

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Manila

DEPARTMENT ORDER NO. 4

In the interest of the public service so requiring and in line with the decentralization policy of this Department, Regional Directors are hereby authorized, on petition of any interested party, to assess and evaluate the fair and reasonable value of meals, housing and other facilities customarily furnished by employers to their employees and issue appropriate Facility Evaluation Orders authorizing deductions of the cost of such facilities from the wages of employees availing thereof.

The following procedures shall be followed in the filing, processing, issuance, denial, revocation and appeal of Facility Evaluation Orders:

A. Filing of Application:

1. How filed: Application may be filed personally or by registered mail using the prescribed form obtainable from Regional Office free of charge. The application shall be filed in triplicate and shall be accompanied by the required documents and information. (Application Form BWC-WHSD-2).
2. By Whom Filed: Any employer or his duly authorized representative may file an application for evaluation of facilities furnished his employees as part of wages.
3. What to file: A duly accomplished application form accompanied by a certification of all employees who will avail or are availing of such facilities that their acceptance thereof is voluntary.
4. Where to file: The application for evaluation of facilities must be filed with the Regional/District Office having jurisdiction over the workplace.
5. When to File: In case of original application, the same should be filed before effecting wage deductions for the cost of the facilities. Where a previously granted Facility evaluation Order has been revoked, a motion for reconsideration or appeal, if desired, must be filed within ten (10) days from receipt of notice of revocation.

B. Procedure for Receipt, Processing and Issuance of Facility Evaluation Order

1. Receipt of Application: Upon receipt of the application, the record clerk in the regional Office shall make the proper recording and shall submit it to the Office of the Director for referral to the Labor Standards Enforcement Division. Where the application is filed with the District Office, the same shall be forwarded to the Regional Office.

2. Processing: The Chief of the Labor Standards Enforcement Division shall refer the application to the Chief, General Inspection Standards Section, for assignment to a Labor and Employment Development Officer (LEDO) who will in turn shall determine if:
 - a. the application and certification are in order,
 - b. the applicant establishment is within the territorial jurisdiction of the Region; and
 - c. whether the facilities furnished are among those included under Article 97 (f) of the Labor Code, as amended, and Sections 5, 6, and 7, Rule VII, Book III of its implementing Rules and Regulations.
3. Investigation and Study: The LEDO shall conduct an investigation to determine the fair and reasonable value of the facilities in accordance with the procedures set forth in the Manual on Facility Evaluation. In complicated cases, the Regional/District Office may request assistance from the Bureau of Working Conditions (BWC) in the conduct of facility evaluation.
4. Submission of Reports: Upon completion of the investigation, the LEDO shall submit a report in the prescribed form (BWC/WHSD-2B), together with all pertinent records submitted by the applicant supporting his statements of expenses on housing, meals and other facilities. In the absence of records on meals and snacks, the LEDO shall submit a reports in the prescribed form (BWC/WHSD-2A) Report on Actual Observation of Meals Served).

The reports shall be submitted to the Chief, Inspection Standards Section, who shall transmit the same with his comments and recommendations to the Chief, Labor Standards Enforcement division.

5. Issuance of Facility Evaluation Order: If the application is in order, a Facility Evaluation Order (Form BWC/WHSD-2C) shall be prepared in quadruplicate for the signature of the Regional Director. The original copy shall be sent to the applicant, while the duplicate shall be kept at the Regional Office. The union/workers shall be furnished a certified true copy of the original.
 6. A copy each of all the reports and filled-up forms referred to in subsection 4 of this Section shall be furnished the BWC for post evaluation and analysis.
- C. Denial, Revocation, Reconsideration and Appeal
1. The Order shall be valid unless sooner revoked or suspended or revised.

2. When the holder of an Order violates the conditions under which the Order was issued as subsequent investigations may show, the same may be revoked or suspended by the Regional Director after proper hearing wherein the parties shall be given the opportunity to be heard.
3. Any person aggrieved by the action of the Regional Director in denying, granting, canceling or revoking a Facility Evaluation Order may appeal within ten (10) days from notice of such action to the Secretary of Labor and Employment through the Bureau of Working Conditions specifying therein the grounds relied upon and the arguments for such appeal.

For strict compliance.

27 January 1988.

(SGD.) FRANKLIN M. DRILON
Secretary

Republic of the Philippines
Department of Labor and Employment
REGIONAL OFFICE NO. _____

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Regional Director
Regional Office No. _____

Sir:

Pursuant to the provision of Art. 97 (f) of the Labor Code, as amended, and implemented by Section 4, 5, 6 and 7, Rule VII, Book III of the Rules and Regulations, I wish to apply for a permit to deduct from the wages and/or salaries of my employees working in my establishment (Name of Establishment, located at) _____

The actual cost of facilities furnished them, subject to the terms and conditions imposed by law.

In this connection, the following information is submitted:

1. Name or Employer: _____
2. Business Address: _____
3. Nature of Business: _____
4. Kind or Nature of Facilities Furnished: _____

5. Actual cost of Facilities: _____
6. Proposed Amount of Deduction: _____
7. Number of Workers Availing: _____
8. Other Information: _____

In applying for this permit, the undersigned promises to comply with all conditions that the Department of Labor and Employment may require in the issuance of such permit.

Respectfully,