

ECOP Survey 02-19: Results

Expanded Maternity Leave

Following the enactment into law of Republic Act No. 11165, otherwise known the "105-Day Expanded Maternity Leave Law", ECOP conducted a survey on the salient provisions of the new law in order to (1) get an idea on the perception of employers on the new provisions, and (2) gauge the possible impact of the new law on enterprise and on the employability of women.

Survey Results

The survey was conducted from 11 March to 31 March 2019, with a total of one hundred and eighteen (118) respondents.

Figure 1 shows that more than half (56%) of the responses came from large-scale companies. This is followed by small-scale companies at 22%

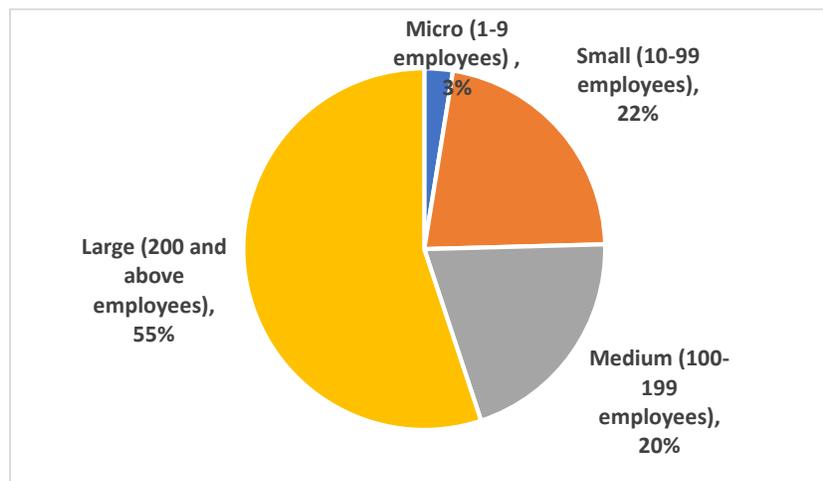


Figure 1. Respondents by Employment Size

In terms of industry distribution, Figure 2 shows that the top three (3) industries represented in the survey are manufacturing (22%), services (10%), and IT-BPM (9%).

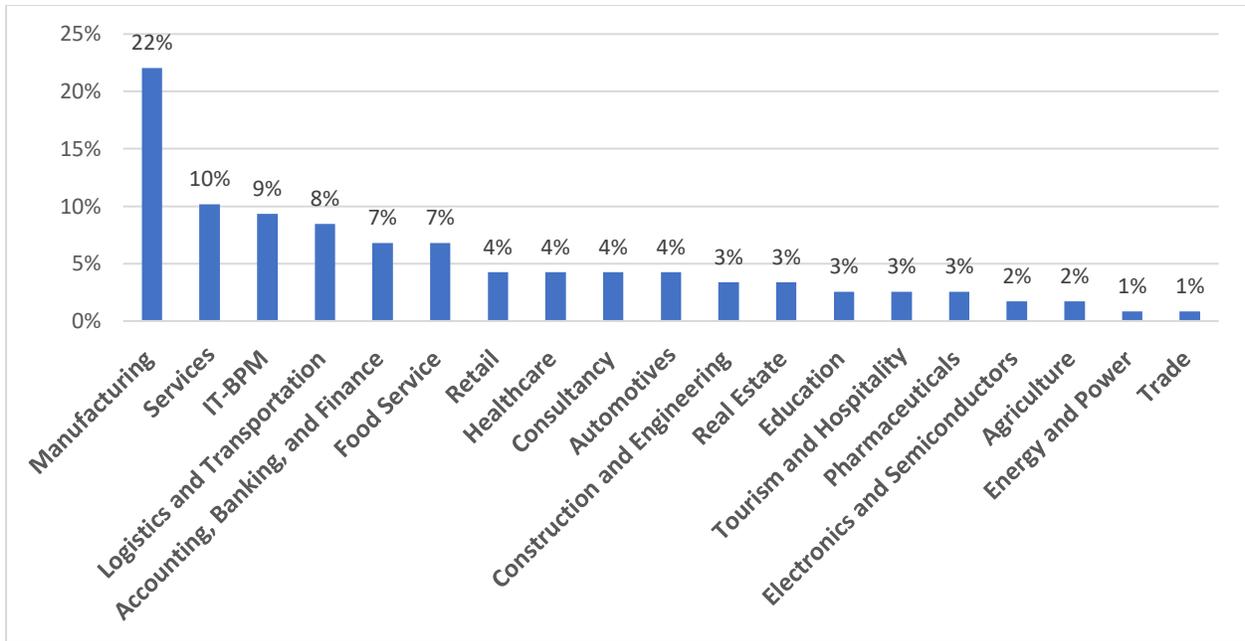


Figure 2. Respondents by their Industry

Section 5 of the Expanded Maternity Leave law states that pregnant female workers may avail of the 105-days maternity leave with full pay if they members of the Social Security System (SSS) and have paid at least three (3) monthly contributions in the twelve (12) month period immediately preceding the semester of their childbirth, miscarriage, or emergency termination of pregnancy.

Based on this provision, the respondents were asked how many employees in their enterprise will be covered. Figure 3 shows that 43% of the respondents have more than fifty (50) employees who could potentially avail of the maternity benefit.

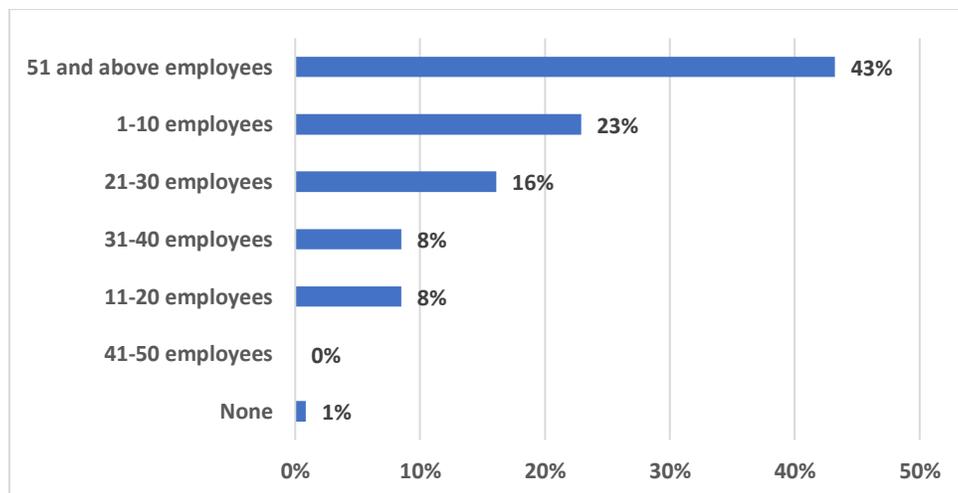


Figure 3. Number of covered employees

It is also worth noting that there are two (2) respondents from micro enterprises that have almost all of their employees covered by the new law (1-10 employees covered).

Section 3 of the new law mandates an additional fifteen (15) days maternity leave with full pay for those who would qualify as solo parent under Republic Act 8972 or the Solo Parents' Welfare Act. "Solo parent" as defined by RA 8972 is any woman who (a) gives birth as a result of rape and other crimes against chastity even without final conviction of the offender, provided that the mother keeps the child, and/or (b) parent left solo or alone with the responsibility of parenthood due to death of spouse, detainment of spouse, mental incapacity of spouse, legal separation from spouse, nullity of marriage, or abandonment of spouse, and/or (c) unmarried mother/father who has preferred to keep their children, (d) any person who solely provides parental care and support to a child, (e) any family member who assumes the responsibility of head of family as a result of the death, abandonment, disappearance, or prolonged absence of the parent.

Figure 4 shows that 59% of respondents have one to ten employees that are eligible for the additional fifteen (15) days of maternity leave available to single parents.

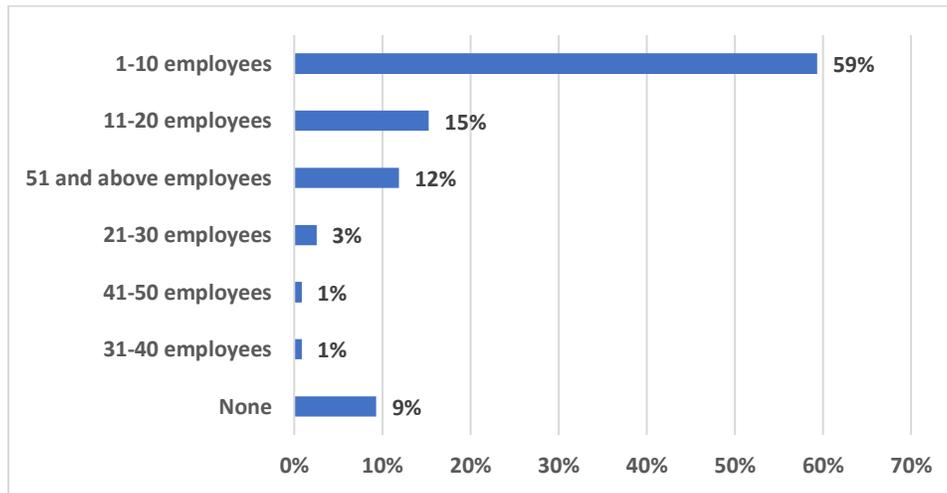


Figure 4. Number of employees that qualify for additional solo parent benefit

One of the most contentious provisions of the new law is the mandatory payment of the salary differential by the employer. Section 5 states that the salary differential refers to the difference between the actual cash benefits received from the SSS by the covered female worker and their average weekly or regular wages for the entire duration of the maternity leave.

Figure 5 illustrate that 42% of the respondents have more than fifty (50) employees earning at least sixteen thousand pesos (PHP 16,000.00) per month which is the salary ceiling specified in the current table of contributions.

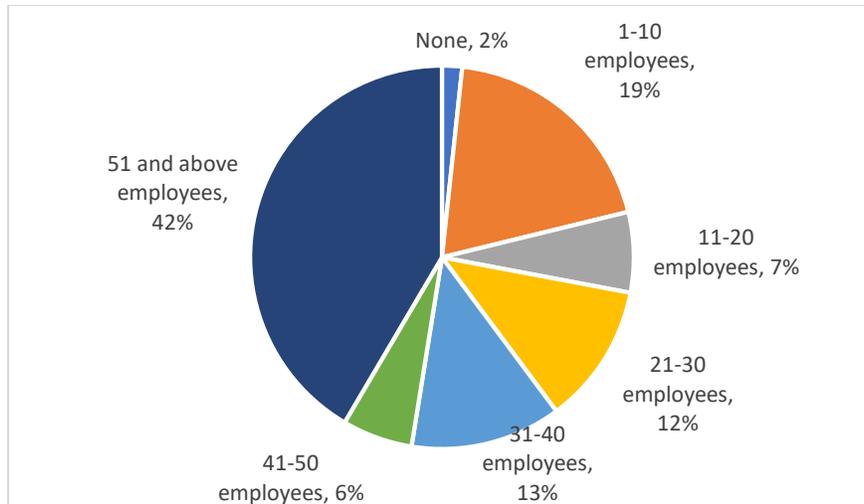


Figure 5. Number of employees earning Php 16,000.00 and above monthly

On the other hand, 35% of respondents have more than fifty (50) employees earning more than twenty thousand pesos (PHP 20,000.00) per month. (Figure 6) Php 20,000.00 is the new salary ceiling mandated by Republic Act 11199 or the Social Security Act of 2018 which was signed into law on February 2019.

(insert figure 6)

The respondents were also asked to rank the possible cost impact from one (1) to five (5), with one (1) being "very minimal", and five (5) being "very substantial". The average score is 3.7, with four (4) being the most common answer at 31%.

Half (50%) of the respondents mentioned that they were supportive of the proposed expansion of the maternity benefit before the law was passed (Figure 7).

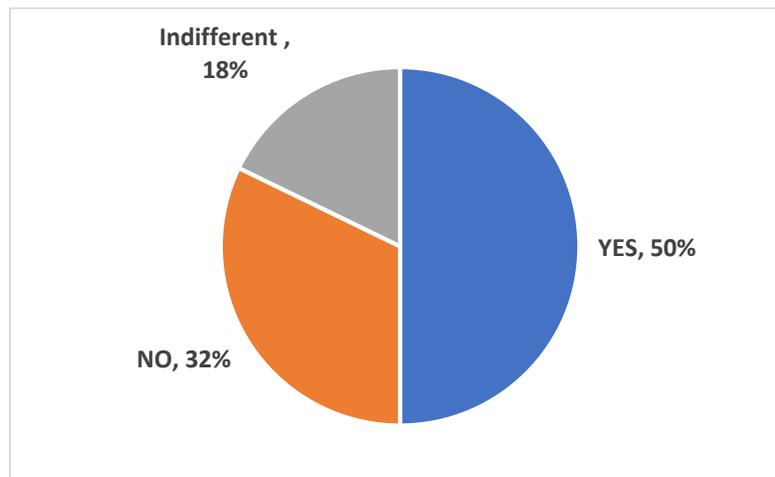


Figure 7. Support to the Bill

Figure 8 shows that most of the respondents felt indifferent (34%) and happy (32%) when the new law was passed. A few respondents expressed having mixed emotions (feeling happy for the employee but sad for the employer), while one (1) respondent felt challenged.

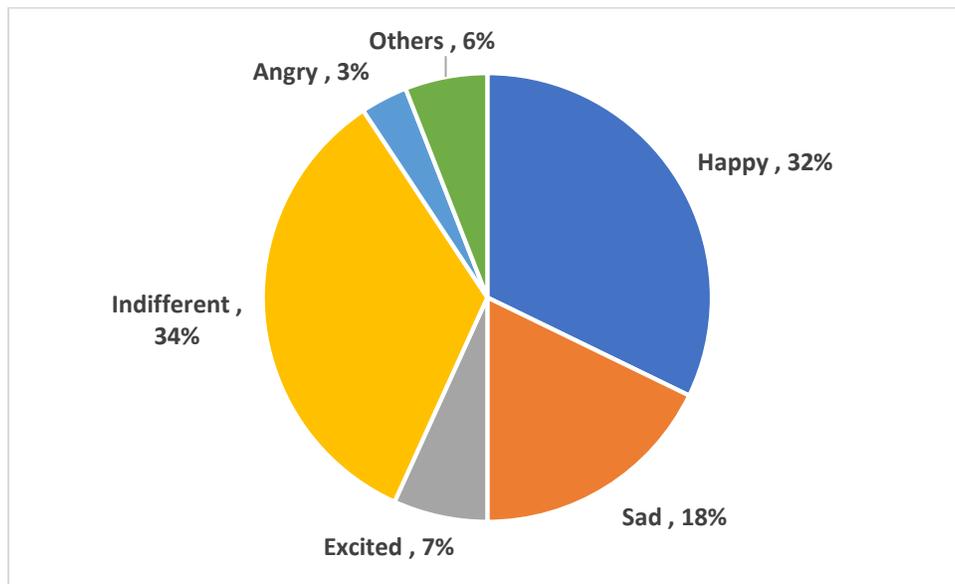


Figure 8. Reaction to the new law

The survey also sought to get an idea on whether the law would affect the employability of women. Although the new provisions of the law are expected to impact hiring preferences, Figure 9 shows that 69% of the respondents won't allow the new law and its provisions to affect their decision in hiring women.

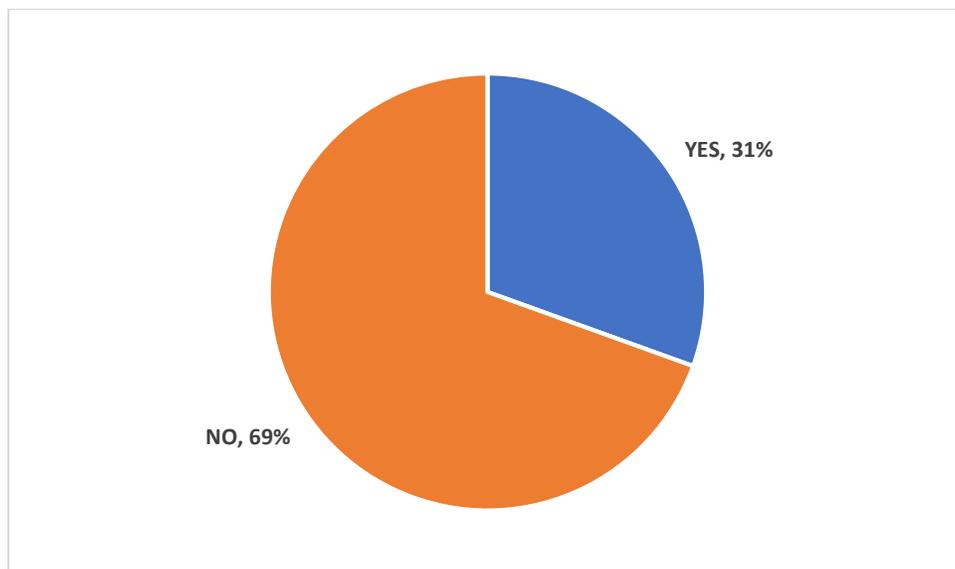


Figure 8. Employability of women

Out of the fifty-nine (59) respondents who supported the law, seven (7) said that its passage will affect their decision in hiring women. However, out of the thirty-eight (38) who did not support the law, eighteen (18) said that its passage will not affect their decision in hiring women. For the respondents who were

indifferent to the passage of the law, nine (9) said that it will affect their hiring decision while twelve (12) said that it will not.

The reasons provided by the respondents who said that the new law will affect their hiring decision are the following:

- The long maternity leave is disruptive to the operations and planning for the company.
- The cost implications caused by the expanded maternity benefit and the hiring and training of temporary replacements are high.
- The company's productivity will decline and be compromised due to the long absence of the employee.
- The comparatively larger adversarial effect to female-dominated micro and small enterprises.

On the other hand, the respondents who said that the new law will not affect their decision in hiring women provided the following reasons:

- The company subscribes to equal employment opportunity principles and gender equality
- The hiring practices in their company are merits-based.
- Women are generally more organized, more detail-oriented, and more reliable in work.

For the additional comments provided, three (3) respondents also expressed disagreement with the mandatory payment of the salary differential. One (1) respondent asked if the government has any plans on providing support for employers in light of the new law.