

2007/2008
BLES INTEGRATED SURVEY (BITS)

Part VI
*Labor Cost
of Employees*



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Bureau Of Labor And Employment Statistics
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ISO 9001:2000 Certified

Components of Labor Cost

- *Direct wages and salaries in cash*
- *Remuneration for time not worked*
- *Bonuses and gratuities*
- *Payments in kind*
- *Cost of workers' housing shouldered by employer*
- *Employer's social security expenditures*
- *Cost of training*
- *Cost of welfare services*
- *Other labor cost*

1. Reference period if other than calendar year (*month/year*)

Start: 01/07

End: 12/07

2. Labor Cost Component

2.1. Direct wages and salaries (in cash)

2.1.1. Pay for normal/regular working time

16,211,856

There should be entry in this item.

To check for acceptability of entry:

Divide entry by number of employees reported in Part VI: item 3.

$16,211,856/265 \approx 61,177$

Acceptable range:

24,000 - 350,000 per employee

2.1. Direct wages and salaries (in cash) (cont'd)

2.1.2. Commissions of employees and their share in service charges	325,175	<p>Accept with or without entry.</p> <p><i>Entry refers to those received by employees of the establishment (persons with basic pay and commission) and not those of persons purely on commission (not employees of the establishment).</i></p> <p>Examples:</p> <ul style="list-style-type: none">• <i>Commissions in insurance and real estate selling</i>• <i>Share of service charges in hotels and restaurants</i>
2.1.3. Overtime, night shift and premium pay	1,468,058	<p>Accept with or without entry.</p> <p>Overtime pay - <i>additional remuneration for work performed beyond eight hours on regular working days, rest days, special days and regular holidays.</i></p> <p>Night shift pay - <i>payment for work performed between 10:00 p.m. to 6:00 a.m. of the next day.</i></p> <p>Premium pay - <i>remuneration for work performed within eight hours on non-working days such as rest days, special days and regular holidays.</i></p>

2.1. Direct wages and salaries (in cash) (cont'd)

2.1.4. Payments under bonus, productivity, performance and other incentive schemes	106,527	<p>Accept with or without entry.</p> <p><i>Entry refers to monthly or more frequently granted bonuses under contractual arrangements and relates to work performed or to current output Different from entry in item 2.3.1 (less frequently granted or year-end/seasonal bonuses and gratuities)</i></p> <p>Example:</p> <ul style="list-style-type: none">• <i>productivity bonus for piece-rate workers - outputs exceeded the daily quotas</i>
2.1.5. Cost of living allowances and other guaranteed and regularly paid allowances	0	<p>Accept with or without entry.</p> <p><i>Excludes housing allowances and rents in cash (item 2.5.2)</i></p> <p>Examples:</p> <ul style="list-style-type: none">• <i>commutable representation and transportation allowances</i>

2.2. Remuneration for time not worked

Accept with or without entry.

Entry refers to payments of employers to employees when not at work.

Examples:

- *paid leaves*
- *leaves under collective bargaining agreements*

2.3. Bonuses and Gratuities

2.3.1. Year-end, seasonal and other one-time bonuses	1,064,364	<p><i>There should be entry in this item.</i></p> <p><i>Different from entry in item 2.1.4 (more frequently granted bonuses and gratuities)</i></p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <i>mid-year bonus, Christmas bonus, 13th month pay (obligatory), 14th, 15th month pay and the like.</i> <p><i>To check for acceptability of entry:</i> <i>Divide entry by number of employees reported in Part VI: item 3</i> $1,064,364/265 \approx 4,016$.</p> <p><i>Acceptable range:</i> <i>2,000 - 150,000 per employee</i></p>
2.3.2. Profit sharing bonuses	0	<p><i>Accept with or without entry.</i></p>
2.3.3. Additional payments in respect of vacation, supplementary to normal vacation pay	0	<p><i>Accept with or without entry.</i></p> <p><i>Entry refers to payments made to employees over and above those given for paid vacation leaves.</i></p>

2.4. Payments in kind

219,000

Accept with or without entry.

Entry should be from the standpoint of the employer (employer's cost). The value of all payments in kind should be at producer's price as bought/provided by the employer and not the market price or retailer's price as would have been bought/ consumed by the employees (benefit accruing to the employees).

Excludes the imputed rental value of free/subsidized housing, medical services and canteen and other welfare services and facilities.

Examples:

- rice/corn, food subsidies
- ordinary clothing or footwear

2.5. Cost of workers' housing shouldered by employer

2.5.1. Cost for establishment-owned dwellings	0	<p><i>Accept with or without entry.</i></p> <p><i>Entry refers to the net cost to the employer of establishment-owned dwellings for the use of the employees in the form of maintenance expenditures, fees, property taxes, insurance, interest, depreciation, etc. but not capital investment on building, equipment or land and labor cost of housing personnel.</i></p>
2.5.2. Cost for dwellings not owned by establishment and other housing costs	0	<p><i>Accept with or without entry.</i></p> <p><i>Entry refers to the cost from the standpoint of the employer and not what it would have cost the employees if they were to spend for their own housing.</i></p> <p><i>Examples:</i></p> <ul style="list-style-type: none"><i>• housing allowances, rents, subsidies</i>

2.6. Employer's social security expenditures

2.6.1. Compulsory social security contributions	905,252	<p><i>There should be entry in this item.</i></p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <i>obligatory employers' contributions to SSS/GSIS, PhilHealth, PAG-IBIG and State Insurance Fund</i> <p><i>To check for acceptability of entry:</i> <i>Divide entry by number of employees reported in Part VI: item 3.</i> $905,252/265 \approx 3,416$.</p> <p><i>Acceptable range:</i> <i>2,000 - 15,000 per employee</i></p>
2.6.2. Collectively agreed, contractual and non-obligatory contributions to private social security schemes and insurance	0	<p><i>Accept with or without entry.</i></p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <i>premiums paid for pension, life, accident, medical and health and hospitalization insurance/plans of employees</i>
2.6.3. Direct payments by employer to employees regarded as social security benefits	0	<p><i>Accept with or without entry.</i></p> <p><i>Entry refers to payments in respect of absence from work due to sickness, maternity or employment injury, etc. to compensate for loss of earnings given by employer directly to the employees. (excluding GSIS/SSS payments)</i></p>

2.6. Employer's social security expenditures (cont'd)

2.6.4. Cost of medical care and health services	94,766	<p>Accept with or without entry.</p> <p><i>Entry refers to actual medical care and health expenses by the employer on behalf of the employees e.g. medicines, hospitalization, exclusive of medical and health insurance that should be reported in item 2.6.2</i></p> <p><i>If the respondent is engaged in medical care or health services, entry in this item does not refer to the maintenance, etc. of the hospital which is intended for its patients.</i></p> <p><i>Verify with establishment if entry is unusually high (millions of pesos) particularly for establishments with PSIC N85 (hospital/clinic).</i></p>
2.6.5. Retirement and termination/ separation pay	547,738	<p>Accept with or without entry.</p>

2.7. Cost of training

60,066

Accept with or without entry.

Entry refers to the cost to the employer in the training of its employees.

Includes payments made to outside instructors and other training institutions on behalf of the workers and reimbursement of school fees to workers.

If the respondent is engaged in the education services, entry in this item does not include maintenance, etc. of the educational institution which is intended for its students.

Verify with establishment if entry is unusually high (millions of pesos) particularly for establishments with PSIC M81 (schools).

2.8. Cost of welfare services

0 **Accept with or without entry.**

Entry refers to the cost incurred by the employer for the welfare or benefit of its employees other than for housing (included in item 2.5.1), medical care and health (included in item 2.6.4) and training (included in item 2.7).

Includes grants by employers to credit unions and cost of related services for employees, etc.

If the respondent is engaged in the food or recreational business, cost to the employer does not include the maintenance, etc. of the restaurant or sports complex or beach resort which is intended for its customers.

Verify with establishment if entry is unusually high (millions of pesos).

2.9. Other labor costs

2.9.1. Cost of work clothes/protective gear	0	<p>Accept with or without entry. <i>Different from ordinary clothing (item 2.4)</i></p> <p>Examples:</p> <ul style="list-style-type: none"> • uniform, work clothes, personal protective equipment such as safety shoes, eye goggles
2.9.2. Transport of workers to and from work undertaken by employers	0	<p>Accept with or without entry. <i>Entry refers to the cost of transport of workers to and from work undertaken by the employer</i></p> <p>Example:</p> <ul style="list-style-type: none"> • shuttle service
2.9.3. Recruitment cost	0	<p>Accept with or without entry. <i>Entry refers to travel expenses for interviews of new recruits, the cost of advertisements, fees paid to public and private employment services in connection with recruitment, the cost of documents, legal fees, medical or physical examinations for prospective employees (pre-employment) and similar expenses borne by the employer.</i></p>
2.9.4. Others (specify) _____ _____	0	<p>Accept with or without entry. <i>If there is entry, description of other labor cost should be specified.</i></p>

3. Hours actually worked by all employees in 2007

To estimate for total hours actually worked (in the absence of actual record on hours worked):

265	x	8	x	250	+	75,000	+	9,600	=	614,600
Average number of employees		Regular working hours per day Ex. 6, 7, 8 or 12		Days actually worked during the year Ex. 250 or 302		Total overtime hours on regular working days of all employees who rendered overtime work		Total hours worked on rest days, special days and regular holidays of all employees who rendered work on these days		Hours actually worked

To compute for average number of employees for CY 2007, use the same method as in Part V-Item 9.

Guidelines:

To check for acceptability of entry:

Divide hours actually worked by number of employees. $614,600/265 \approx 2,319$

Acceptable range: 1,200 – 3,600 per employee

4. Percent share of labor cost to total cost (Please check only one box.)

☐ Less than 5%
 ☐ 5% - 9%
 ☐ 10% - 19%
 ☐ 20% - 29%
 ☒ 30% or more (specify) 40%

Guidelines:

There should only be one box checked.

If 30% or more is checked, percentage should be specified.

BITS FORM 1 - Verification Form
Part VI: Labor Cost of Employees

*THANK YOU
AND
GOOD DAY*

Presented during the Regional Supervisors and Enumerators Training on Data Collection and Field Editing of the 2007/2008 BITS and 2008 OWS

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