Employee Details Added*]

Initial Salary Prepayment:

The first month's estimated labour costs are invoiced on the first day of employment.

Trigger [*Employment Start Date*]

Ongoing monthly Employment Costs and Fees:

Thereafter, we invoice monthly in arrears for labour costs - once the final payroll, taxes, insurance, social security contributions, expenses and deductions have been calculated. Each monthly invoice will include our monthly service fee, deposit insurance (if applicable), and an FX fee (if applicable).

Trigger [*Payroll Date*] Typically the last working day of the month, but varies by country.



Explore how Omnipresent simplifies global team growth.

Explore the effortless solution for your global hiring, payment, and management needs with Omnipresent. We simplify complex processes like onboarding, legal contract drafting, expense management, benefits allocation, and a whole lot more. Start your journey towards compliant international business practices.

TALK WITH AN EXPERT

