Salary Computation

DOLE Computation (Timora Standard)

- **Formula:**
  Basic Salary × 12 months ÷ Workdays per Year

- **Explanation:**
  This method is mandated by the Department of Labor and Employment (DOLE). It uses the total number of workdays in a year (e.g., 261, 313, 365, or custom). This ensures proper alignment with government policies and accuracy in computing mandatory contributions such as **SSS, PhilHealth, and Pag-IBIG**.

- **Example:**

  - Basic Salary = ₱20,000
  - Workdays per Year = 261
  - Daily Rate = 20,000 × 12 ÷ 261 = **₱919.54/day**

Common Payroll Computation (Non-standard Practice)

- **Formula:**
  Basic Salary ÷ Total Workdays per Month

- **Explanation:**
  This is a common practice in some companies where payroll is based on monthly workdays (e.g., 22 days for a 5-day workweek, 26 days for a 6-day workweek). However, this often results in discrepancies when deducting **government contributions**, since the basis does not match DOLE's mandated computation.

- **Example:**

  - Basic Salary = ₱20,000
  - Workdays in Month = 22
  - Daily Rate = 20,000 ÷ 22 = **₱909.09/day**