

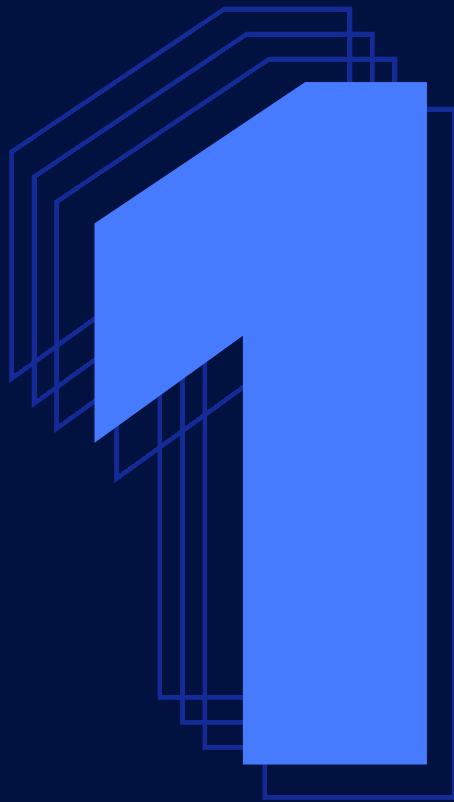
Multiplier

Hiring Toolkit The Philippines



Table of Contents

Chapter 1. Hiring In The Philippines	1
Economic overview	1
Employment insights	1
Job market insights	1
Top universities and business hubs	2
Chapter 2. Salary Insights	3
Popular jobs	3
Salary benchmarks	4
Chapter 3. Presenting An Offer	5
Onboarding compliance	5
Employee benefits	7
• Guaranteed benefits	8
• Supplementary benefits	11
Offboarding procedures	11
Chapter 4. The Multiplier Difference	12
Why use Multiplier's EOR solutions	12



Chapter 1

Hiring In The Philippines

Economic overview

For countries planning to hire and expand globally, the Philippines offers excellent workforce opportunities, with 40% of its population actively participating. As one of ASEAN's prominent countries, the Philippines has transitioned from an agrarian to a service-based economy. Nexford University insights indicate that approximately 1.3 million individuals in the Philippines are employed in business process outsourcing roles. The country is renowned for its thriving tourism industry, which also plays a significant role in its gross domestic product. These factors have contributed to the Philippines' emergence as one of the world's fastest-growing economies.

Economic indicators

Below are some of the most important economic indicators to better understand where the Philippine economy stands and whether the country will be a fit for your for your global expansion plans:

GDP per capita	Economic growth	Inflation %	GNI %	Ease of doing business	Economic Freedom score
USD 3,597	7.2%	8.1%	9.9%	Rank 95	61.1 (Rank 80)

Employment insights

According to Statista, the major sectors employing the Filipino population are:

- Services: 58.9%
- Agriculture: 21.7%
- Industry: 19.3%

Job market insights

The coronavirus pandemic has brought about an irregular workforce situation in the Philippines. To curb the rapid spread of the virus, businesses were forced to enter a community quarantine unprepared and some struggled to survive. Nevertheless, certain industries continued to thrive amid the global crisis.

Industry	Percentage
BPO, Call Center, IT-Enabled Services	23%
Government / Defense	21%
HR Management / Consulting	12%
Education	9%
Computer / Information Technology	5%

Source: Jobstreet

Top universities and business hubs

The Philippines is an archipelago sharing maritime borders with Southeast Asian countries. It is crucial for global employers to be aware of the country's major business hubs and top universities, which serve as excellent recruitment spots. Here is a concise list of both:

Business Hubs	Universities
Manila	University of the Philippines Diliman
Cebu	Ateneo de Manila University
Davao	De La Salle University
Zamboanga	University of the Philippines System
Cagayan de Oro	University of Santo Tomas



Chapter 2

Salary Insights

As per the data of Philippines Statistics Authority, in regard to the labor market, the employment rate in the Philippines is 95.8% as of November 2022.

Popular jobs and average salaries

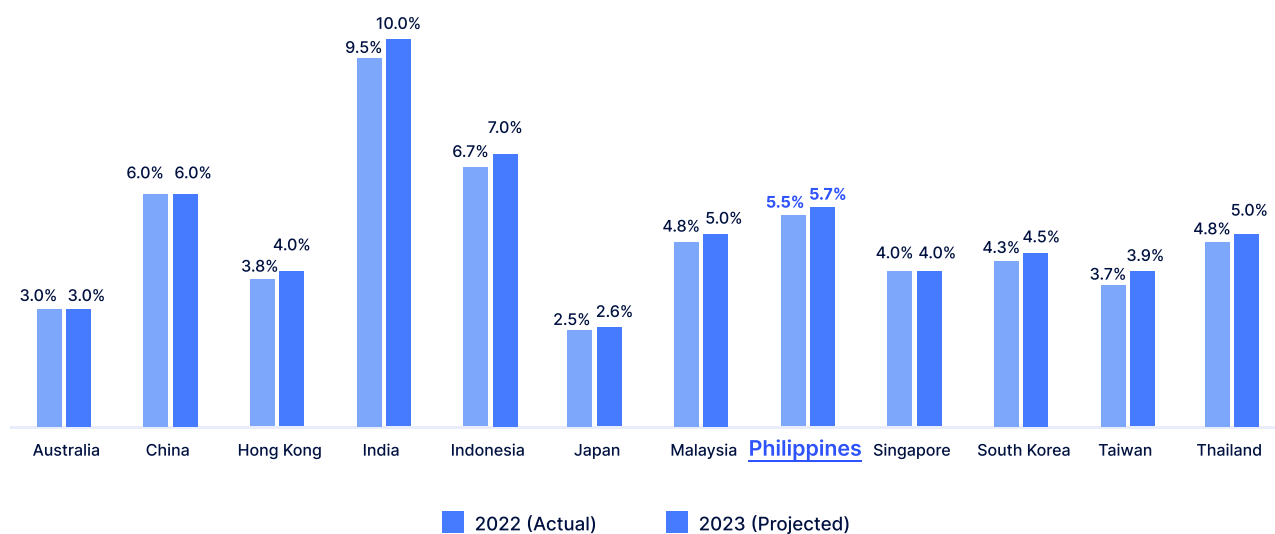
The following table lays down the popular jobs and its average salaries in the Philippines. Understanding the average salary rates will help you attract talent in the country:

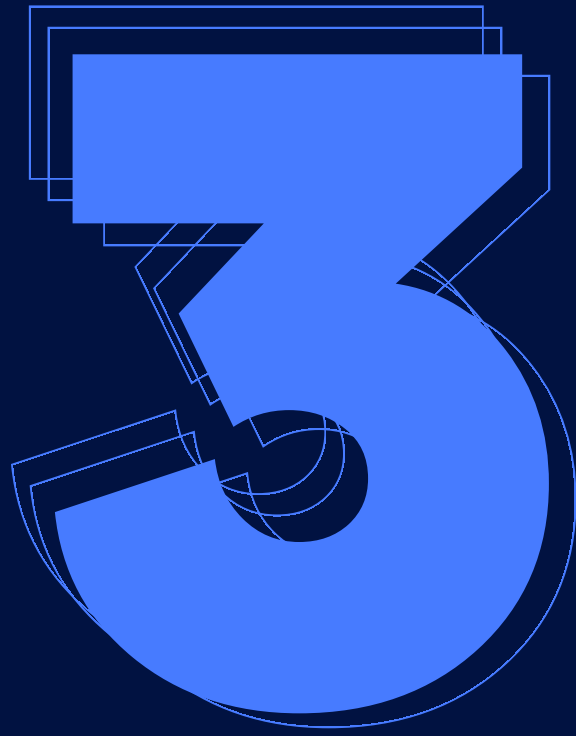
Job title	Average Monthly Salary (PHP)	Average Monthly Salary (USD)
Call center representative	16,300	299.48
Customer service manager	60,900	1119.69
Office manager	37,500	689.31
Receptionist	21,000	386.02
Accountant	30,100	553.29
Administrative Assistant	22,100	406.24
Secretary	19,100	351.09
Teacher	32,100	590.05
Developer/Programmer	44,000	804.84
Chef	28,100	516.53
HR manager	63,100	1159.88
HR officer	24,800	455.87

**Note: 1 PHP = 0.018 USD, as of Feb 6, 2023*

Salary benchmark

The following graphs showcase the salary changes (actual and projected) in the Philippines compared to other APAC countries. We can see that for the Philippines, the average salary increase is higher compared to its peer countries in the region.





Chapter 3

Presenting An Offer

In this segment, we will be discussing the key considerations that employers need to be aware of when hiring their preferred candidates in the Philippines.

Onboarding compliance

Payroll, minimum wage, and overtime pay

The following table presents an overview of the statutory wage and payroll requirements when employing in the Philippines. Understanding the minimum wage rates and compliance regulations is essential for both employers and employees to ensure a fair and legal work arrangement.

Payroll Cycle	Minimum Wage	Overtime Pay
Bi-monthly Pay days are generally once every two weeks and must not exceed 16 days for the second.	570 PHP per day	Working hours above 8 hours per day are considered overtime. They are paid at 25% over their standard rate. For overtime on a rest day, special or regular holiday, the rate is 30%.

Probation period

The probationary period for employees ranges from 1 – 6 months.

Employee agreement clauses

Although not required in all cases, employment contracts are mandatory for contractors and subcontractors. The contract can be drafted in English, but if the candidate is Filipino, it is necessary to provide a Filipino version of the contract.

Annexure	Clauses
Salary	<ul style="list-style-type: none">a. Perks, Benefits & other plansb. Additional Pay displayc. Reimbursement guidelinesd. Salary & deductions applicability
Terms of employment	<ul style="list-style-type: none">• Employee services and obligations<ul style="list-style-type: none">a. Company engagement services with employee & background checksb. Responsibilities and daily dutiesc. Prohibition of Additional/part-time rolesd. Code of conducte. Reporting hierarchyf. Job description input from Platformg. Involvement in other business activities• Employment term and renewal process• Place of Work• Work Schedule• Probationary Period - No probation, as per the employment labor code• Salary• Leave policies• Confidentiality (non-disclosure agreement)• Non-compete

Annexure	Clauses
Terms of employment	<ul style="list-style-type: none"> • Non-solicit • Intellectual Property • Termination clauses • Notice • Representations and Warranties • Other clauses <ul style="list-style-type: none"> a. Data privacy b. Indemnity c. Assignment d. Modification • Rights & Remedies Waiver <ul style="list-style-type: none"> a. Governing Law b. Severability c. Counterparts

Compliance document needed

BIR (Bureau of Internal Revenue) forms

Employee benefits

Employee benefits in the Philippines are managed by the Department of Labor and Employment. There are guaranteed and supplementary benefits available for the employees.

Guaranteed benefits

a) Leave policy

The data below can help you get an overview of the leave benefits available for the Filipino employees.

Service Incentive Leave

5 days

- Can be used along with vacation or sick leave

Vacation Leave

15 days

Sick Leave

15 days

Regular Holidays

10 days

Special Non-working Days

8 days

Maternity Leave

105 days

- Paid leave. Additional 15 days for single mothers. In case of miscarriage, women employees can have 60 days paid leave.
-

Paternity Leave

7 days

- Paid leave. Applicable to the first 4 deliveries of the legitimate spouse.
-

Parent Leave

7 days

- Available to any solo parent who worked in the company for a year.
-

Special leave benefits for women

2 months

- Full pay leave. Conditionally applicable to those women employees who had surgery for gynecological disorders. Established under the The Magna Carta Of Women Act.
-

Leave for victims of violence against women and children

10 days

- For victim employees to cover medical and legal concerns.
-

b) Social security in the Philippines

The social insurance program of the Philippines covers private, professional, and informal employees. The contributions to social security fund from employers in the Philippines are as follows:

Contribution	Employer Contributions
Social Security System (SSS)	PHP 20,400 + PHP 5,100 for PF
Home Development Mutual Fund (HDMF)	PHP 1,200
Philippine Health Corporation (PHIC)	PHP 19,200

c) 13th-month pay

In the Philippines, employees who have worked for at least one month are entitled to receive a 13th-month pay, regardless of their employment type or salary payment method. It is calculated as follows:

$$\text{13th-month pay} = 1/12 * (\text{the total basic monthly salary of an employee for the whole year})$$

Supplementary benefits

Employers in the Philippines may also provide supplementary benefits based on their company policies and regulations for improved employee retention.

Fringe Benefits	Exempt Benefits
<ul style="list-style-type: none">• Supplementary life insurance• Health insurance• Dental care• Additional time off• Wellness programs• Childcare benefits• Flexible work schedules• Meal vouchers• Product/service discounts• Company-owned vehicles• Christmas bonus	<ul style="list-style-type: none">• Expense for foreign travel• Holiday and vacation expenses• Educational assistance to the employee life or health insurance benefits

Offboarding procedures

It is the responsibility of an employer to ensure a smooth offboarding process. Below are some of the core elements when offboarding an employee:

Termination	Notice Period	Severance Pay
Termination can be due to behavioral issues of the employee, company retrenching or expansion reasons.	<ul style="list-style-type: none">• Probationary employees - 1 month• Permanent employees - 3 months	One-month pay or at least half-month pay for every year of service, including the available allowances with the position.



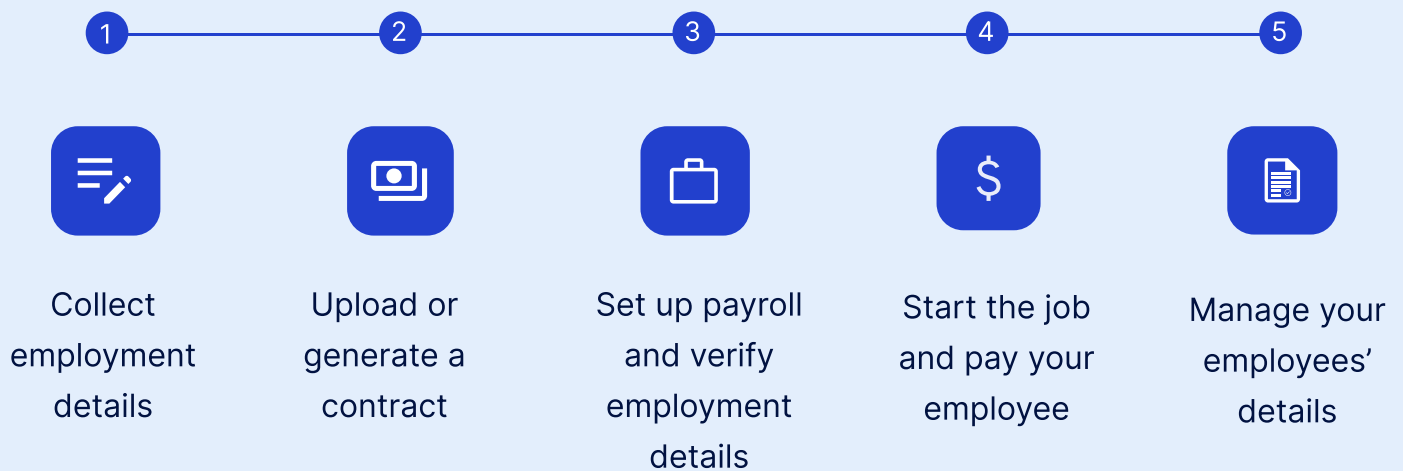
Chapter 4

The Multiplier Difference

Why use Multiplier's EOR solutions

Multiplier's EOR platform streamlines your onboarding process while ensuring compliance with global and domestic labor laws. With Multiplier, you can employ full-time or part-time skilled professionals in the Philippines in just 7 days.

Multiplier's simplified onboarding process



Additionally, the platform allows you to effortlessly generate employment agreements and invoicing reports for your full-time and part-time employees in a matter of minutes.

What more can Multiplier offer? Have a look at these:

- #1 Global Employment Solution
- Local HR experts for global teams
- Localized benefits administration
- Zero employment risks
- 24/7 HR & payroll support
- One-click payroll
- Build a global brand
- Market entry in minutes
- Increase employee satisfaction
- Save with no local entities
- Automated employee contracts
- Pay employees in local currency

Multiplier

We Want You To Hire And
Expand Fast At Fair Prices

Get The Multiplier Advantage.

Speak with us

