



Human Resources Management Basics

RECRUITMENT AND SELECTION

BE CERTAIN THAT YOU NEED TO HIRE

- Hiring an employee is an additional expense for the employer: salaries, taxes, benefits, training and etc.
- Some small enterprises work well even with the sole effort of the owner. If you are content with running your business full-time, there may be no need to hire.

SOURCE:

Sarah Fogleman, *Everything You Need to Know about Human Resource Management... But were Afraid to Ask*, accessed September 18 2013, <http://bookboon.com/en/recruitment-and-selection-ebook>.

DETERMINE WHETHER WHAT TYPE OF EMPLOYMENT YOU COULD PAY

TYPES OF EMPLOYMENT

as indicated in Article 280 of the Labor Code of the Philippines (LCP):

Regular, Casual, Fixed-term/ Project-based, Seasonal

“an employment shall be deemed to be regular where the employee has been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer, except where the employment has been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of the engagement of the employee or where the work or service to be performed is seasonal in nature and the employment is for the duration of the season.

An employment shall be deemed to be casual if it is not covered by the preceding paragraph: Provided, That any employee who has rendered at least one year of service, whether such service is continuous or broken, shall be considered a regular employee with respect to the activity in which he is employed and his employment shall continue while such activity exists.”

SOURCES:

Vanessa Abrugar, *Philippine labor laws that employers must know* (2009), accessed September 18 2013,

<http://aboutphilippines.ph/filer/toledo-cebu/Philippine-labor-laws-employers-must-know.pdf>

Labor Code of the Philippines , accessed September 18, 2013

<http://www.ilo.org/dyn/travail/docs/1131/Labor%20Code%20of%20the%20Philippines%20-%20DOLE.pdf>

DETERMINE WHETHER WHAT TYPE OF EMPLOYMENT YOU COULD PAY

Article 281 of the Labor Code of the Philippines (LCP) discusses
PROBATIONARY EMPLOYMENT

“Probationary employment shall not exceed six (6) months from the date the employee started working, unless it is covered by an apprenticeship agreement stipulating a longer period. The services of an employee who has been engaged on a probationary basis may be terminated for a just cause or when he fails to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of his engagement. An employee who is allowed to work after a probationary period shall be considered a regular employee.”

SOURCES:

Labor Code of the Philippines , accessed September 18, 2013 ,
<http://www.ilo.org/dyn/travail/docs/1131/Labor%20Code%20of%20the%20Philippines%20-%20DOLE.pdf>

DETERMINE WHETHER WHAT TYPE OF EMPLOYMENT YOU COULD PAY

- *Most companies prefer fixed term employment or contractual to save labor costs because if they hire regular employees, they cannot terminate their employment expediently without valid and legal cause and the payment of separation pay and other benefits.*

SOURCE:

Vanessa Abrugar, *Philippine labor laws that employers must know* (2009), accessed September 18 2013, <http://aboutphilippines.ph/filer/toledo-cebu/Philippine-labor-laws-employers-must-know.pdf>

DEFINE THE TASKS AND QUALIFICATIONS

BEFORE YOU BEGIN SEARCHING FOR A NEW EMPLOYEE,
YOU HAVE TO KNOW WHAT YOU ARE LOOKING FOR...

Job Description

- a list of duties a person fulfills in a job, the frequency of the tasks and the importance of these

Job Specification

-describe the person that you wanted for the position

SOURCE:

Eric Garner, *Recruitment and Selection: Hiring the people you want* (2012), accessed September 18 2013,
<http://bookboon.com/en/recruitment-and-selection-ebook>.

RECRUITING STRATEGIES

1. Media Advertising

- advertising through radio, television, newspapers, and the Internet

2. Walk-ins

- Another external recruiting source is walk-ins. This source is relatively inexpensive, and applicants may be filed and processed whenever vacancies occur. Walk-ins provide an excellent public relations opportunity because well-treated applicants are likely to inform others. On the other hand, walk-ins show up randomly, and there may be no match with available openings. This is particularly true for jobs requiring specialized skills.

SOURCE:

James Lindner & Chris Zoller, *Recruiting Employees for Small Businesses: A Little Planning Goes a Long Way*, accessed September 18 2013, <http://ohioline.osu.edu/cd-fact/1382.html>

RECRUITING STRATEGIES

3. Public and Private Employment Agencies

- These agencies are established to match job openings with listings of job applicants. These agencies also classify and screen applicants. Most agencies administer work-sample tests, such as typing exams, to applicants.
- Public employment agencies charge no fees for their services. Public employment agencies are an excellent source of applicants for support-level jobs.
- Private employment agencies are typically paid a fee for their services if they refer a candidate who is subsequently hired. Businesses that use private employment agencies should attempt to have the agency agree to a minimum employment period during which the fee will be refunded if the candidate hired does not work out; typically three months. Search firms are a type of private employment agency that specializes in the placement of managerial, technical, and professional employees.

SOURCE:

James Lindner & Chris Zoller, *Recruiting Employees for Small Businesses: A Little Planning Goes a Long Way*, accessed September 18 2013, <http://ohioline.osu.edu/cd-fact/1382.html>

RECRUITING STRATEGIES

4. Direct Recruiting

- When using this method, a small business sends a representative to meet with potential applicants to encourage qualified individuals to apply for jobs. A small business manager, for example, might visit a number of vocational schools to recruit applicants for entry level positions, or the manager might attend professional meetings and trade shows to contact potential applicants for a senior level position.

5. Word of mouth and Referrals

- Hiring through the people you know or through recommendations of your employees (if you already have)

SOURCE:

James Lindner & Chris Zoller, *Recruiting Employees for Small Businesses: A Little Planning Goes a Long Way*, accessed September 18 2013, <http://ohioline.osu.edu/cd-fact/1382.html>

JOB ADVERTISEMENT

- The more precise you are in your advertisement, the more likely you are to attract the right people. Typically, it will include the following:

- » *JOB TITLE*
- » *JOB DESCRIPTION*
- » *JOB SPECIFICATION*
- » *SALARY RANGE*
- » *APPLICATION REQUIREMENTS*
- » *APPLICATION PROCESS*

SOURCE:

Russel HR CONSULTING, *Employer's Guide to Recruitment*, accessed September 18 2013, <http://bookboon.com/en/employers-guide-to-recruitment-ebook>

WAYS TO DETERMINE IF THE CANDIDATE IS FIT FOR THE JOB

- WRITTEN APPLICATION

Gather essential information and gauge the applicant's ability to read and write, whether or not they are qualified to be employed in this country. These forms may be used to narrow a large field of applicants based on basic qualifications.

- WRITTEN TEST

An excellent tool when technical knowledge is required. The format of the test can vary—multiple choice, short answer, or essay.

- ORAL TEST

May help assess the applicant's communication ability and technical expertise. An example is to give the applicant a good question or hypothetical problem and ask him or her to walk you through the steps he or she would take to solve it.

SOURCE:

Sarah Fogleman, *Everything You Need to Know about Human Resource Management... But were Afraid to Ask*, accessed September 18 2013, <http://bookboon.com/en/recruitment-and-selection-ebook>.

WAYS TO DETERMINE IF THE CANDIDATE IS FIT FOR THE JOB

- INTERVIEWS

May take a serious, grilling tone or be very laid-back and conversational. Well-planned interviews that ask open-ended questions work best. Of course, some applicants may sound very impressive during an interview and disappoint once on the job. Other applicants may be made very nervous in an interview and miss their opportunity to shine. This is why it is always good to combine an interview with a practical test.

When preparing your questions, keep in mind that there are many things which it is actually illegal for an employer to ask. Any question which doesn't directly pertain to the person's ability to perform the job or is discriminatory should not be asked. The guiding principle behind any interview question is that there is a demonstrated job-related necessity for asking the question. Questions should be focused on obtaining information necessary to assess the skills, qualifications, and overall competence of the candidate.

- PRACTICAL TESTS

Require the applicant to perform one or more of the skills the job requires through a mock situation. These tests also demonstrate the applicants' thought process did they ask questions, prioritize tasks, and keep their composure if something went wrong?

SOURCE:

Sarah Fogleman, *Everything You Need to Know about Human Resource Management... But were Afraid to Ask*, accessed September 18 2013, <http://bookboon.com/en/recruitment-and-selection-ebook>.

BACKGROUND CHECK

- *Usual requirements asked by employers in the Philippines:*
 1. *BIODATA/RESUME/ CURRICULUM VITAE*
 2. *BIRTH CERTIFICATE (ORIGINAL OR PHOTOCOPY)*
 3. *NBI / POLICE CLEARANCE*
 4. *DIPLOMA/ TRANSCRIPT OF RECORDS*
 5. *MEDICAL CLEARANCE*

SOURCE

"Required Documents To Work in the Philippines (working requirements); Philippines," Philippines Article Library, accessed September 18, 2013, http://article-library.totalphilippines.com/working_requirements/20100621-230031-Required-Documents-To-Work-in-the-Philippines

BACKGROUND CHECK

- The minimum employable age in the Philippines is fifteen years, with the exception of some instances when a child below 15 may be hired after complying with certain conditions.

(See RA 7610, Sec 12, as amended by RA 7658 and RA 9231; see also DOLE Department Order No. 65-04).

SOURCE:

Vanessa Abrugar, *Philippine labor laws that employers must know* (2009), accessed September 18 2013, <http://aboutphilippines.ph/filer/toledo-cebu/Philippine-labor-laws-employers-must-know.pdf>

EMPLOYMENT CONTRACT

- *An agreement entered into between an employer and an employee at the time the employee is hired that outlines the exact nature of their business relationship, specifically what compensation the employee will receive in exchange for specific work performed*

SOURCE:

Employment Contract," *Entrepreneur: Business News & Strategy For Entrepreneurs*, accessed September 19, 2013,
<http://www.entrepreneur.com/encyclopedia/employment-contract>

EMPLOYMENT CONTRACT

ADVANTAGES:

- *An employment contract can help you attract and retain key employees. While you can't force employees to stay, a contract can ensure that they'll provide reasonable notice prior to departure.*
- *Employment contracts also help protect critical trade secrets, and are especially critical in high-tech companies. An employment contract can prohibit employees from revealing company secrets, working for the competition or soliciting customers.*
- *Contracts also clarify individual jobs by spelling out employees' responsibilities, compensation, bonuses, stock options, rights to any inventions and patents, expense accounts and more.*

DISADVANTAGE:

- *Employment contracts change the "at will" relationship, restricting your ability to terminate employees who aren't working out. Typically you agree only to terminate "for cause" unless you're at the end of the contract term, which opens your decision to second-guessing by the courts as to whether your cause was adequate.*

SOURCE:

Employment Contract," *Entrepreneur: Business News & Strategy For Entrepreneurs*, accessed September 19, 2013, <http://www.entrepreneur.com/encyclopedia/employment-contract>

ORIENTATION

- It's your responsibility to give your first employee an orientation to your business. Employee retention begins at orientation. When an employee begins a new job, it is important that he or she feels informed, comfortable, supported, and prepared to handle the responsibilities of the new position
- A well-planned, organized and thorough approach to orienting an employee to a new position can enable the employee to quickly get accustomed to your operation and become a key contributor more quickly.

SOURCE:

Sarah Fogleman, *Everything You Need to Know about Human Resource Management... But were Afraid to Ask*, accessed September 18 2013, <http://bookboon.com/en/recruitment-and-selection-ebook>.

"Hiring Your First Employee," Small Business Information-About.com, September 18 2013

<http://sbinformation.about.com/lw/Business-Finance/Small-business-and-entrepreneurs/Hiring-Your-First-Employee.htm>

MONITORING AND TAKING CARE OF EMPLOYEES

TREATING EMPLOYEES WELL

- A. Employee has expectation of fair and just treatment by the management. Employee favoritism should be avoided.
- B. Do not make the employees' job monotonous. Keep it interesting. Make it more challenging. This can be done by assigning employees greater responsibilities or indulging them in training programmes.
- C. Maintain continuous interaction with the employees. Keep them updated about company's policies, procedures and decisions. Keep the employees well-informed.
- D. Employees must be rewarded and appreciated for a well-done job or for achieving/over-meeting their targets. This will boost them and they will work together as a team.
- E. Encourage employee feedback. This feedback will make the employers aware of the concerns of employees, and their views about "you" as an employer.
- F. Give the employees competitive salary. They should be fairly paid for their talents, skills and competencies.
- G. Be friendly but not over-friendly with the employees. Build a good rapport with the employee. The employee should feel comfortable with the manager/supervisor rather than feeling scared.

SOURCE:

"Employee Relations - Importance and Ways of Improving Employee Relations," Management Study Guide - Free Training Guide for Students and Entrepreneurs, accessed September 19, 2013, <http://www.managementstudyguide.com/employee-relations.htm>

TRAINING

- WHY GIVE TRAINING?

- ❖ *People don't want to be in a business where they are not kept up-to-date, fully trained and given opportunities to develop.*
- ❖ *Whether in technology, in products or in skills, training enables people to keep to date with the market competition and their own organization's plans.*
- ❖ *People are their most valuable asset. Making the most of this asset is what training is all about.*

SOURCE:

Eric Garner, *Training Skills* (2012), accessed September 18 2013, <http://bookboon.com/en/training-skills-ebook>

TRAINING

- STEPS ON MANAGING A TRAINING?

- 1. Identify needs and outcomes. What do you want to achieve through training.*
- 2. Match solutions to needs (problem-solving stage)*
- 3. Carrying out the training*
- 4. Reviewing, evaluating and measuring results*

SOURCE:

Eric Garner, *Training Skills* (2012), accessed September 18 2013, <http://bookboon.com/en/training-skills-ebook>

MONITORING PERFORMANCE

WAYS TO PLOT PEOPLE'S PERFORMANCE AT WORK:

Targets

setting someone a target to reach and then measuring whether they reach it or not is one of the simplest ways to judge performance

Standards

levels of performance. they allow us to compare different people's performance against pre-set levels such as an average, a high and low level

Competence

ability someone has to reach a standard and thereby, a target.

SOURCE:

Eric Garner, *Training Skills* (2012), accessed September 18 2013, <http://bookboon.com/en/training-skills-ebook>

WAGE, BENEFITS AND TAXATION

WAGE

- You must comply with the minimum wage rates prescribed by your respective Regional Tripartite Wages and Productivity Boards authorized by the state to fix the minimum wage (which you may find here: <http://www.nwpc.dole.gov.ph/rtwpb.html#>)
- Note that there are civil and criminal violations for non-compliance with these wage orders.

SOURCE:

Vanessa Abrugar, *Philippine labor laws that employers must know* (2009), accessed September 18 2013, <http://aboutphilippines.ph/filer/toledo-cebu/Philippine-labor-laws-employers-must-know.pdf>

BENEFITS

The employer must also pay the employees the compensation and other benefits to which they are entitled under the Labor Code such as overtime pay, night shift pay, holiday pay, etc. as well as those provided under special laws such as 13th month pay.

COMPLIANCE GUIDE			
Applicable Labor Standards	Retail & Service Establishments		Non-Agriculture
	Employing 1 to 5 workers	Employing 1 to 9 workers	
Minimum Wage	✓	✓	✓
Holiday pay	N/A	N/A	✓
Premium pay	✓	✓	✓
Overtime pay	✓	✓	✓
Night shift pay	N/A	✓	✓
Service charge	✓	✓	✓
Service incentive leave	N/A	N/A	✓
Maternity leave	✓	✓	✓
Paternity leave	✓	✓	✓
Parental leave	✓	✓	✓
Leave for VAWC	✓	✓	✓
Special leave for women	✓	✓	✓
13 th month pay	✓	✓	✓
Separation pay	✓	✓	✓
Retirement pay	N/A	N/A	✓
ECC benefits*	✓	✓	✓
PhilHealth benefits*	✓	✓	✓
SSS benefits*	✓	✓	✓

*will be paid by the Government

SOURCE:

Vanessa Abrugar, *Philippine labor laws that employers must know* (2009), accessed September 18 2013, <http://aboutphilippines.ph/filer/toledo-cebu/Philippine-labor-laws-employers-must-know.pdf>
Handbook on workers' statutory benefits (2012), Accessed September 19, 2013, <http://bwc.dole.gov.ph/userfiles/file/2012%20Handbook.pdf>

PAG-IBIG

REQUIREMENTS:

1. Employer's Data Form
2. Specimen Signature Form
3. Valid ID
4. SSS Certification (if already registered with SSS)
5. Certified True Copy of Proof of Business Existence

PROCESS:

- *Go to the nearest Pag-IBIG NCR/Regional Branch or any extension/service office/field service center.*
- *Secure Employer's Data Form (EDF, 2 copies)*
- *Accomplish and submit duly accomplished EDF together with required supporting documents. (The Pag-IBIG Employer ID Number shall be issued as soon as available.)*

Online Employer's Registration:

https://www.pagibigfundservices.com/EmployerRegistration_Public/

SOURCE

"How to Register Your Business as an Employer with the Pag-IBIG Fund," Business Forum Philippines, accessed September 19, 2013, <http://www.businessforum.ph/threads/646-How-to-Register-Your-Business-as-an-Employer-with-the-Pag-IBIG-Fund>

PAG-IBIG

Home development mutual fund

HDMF Table

Gross Pay Range	Multiplier	
	Employee	Employer
0 - 1,499.99	0.01	0.02
1,500.00 - over	0.02	0.02

SOURCE

Ken Rafinan, "Withholding Tax and Deductions Calculator," Tao Po, Accessed September 19, 2013,
<http://www.taopo.org/bir-withholding-tax-and-sss-phic-philhealth-hdmf-pagibig-deductions-calculator/>

SSS

AN EMPLOYER, OR ANY PERSON WHO USES THE SERVICES OF ANOTHER PERSON IN BUSINESS, TRADE, INDUSTRY OR ANY UNDERTAKING MUST BE REGISTERED WITH THE SSS. REGISTER AND SUBMIT THE REQUIRED DOCUMENTS BELOW AT THE SOCIAL SECURITY SYSTEM (SSS) BRANCH THAT COVERS THE LOCATION OF YOUR OFFICIAL BUSINESS OFFICE.

Single Proprietorships:

SSS Forms R-1 (Employer's Data Record) and R-1A (Initial or Subsequent List of Employees).

DTI Business Permit

Mayor's Permit

For Partnerships:

Any of the partners of a partnership firm should accomplish SSS Forms R-1 and R-1A and submit these forms together with a photocopy of the Articles of Partnership. The original copy of the Articles of Partnership must be presented for authentication.

For Corporations:

A corporation must accomplish SSS Forms R-1 and R-1A signed by its president or any of the corporate officers or incorporators. Submit these forms together with the photocopy of the Articles of Incorporation. The original copy of the Articles of Incorporation must be presented to the SSS for authentication.

Online Employer User ID Registration: <https://www.sss.gov.ph/sss/employer.jsp>

SOURCES:

"SSS - Business Registration Requirements," Alagad, Accessed September 19, 2013, www.alagad.com.ph/employment-and-livelihood/9-pangkabuhayan/113-sss-business-registration-requirements.html

SSS

RANGE OF COMPENSATION	MONTHLY SALARY CREDIT*	EMPLOYER-EMPLOYEE							SE / VM / OFW
		SOCIAL SECURITY			EC	TOTAL CONTRIBUTION			
		ER	EE	Total	ER	ER	EE	Total	
1,000 - 1,249.99	1,000	70.70	33.30	104	10	80.70	33.30	114	104
1,250 - 1,749.99	1,500	106.00	50.00	156	10	116.00	50.00	166	156
1,750 - 2,249.99	2,000	141.30	66.70	208	10	151.30	66.70	218	208
2,250 - 2,749.99	2,500	176.70	83.30	260	10	186.70	83.30	270	260
2,750 - 3,249.99	3,000	212.00	100.00	312	10	222.00	100.00	322	312
3,250 - 3,749.99	3,500	247.30	116.70	364	10	257.30	116.70	374	364
3,750 - 4,249.99	4,000	282.70	133.30	416	10	292.70	133.30	426	416
4,250 - 4,749.99	4,500	318.00	150.00	468	10	328.00	150.00	478	468
4,750 - 5,249.99	5,000	353.30	166.70	520	10	363.30	166.70	530	520
5,250 - 5,749.99	5,500	388.70	183.30	572	10	398.70	183.30	582	572
5,750 - 6,249.99	6,000	424.00	200.00	624	10	434.00	200.00	634	624
6,250 - 6,749.99	6,500	459.30	216.70	676	10	469.30	216.70	686	676
6,750 - 7,249.99	7,000	494.70	233.30	728	10	504.70	233.30	738	728
7,250 - 7,749.99	7,500	530.00	250.00	780	10	540.00	250.00	790	780
7,750 - 8,249.99	8,000	565.30	266.70	832	10	575.30	266.70	842	832
8,250 - 8,749.99	8,500	600.70	283.30	884	10	610.70	283.30	894	884
8,750 - 9,249.99	9,000	636.00	300.00	936	10	646.00	300.00	946	936
9,250 - 9,749.99	9,500	671.30	316.70	988	10	681.30	316.70	998	988
9,750 - 10,249.99	10,000	706.70	333.30	1,040	10	716.70	333.30	1,050	1,040
10,250 - 10,749.99	10,500	742.00	350.00	1,092	10	752.00	350.00	1,102	1,092
10,750 - 11,249.99	11,000	777.30	366.70	1,144	10	787.30	366.70	1,154	1,144
11,250 - 11,749.99	11,500	812.70	383.30	1,196	10	822.70	383.30	1,206	1,196
11,750 - 12,249.99	12,000	848.00	400.00	1,248	10	858.00	400.00	1,258	1,248
12,250 - 12,749.99	12,500	883.30	416.70	1,300	10	893.30	416.70	1,310	1,300
12,750 - 13,249.99	13,000	918.70	433.30	1,352	10	928.70	433.30	1,362	1,352
13,250 - 13,749.99	13,500	954.00	450.00	1,404	10	964.00	450.00	1,414	1,404
13,750 - 14,249.99	14,000	989.30	466.70	1,456	10	999.30	466.70	1,466	1,456
14,250 - 14,749.99	14,500	1,024.70	483.30	1,508	10	1,034.70	483.30	1,518	1,508
14,750 - over	15,000	1,060.00	500.00	1,560	30	1,090.00	500.00	1,590	1,560

SOURCE

Ken Rafinan, "Withholding Tax and Deductions Calculator," Tao Po, Accessed September 19, 2013, <http://www.taopo.org/bir-withholding-tax-and-sss-phic-philhealth-hdmf-pagibig-deductions-calculator/>

PHILHEALTH

EMPLOYER REGISTRATION

All government and private sector employers are required to register with PhilHealth to enable them to provide social health insurance coverage to their employees.

Private sector employers (including those of household helps) who have registered with the SSS prior to July 1, 1999 are automatically registered but are required to update their records with PhilHealth.

Responsible employers ensure that all workers under their employ are dutifully reported to PhilHealth so that in times of need, they can readily rely on accurate records, especially of their premium contributions.

For newly hired employees:

Submit ER2 Form indicating the names of newly hired employees within 30 days from assumption to the office

SOURCE

"Registration With PhilHealth: Employer," Philippine Health Insurance Corporation, Accessed September 19, 2013, <http://www.philhealth.gov.ph/partners/employers/registration.html>
Reporting Your Employees: Employer , " Philippine Health Insurance Corporation, accessed September 19, 2013, <http://www.philhealth.gov.ph/partners/employers/report.html>

PHILHEALTH

REQUIREMENTS:

- Employer Data Record or ER1 Form (*in duplicate*)
- Business permit/license to operate

PROCESS:

- Submit the requirements at any PHILHEALTH office
- After processing, the employer will be issued the PhilHealth Employer Number (PEN) and the Certificate of Registration, PhilHealth Identification Number (PIN), and Member Data Record (MDR) of registered employees
- Employers are required to display the Certificate of Registration in conspicuous area of their offices.

SOURCE

" Registration With PhilHealth: Employer," Philippine Health Insurance Corporation, Accessed September 19, 2013, <http://www.philhealth.gov.ph/partners/employers/registration.html>

PHILHEALTH

Salary Bracket	Salary Range	Salary Base	Total Monthly Premium	Employee Share	Employer Share
1	7,999.99 and below	7,000.00	175.00	87.50	87.50
2	8,000.00 - 8,999.99	8,000.00	200.00	100.00	100.00
3	9,000.00 - 9,999.99	9,000.00	225.00	112.50	112.50
4	10,000.00 - 10,999.99	10,000.00	250.00	125.00	125.00
5	11,000.00 - 11,999.99	11,000.00	275.00	137.50	137.50
6	12,000.00 - 12,999.99	12,000.00	300.00	150.00	150.00
7	13,000.00 - 13,999.99	13,000.00	325.00	162.50	162.50
8	14,000.00 - 14,999.99	14,000.00	350.00	175.00	175.00
9	15,000.00 - 15,999.99	15,000.00	375.00	187.50	187.50
10	16,000.00 - 16,999.99	16,000.00	400.00	200.00	200.00
11	17,000.00 - 17,999.99	17,000.00	425.00	212.50	212.50
12	18,000.00 - 18,999.99	18,000.00	450.00	225.00	225.00
13	19,000.00 - 19,999.99	19,000.00	475.00	237.50	237.50
14	20,000.00 - 20,999.99	20,000.00	500.00	250.00	250.00
15	21,000.00 - 21,999.99	21,000.00	525.00	262.50	262.50
16	22,000.00 - 22,999.99	22,000.00	550.00	275.00	275.00
17	23,000.00 - 23,999.99	23,000.00	575.00	287.50	287.50
18	24,000.00 - 24,999.99	24,000.00	600.00	300.00	300.00

SOURCE

Ken Rafinan, "Withholding Tax and Deductions Calculator," Tao Po, Accessed September 19, 2013, <http://www.taopo.org/bir-withholding-tax-and-sss-phic-philhealth-hdmf-pagibig-deductions-calculator/>

Taxation

EVERY BUSINESS enterprise has to register with the BIR for taxation purposes.

PROCESS:

1. Secure a permanent record file number of Tax Identification Number (TIN) from the BIR National Office

2. Register the business/trade name at the BIR office nearest you. Secure and file an application form, together with supporting papers (*Mayor's permit, BIR Application Form 1901 for Single Proprietorship, BIR Application form 1903 for Partnership and Corporation, Certificate of Business Name Registration from the DTI Articles of Partnership or Corporation, Community Tax Certificate*)
 - Accomplish BIR Form 1901 and submit the same, together with the required attachments, to the Revenue District Office having jurisdiction over the registered address of the business establishment.
 - Pay the Annual Registration Fee (P 500.00) at the Authorized Agent Banks of the Revenue District Office (RDO).
 - Pay P 15.00 for the Certification Fee and P15.00 for the Documentary Stamp Tax (in loose form to be attached to Form 2303).

3. Secure authority to print books of account, invoices, receipts, and other accounting records by filling up four copies of an application form. Attach four draft copies of the material to be printed as well as a copy of the job order.

4. Register book of accounts, invoices, receipts, etc.

SOURCE:

" BIR Business Registration Requirements,"*Alagad*, Accessed September 19, 2013, <http://www.alagad.com.ph/employment-and-livelihood/9-pangkabuhayan/111-bir-business-registration-requirements.html>

Taxation

Monthly Remittance of Taxes Withheld on Compensation

- Individuals engaged in business or practice of profession with employees subject to income tax ARE REQUIRED TO FILE
- Tax form: BIR Form 1601-C (Monthly Remittance Return of Income Taxes Withheld on Compensation)

SOURCE

“Withholding Tax,” Bureau of Internal Revenue, Accessed September 19, 2013, http://www.bir.gov.ph/taxinfo/tax_withld.htm

Taxation

Monthly Remittance of Taxes Withheld on Compensation

Procedures for Filing and Payment

1. Read instructions indicated in the tax return.
2. Accomplish correctly BIR Form 1601-C in triplicate copies.

SOURCE

"Withholding Tax," Bureau of Internal Revenue, Accessed September 19, 2013, http://www.bir.gov.ph/taxinfo/tax_withld.htm

Taxation

Monthly Remittance of Taxes Withheld on Compensation

Procedures for Filing and Payment

3. If there is tax required to be remitted:

- Proceed to the nearest Authorized Agent Bank (AAB) of the Revenue District Office (RDO) where you are registered or withholding agent is registered and present the duly accomplished BIR Form No. 1601-C, together with the required attachments (if applicable) and your payment.
- In places where there are no AABs, proceed to the Revenue Collection Officer or duly Authorized City or Municipal Treasurer located within the Revenue District Office where you are registered or withholding agent is registered and present the duly accomplished BIR Form No. 1601- C, together with the required attachments (if applicable) and your payment.
- Receive your copy of the duly stamped and validated form from the teller of the AAB's/Revenue Collection Officer/duly Authorized City or Municipal Treasurer.

SOURCE

"Withholding Tax," Bureau of Internal Revenue, Accessed September 19, 2013, http://www.bir.gov.ph/taxinfo/tax_withld.htm

Taxation

Monthly Remittance of Taxes Withheld on Compensation

Procedures for Filing and Payment

4. If there is no tax required to be remitted:

- Proceed to the Revenue District Office where you are registered or where the withholding agent is registered and present the duly accomplished BIR Form 1601-C, together with the required attachments.
- Receive your copy of the duly stamped and validated form from the RDO representative

SOURCE

"Withholding Tax," Bureau of Internal Revenue, Accessed September 19, 2013, http://www.bir.gov.ph/taxinfo/tax_withld.htm

Taxation

Deadline

Filing Via EFPS

Group A - Fifteen (15) days following end of the month

Group B - Fourteen (14) days following end of the month

Group C - Thirteen (13) days following end of the month

Group D - Twelve (12) days following end of the month

Group E - Eleven (11) days following end of the month

Manual Filing and Payment

- On or before the tenth (10th) day of the month following the month the withholding was made, except for taxes withheld for the month of December which shall be filed and paid on or before January 15 of the succeeding year

SOURCE

"Withholding Tax," Bureau of Internal Revenue, Accessed September 19, 2013, http://www.bir.gov.ph/taxinfo/tax_withld.htm

Taxation

WITHOLDING TAX TABLE

SEMI-MONTHLY	1	2	3	4	5	6	7	8	
Exemption	0.00	0.00	20.83	104.17	354.17	937.50	2,083.33	5,208.33	
Status	+0% over	+5% over	+10% over	+15% over	+20% over	+25% over	+30% over	+32% over	
A. Table for employees without qualified dependent									
1. Z	0.0	1	0	417	1,250	2,917	5,833	10,417	20,833
2. S/ME	50.0	1	2,083	2,500	3,333	5,000	7,917	12,500	22,917
B. Table for single/married employee with qualified dependent child(ren)									
1. ME1 / S1	75.0	1	3,125	3,542	4,375	6,042	8,958	13,542	23,958
2. ME2 / S2	100.0	1	4,167	4,583	5,417	7,083	10,000	14,583	25,000
3. ME3 / S3	125.0	1	5,208	5,625	6,458	8,125	11,042	15,625	26,042
4. ME4 / S4	150.0	1	6,250	6,667	7,500	9,167	12,083	16,667	27,083
MONTHLY	1	2	3	4	5	6	7	8	
Exemption	0.00	0.00	41.67	208.33	708.33	1,875.00	4,166.67	10,416.67	
Status	+0% over	+5% over	+10% over	+15% over	+20% over	+25% over	+30% over	+32% over	
A. Table for employees without qualified dependent									
1. Z	0.0	1	0	833	2,500	5,833	11,667	20,833	41,667
2. S/ME	50.0	1	4,167	5,000	6,667	10,000	15,833	25,000	45,833
B. Table for single/married employee with qualified dependent child(ren)									
1. ME1 / S1	75.0	1	6,250	7,083	8,750	12,083	17,917	27,083	47,917
2. ME2 / S2	100.0	1	8,333	9,167	10,833	14,167	20,000	29,167	50,000
3. ME3 / S3	125.0	1	10,417	11,250	12,917	16,250	22,083	31,250	52,083
4. ME4 / S4	150.0	1	12,500	13,333	15,000	18,333	24,167	33,333	54,167
Legend: Z-Zero exemption S-Single ME-Married Employee 1;2;3;4-Number of qualified dependent children									
S/ME = P50,000 EACH WORKING EMPLOYEE Qualified Dependent Child = P25,000 each but not exceeding four (4) children									

SOURCE

Ken Rafinan, "Withholding Tax and Deductions Calculator," Tao Po, Accessed September 19, 2013,
<http://www.taopo.org/bir-withholding-tax-and-sss-phic-philhealth-hdmf-pagibig-deductions-calculator/>