



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Intramuros, Manila



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Clarificatory Guidelines on
DOLE Department Order No. 150, series of 2016

To ensure compliance with mandatory employment benefits for security guards and other private security personnel in the private security industry as provided for under DOLE Department Order No. 150, s. 2016, governing the employment and working conditions of security guards and other private security personnel in the private security industry, this Labor Advisory is hereby issued:

- I. **Administration and Enforcement of Labor Laws** – In the conduct of routine or complaint inspection of establishment that engages the services of private security agencies (PSAs) or security service contractors (SSCs), the labor inspectors are hereby reminded to review documents that may be required under the general labor standards, labor laws, social legislations, and its implementing rules and regulations, particularly DOLE Department Order No. 174, s. 2017 and DOLE Department Order No. 150, s. 2016 such as, but not limited to, the following provisions:

- a. **Administrative fee** – The administrative fee shall not be less than twenty percent (20%) of the total contract cost. Such stipulation shall be contained in the Service Agreement between the principal and the SSC/PSA.

Any stipulation to the contrary shall be deemed a violation of Section 4(b) of DOLE Department Order No. 150, s. 2016.

- b. **Automatic crediting provision in the Service Agreement** – Pursuant to Section 4 (d) and Section 9.1 (b) of DOLE Department Order No. 150, s. 2016, the automatic crediting provision shall be required to be included in the Service Agreement. The issuance of a new wage order shall automatically amend the Service Agreement, and the prescribed increases shall be primarily borne by the principal. Accordingly, the contract cost shall be adjusted in conformity with the mandated wage increase.

- c. **Undertaking to remit contributions** – Section 4(g) of DOLE Department Order No. 150, s. 2016 only requires an undertaking that the SSC/PSA will directly remit monthly the employers' share and employees' contributions to Social Security System (SSS), Employees' Compensation Commission

(ECC), Philippine Health Insurance Corporation (PhilHealth), and Home Development Mutual Fund (Pag-IBIG) be included in the Service Agreement. There is no requirement under the law that the SSC/PSA shall submit proof of actual remittance to the principal as a precondition for payment of the contract cost. Notwithstanding, the principal is not precluded from verifying the compliance of the SSC/PSA with the said undertaking.

- II. **Timely payment of contract cost by principal to SSC/PSA** – While the schedule of payment of contract cost by principal to SSC/PSA is generally subject to the agreement between the principal and the SSC/PSA, the parties, in accordance with the Labor Code of the Philippines, as amended, and other relevant laws and regulations, shall be guided by the duty to guarantee timely payment of wages and other wage-related benefits and to ensure prompt remittance of mandatory contributions to SSS, ECC, PhilHealth, and Pag-IBIG.

- III. **Conciliation-Mediation through the Single-Entry Approach (SEnA)** – Pursuant to Section 11 of DOLE Department Order No. 150, s. 2016 and Section 3 of the Rules of Procedure of the SEnA, questions of delayed payment or underpayment of wages shall be subject to the 30-day mandatory conciliation-mediation. Considering the joint and several liability of the principal and the SSC/PSA in case of failure to pay the wages, other wage-related benefits, and the prescribed increases pursuant to Sections 9.1 (a) and (b) of DOLE Department Order No. 150, s. 2016, the principal where the security guards and other private security personnel are deployed shall be considered a responding party for purposes of conciliation-mediation procedure under SEnA.

For strict compliance.


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Secretary

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