USER & OPERATIONS MANUAL

Desktop App v4.0.0 | Windows & macOS

Philippine Payroll Made Simple

A practical, step-by-step operating guide for office assistants, payroll staff, and business owners.

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Version 4.0.0 - Philippine payroll desktop application

This manual is for the person who prepares payroll, the employer who approves it, and the person who keeps payment and government records. You do not need accounting training to follow the procedures. You do need verified employee information, and someone qualified to approve statutory classifications. LokalPay calculates from the facts you enter. It does not file returns, transfer salaries, establish legal eligibility or certify government acceptance.

Version 4.0.0 adds:

- the Back Up Payroll Data button and its reminders (chapter 21);
- monthly-salaried employees, and employee bank accounts (chapter 7);
- Service Incentive Leave (chapter 12);
- Calculate All leaving out employees already finalized for the cutoff (chapter 13);
- payslips as PDF files and a company logo (chapters 19 and 5);
- final pay for a separated employee (chapter 25);
- bank transfer files for paying salaries through your bank (chapter 26).

Version 3.9.102 connects LokalPay to the LokalPay license server for subscriptions, 3.9.103 adds renewal reminders and a 5-day grace period (chapter 22), 3.9.105 tells you when a new version is available (chapter 3), and 3.9.106 applies the number of employees in your plan (chapter 22). Version 3.9.107 adds Finalize Payroll for staff paid from typed hours (chapter 14); 3.9.108 adds Variable Pay / Incentives (chapter 13); 3.9.109 adds the Christmas bonus choice (chapter 13) and the "Save wage review too?" question (chapter 7); 3.9.110 lets typed hours work when a wage review starts inside the period with the same pay, and for employees hired inside the period (chapter 13); 3.9.111 prints payslips upright on part of one page (chapter 19), and 3.9.112 makes printed documents use their print layout on Windows and Mac (chapter 20). Version 3.9.101 added the corrections from an independent audit of 3.9.100. The main changes:

- Payroll needs approved attendance for the exact period.
- Missing workdays are flagged, and weekly rest days are set in the schedule.
- Overlapping payroll is refused.
- Dated wage reviews keep the rate actually paid.
- Failed saves are reported.
- Pag-IBIG is computed on basic pay.
- A minimum-wage table checks every paid day.
- PhilHealth basis uses the official ×313/12 or ×261/12 methods.
- Payslips are complete and can be reprinted from history.
- Automatic backups are kept on the computer.

- National holidays for 2026 can be loaded with one click.
- Overtime exemptions can be recorded.

Amounts in examples are synthetic; never copy their classification into an actual employee without review.

How to use the pictures in this manual

This edition adds screenshots to the steps that new users find hardest: first setup, adding an employee and their wage details, entering attendance, and running payroll. In each picture, a red box marks a field or button, and its red number matches the numbered step or explanation next to it. The pictures use a made-up company, Sample Garments Co., and a made-up employee, Juan Dela Cruz, who works in Cebu City for ₱582 a day. The pictures of incentives use a second made-up employee, Maria Santos, a sales staff member paid ₱700 a day who is not a minimum-wage earner. The names, rates, wage-order details and results in the pictures are examples only. Enter your own company's facts, and have them checked as this manual describes.

The pictures for the 4.0.0 features use the same made-up company with four sample employees: Juan Dela Cruz (daily, ₱582, a minimum wage earner), Maria Lopez (monthly salary ₱18,000), Ana Santos (daily, ₱650) and Pedro Reyes (daily, ₱600, who resigns). Their bank account numbers are made up.

The pictures were taken with the LokalPay window at its normal opening size. If your window is larger or smaller, the boxes may sit in different places on the screen, but the names of the fields and buttons are the same.

1. Understand the payroll cycle

A payroll period is the range of dates covered by a salary calculation. A cutoff is the end of that range. Approved attendance is the reviewed daily record for one employee and one exact period; payroll is calculated from it. A draft is a saved calculation awaiting final approval. A finalized payroll is the retained, approved financial snapshot used in reports. A remittance is an actual payment to a government agency. Recording a remittance or settlement in LokalPay does not make that payment.

Use this order each cutoff:

1. Back up.
2. Confirm settings and employees.
3. Import attendance.
4. Map the columns and resolve exceptions, including missing days.
5. Approve attendance for the exact period.
6. Calculate.
7. Check payslips and deductions.
8. Save drafts.

9. Approve and finalize.

10. Pay employees through your normal process and retain proof.

11. Review monthly contributions and tax, and record the actual remittance details.

12. Back up again.

Separate preparation and approval between two people where practical.

Keep a payroll folder for each year, with subfolders for attendance originals, approvals, payroll PDFs, CSV exports, government receipts, signed reviewer confirmations and full backups. Keep original biometric files unchanged. Give copies useful names, such as 2026-10-first-cutoff-attendance.csv. Restrict access, because payroll contains personal and financial information.

2. Install on an Apple Silicon Mac

1. Check that the Mac uses an Apple Silicon processor (M1 or later) and macOS 12 or later. The arm64 DMG is not an Intel Mac build.

2. Get the installer (the DMG file) only from LokalPay. Do not use a copy from anyone else.

3. If you are upgrading an existing installation, open the old application first and export a Full Backup. Keep the old installer and the backup separately.

4. Quit LokalPay. Open LokalPay_3.9.112_aarch64.dmg in Finder, drag LokalPay into Applications, then eject the mounted installer.

5. Open LokalPay from Applications. The first time, macOS shows a warning (see the next step). After that, confirm that the About box shows Desktop App v3.9.112 and the expected company. First-time users should choose Start Fresh. Existing users must not reset their company merely to upgrade.

6. IMPORTANT: this version of LokalPay is not yet notarized by Apple, so macOS blocks it the first time you open it, with a message that Apple could not verify LokalPay. Click Done (or Cancel), not Move to Trash. Then open System Settings → Privacy & Security and scroll down to the Security section. Next to the message about LokalPay, click Open Anyway, confirm Open Anyway, and enter your Mac password if asked. On macOS 14 (Sonoma) and earlier you can instead right-click (or Control-click) LokalPay in Applications, choose Open, then confirm Open. You only need to do this once. Do not turn off Gatekeeper or other Mac security settings. If macOS still refuses to open LokalPay, stop and contact LokalPay.

7. Make a test backup and check that you can find it before entering live employee information.

3. Install on Windows

1. Export a Full Backup from your current LokalPay, if you are upgrading. Keep it in a safe place.

2. Close LokalPay, then double-click the setup file you received from LokalPay (LokalPay_3.9.112_x64-setup.exe) and follow the installer.

3. IMPORTANT: this installer is not yet code-signed by Microsoft, so when you open it Windows SmartScreen may show a blue screen that says "Windows protected your PC", with only a Don't run button. Click the small More info link under the message. A Run anyway button then appears; click it. Do this only for an installer you received directly from LokalPay. Do not turn off SmartScreen or other Windows security settings.

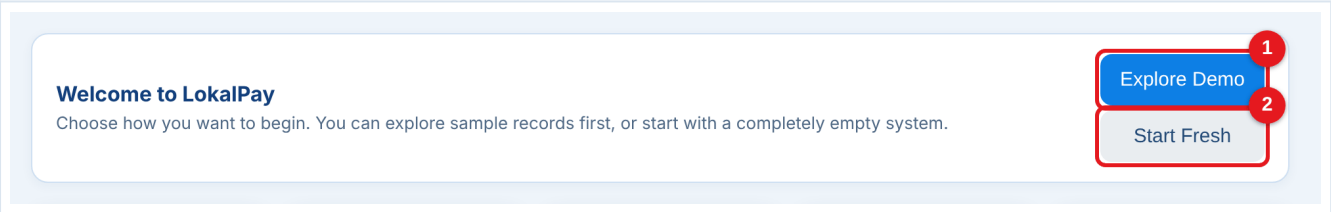
4. Check the version in Help → About, your company name and your records.

Your data is kept when you upgrade. An application update is not a license transfer.

When a new version is available, a bar at the top of LokalPay says "LokalPay (version) is available" with a Download button. LokalPay looks for new versions when it opens (at most once an hour); to look straight away, click Check Subscription Now in Company / Settings → License / Trial. Export a Full Backup first, click Download, then install the new version as described above (chapter 2 on a Mac, this chapter on Windows). Your data, license and subscription stay as they are.

4. First launch and navigation

The first time LokalPay opens, Home asks how you want to begin.



Home: (1) Explore Demo loads sample employees and payroll for practice. (2) Start Fresh begins with an empty system for your real company.

Explore Demo creates sample employees, payroll history and attendance drafts for learning. LokalPay asks which demo you want: Basic Demo (3 employees), Full Demo (10 employees), or your own choice of sample employees. Each demo draft contains daily punch times, so you can practise loading, approving and calculating. Sample payroll must never be included in your company returns.



Choose Your LokalPay Demo. Each sample employee shows a different situation, such as overtime, absences, a loan or a holiday.

Start Fresh begins empty and asks you to confirm. If you explored the demo first, use Remove Demo & Start Using LokalPay after keeping any sample files you wish to study. Do not use Reset Company Data as a routine way to change screens.

The navigation buttons on the left are Home, Employees, Payroll, Employee Records, Payroll History, Reports, Contributions and Company / Settings. Open the relevant section directly. More

Reports and advanced employee settings expand within the current screen; they are optional detail, not additional required setup screens.

The trial banner at the top shows the remaining trial days and the Machine Code. The Machine Code identifies the computer for licensing. It is not an employee ID or a government registration number. Whenever you switch between employees, confirm that the current employee and payroll dates are correct.

On the first start after upgrading, LokalPay may show a one-time notice that the government contribution tables were updated. This happens when the stored tables were incomplete; for example, an SSS table without employer totals computes the employer share as ₱0. The previous tables are kept in the data file. Review the employer shares of recent payroll with your payroll professional.

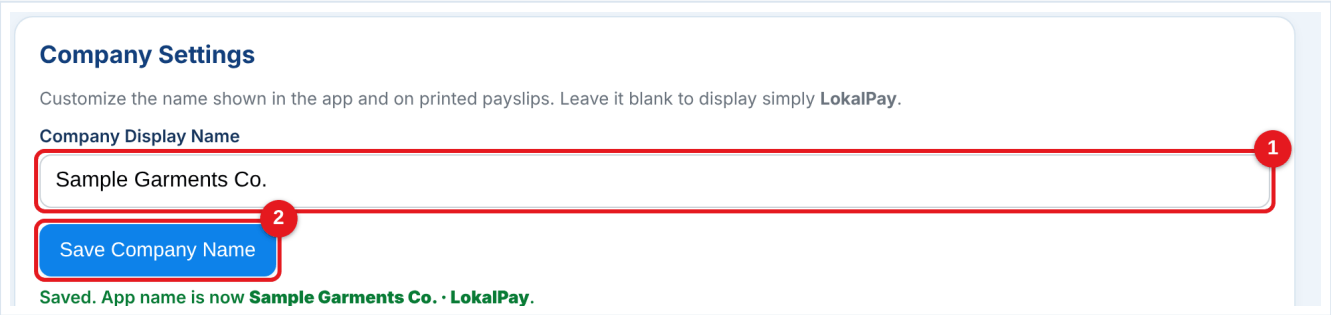
Setup order for a new company

Do these once, in this order, before your first payroll:

- Company name, payroll frequency and contribution schedule (chapter 5).
- Work schedule, grace period and weekly rest days (chapter 5).
- Default work location, wage category and the minimum-wage table (chapter 6).
- Holidays for the year (chapter 12).
- Each employee, including their work location and wage review (chapter 7).
- A first Full Backup (chapter 21).

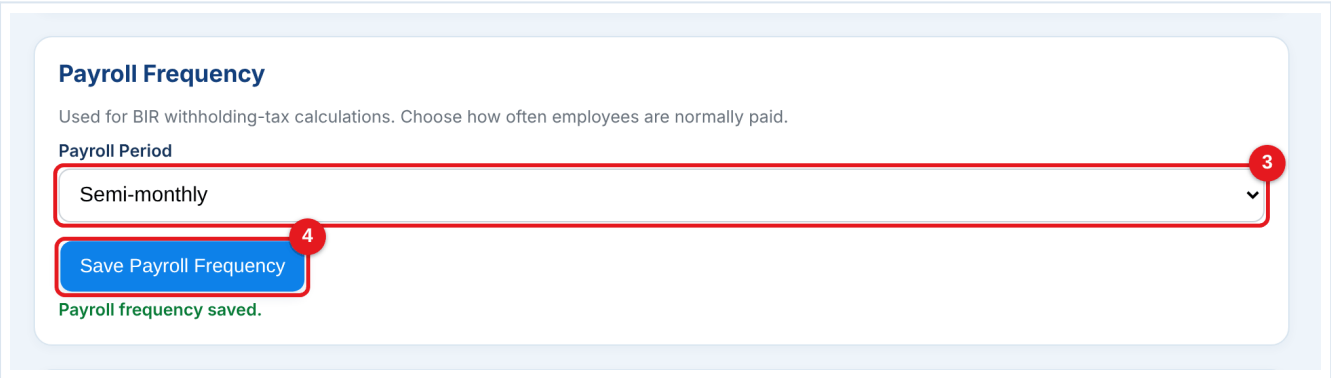
5. Set company information and payroll frequency

1. Open Company / Settings. Enter the Company Display Name (1) and click Save Company Name (2). This name appears on reports and payslips; it does not supply every government form registration field.



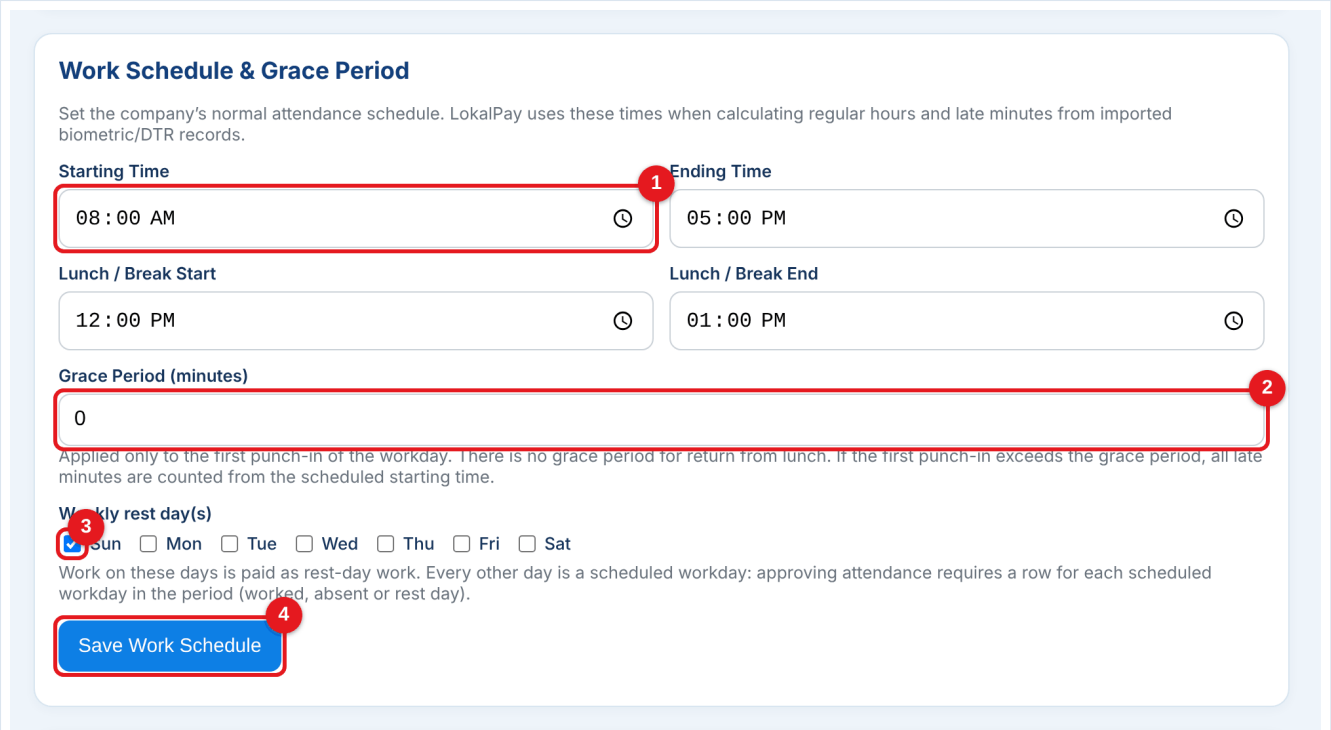
Company Settings: (1) Company Display Name and (2) Save Company Name.

2. Choose the Payroll Period (3): Semi-monthly, Monthly, Weekly or Daily. Click Save Payroll Frequency (4). Semi-monthly normally means two cutoffs each calendar month, not every fourteen days.



Payroll Frequency: (3) choose how often you pay, then (4) save.

3. Set the Government Contribution Deduction Schedule for each agency. Split between payrolls targets half at the first semi-monthly cutoff and reconciles the remaining monthly liability later. First or second payroll are collection preferences, not an exemption from monthly obligations.
4. Click Save Contribution Schedule. Record your chosen policy with the payroll approver. Do not switch frequency midway through a year without reviewing withholding and saved period coverage.
5. Under Work Schedule & Grace Period, enter the normal Starting Time, Ending Time, Lunch / Break Start, Lunch / Break End (1) and Grace Period in minutes (2).
6. Tick the Weekly rest day(s) (3); Sunday is the default. Every other day is a scheduled workday, so approving attendance requires a row for each one (worked, absent or rest day). Click Save Work Schedule (4).



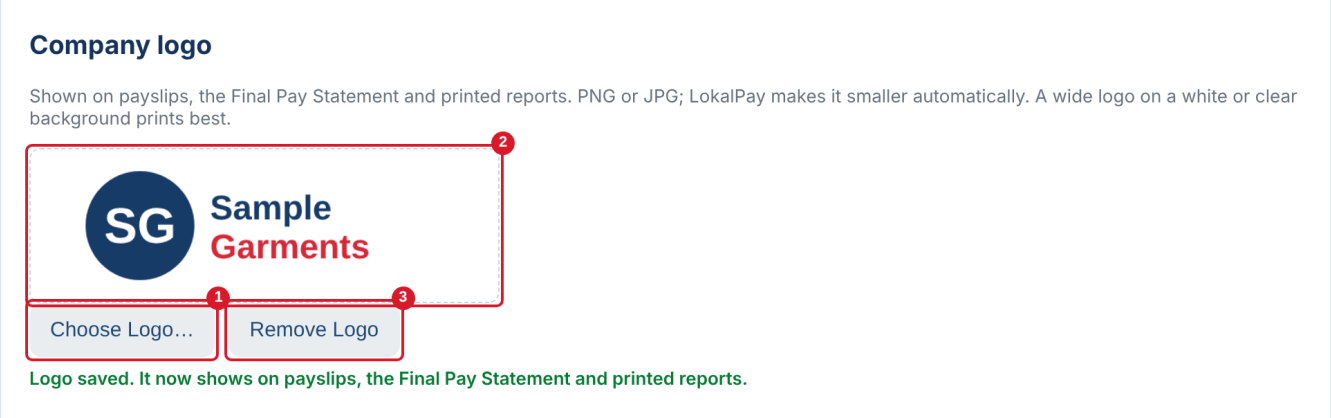
Work Schedule & Grace Period: (1) normal hours, (2) grace period, (3) weekly rest days, (4) Save Work Schedule.

Stored government rules have effective-date information. Government Rules & Full Backup shows the stored package and warns when it differs from the bundled verified package. Use Bundled Verified Rules replaces the stored tables with the package shipped in this version and keeps the old one in the data file. Replace Rules File is an advanced action: accept only a reviewed rules JSON from a trusted source. In either case, back up first and document the change. Changing rules affects later calculations; it does not rewrite saved payroll deductions.

Company logo

Your logo can appear beside the company name on payslips, the Final Pay Statement and printed reports.

1. Open Company / Settings and find Company logo.
2. Click Choose Logo (1) and pick a PNG or JPG picture of your logo. LokalPay makes it smaller on this computer; nothing is uploaded anywhere. A wide logo on a white or clear background prints best.
3. Check the preview (2). The message under it says the logo was saved.
4. To stop using it, click Remove Logo (3). Payslips then show the company name only.

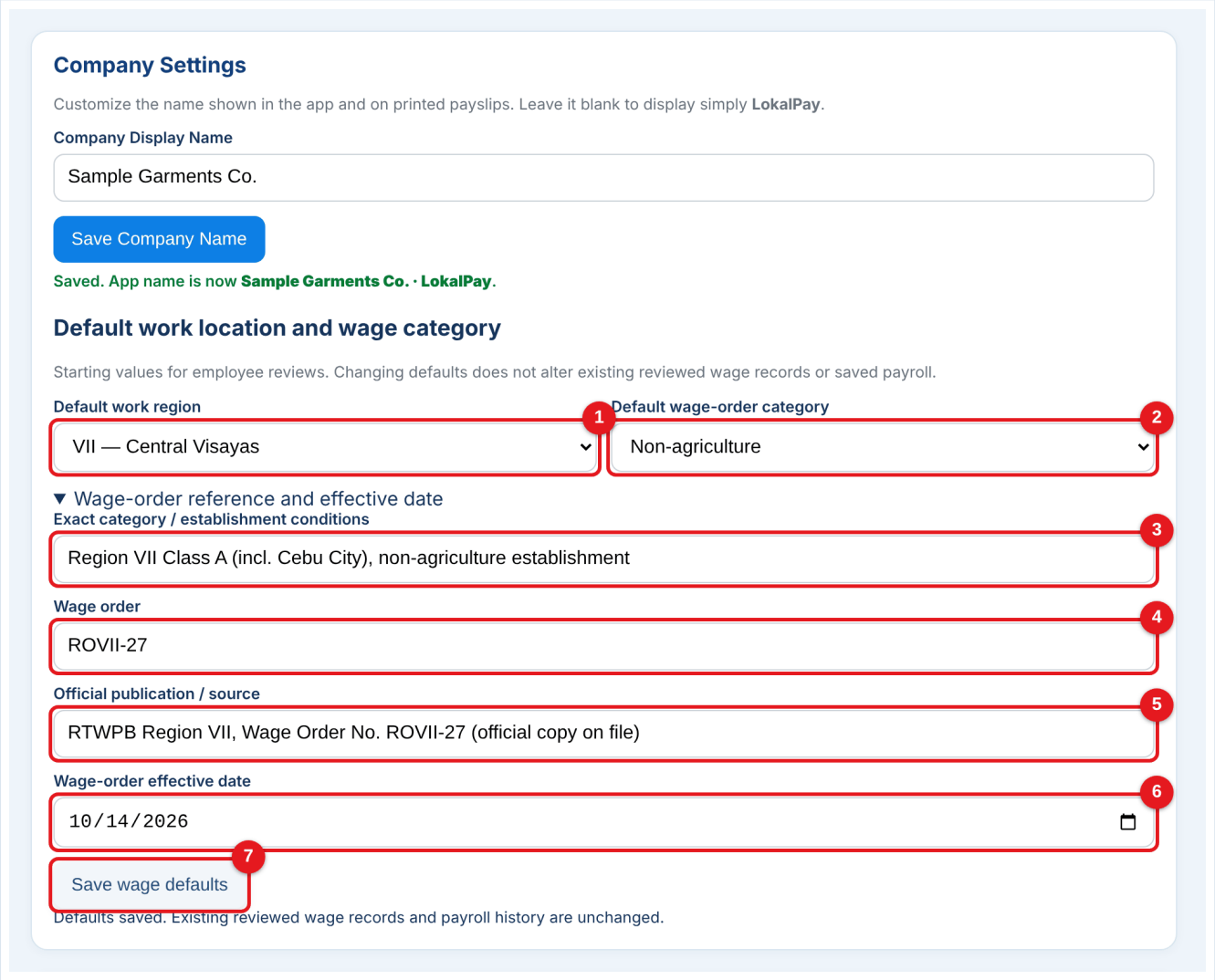


Company logo: (1) Choose Logo, (2) the preview, (3) Remove Logo.

6. Configure regional minimum wages

Minimum wages vary by actual workplace, wage order, locality, industry, establishment size and effective date. A residential address or a low salary is not enough to classify someone as an MWE. LokalPay uses employer-reviewed configuration, not an automatically current nationwide wage database.

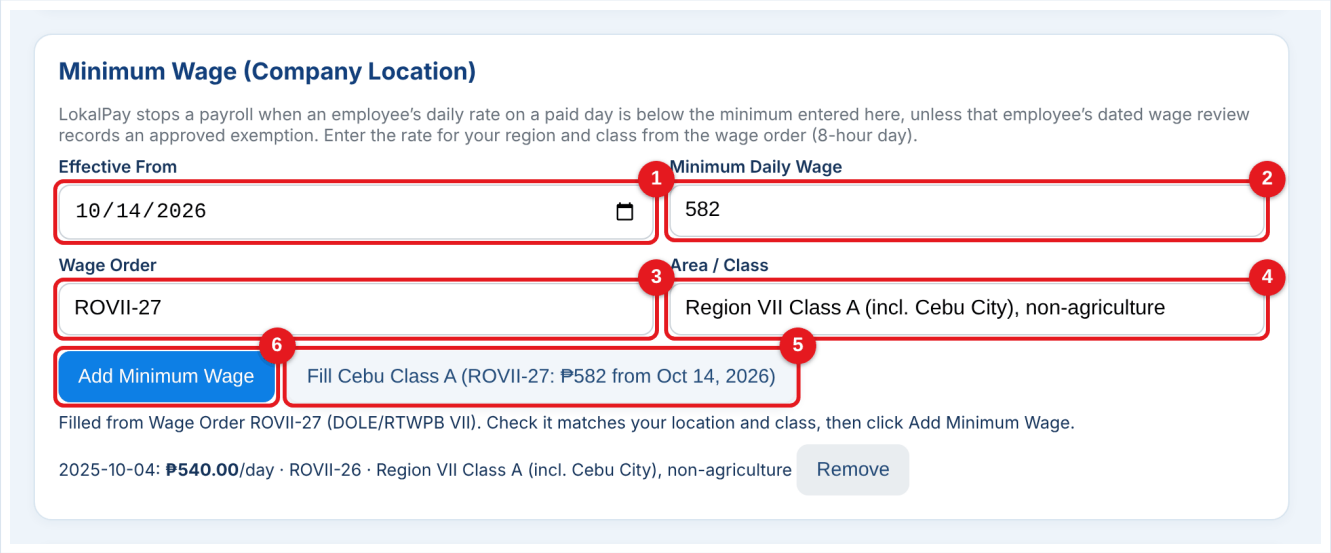
1. In Company / Settings, choose the Default work region (1) and Default wage-order category (2).
2. Expand Wage-order reference and effective date. Enter the exact category/establishment conditions (3), the wage order (4), the official publication or source (5) and its effective date (6). Click Save wage defaults (7).



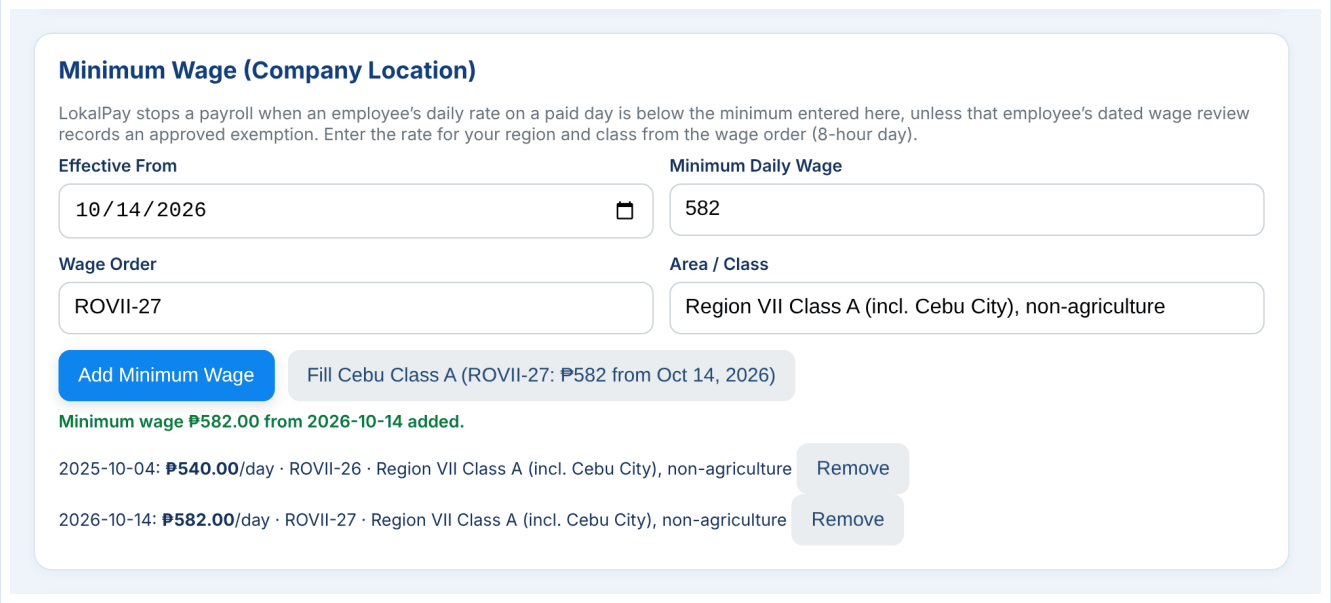
Default work location and wage category, with the wage-order reference opened. The numbers match steps 1 and 2.

Only the region and category are used automatically for a new employee (as "Use company default"). The exact conditions, wage order, source and effective date are NOT copied into the employee's form. Type them again for each employee, or copy them from this screen (chapter 7, Part D).

3. Open Minimum Wage (Company Location). For each wage order that applies to your workplace, enter Effective From (1), Minimum Daily Wage (2), Wage Order (3) and Area / Class (4), then click Add Minimum Wage (6). For Cebu City (Region VII, Class A), Fill Cebu Class A (5) fills in ROVII-27: ₱582 from 14 October 2026; check the filled values, then click Add Minimum Wage. Add the previous order as a separate entry, for example ROVII-26: ₱540 from 4 October 2025, so that earlier dates are checked too.



Minimum Wage (Company Location): (5) Fill Cebu Class A fills in the boxes; (6) Add Minimum Wage saves the entry.



After both entries are added, the table lists each wage order with its start date. Remove deletes an entry.

4. Ask your payroll professional to confirm the applicable RTWPB order and conditions. Keep the official publication and any exemption authority with your payroll documents.
5. Use these defaults when adding employees. An employee working elsewhere must have an override for their actual workplace. Company defaults do not change existing dated employee reviews.
6. When a new order is issued, distinguish its publication date from its effective date. Add the new minimum with its effective date, and prepare each employee's new review for that date (chapter 7, Part F). Keep the old rate and review.

During calculation, LokalPay compares each paid day with the minimum in force on that day, hour for hour, so employees on shorter days are compared fairly. A day below the minimum stops the payroll, unless the employee's dated wage review records an approved exemption; that exemption is then

noted on the result. Without any table entry, the result shows a reminder, and dates before the first entry are reported as not checked.

The region list includes NIR and BARMM. Transitional wage-order coverage can differ from administrative regional boundaries, so read each order's locality and category conditions. A category named Other / special still needs exact documented applicability; it does not grant an exemption.

7. Add and maintain employees

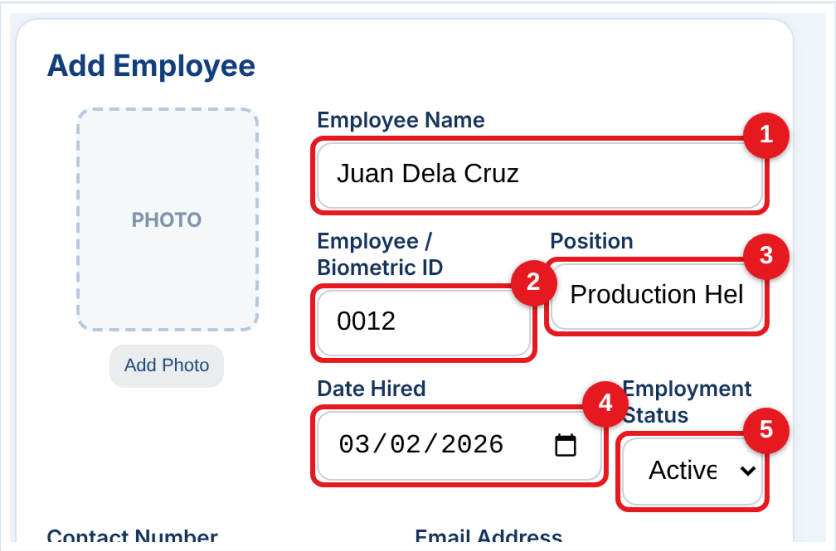
This is the most important setup screen. What you enter here decides whether LokalPay can check the minimum wage for the employee, and whether the employee is treated as a minimum wage earner (MWE) for tax. Take your time and do it carefully once for each employee. The pictures follow the sample employee Juan Dela Cruz, who works at a shop in Cebu City and is paid ₱582 a day, the Region VII Class A minimum from 14 October 2026.

Before you start, have these ready:

- the employee's ID number in your biometric or time-clock device, if you use one;
- the daily rate you actually pay the employee;
- where the employee actually works (the city or municipality of the workplace, not their home);
- the wage order that covers that workplace, and a copy of it (for Cebu City from 14 October 2026: ROVII-27, ₱582 a day);
- the name of the person who checked the classification (you, or your accountant or bookkeeper).

Part A. Basic details

1. Open Employees. The list of employees is on the left and the Add Employee form is on the right.
2. Enter the Employee Name (1) and the Employee / Biometric ID (2). The ID must match the number in the attendance device file exactly, including leading zeroes: 0012 is not the same as 12.
3. Enter the Position (3), Date Hired (4) and Employment Status (5).



Add Employee, basic details: (1) name, (2) biometric ID, (3) position, (4) date hired, (5) employment status.

4. Record the SSS, PhilHealth, Pag-IBIG and TIN numbers from the employee's verified documents. Do not invent identifiers to remove a warning. Enter contact details and the residential Address. The workplace is entered separately in Part C.

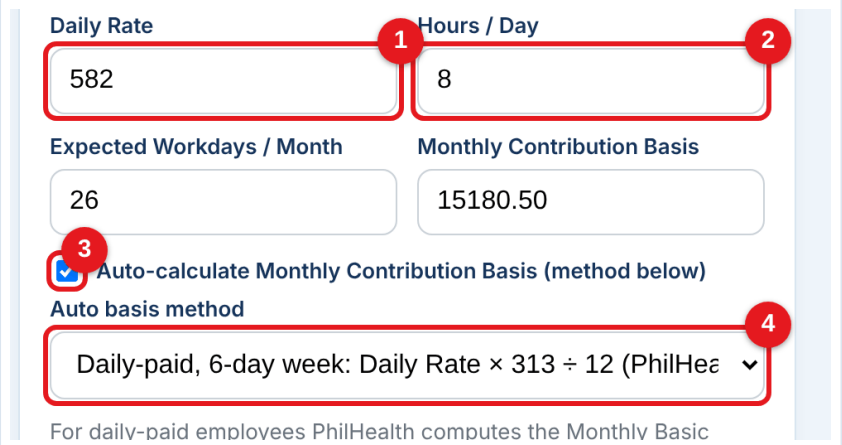
Part B. Daily rate and PhilHealth basis

On the screen these boxes are below the Work location box, but fill them in first: the wage review in Part D saves this Daily Rate.

5. Enter the Daily Rate (1): the rate you actually pay for one normal day. Hours / Day (2) is normally 8.

6. Keep Auto-calculate Monthly Contribution Basis ticked (3).

7. Choose the Auto basis method (4). If the employee works Monday to Saturday, choose Daily-paid, 6-day week (Daily Rate × 313 ÷ 12). If they work Monday to Friday, choose Daily-paid, 5-day week (× 261 ÷ 12). Do not use Daily Rate × Expected Workdays: it is only an estimate, and payroll will stop until you switch to a verified Manual basis.



Daily rate and PhilHealth basis: (1) Daily Rate, (2) Hours / Day, (3) keep auto-calculate ticked, (4) Auto basis method.

Part C. Work location and minimum wage

This box decides which minimum wage applies to the employee. The box is narrow, so the drop-down lists show only the start of the choice; for example, "VII —" is VII — Central Visayas.

8. Work region (1): choose the region where the employee works. "Use company default" uses the region saved in Settings (chapter 6).

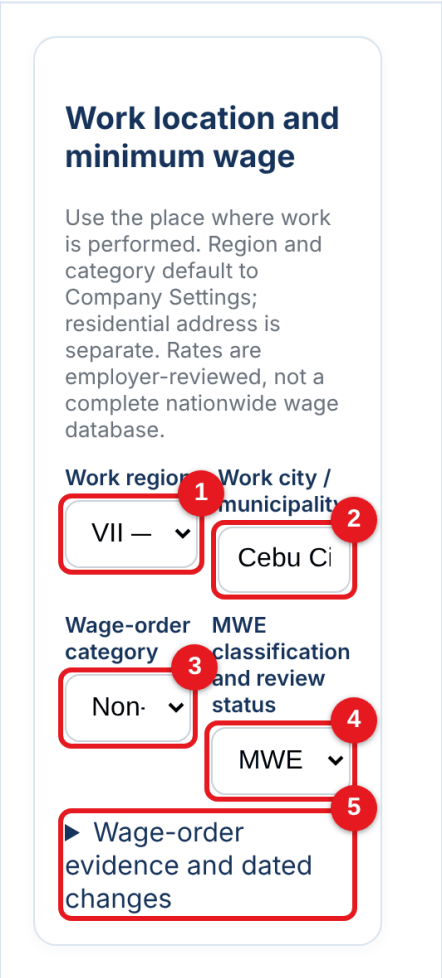
9. Work city / municipality (2): type the city or municipality of the actual workplace, for example Cebu City. Do not type the employee's home address.

10. Wage-order category (3): choose the category from the wage order: Non-agriculture, Agriculture, Retail / service, Manufacturing, or Other / special. Most shops and offices are Non-agriculture, but follow what the wage order says for your type and size of business.

11. MWE classification and review status (4): there are three choices.

- Needs review: you have not finished checking. You can still save the employee, but not a dated wage review (Part D), and LokalPay does not treat the employee as an MWE.
- Not an MWE — employer reviewed: the employee is paid more than the statutory minimum for their workplace, or is otherwise not an MWE.
- MWE — employer reviewed: the employee is paid exactly the statutory minimum for their workplace. LokalPay accepts this only when the Daily Rate equals the statutory minimum you enter in Part D. Do not choose MWE just to reduce tax.

12. Click Wage-order evidence and dated changes (5) to open the rest of the box.



Work location and minimum wage: (1) region, (2) city or municipality of the workplace, (3) wage-order category, (4) MWE classification, (5) open the wage-order evidence.

Part D. Wage-order evidence and dated changes

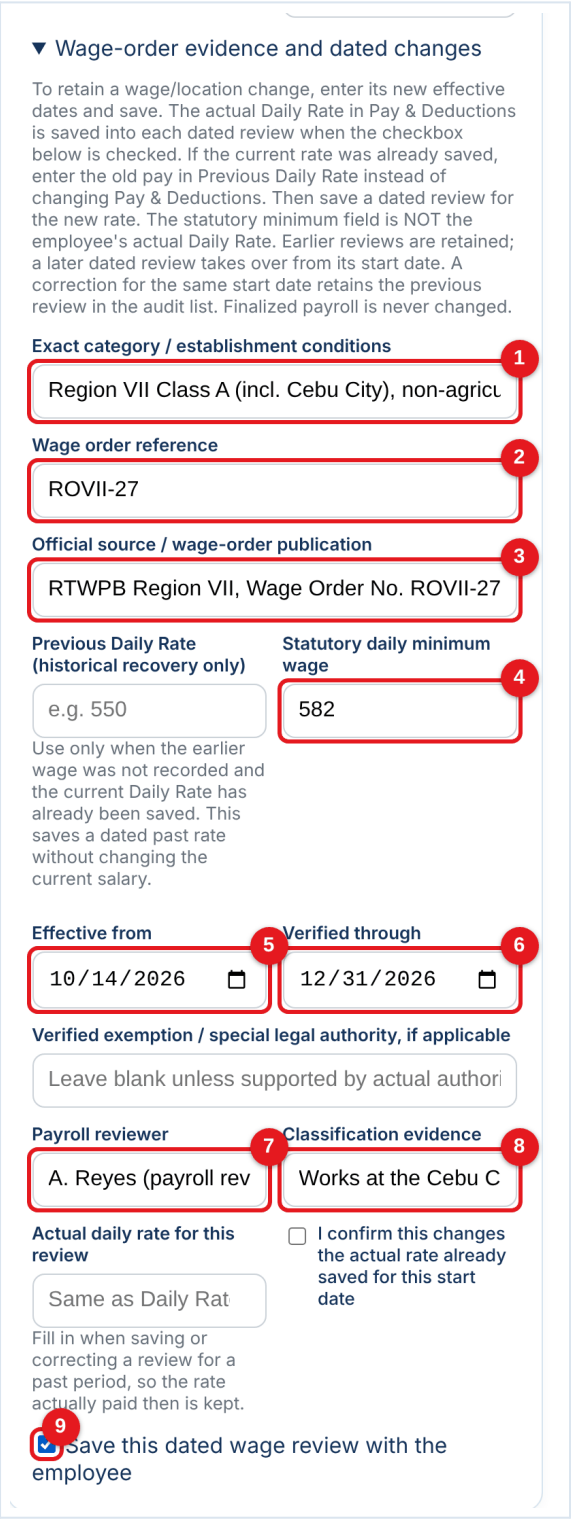
The grey text at the top of this box is a summary of the rules below. Fill in the boxes in this order:

13. Exact category / establishment conditions (1): describe in words why this wage order and rate apply, for example the area or class, the industry, and the size of the business if the wage order depends on it. Copy the wording from the wage order. This is not filled in from Settings; type it, or copy it from Company / Settings.
14. Wage order reference (2): the wage order number, for example ROVII-27.
15. Official source / wage-order publication (3): where the official copy came from, for example the RTWPB Region VII publication. Keep a printed or saved copy with your payroll records.
16. Leave Previous Daily Rate empty. It is only for recovering an old rate that was never recorded (Part F).
17. Statutory daily minimum wage (4): the minimum daily wage in the wage order for this workplace, for example 582. This is the legal minimum, not necessarily what you pay. For an MWE it is the same as the Daily Rate.

18. Effective from (5): the date this review starts. Use the wage order's effective date (14 October 2026 for ROVII-27), or the date hired if the employee started later. Do not use the date you are typing it in: payroll days before Effective from are not covered and cannot be calculated.
19. Verified through (6): the last date for which you have checked that these facts are still true, for example 31 December 2026. A payroll with days after this date stops until you save a new review, so choose a date when you will check again.
20. Leave Verified exemption / special legal authority empty, unless the employee is covered by an actual legal exemption from the minimum wage (for example, one granted by the wage board). Low pay alone is not an exemption.
21. Payroll reviewer (7): the name of the person who checked the classification.
22. Classification evidence (8): what the classification is based on, for example "Works at the Cebu City shop; signed assignment on file".
23. Leave Actual daily rate for this review empty for a current review; LokalPay then uses the Daily Rate from Part B. Fill it in only when you record a review for a past period (Part F).

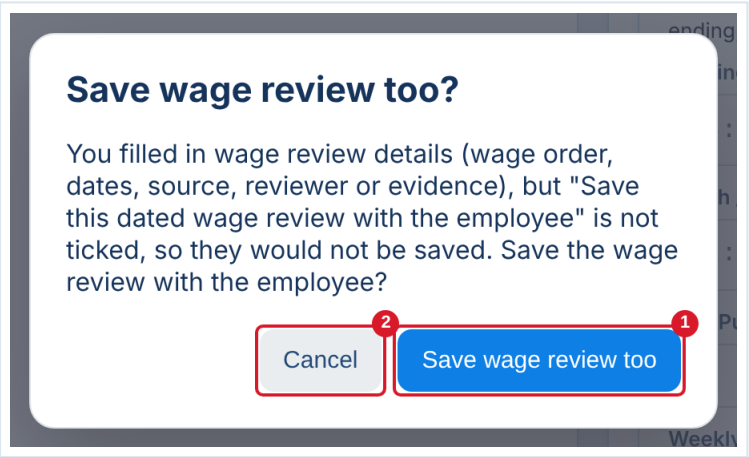
24. IMPORTANT: tick Save this dated wage review with the employee (9). Without this tick, nothing in this box is saved.

25. Click Save Employee at the bottom of the form. The message "Employee saved." appears under the button.



Wage-order evidence and dated changes, filled in for the sample employee. The numbers match steps 13 to 24.

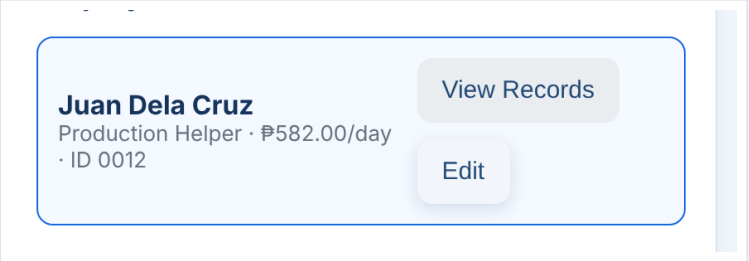
If you typed in these boxes but forgot the tick (9), Save Employee asks "Save wage review too?" before saving. Click Save wage review too (1) to tick the box and save the review with the employee. Click Cancel (2) to save nothing; a message under the button explains what to tick.



Save wage review too?: (1) save the employee together with the wage review, (2) Cancel saves nothing.

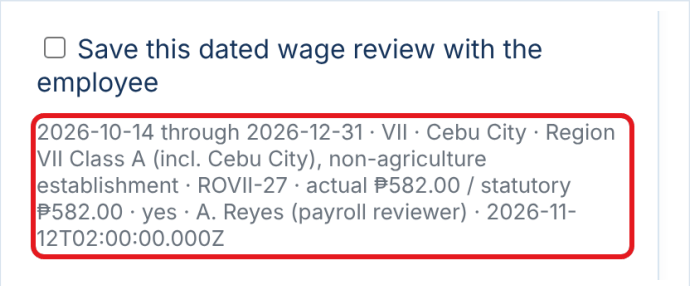
Part E. Check that the review was saved

26. In the employee list, click Edit next to the employee.



The employee list. Edit opens the employee's form; View Records opens their records.

27. Open Wage-order evidence and dated changes again. The saved reviews are listed under the tick box, one line each: the dates, region, city, conditions, wage order, actual and statutory rates, MWE (yes or no), reviewer, and when it was saved.

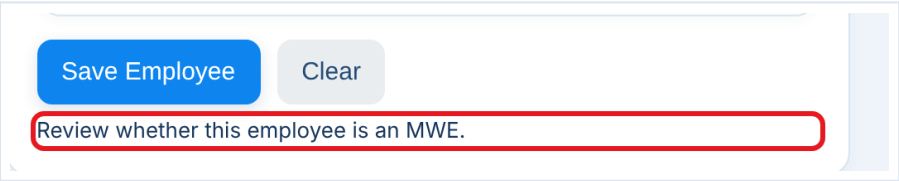


A saved wage review, listed under the tick box.

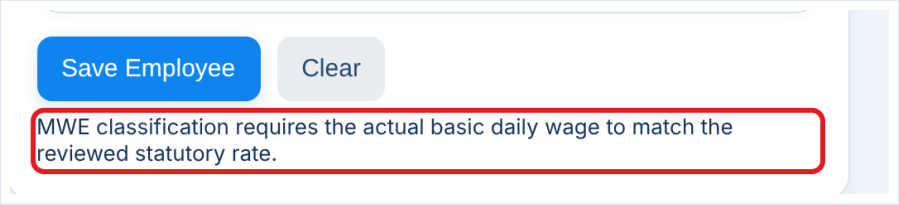
If the line says "No dated work-location review recorded", the tick box was not ticked. Tick it and click Save Employee again. Saving the same review twice does not create a duplicate. The newest applicable review controls a new calculation; older finalized payroll keeps its snapshot.

If LokalPay does not save

When something is missing or does not agree, a message appears under Save Employee and nothing is saved. Correct the item and click Save Employee again.



Example: MWE was left at Needs review while the tick box was ticked.



Example: MWE was chosen, but the statutory minimum (600) does not match the Daily Rate (582).

- "Review whether this employee is an MWE.": MWE classification is still Needs review. Choose MWE or Not an MWE, after checking.
- "MWE classification requires the actual basic daily wage to match the reviewed statutory rate.": the Daily Rate and the statutory minimum are different. Correct the wrong number, or choose Not an MWE if you pay more than the minimum.
- "Select the actual work region and enter the work city / municipality …": the region or the city / municipality is empty.
- "Select a wage category and describe its exact geographic / industry / establishment conditions.": the category or the Exact category / establishment conditions box is empty.
- "Enter a valid effective date range.": Effective from or Verified through is empty, or Verified through is earlier than Effective from.
- "Enter the wage order, official source, reviewer and classification evidence.": one of those four boxes is empty.
- "Enter the actual and statutory daily wage rates.": the Daily Rate or the statutory minimum is empty or zero.
- "Below-minimum basic pay needs a verified applicable exemption …": you pay less than the statutory minimum. Raise the rate to at least the minimum. Record an exemption only if a real legal authority applies.
- "Daily Rate changed. Save a dated wage review for the new rate before changing current pay.": see Part F.

Part F. When the wage or workplace changes

When a new wage order takes effect, or the employee's rate or workplace changes, add a new dated review. Do not edit the old one.

1. If it is a new wage order, first add the new minimum in Company / Settings → Minimum Wage (chapter 6).

2. Open Employees and click Edit next to the employee.

3. Change the Daily Rate to the new rate.

4. Open Wage-order evidence and dated changes. Enter the new statutory minimum, the new wage order and source, and the new Effective from and Verified through dates. Update the region, city and conditions if the workplace changed.

5. Tick Save this dated wage review with the employee and click Save Employee. Check the list (Part E): the earlier review is still there, and the new one starts on its own date.

A payroll period that crosses a dated wage change is calculated day by day, at the rate in force on each day, from approved daily attendance. Do not edit finalized payroll merely to make it agree with today's employee master.

When saving a review for a past period, enter the rate actually paid in Actual daily rate for this review; left blank, it means the Daily Rate above. A review that would change the rate already saved for the same start date is refused, unless you tick the confirmation that the saved rate was wrong. If the current rate was already saved without a review for the earlier rate, enter the old rate in Previous Daily Rate instead of changing the Daily Rate, save a dated review for the earlier period, and then save a review for the current rate.

An employee with finalized or historical payroll cannot be deleted; set the status to Separated or Inactive so that their history remains.

Part G. Monthly-salaried employees

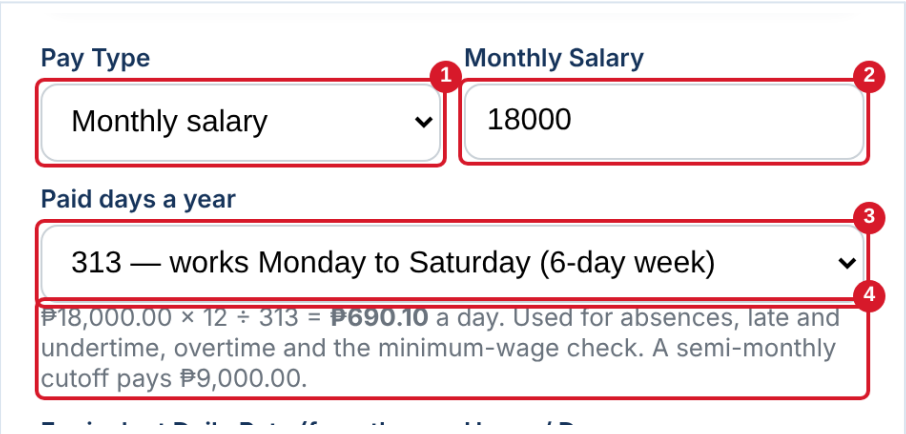
Use this for an employee paid a fixed monthly salary instead of a daily rate.

1. In the employee's form, set Pay Type (1) to Monthly salary.

2. Enter the Monthly Salary (2).

3. Choose Paid days a year (3): 313 if the employee works Monday to Saturday, 261 if Monday to Friday.

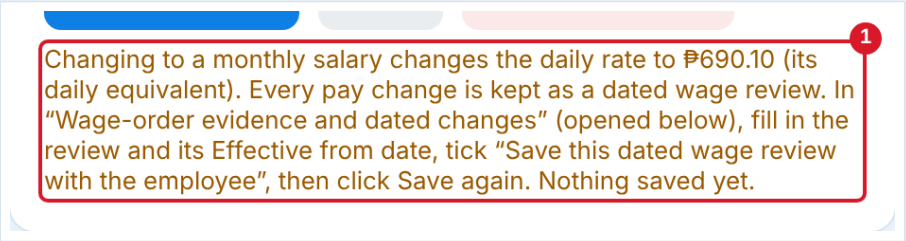
4. Read the line under it (4). It shows the equivalent daily rate (monthly salary × 12 ÷ 313 or 261) and what one cutoff pays. LokalPay uses the daily rate for absences, late and undertime, overtime and the minimum-wage check.



A monthly-salaried employee: (1) Pay Type, (2) Monthly Salary, (3) paid days a year, (4) the equivalent daily rate and the cutoff pay.

Each semi-monthly cutoff pays half the monthly salary. Absences are deducted at the equivalent daily rate, and late or undertime minutes at its hourly rate. Holidays are included in the monthly salary. A monthly-salaried employee always needs approved daily attendance for the exact period, because that is where absences and late minutes come from; typed hours are refused.

When you switch an existing employee from a daily rate to a monthly salary, the daily rate changes, so LokalPay keeps the change as a dated wage review (Part F). The first Save explains this and opens Wage-order evidence and dated changes. Enter the Effective from date (the first day of the new pay), tick Save this dated wage review with the employee, and click Save again. Cutoffs before that date still use the old rate. If the employee was a minimum wage earner and the new salary is above the minimum wage, also change the MWE classification.

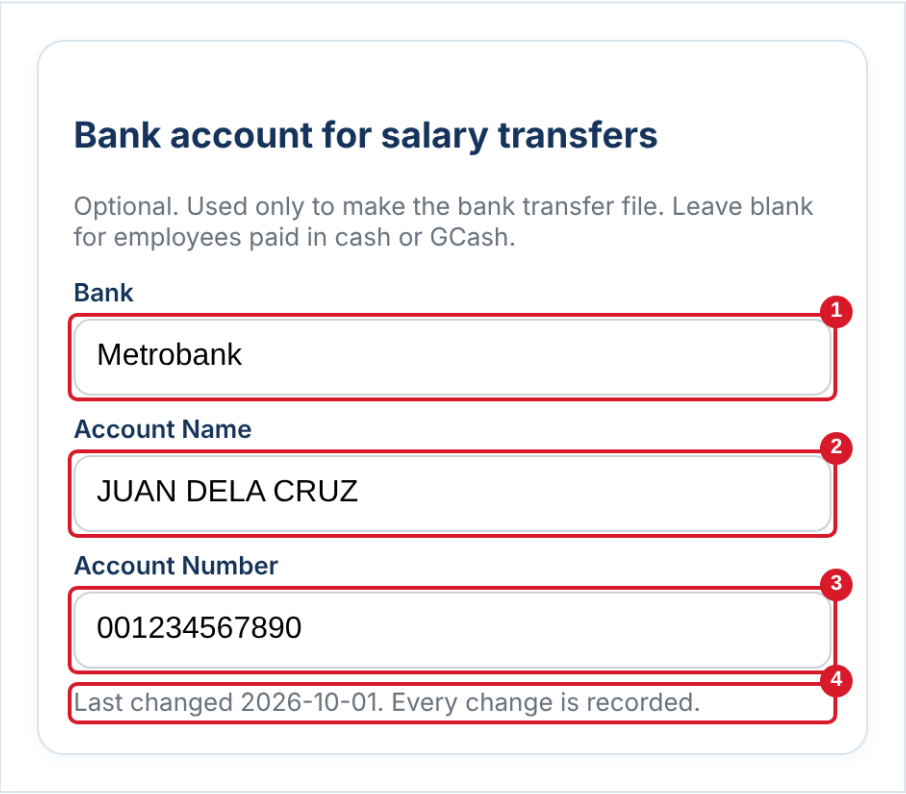


The message after the first Save when switching to a monthly salary. Nothing is saved until the dated wage review is ticked.

Part H. Bank account for salary transfers

Fill this in only for employees you pay by bank transfer (chapter 26). Leave it blank for employees paid in cash or GCash.

1. In the employee's form, find Bank account for salary transfers.
2. Bank (1): choose from the list of Philippine banks or type the bank's name.
3. Account Name (2): exactly as shown on the employee's bank account.
4. Account Number (3): copy it from the employee's bank document or passbook. Spaces and dashes are removed when you save; leading zeroes are kept. It must be 6 to 20 digits.
5. Save. The line under the boxes (4) shows when the account last changed.



Bank account: (1) Bank, (2) Account Name, (3) Account Number, (4) when it last changed.

Every change of bank or account number is recorded with its date. Changing an employee's account number to someone else's is a common payroll fraud, so the bank transfer file warns you about any account changed since the last file (chapter 26). Confirm any change directly with the employee, not only by message.

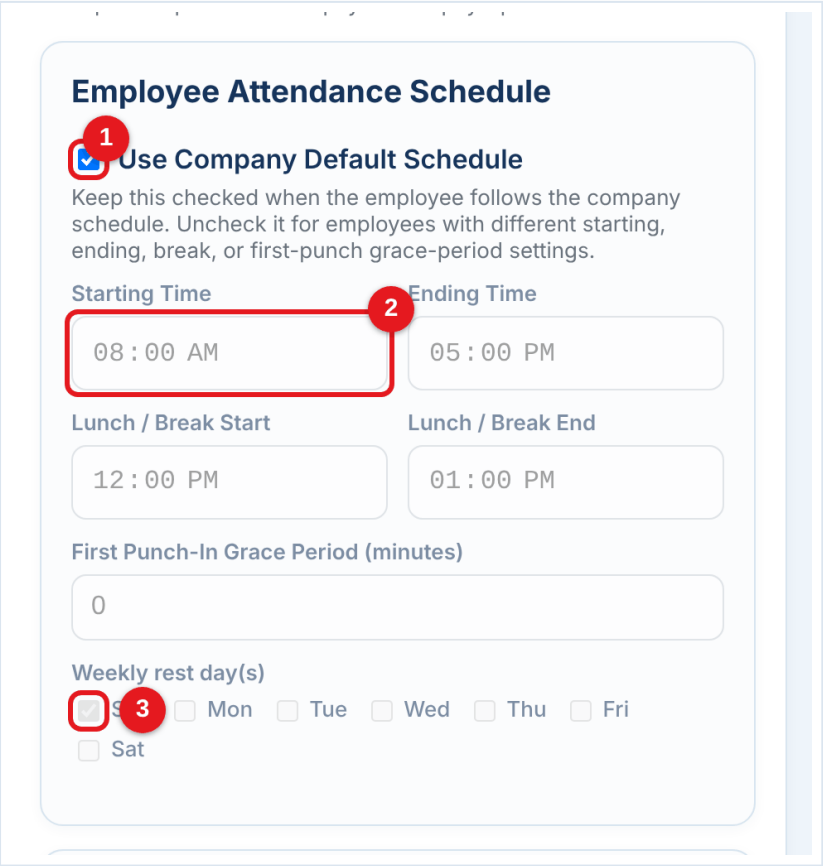
Tax facts and overtime exemption

Set the annual single-employer tax facts only after reviewing the entire tax year, including benefits and other compensation. An unchecked box is a useful safeguard while previous/concurrent employer facts are unresolved.

Overtime exemption (Labor Code Art. 82) is only for employees who are legally outside the overtime rules: managerial employees and managerial staff, field personnel whose hours cannot be determined, dependent family members, and workers paid by results. Choose the category, write the basis (duties or pay basis) and the reviewer's name, and keep the signed confirmation with your payroll records. For an exempt employee, a Custom OT rate is used exactly as entered and is printed with the exemption on the payroll and payslip. For everyone else, the statutory minimum overtime rate still applies.

8. Set employee schedules and payroll add-ons

Use Company Default Schedule (1) for employees who follow company hours and rest days. While it is ticked, the times (2) and weekly rest days (3) are shown greyed out and follow Company / Settings. For a different schedule, turn that option off and enter the employee's start time, end time, break times, first punch-in grace and weekly rest day(s), then click Save Employee. Overnight schedules can end the following morning; their real break and end times must be accurate.



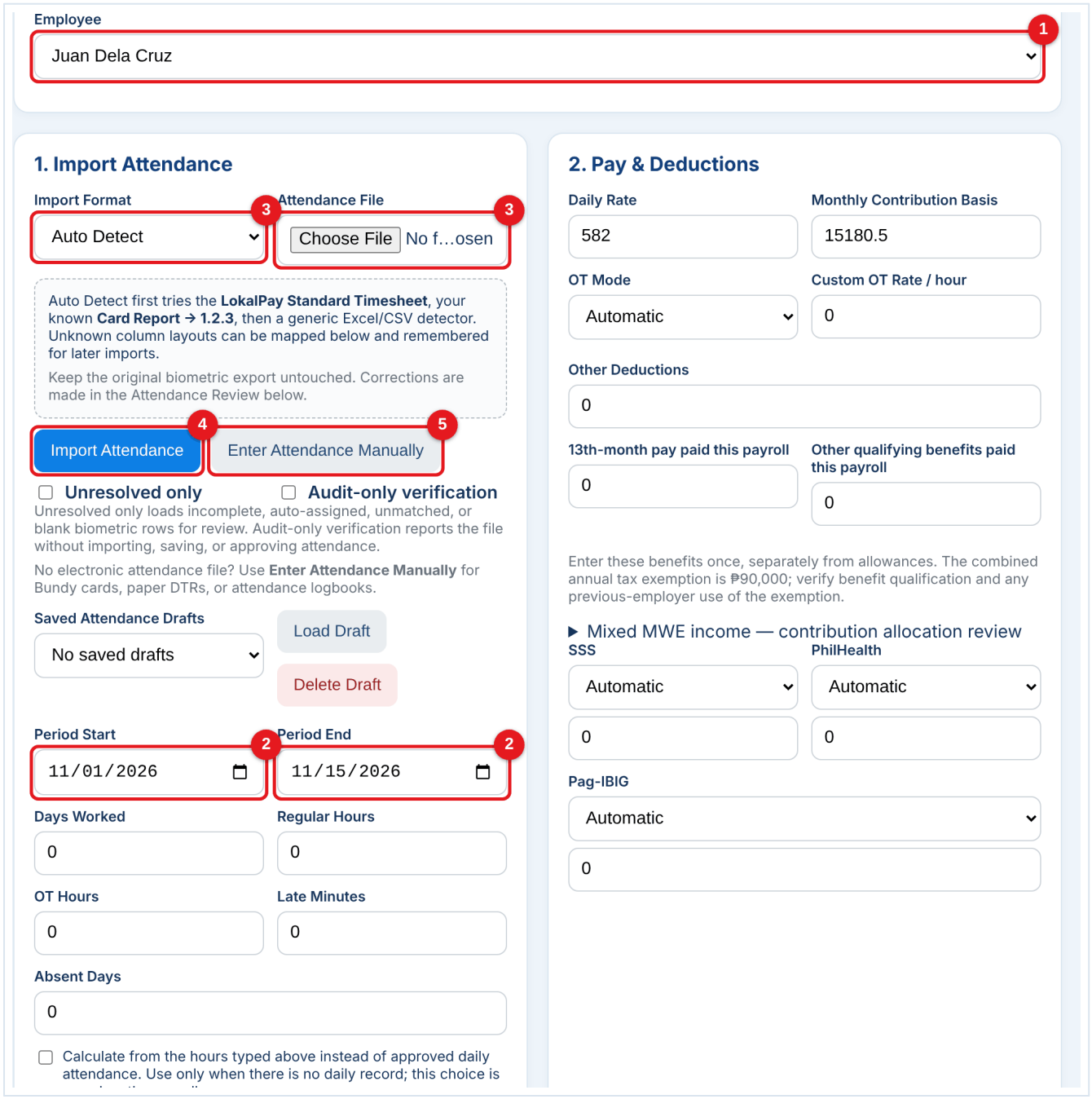
Employee Attendance Schedule: (1) Use Company Default Schedule, (2) the employee's hours, (3) weekly rest days.

If you use several repeating shifts, enable named shifts in Company / Settings, add and save the named schedules, then assign the employee's Named Shift with company-default use turned off. Confirm the resolved hours before importing attendance. A shift name alone does not establish a rest day or a holiday.

Optional Payroll Add-ons contains department, allowances and loans/advances. Add only amounts you can support. A taxable commission belongs in a taxable allowance/add-on, not in exempt basic pay. Treat additional earnings as taxable unless a reviewed rule establishes an exemption. An allowance named COLA (or cost of living) counts as part of Pag-IBIG monthly compensation; other allowances do not. Loan collection requires a valid loan balance and authority. Government contribution recovery has its own audited workflow. Keep the authorization, and do not duplicate the same deduction in Other Deductions.

9. Prepare attendance and biometric files

1. Export the intended cutoff from your device or timesheet system and keep the original. Confirm the file dates, the employee IDs, and whether punches are separate rows or daily columns.
2. In Payroll, choose the Employee (1) and the Period Start and Period End (2). Select the Import Format (3). Auto Detect is convenient; choose a known format when you know the layout.
3. Use Biometric Card Report (1.2.3), LokalPay Standard / Corrected Timesheet, Generic Excel / CSV or Raw Punch Log as appropriate. Click Choose File (3) to select the file, then click Import Attendance (4).



Payroll, step 1: (1) employee, (2) period dates, (3) import format and file, (4) Import Attendance, or (5) Enter Attendance Manually when there is no electronic file.

No electronic attendance file? For Bundy cards, paper DTRs or a logbook, choose the employee and the period, then click Enter Attendance Manually (5). LokalPay creates a sheet with one row for every day of the period, and you type the times from the card (chapter 11).

4. Check the imported people and dates. An unknown biometric ID must be matched explicitly; a similar name is not proof of identity.

5. If the application requests mapping, follow the next chapter. If it reads rows but no times, do not approve empty data; correct the time-column mapping or the source file.

6. Set the cutoff explicitly after loading the import. Only the intended dates should be approved and used. An overnight last punch may fall on the next date, so inspect that boundary carefully.

7. Check the box Scheduled workdays with no attendance row. Each listed date is a scheduled workday missing from the file. Click Add day, then enter the times or mark the day absent or rest day. Approval stays blocked until every scheduled day has a row.

Card Report and generic imports mark the schedule's rest days automatically when the file has no rest-day column. If you import a new file for a period that already has a saved draft with your corrections (for example, extending 1–13 to 1–15), LokalPay asks whether to keep those corrected days. Do not alter the original file to conceal missing punches; keep a corrected working copy and supporting evidence. Raw punch assignment proposes a sequence for review; it is not automatic proof of worked hours. Audit-only verification checks data without treating it as an approved payroll import. Resolve reported issues before approval.

10. Custom column mapping in detail

Custom Column Mapping tells LokalPay which source column has each meaning. A column heading is not enough: inspect the sample values. Choose Not Used when the file genuinely does not provide that field. Not Used means ignore this field; it does not mean zero time, absent or a guessed punch.

1. Expand Custom Column Mapping after selecting the file. Read the detected headers and the sample row values.

2. Map Employee ID to the device employee number column. Map Employee Name to the full name column, if available. Do not map department, row number, terminal number or phone number as the employee ID.

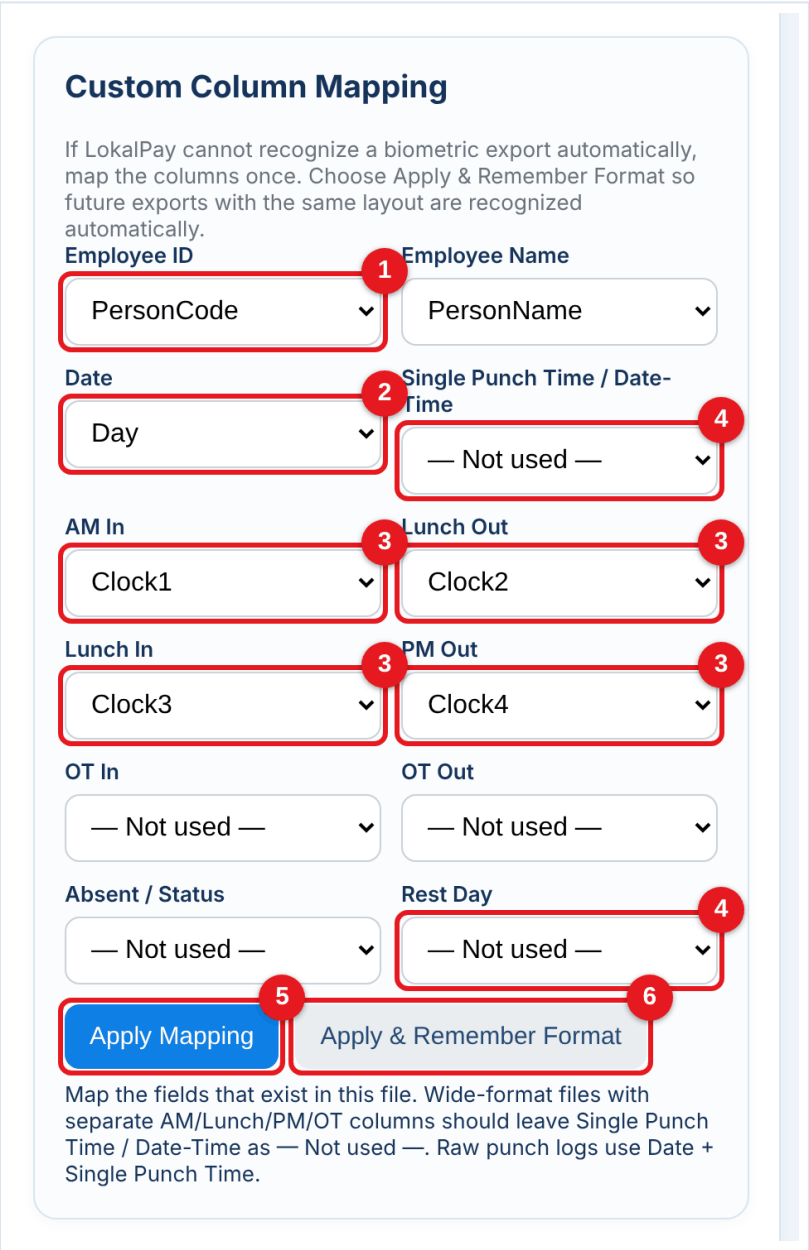
3. Map Date to the calendar work date. For a combined timestamp raw log, Date can be Not Used if Single Punch Time / Date-Time supplies a readable full date and time.

4. For a raw log with one punch per row, map Single Punch Time / Date-Time to that timestamp column. Set AM In, Lunch Out, Lunch In, PM Out, OT In and OT Out to Not Used, because those separate columns do not exist. Use Raw Punch Log format where applicable.

5. For a daily timesheet, map AM In to first arrival, Lunch Out to leaving for the unpaid break, Lunch In to returning, and PM Out to the end of ordinary work. Map OT In and OT Out only if the source actually has those separate overtime punches. Set Single Punch Time / Date-Time to Not Used when the file has distinct daily time columns.

6. Map Absent / Status only to a source status column, not to hours or remarks that do not reliably mean absence. Map Rest Day only to actual rest-day status. When Rest Day is Not Used, the employee's schedule decides rest days; review the individual days.
7. Do not map the same source column into several incompatible punch meanings to make a warning disappear. A two-punch report may need manual review to establish unpaid breaks; do not invent lunch punches.
8. Click Apply Mapping to try this import, and review the result first. Use Apply & Remember Format only after the layout is verified; the remembered layout applies to matching headers on later files.
9. Before approving, check several employees: a normal day, a late day and an overnight day. If the device export changes its headers or structure, inspect the mapping again.

The picture shows a device file with the columns PersonCode, PersonName, Day and Clock1 to Clock4. Employee ID (1) is PersonCode, Date (2) is Day, and the four clock columns are AM In, Lunch Out, Lunch In and PM Out (3). Single Punch Time and Rest Day (4) are Not used, because the file has no such columns. Then click Apply Mapping (5), or Apply & Remember Format (6) once the result is checked.



Custom Column Mapping for a device file with four clock columns. The numbers match the explanation above.

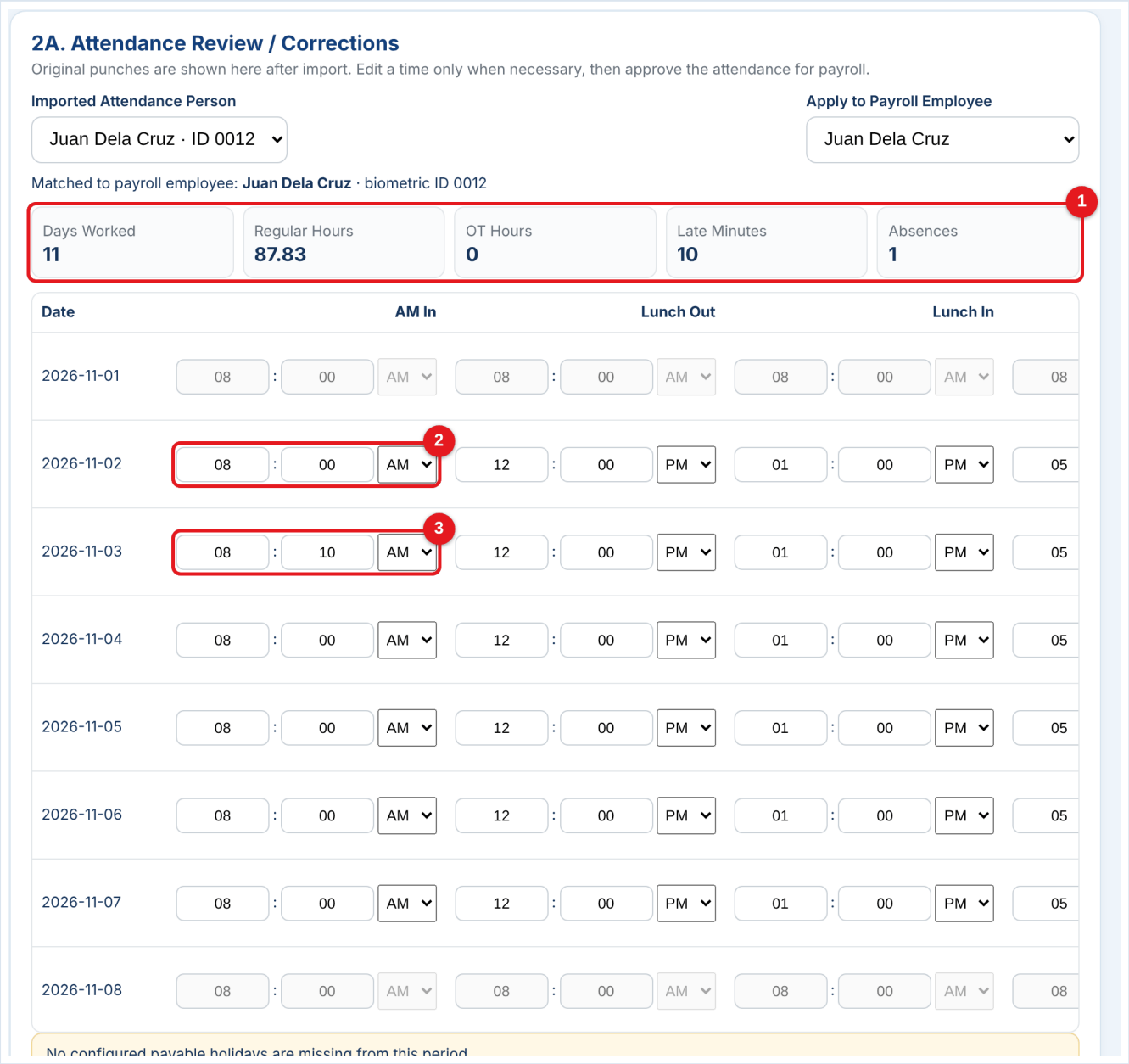
Check every box before you apply. LokalPay suggests columns by their headings, and a suggestion can be wrong. In the example above it first suggested the date column Day for Rest Day, because the heading contains the word "Day". Rest Day must be Not used unless the file really has a rest-day column.

Example daily layout: EmpNo -> Employee ID; FullName -> Employee Name; WorkDate -> Date; TimeIn -> AM In; BreakStart -> Lunch Out; BreakEnd -> Lunch In; TimeOut -> PM Out. Set the punch timestamp and absent/rest-day fields to Not Used unless those columns actually exist. Example raw layout: PersonCode -> Employee ID; EventDateTime -> Single Punch Time / Date-Time; all daily punch slots -> Not Used. Neither example supplies missing attendance facts.

11. Review late arrivals, absences and grace

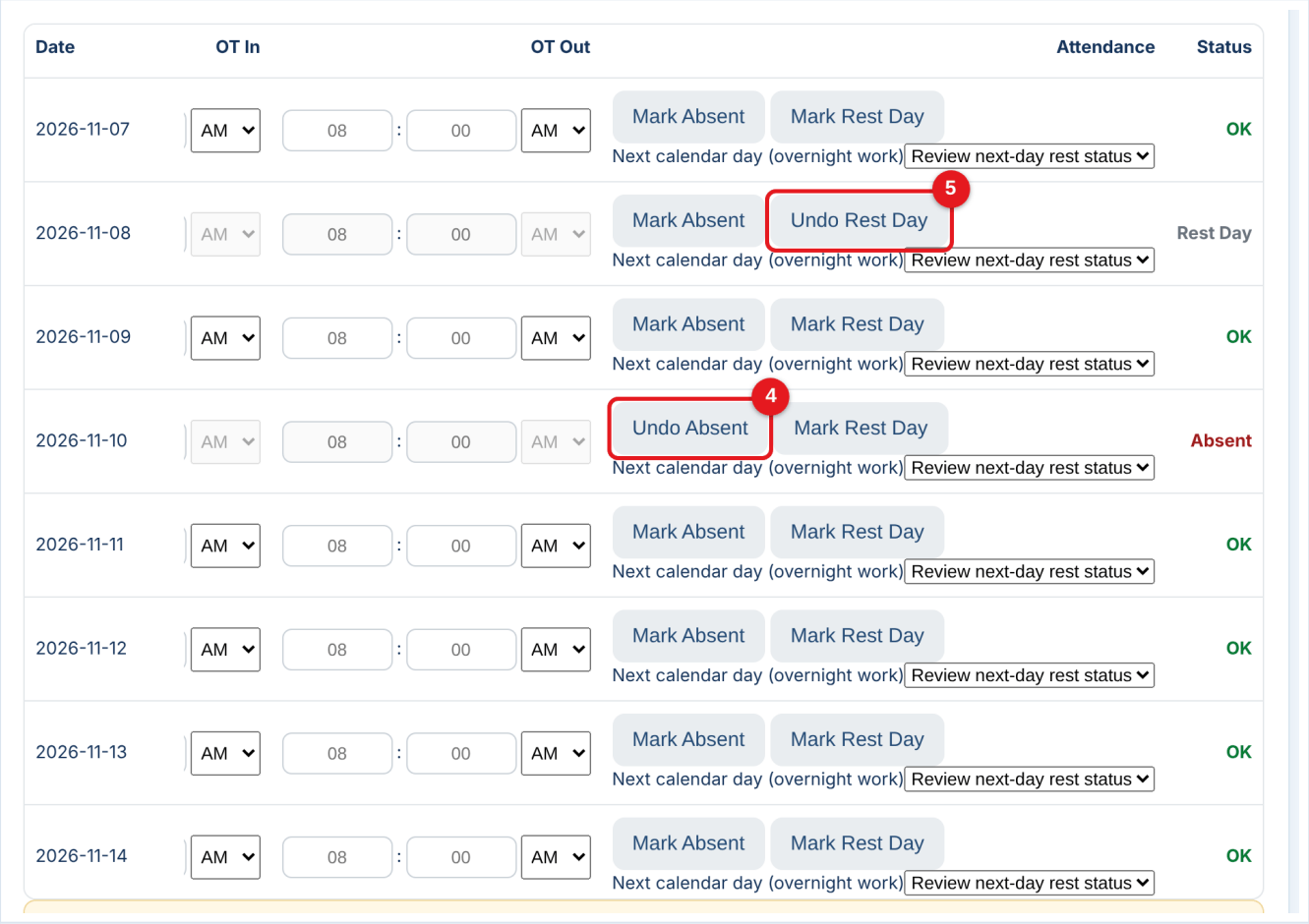
In Attendance Review / Corrections, choose the Imported Attendance Person, then Apply to Payroll Employee. Confirm the identity before accepting the association. Review unresolved rows first, but also sample rows marked ready. Enter Attendance Manually creates a sheet with every day of the period; the schedule's rest days are pre-marked and can be changed.

The summary at the top (1) shows days worked, regular hours, OT hours, late minutes and absences, and changes as you type. Each time has three parts: hour, minutes, and AM or PM. Type the hour and minutes, and LokalPay moves to the next box; type a or p for AM or PM. For example, typing 0800a enters 08:00 AM (2). An arrival at 08:10 AM (3) is counted as late.



Manual attendance sheet: (1) summary, (2) a normal arrival at 08:00 AM, (3) a late arrival at 08:10 AM.

The sheet is wider than the window. Scroll it sideways to see the OT columns, the Attendance buttons and the Status column. Mark Absent (4) and Mark Rest Day (5) change the day; the button then reads Undo Absent or Undo Rest Day, so you can reverse it.



The right side of the sheet: (4) a day marked absent, (5) a rest day. The Status column shows OK, Absent or Rest Day for each day.

The Status column is refreshed when you click Save Attendance Draft. If a day you have filled in still says Needs Review, click Save Attendance Draft and look again before you approve.

A first-punch grace applies only to the first arrival. With an 08:00 start and a ten-minute grace, arrival within the grace is handled by that policy; arrival at 08:11 counts lateness from 08:00, not only one minute beyond the allowance. Lunch return has no first-arrival grace. A verified company policy is required before using a grace value.

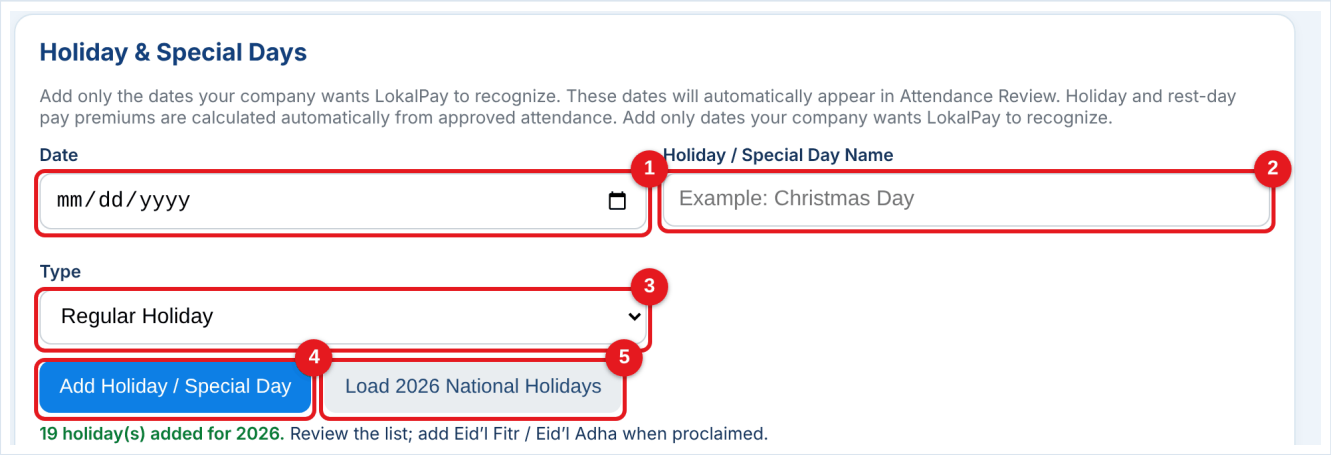
Check for missing, duplicate or reversed punches. Complete them from reliable evidence, or record the appropriate absence/rest-day classification. Do not turn missing punches into worked time. Absent means no work that day under the reviewed status; it is different from an unpaid break or a paid holiday. Corrections update the review summary and the Payroll attendance fields together, so check Days Worked, Regular Hours, OT Hours, Late Minutes and Absent Days after each correction.

Save Attendance Draft stores review work so you can return later. Load Draft resumes the selected draft; verify the employee and cutoff. If you edit attendance after it was approved, the approval becomes out of date, and payroll asks you to approve again. Reset Imported Values resets working values; it is not an instruction to rewrite finalized payroll. Deleting a draft or resetting company data is not required to fix one mapped column. Preserve a full backup before destructive maintenance.

12. Holidays, rest days, overnight work and premiums

Add verified holidays in Company / Settings → Holiday & Special Days. Enter the date, name and the correct type: Regular Holiday, Special Non-Working Day, Special Working Day, or a verified double-holiday type. Load 2026 National Holidays adds the dates of Proclamation No. 1006, s. 2025: 10 regular holidays, 8 special non-working days, and 25 February as a special working day. Dates you already entered are kept. Eid'l Fitr and Eid'l Adha are proclaimed separately, so add them when announced.

Do not infer a holiday merely from a device remark. Keep the applicable declaration and any local coverage evidence.



Holiday & Special Days: to add one date, enter (1) the date, (2) the name and (3) the type, then (4) Add Holiday / Special Day. (5) Load 2026 National Holidays adds the whole proclaimed list.

In attendance review, confirm the rest-day and holiday classification for each actual worked day. Weekly rest days come from the company or employee schedule. For an overnight shift, use the next-calendar-day rest-day control when the following date is a rest day. The following date's verified holiday also matters. A shift beginning on an ordinary day may include minutes on a rest day or holiday; it must not all be classified by its starting date.

Night differential uses eligible work during 22:00-06:00 and excludes unpaid breaks. Approved overtime uses the applicable day premium. Automatic OT is the normal supported mode. A Custom rate cannot be lower than the statutory minimum, and cannot span a dated wage change, unless the employee has a recorded overtime exemption (see chapter 7). Coverage and entitlement are employer facts, particularly for special employee categories.

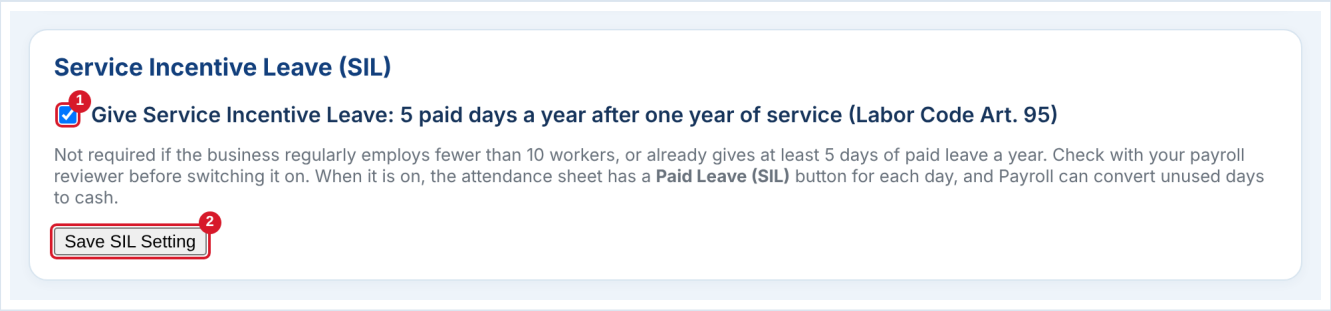
A missing imported row on a payable holiday appears for review. Check whether the employee worked, did not work but has verified eligibility, was absent, or was on a rest day. Confirm unworked

holiday eligibility explicitly from attendance/leave and coverage evidence. The application cannot invent punches or establish entitlement from silence in a biometric file. Missing eligibility can block calculation; resolve the facts rather than entering fictitious hours.

Service Incentive Leave (SIL)

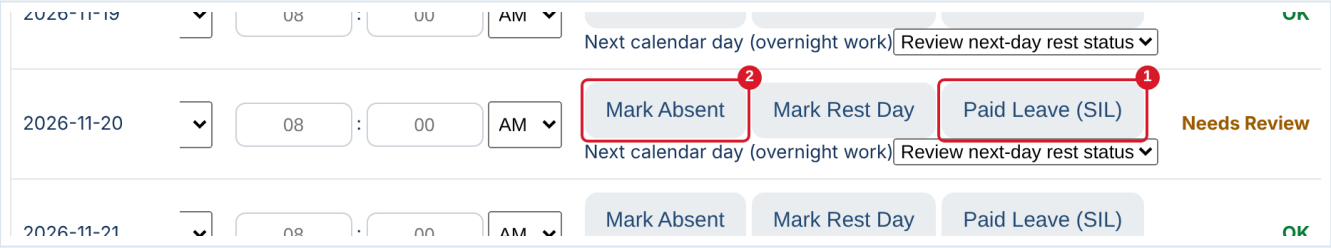
Service Incentive Leave is 5 paid days of leave a year for an employee who has worked at least one year (Labor Code Art. 95). It is not required if the business regularly employs fewer than 10 workers, or already gives at least 5 days of paid leave a year. Check with your payroll reviewer before switching it on.

1. Open Company / Settings → Service Incentive Leave (SIL). Tick the box (1) and click Save SIL Setting (2).



Service Incentive Leave: (1) switch it on, (2) Save SIL Setting.

2. When an employee takes a paid leave day, open the attendance for that cutoff. On that day's row, click Paid Leave (SIL) (1), instead of Mark Absent (2). The day is paid at the daily rate and is not an absence.



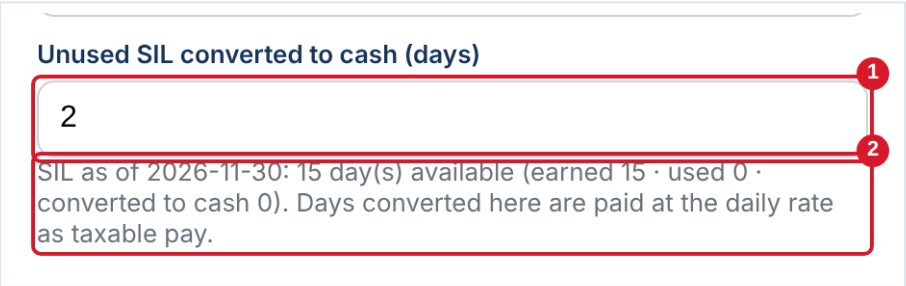
Attendance review, the row for the leave day: (1) Paid Leave (SIL), (2) Mark Absent.

Until the empty day is marked, the warning under the table holds the employee back from approval:



A scheduled day with no times must be marked before approval.

3. To pay unused SIL days as cash, open Payroll, choose the employee and the cutoff, and in 2. Pay & Deductions enter the number of days in Unused SIL converted to cash (days) (1). The line under it (2) shows how many days are available. LokalPay refuses more days than the employee has. Cash for unused leave is taxable pay.

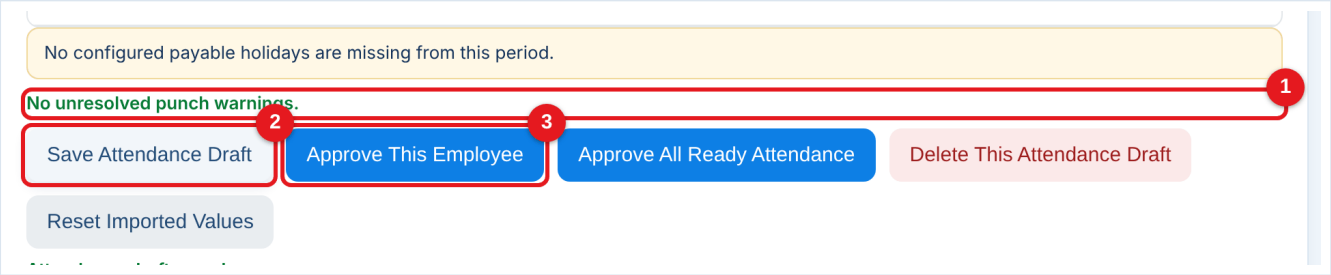


Unused SIL converted to cash: (1) the number of days, (2) the days available.

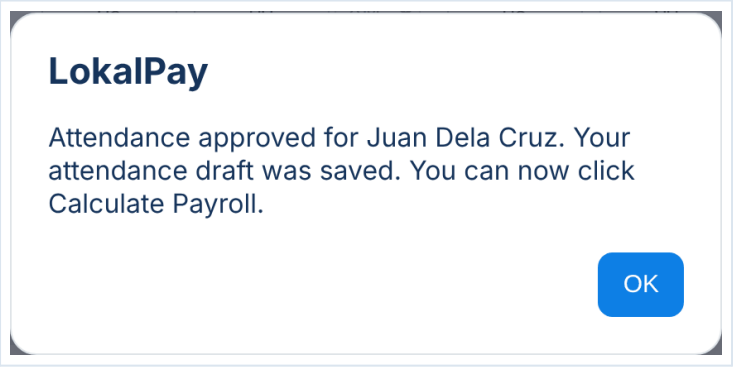
An employee earns 5 days for each full year of service; days not used carry over. The payslip shows the leave used and the days left. Unused days are also paid in final pay (chapter 25).

13. Approve attendance and calculate payroll

1. Verify the employee identity, the cutoff, all punches, absence/rest-day flags, holiday eligibility and approved overtime. Every scheduled workday must have a row.
2. Check that the line under the table says "No unresolved punch warnings" (1). Click Save Attendance Draft (2), then Approve This Employee (3). Approve All Ready Attendance is for reviewed, ready employees only. Approval applies to exactly the selected period; it is not final payroll payment.

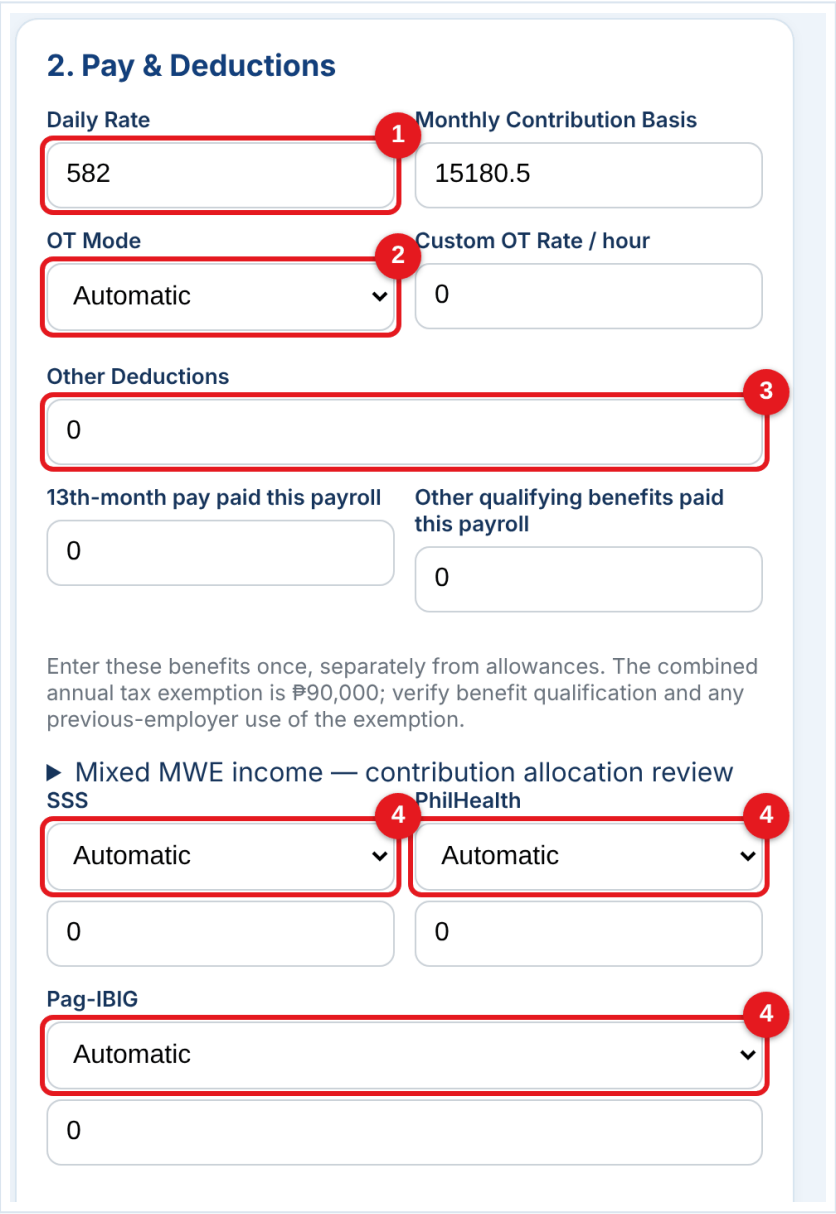


Below the attendance sheet: (1) the warnings line, (2) Save Attendance Draft, (3) Approve This Employee.



The message after a successful approval. Click OK, then Calculate Payroll.

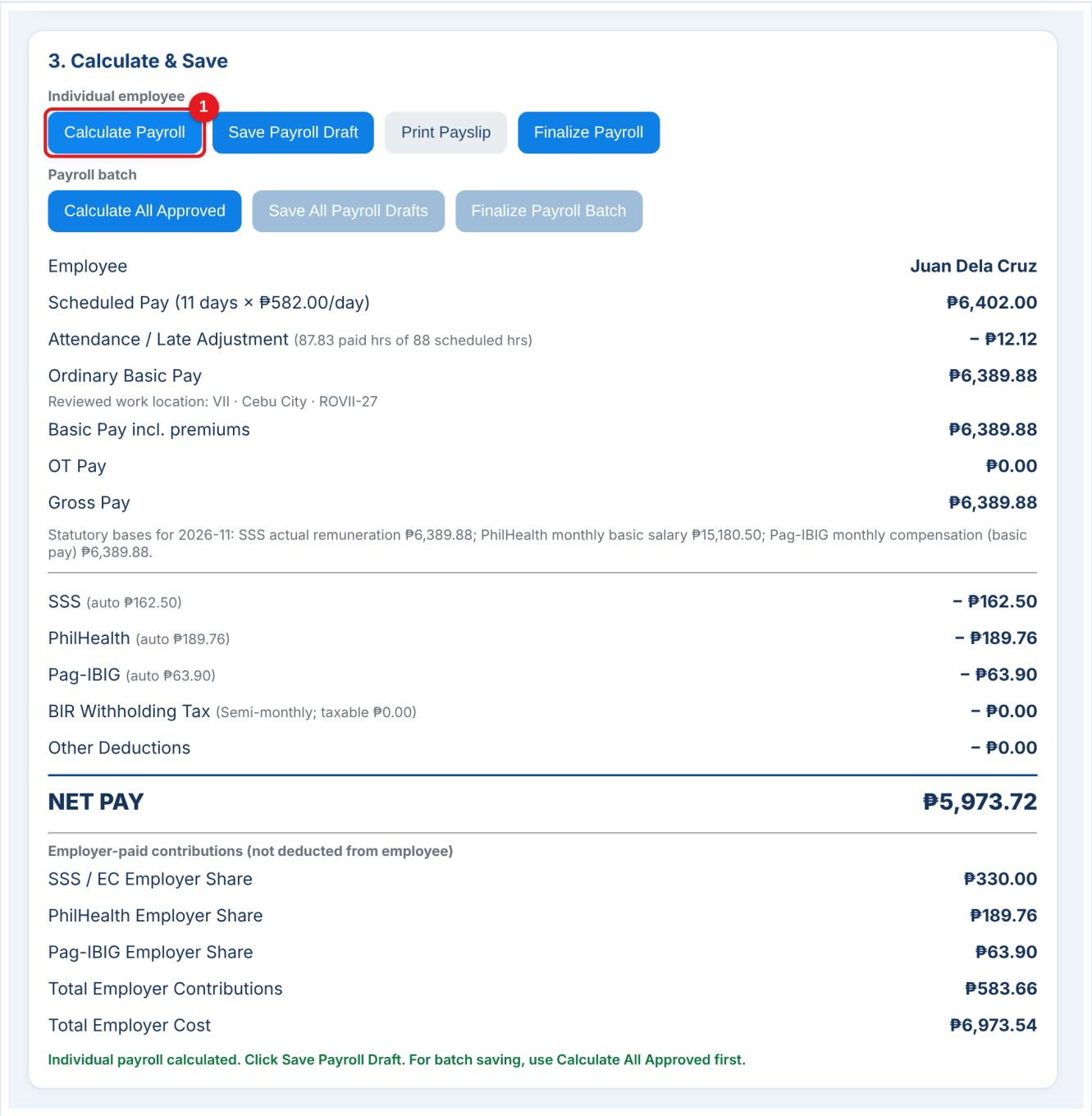
3. Review Pay & Deductions: the Daily Rate (1), the monthly basis, the OT Mode (2), Other Deductions (3), the SSS, PhilHealth and Pag-IBIG modes (4), and any benefits actually paid in this cutoff.



2. Pay & Deductions: (1) Daily Rate, (2) OT Mode, (3) Other Deductions, (4) contribution modes, normally Automatic.

4. Choose Automatic government contribution modes unless a reviewed exception supports Override or Not Applied. Neither exception cancels a statutory obligation; any shortfall remains visible.

5. Click Calculate Payroll (1). Read the result, including the dated rates, the minimum-wage and exemption notes, remuneration, employee contributions, employer cost, taxable compensation, withholding and net pay.



3. Calculate & Save after Calculate Payroll (1). Read it from top to bottom: scheduled pay, late or absence adjustment, gross pay, each deduction, NET PAY, then the employer-paid contributions, which are not deducted from the employee.

6. If calculation is blocked, read the exact message (see chapter 23). Correct the evidence, dates or data, then calculate again. A previously displayed success is not valid after a blocked recalculation; Save and Print are disabled.

7. Have the approver compare the result with the attendance, wage review, prior-month deductions and known benefits. Print a review payslip if permitted.

Payroll is calculated only from approved attendance for this employee and this exact period, including an approval saved before restarting the application. When no daily record exists, tick Calculate from the hours typed above to use typed hours. That choice is saved on the payroll and

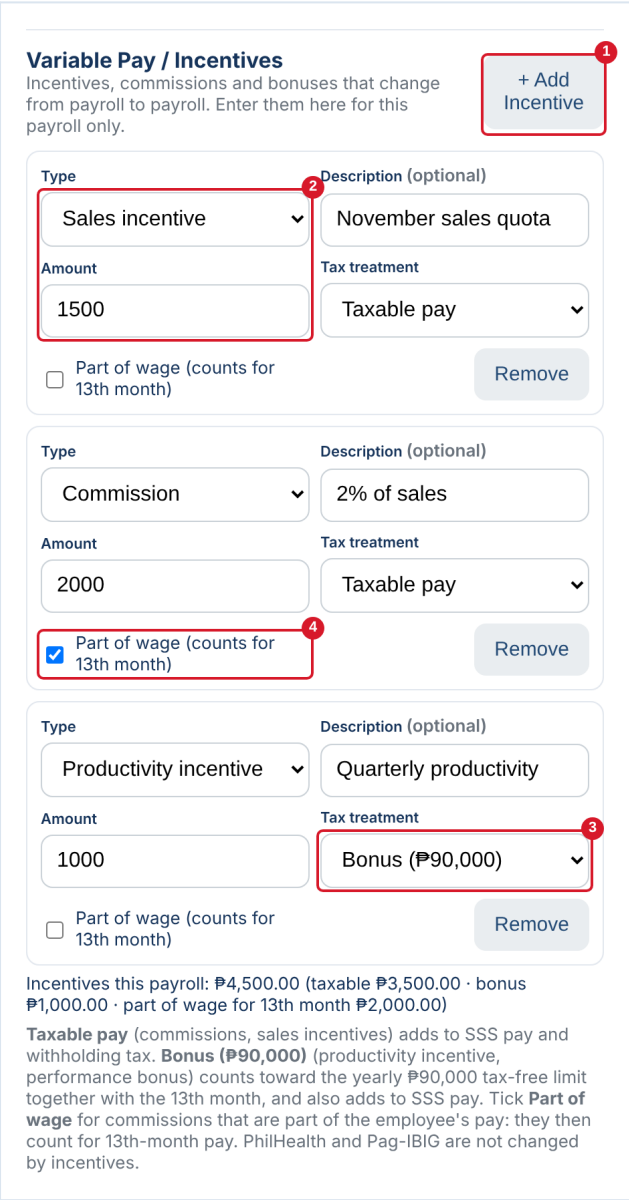
clears when the period or employee changes, so choose the employee and dates first, type the days and hours, and tick the box last. A payroll whose dates overlap another finalized payroll for the same employee is refused; to correct a finalized payroll, open its exact period and save an amendment. Typed hours also work when a new wage review starts inside the period with the same daily rate, MWE status and workplace, and for an employee hired inside the period (fill in the Hire date; wage reviews are needed only from that date). When the daily rate, MWE status or workplace really changes inside the period, approve daily attendance instead, or run two payrolls split at the change date, because typed hours cannot show which days were paid at which rate.

For mixed MWE earnings, expand Mixed MWE income - contribution allocation review. Enter the actual employee mandatory contributions attributable to taxable compensation, plus the reviewer and evidence. Zero is an explicit reviewed allocation, not a default exemption. Do not invent an allocation to make withholding smaller. The application blocks a missing review or an amount greater than the actual deductions. When an employee's MWE status changes inside a cutoff, the payroll is blocked; run it as two payrolls. The advanced switch MWE Status Split (Settings) calculates such a cutoff by segment, but it is off by default and should be turned on only after your accountant approves the method.

Incentives, commissions and bonuses

Incentives, commissions and bonuses that change from payroll to payroll go in Variable Pay / Incentives, in 2. Pay & Deductions under the 13th-month boxes. They belong to this payroll only; the next cutoff starts empty. Do not enter them as allowances.

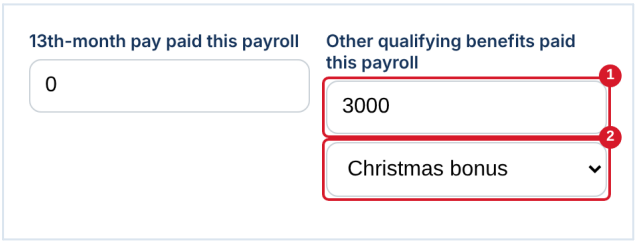
1. Choose the employee and the period first. Click + Add Incentive (1) once for each incentive paid in this cutoff.
2. Choose the Type (2): Sales incentive, Commission, Attendance incentive, Productivity incentive, Performance bonus or Other. Add a short description if useful, and type the Amount.
3. Check the Tax treatment (3). Taxable pay is for commissions and sales incentives: it is added to SSS pay and to withholding tax. Bonus (₱90,000) is for productivity incentives and performance bonuses: it is added to SSS pay and is tax-free only within the yearly ₱90,000 limit it shares with 13th-month pay and other benefits; any amount above the limit is taxed. Productivity incentive and Performance bonus start as Bonus; the others start as Taxable pay.
4. Tick Part of wage (counts for 13th month) (4) for commissions that are part of the employee's pay. They then count toward 13th-month pay. Leave it unticked for productivity bonuses and other incentives. Commission starts ticked.



Variable Pay / Incentives with three incentives: (1) + Add Incentive, (2) Type and Amount, (3) Tax treatment, here Bonus for a productivity incentive, (4) Part of wage for a commission.

5. Click Calculate Payroll. Each incentive appears as its own line on the result and the payslip. PhilHealth and Pag-IBIG do not change, because they are based on basic pay.

Do not enter a Christmas bonus as an incentive. Type it in Other qualifying benefits paid this payroll (1) and choose Christmas bonus (2) under the amount: the SSS rules leave the Christmas bonus out of SSS pay. Other bonuses and benefits in that box stay SSS pay. Either way, the amount shares the ₱90,000 tax-free limit with the 13th month.



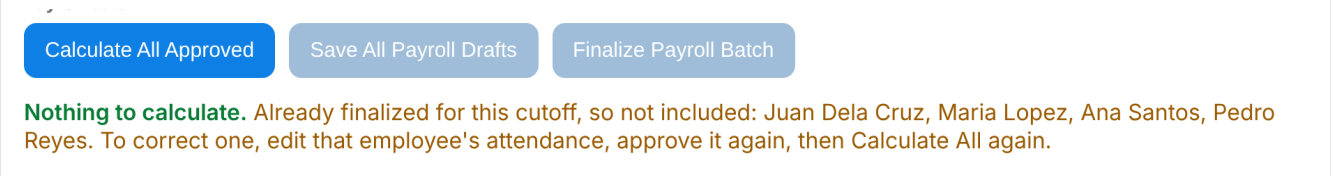
Recording a ₱3,000 Christmas bonus: (1) the amount, (2) Christmas bonus.



The calculated payroll for the sample sales employee: (1) the Christmas bonus, (2) each incentive on its own line, (3) SSS, which includes the incentives but not the Christmas bonus.

Calculate All and employees already finalized

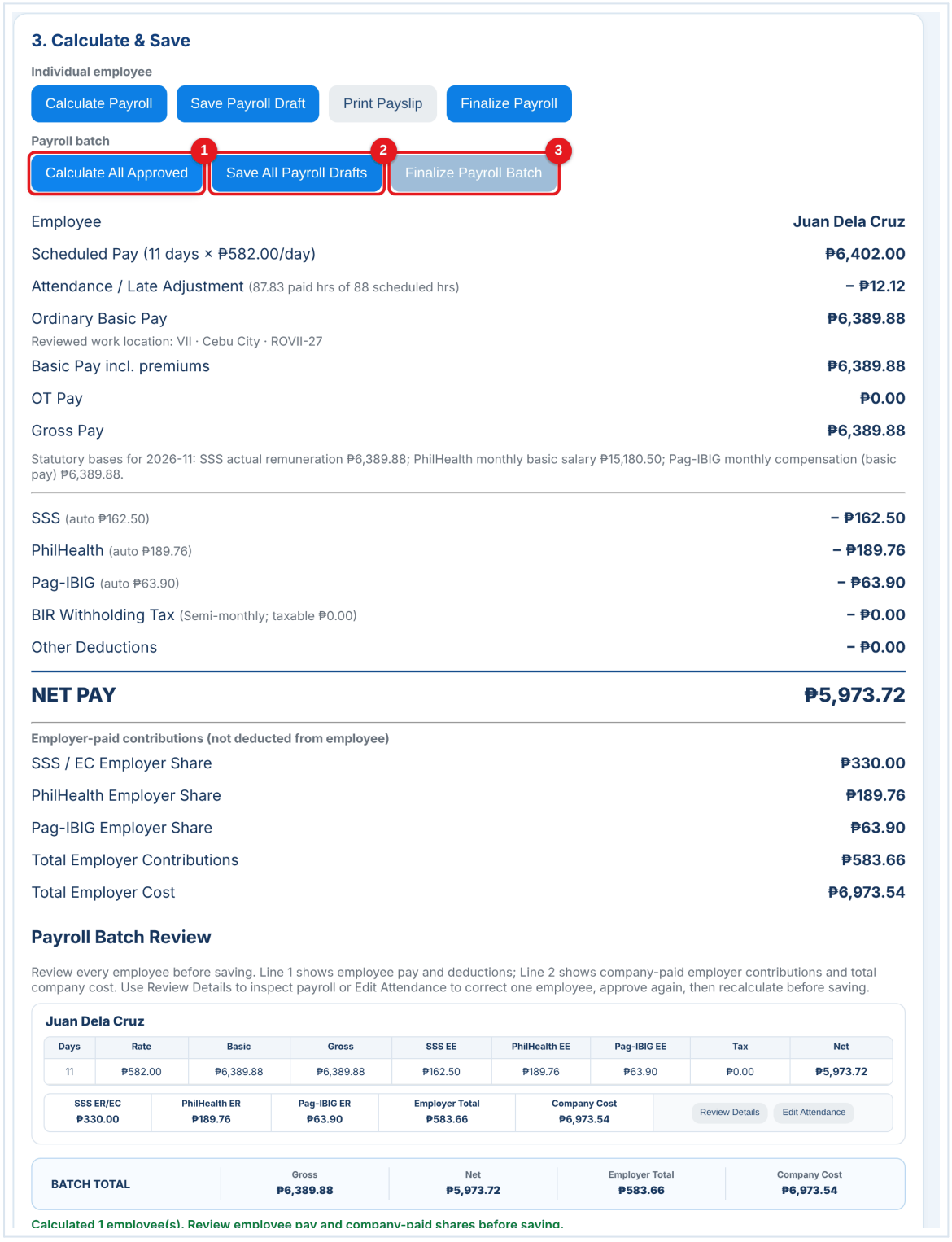
Calculate All Approved takes every employee whose attendance is approved for the cutoff. It leaves out anyone whose payroll for that exact cutoff is already finalized, so a batch never saves them again as an accidental amendment, and it names them under the buttons. To correct a finalized payroll on purpose, edit that employee's attendance, approve it again, then Calculate All again: it is then saved as an amendment.



Calculate All on a cutoff that is already finalized: nothing to calculate, and the employees left out are named.

14. Save drafts, finalize and preserve history

1. After review, click Save Payroll Draft. Confirm the employee and date range in Payroll History. A draft for a period that is already finalized is saved as an Amendment Draft.
2. Payroll calculated from approved attendance is finalized with the batch buttons, even for one employee. Approve attendance for each person, then click Calculate All Approved (1) and Save All Payroll Drafts (2). The Payroll Batch Review lists each employee's pay and deductions, and the company-paid shares. Review every draft and resolve failures before finalization. If you click Finalize Payroll for such an employee, LokalPay reminds you to use the batch buttons; that is expected.

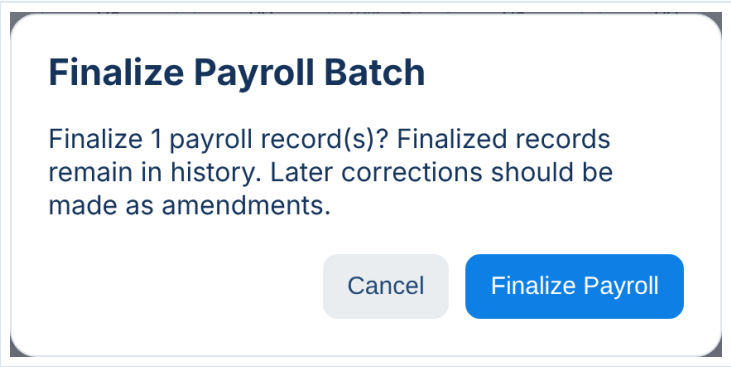


Payroll batch: (1) Calculate All Approved, (2) Save All Payroll Drafts, (3) Finalize Payroll Batch, which is enabled after the drafts are saved.

3. For an employee paid from typed hours (no daily attendance, for example someone who does not punch in), click Finalize Payroll next to Save Payroll Draft after saving the draft. Typed-hours payroll is not part of the batch. If you recalculate, save the draft again before finalizing.

4. Use Finalize Payroll Batch (3) for the reviewed batch. Confirm the finalization prompt only after the amounts and policy evidence are approved. LokalPay takes an automatic backup just before

finalizing.



The finalization prompt. Click Finalize Payroll only when the batch has been reviewed and approved.

5. Open Payroll History and verify status and totals. Finalized records feed government and payroll reports; drafts are not equivalent to completed payroll.

6. Pay employees using your normal bank/cash procedure and keep receipts. Saving or finalizing does not send salary payments.

6. Export a full backup after finalization. Keep signed approvals and bank/cash proof alongside the payroll register.

Historical records are snapshots. Later rate, schedule, rules or allowance changes must not silently change old payslips. If a finalized amount was wrong, use the controlled amendment workflow and keep the original/replacement trail. Deleting a draft removes only that draft, never the finalized record for the same period. Deleting a finalized record is reserved for erroneous test entries. It keeps a full copy in the audit log and reverses any loan deductions it posted. Do not delete or manipulate stored JSON to force a new total. Review affected later monthly contributions and year-end reconciliation before completing any amendment.

15. Semi-monthly government contributions

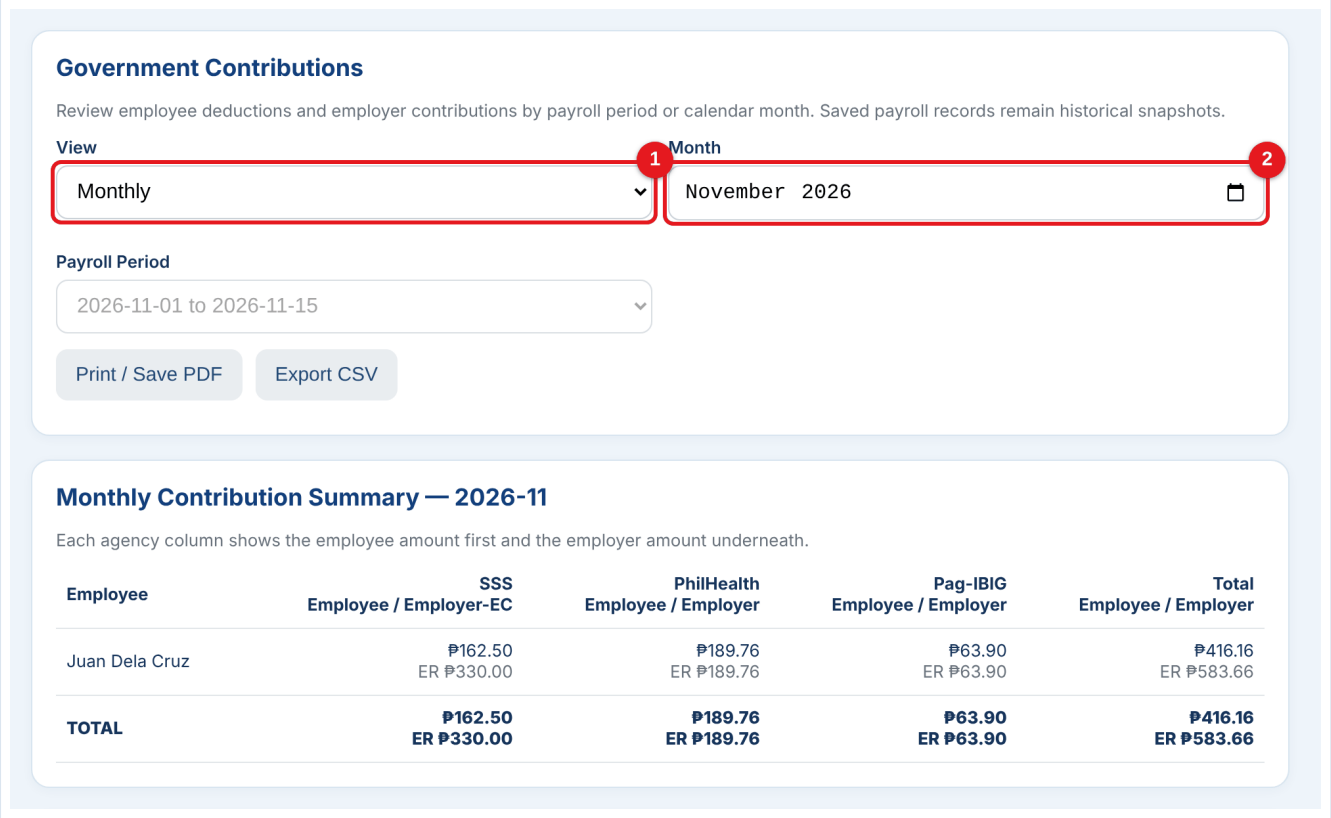
SSS, PhilHealth and Pag-IBIG liabilities are monthly; the two cutoffs collect against that monthly target. The second cutoff may differ from the first, because earnings accumulate or an earlier deduction was short. A centavo difference is not necessarily a duplicate; compare the combined month with its liability and outstanding balance.

The bases differ by agency:

- SSS uses the month's actual remuneration (13th-month pay and the Christmas bonus excluded). Commissions, incentives and other bonuses are included.
- PhilHealth uses the monthly basic salary: the verified manual basis, or Daily Rate × 313 ÷ 12 (6-day week) or × 261 ÷ 12 (5-day week). When the rate changes mid-month, the rate in force at the end of the period is used.
- Pag-IBIG uses monthly compensation: basic pay, plus pay for unworked regular holidays, plus allowances named COLA. Overtime and premiums are excluded, and the ₱10,000 Maximum

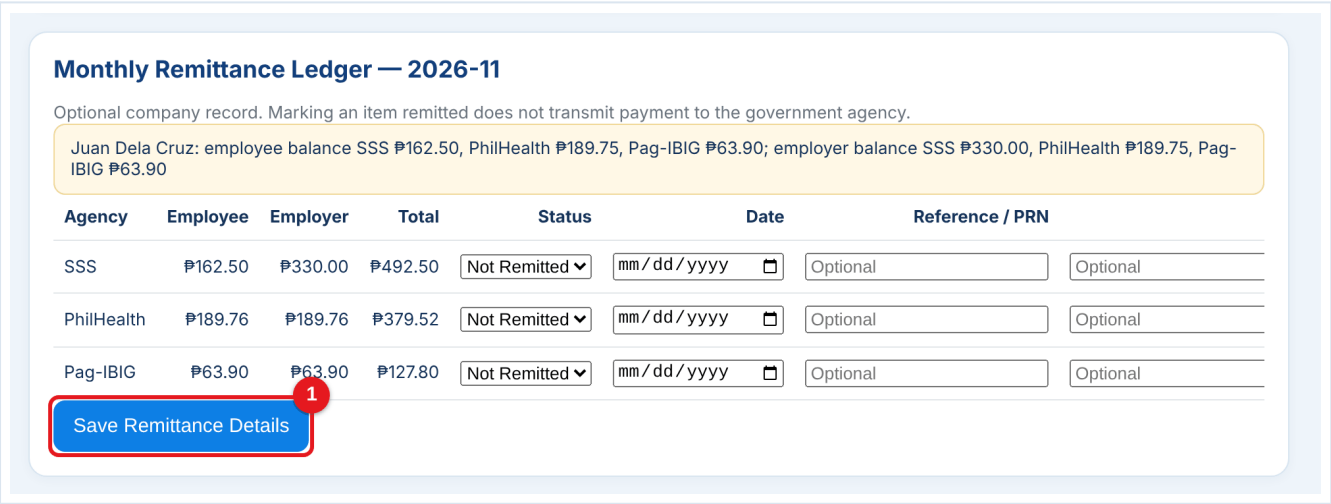
Fund Salary cap applies.

1. Before the first cutoff, confirm the employee's salary basis and collection schedule.
2. Calculate and finalize the earlier cutoff before calculating the later one. A later finalized payroll can make an attempted earlier backdated calculation unsafe.
3. At the later cutoff, inspect monthly liabilities, prior deductions and remaining amounts. Never force identical halves when the monthly earnings bracket changed.
4. Open Contributions. Choose View: Monthly (1) and the Month (2), then compare each employee's employee and employer shares with finalized payroll. Use Payroll Period for a single cutoff.



Government Contributions for November 2026: (1) view, (2) month. Each agency column shows the employee amount, with the employer amount (ER) underneath.

5. Read the reconciliation and shortfall notices. Employer-paid EC is not deducted from the employee. Employer amounts are not employee net-pay deductions.
6. Pay through the official agency process. Enter the actual status, date, reference/PRN and notes in the Monthly Remittance Ledger, then Save Remittance Details (1). This ledger does not transmit payment or prove acceptance.



Monthly Remittance Ledger: one row per agency. After paying, set the status, date and reference, then (1) Save Remittance Details.

A zero or small net wage does not automatically remove employer liabilities. Full-month leave without pay, coverage, a fixed monthly basic salary and special categories need verified treatment. Use the current official schedules; the application is not an automatic feed of new circulars.

16. Historical review and manual recovery

Payroll saved by an older version of LokalPay must be reviewed once before a new calculation can rely on it. Contributions → Historical review and manual contribution recovery lists these legacy snapshots and any recovery requests. Built-in demo payroll does not need this review. Before recording a review, check the original attendance, earnings, benefits and actual deductions.

1. At the top of Contributions, choose the contribution month, then click Refresh review lists / ledger. Select the first entry in Unreviewed legacy snapshot.
2. Read its details. Enter the reviewer name and the reconciliation evidence/reference, then click Record snapshot review. The entry leaves the list. This records evidence without rewriting the financial snapshot.
3. Repeat for each listed entry, then for each month that has older payroll (for example January to September).
4. For a supported contribution shortfall recovery, first set the intended current payroll dates on Payroll.
5. Choose the employee, source shortfall month, agency and authorized amount. Enter the actual employee authorization/legal authority, the approver, and the reason/evidence.
6. Click Approve recovery for selected payroll period. Recalculate the payroll and review the separate recovery deduction. It reduces net pay without treating the historical recovery as current-month contribution or tax relief.
7. Finalize the reviewed payroll to post the recovery to the source-month reconciliation. An approved but unposted request is not a collected amount.

8. If appropriate, cancel an unposted request using its ID. A posted request must not be deleted to conceal an actual deduction; seek a controlled correction with retained evidence.

A shortfall display is not authority to deduct. No automatic employer recovery policy is supplied. Do not also enter the recovery in Other Deductions or the employee loan list.

17. BIR withholding and annual reconciliation

Taxable compensation and tax due are different: income may remain taxable even when its annual total falls within a zero-tax band. MWE statutory compensation and qualifying premiums can be exempt while commissions are taxable. For an MWE, a rest-day premium on an ordinary day is treated as taxable unless your professional directs otherwise. The combined qualifying benefits exemption is not an unlimited exemption for all bonuses; classify benefits with the payroll professional. Incentives marked Bonus share the same yearly ₱90,000 limit with the 13th month and other benefits, counting earlier payrolls in the year; incentives marked Taxable pay are always taxable compensation. The year-end reconciliation, the 2316 and the 1601-C preparation count Bonus incentives in the same ₱90,000 limit.

Monthly/semi-monthly mixed-MWE supplemental earnings use cumulative-average withholding when complete, verified payroll history is available. The application checks the hire period and the prior groups. Missing prior periods must be reviewed, not fabricated as zero-pay entries. Payroll calculated by 3.9.99, 3.9.100, 3.9.101, 3.9.102, 3.9.103, 3.9.105, 3.9.106, 3.9.107, 3.9.108, 3.9.109, 3.9.110, 3.9.111 or 3.9.112 is accepted for year-end figures; older records need the one-time review in chapter 16. Previous/concurrent employers, PERA and other special facts are not solved by checking a single-employer box.

1. At year end, reconcile finalized payroll and actual withholding across the year. Include benefits and any required prior-employer information through the supported professional process.
2. Open Reports → More Reports → Year-End Tax Adjustment & Reconciliation, select the Tax Year and click Show Report.
3. Review Annual Taxable Compensation, Annual Tax Due, Tax Withheld Before Adjustment, Additional to Withhold and Refund/Credit. A current, incomplete year or incomplete tax facts cannot be finalized automatically.
4. Finalize Year-End Tax Adjustment only after the target is reviewed. This stores a reconciliation target; it does not refund money or collect additional tax.
5. Make the actual refund or collection through your normal authorized payment process. Keep the bank/cash receipt and payroll approval. Do not also record the same tax adjustment as an ordinary deduction.
6. Expand Record actual year-end refund / collection. Choose the employee and transaction type, then enter the actual amount, actual date, a unique reference, the reviewer and the payment/receipt evidence. Click Record actual settlement and review the confirmation.

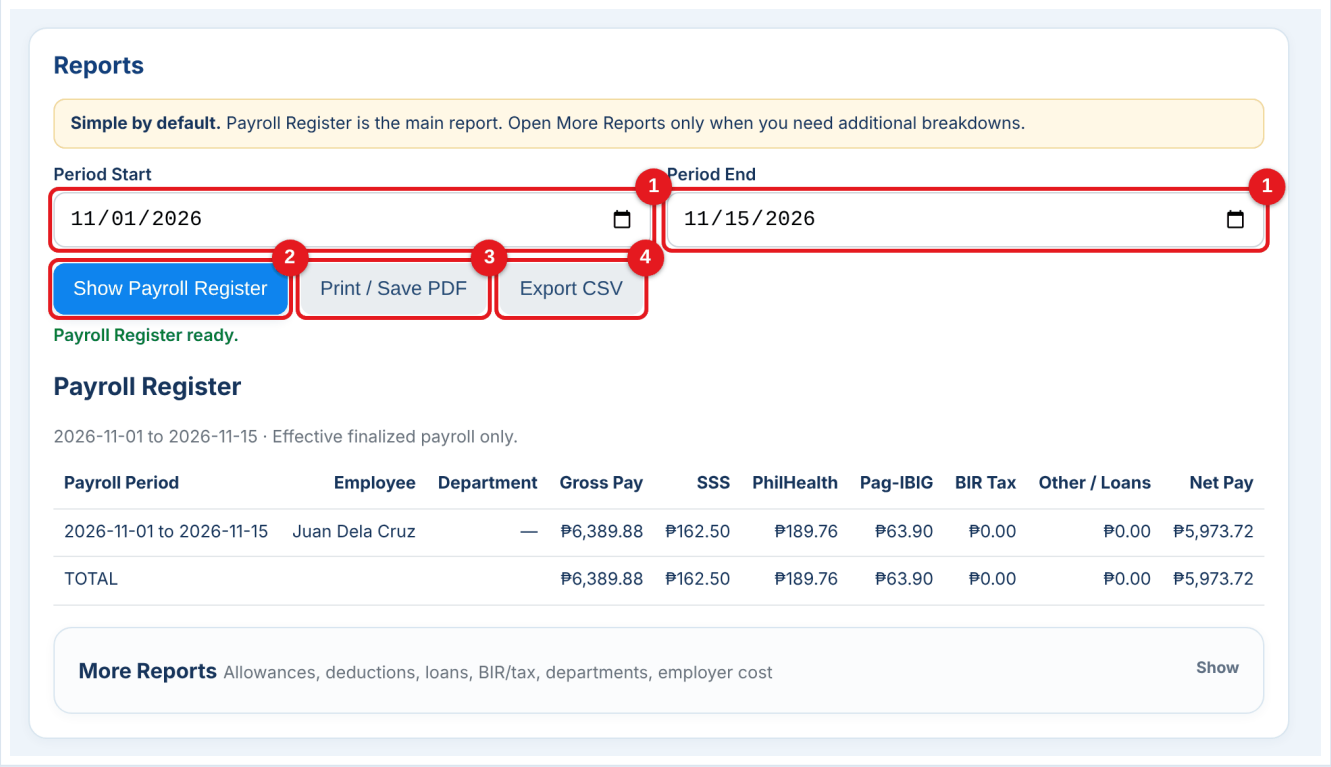
7. Partial settlement is allowed up to the remaining reviewed amount. Record each distinct payment once. Duplicate references, future dates, missing evidence and excessive amounts are blocked.

8. Check the ledger. Annual withholding reflects the original payroll withholding plus recorded collections minus recorded refunds. Monthly preparation output follows the actual settlement date, so a next-year settlement can appear in its actual calendar month while relating to the previous tax year's reconciliation. Have your professional determine filing credits/adjustments; the software does not establish their regulatory treatment.

A reconciliation with settlements cannot be overwritten by Re-Finalize. A source change invalidates automatic settlement reliance; the ledger remains retained for professional review. A legacy target without a source fingerprint is not proof of payment and must be reviewed before posting. If a posted payment was recorded incorrectly, stop further posting and obtain a controlled, evidence-based correction. Do not delete the ledger or create a fictitious opposite payment. Automatic reversal is not provided.

18. Government preparation reports and forms

Open Reports. Set the intended dates (1) and click Show Payroll Register (2) for the main payroll report. Print / Save PDF (3) and Export CSV (4) save the report on screen (chapter 20).



Reports: (1) Period Start and Period End, (2) Show Payroll Register, (3) Print / Save PDF, (4) Export CSV. The register lists finalized payroll only.

Expand More Reports for allowance, deduction, loan/advance, annual tax, year-end, BIR, department or employer-cost views. Select the report and its own month/year/employee options, then click Show Report. A report's year selector can differ from the payroll cutoff, so check both.

1601-C Preparation Copy summarizes the selected month. Compare gross compensation, known exemptions, taxable compensation and withholding with finalized payroll and actual settlements. Remittance, previous-return adjustments, penalties and genuine identifiers require separate review. A negative or changed balance is not automatic authority to offset a return.

1604-C Preparation Copy summarizes the monthly figures for the year. Match payment dates and official references with actual BIR receipts. It is not a submitted annual information return. 2316 Preparation Copy is employee-specific: select the year and employee, then review the names, TIN, employment period, dated wage context and tax figures. A payroll split by MWE status is shown for review. Missing identity, prior-employer or signature information is not filled with invented values.

Alphalist preparation gathers employees with finalized payroll. The combined review view is not a validated Schedule 2 MWE DAT file. Use the official agency preparation/validation tools and the supported professional process before filing. CSV export is for review and reconciliation; it must not be represented as an accepted government submission.

Schedule/category eligibility, de minimis limits, benefit qualifications, hazard certification, annual special categories and malformed official daily-table boundaries still require official/professional confirmation. Do not use a yellow REVIEW field as a final filing value.

19. Payslips, employee records and reports

For a current calculation, use Print Payslip after checking that Save/Print is enabled and the correct employee/period appears. The payslip shows:

- attendance (days, regular hours, OT hours, absences and late minutes);
- the daily rate, or each dated rate with its dates;
- the earnings breakdown, with each incentive on its own line;
- SSS, PhilHealth, Pag-IBIG and withholding tax;
- other deductions and loans, and Total Deductions;
- net pay and employer-paid contributions.

Gross pay minus total deductions equals net pay. For an overtime-exempt employee, the overtime line shows the hours, the rate and the exemption. The payslip always prints upright (portrait) and fills only the top part of one page: earnings on the left, deductions on the right, net pay in a box, then the employer-paid contributions. At the bottom are lines for the employee to sign and date when they receive it; keep the signed copy with your payroll records.



Sample Garments Co. · LokalPay
PAYSLIP

Finalized (2026-11-12) — reprinted from Payroll History

Employee	Juan Dela Cruz	Period	2026-11-01 to 2026-11-15
Attendance	11 day(s) · 87.83 regular hr · 1 absence(s) · 10 late min	Daily rate	₱582.00 / day

EARNINGS		DEDUCTIONS	
Ordinary Basic Pay	₱6,389.88	SSS	− ₱162.50
Basic Pay (incl. premiums)	₱6,389.88	PhilHealth	− ₱189.76
Overtime	₱0.00	Pag-IBIG	− ₱63.90
Gross Pay	**₱6,389.88**	Withholding Tax	₱0.00
		Other Deductions	₱0.00
		Total Deductions	**− ₱416.16**

NET PAY **₱5,973.72**

Employer-paid contributions (paid by the employer, not deducted from pay): SSS / EC ₱330.00 · PhilHealth ₱189.76 · Pag-IBIG ₱63.90 · **Total ₱583.66**

Statutory bases for 2026-11: SSS actual remuneration ₱6,389.88; PhilHealth monthly basic salary ₱15,180.50; Pag-IBIG monthly compensation ₱6,389.88.

Received by (employee signature) Date received

A payslip for the sample employee, reprinted from Payroll History. It fits on the top part of one portrait page.

To reprint an earlier payslip, open Payroll History, choose the employee, and click Payslip (2) on the row you need. The Source column (1) shows whether the row is a draft or finalized payroll.



Payroll History

Payroll history is stored per employee. Gross Earnings = Basic Pay + OT + Allowances + Other Earnings / Benefits. Net Pay = Gross Earnings − SSS − PhilHealth − Pag-IBIG − BIR Withholding Tax − Other Deductions.

Period	Source / Hours	Earnings	SSS	PhilHealth	Pag-IBIG	BIR Tax	Other	Net	Status / Action
2026-11-01–2026-11-15	Finalized Payroll 87.83 reg hrs	₱6,389.88 Basic ₱6,389.88	₱162.50	₱189.76	₱63.90	₱0.00	₱0.00	₱5,973.72	Original — effective Use Payroll to amend
TOTAL (effective)	87.83 reg hrs	₱6,389.88	₱162.50	₱189.76	₱63.90	₱0.00	₱0.00	₱5,973.72	

1 2 Payslip Delete

Payroll History: (1) the status of the payroll, (2) the Payslip button.

The stored record is printed exactly as saved and labelled Finalized, Finalized Amendment n, or Draft — not final. Do not recalculate from today's wage master to recreate an old payslip.

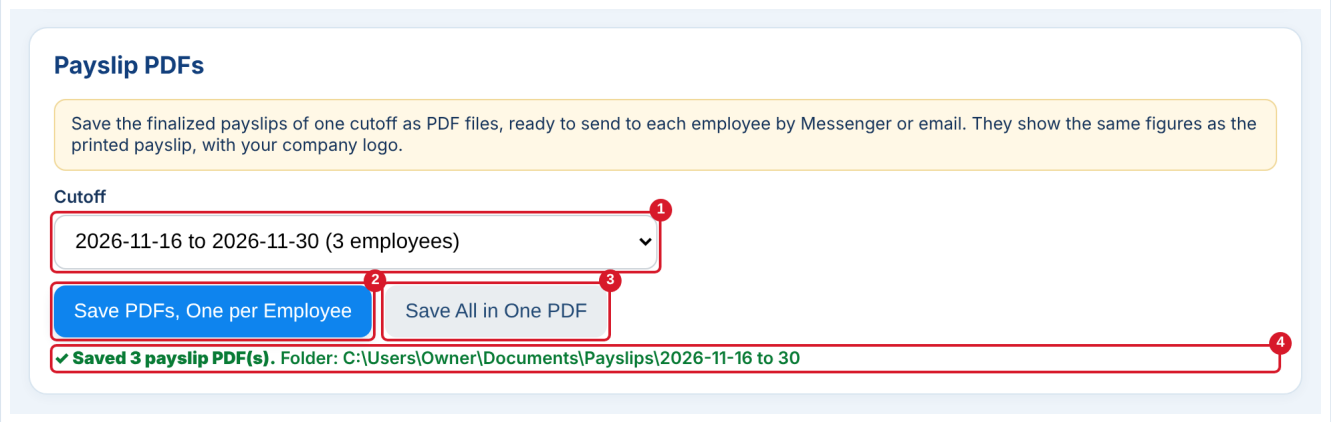
Payslips as PDF files

To send payslips to employees by Messenger or email:

1. Open Payroll History and find Payslip PDFs.

2. Choose the Cutoff (1). Only finalized payroll is listed.

3. Click Save PDFs, One per Employee (2) and choose a folder. Make a folder for each cutoff, separate from the LokalPay program folder. LokalPay saves one file per employee, named like Payslip_Juan_Dela_Cruz_2026-11-16_to_2026-11-30.pdf. A file that is already in the folder is never replaced: the new one ends in (2).
4. Or click Save All in One PDF (3) for one file with one payslip per page, for printing or your records.
5. The message (4) says how many were saved and where.



Payslip PDFs: (1) cutoff, (2) one PDF per employee, (3) all in one PDF, (4) where they were saved.

Each PDF shows the same figures as the printed payslip, with your logo, and is narrow enough to read on a phone. Payslips contain private pay information: send each one only to its employee.



SG Sample Garments

Sample Garments Co. · LokalPay

PAYSLIP

Finalized (2026-12-01)

Employee	Ana Santos
Period	2026-11-16 to 2026-11-30
Attendance	12 day(s) · 96 regular hr · 1 paid leave (SIL) · SIL left 12 day(s)
Daily rate	₱650.00 / day

EARNINGS

Paid leave (SIL), 1 day(s)	₱650.00
Ordinary Basic Pay	₱8,450.00
Basic Pay (incl. premiums)	₱8,450.00
Overtime	₱0.00
Unused SIL converted to cash (2 day(s))	₱1,300.00
Gross Pay	**₱9,750.00**

DEDUCTIONS

SSS	−₱675.00
PhilHealth	−₱211.92
Pag-IBIG	−₱128.63
Withholding Tax	₱0.00
Other Deductions	₱0.00
Total Deductions	**−₱1,015.55**

NET PAY **₱8,734.45**

Employer-paid contributions (paid by the employer, not deducted from pay): SSS / EC ₱1,375.00 · PhilHealth ₱211.92 · Pag-IBIG ₱128.63 · **Total ₱1,715.55**

Statutory bases for 2026-11: SSS actual remuneration ₱16,886.46; PhilHealth monthly basic salary ₱16,954.17; Pag-IBIG monthly compensation ₱15,586.46.

Received by (employee signature) Date received

A payslip PDF for the sample employee Ana Santos, with one paid leave day and two SIL days converted to cash.

To review 13th-month accumulation, open Payroll History, select the employee, then scroll to 13th-Month Pay - Accrual & Payments and select the Calendar year. Read Eligible basic salary, Earned this period, Accumulated this year, Paid this period, Paid to date and Remaining / advance. Earned amounts are an accrual, not an automatic addition to take-home pay. For example, a saved eligible basic salary of PHP12,000 adds PHP1,000 toward the 13th-month entitlement. Cumulative rounding avoids a centavo difference between the period amounts and the annual total.

Use Export 13th-Month CSV or Print / Save 13th-Month PDF for review. Drafts and superseded amendments are excluded. Built-in DEMO payroll uses its saved basic salary and is labelled illustrative only.

For real older records marked REVIEW:

1. Expand Review missing historical 13th-month basis.
2. Select the period, and enter the verified eligible basic salary, the reviewer and the original-payroll evidence.
3. Click Record basis review and confirm.
4. Repeat for each flagged period.

The review is stored separately. It does not edit finalized payroll or verify tax/contribution inputs, and source changes invalidate it. Do not assume saved Basic Pay excludes premiums. Missing payroll periods are never inferred. To record an actual payout, use Payroll → 2. Pay & Deductions → 13th-month pay paid this payroll, then review, save and finalize.

Employee Records lets you choose an employee and Year/All Years to view personal details, the attendance summary, contributions and the payroll record. You can then Print Employee Record or Export Record (CSV). Verify the employee before distributing the document. Include only the information the recipient needs, and restrict payroll exports.

Payroll Register is the normal summary. Allowance Summary lists taxable/non-taxable components; Deduction Summary lists recorded deductions; Loan / Advance Balance helps track remaining balances; Department Payroll Cost and Employer Cost Summary help with budgeting. Contributions offers monthly or period output and the remittance ledger. These summaries do not certify payment or statutory eligibility. If a report unexpectedly shows no rows, check the finalization status, employee filter, dates and year before reimporting or creating another payroll.

20. Print, save PDF and export CSV

1. Display the report or payslip and confirm the dates, employee, page content and warning fields.
2. Click Print / Save PDF or the relevant Print button. On a Mac, choose the PDF menu in the system print panel and Save as PDF. On Windows, choose a system PDF printer such as Microsoft Print to PDF, when available.
3. Set a suitable orientation and paper size, and inspect every page. Payslips always print portrait, and wide documents such as the Employee Record print landscape. On Windows, Microsoft Print to PDF follows this. If another PDF printer (for example Adobe PDF) still turns the page sideways, its own default orientation is set to landscape: change it in Windows Settings → Bluetooth & devices → Printers & scanners → (the printer) → Printing preferences → Layout → Portrait, or use Microsoft Print to PDF. Save the file to your payroll folder with the employee, period and report in the filename. A saved PDF is a copy, not a finalized payroll or a government submission.
4. Open the saved PDF and check the final page, totals and small numeric columns. Compact alphalist cells may wrap; keep the CSV for unambiguous numerical reconciliation.
5. For CSV, display the correct report and click Export CSV. Save the file and inspect it in a trusted spreadsheet application. Treat employee identifiers as text so leading zeroes are retained. Text that a spreadsheet would treat as a formula (starting with =, +, - or @) is exported with a leading apostrophe so that it opens as plain text. Do not overwrite the original export when adding spreadsheet formulas.
6. If printing is cancelled, no PDF has been saved. Verify that a file exists and opens before marking a task complete. Avoid printing payroll to a shared, unattended printer.

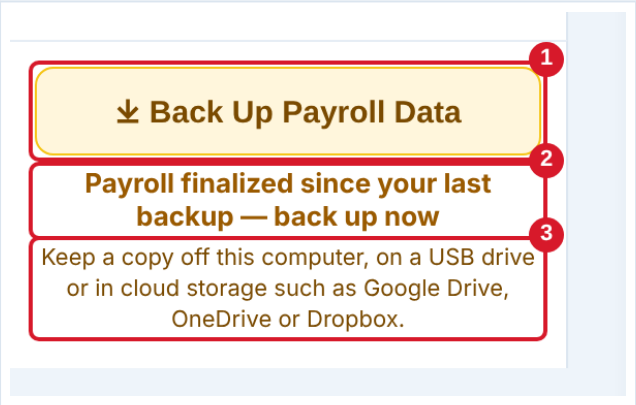
If text is clipped or missing, keep the preview and report selection, try a suitable orientation/scale and notify the owner. Do not infer a total from truncated digits. Printing cannot fill missing REVIEW fields with legally correct facts.

21. Full backups, restore and recovery

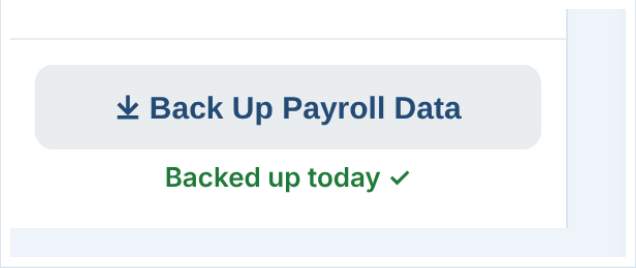
The Back Up Payroll Data button

At the bottom of the menu, on every screen, is Back Up Payroll Data (1). Click it and save the backup outside this computer: on a USB drive, or in a cloud storage folder such as Google Drive, OneDrive or Dropbox. The line under the button (2) shows when you last backed up:

- Backed up today, with a check mark (green): nothing to do.
- Last backup: n days ago: back up again soon.
- Amber, with a reminder (3): no backup yet, the last backup is 7 or more days old, or a payroll was finalized after the last backup.

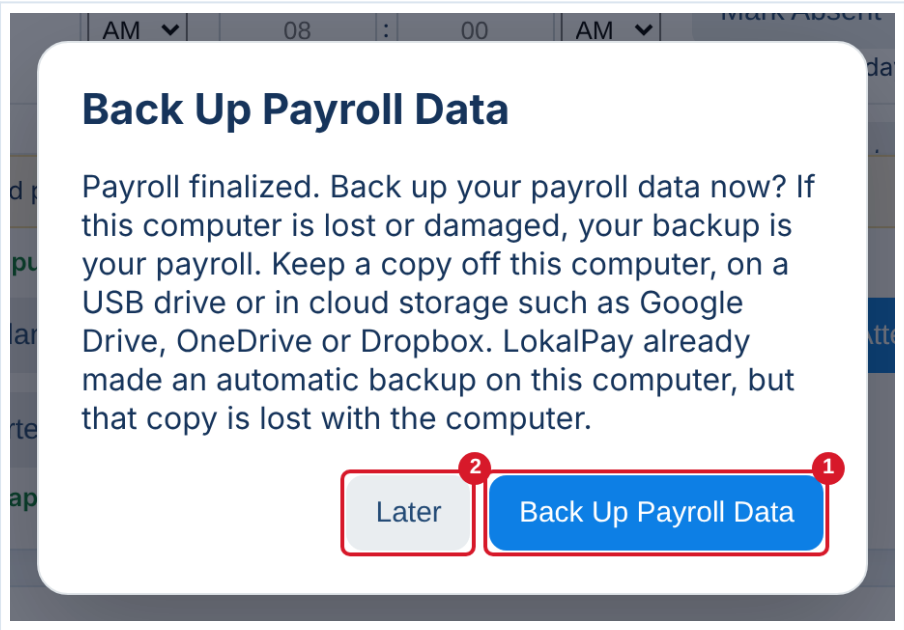


(1) Back Up Payroll Data, (2) when you last backed up, (3) the reminder. Amber here because a payroll was finalized after the last backup.



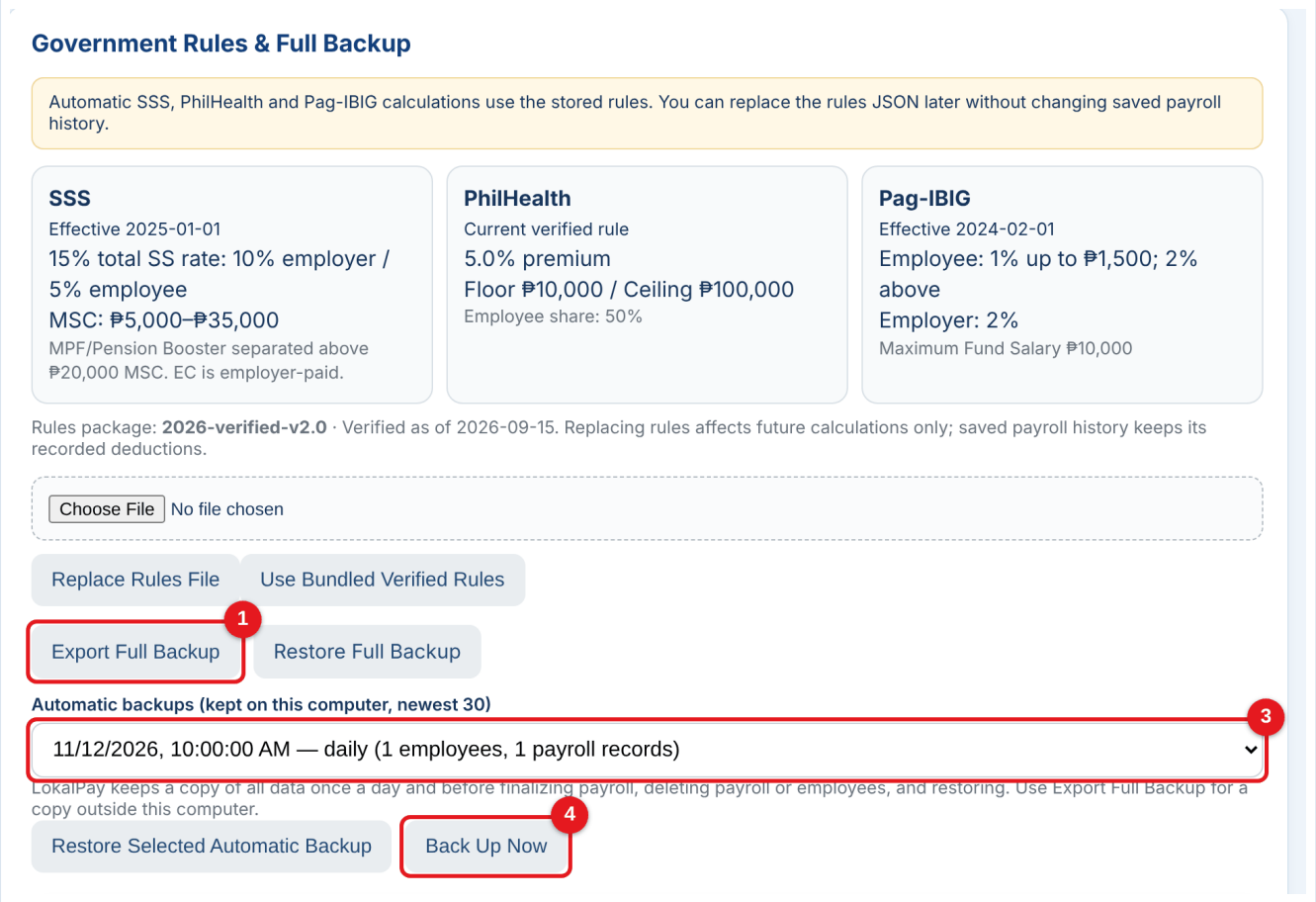
After backing up: Backed up today, with a check mark.

After every finalized payroll, LokalPay also asks whether to back up now. Click Back Up Payroll Data (1). Later (2) closes the question; the button then stays amber until you back up. LokalPay keeps automatic backups too, but they are on the same computer and are lost with it.



The question after finalizing: (1) Back Up Payroll Data, (2) Later.

Full Backup in Company / Settings



Government Rules & Full Backup: (1) Export Full Backup, (2) Restore Full Backup, (3) the list of automatic backups, (4) Back Up Now.

1. Export Full Backup (1) in Company / Settings before upgrades, major settings changes, every finalized batch and year-end settlement work. Choose a safe location outside the application

folder. Each backup is named with the date and time it was made (for example LokalPay_Full_Backup_2026-10-18_18-59-30.json), so a new backup never replaces an earlier one. Keep the old ones until you are sure you no longer need them.

2. Name backups with the company, date and purpose. Keep more than one dated copy, and at least one protected copy on separate storage. Check that each file exists and opens; a zero-byte file is not a backup.

3. Keep backups private. They contain employee data, history, settings and review ledgers. A payroll PDF/CSV is not a full backup.

4. To restore, first export the current state as a rollback backup. Check that the replacement backup belongs to the correct company and has the intended date.

5. Choose Restore Full Backup (2) and select the file. Read the confirmation: restoration replaces current employees, history, attendance drafts and settings with the backup. Confirm only after preserving the current state.

6. Wait for the successful restore/reload message. Verify the company, employees, payroll history, attendance drafts, contributions and settlement/remittance ledgers. Quit and reopen to confirm persistence.

7. If restoration fails, do not repeatedly reset company data. Keep the failed file and the exact error, preserve the current state, and ask the owner to review the format or corruption safely.

LokalPay also keeps automatic backups on the computer: one each day, and one before finalizing payroll, deleting payroll or employees, or restoring. The newest 30 are kept. In Government Rules & Full Backup, choose an entry under Automatic backups (3) and click Restore Selected Automatic Backup, or click Back Up Now (4). Automatic backups stay on the same computer, so continue to export Full Backups to separate storage.

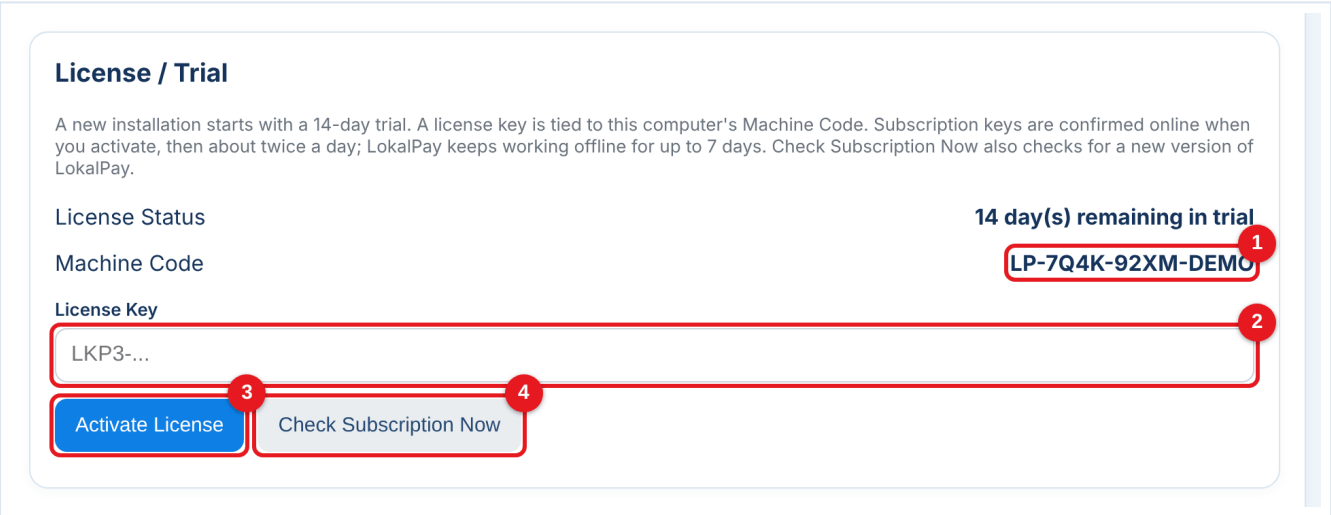
If a change cannot be written to the data file, LokalPay shows NOT SAVED, a red banner and a notice. Do not close the application. Check free disk space and folder permissions, export a Full Backup, then restart and re-check the last change.

A full payroll restore does not authorize license transfer to another computer, because license security is machine-bound. A recovered native backup or a corruption warning needs review before new payroll; do not delete recovery files as a repair. Reset Company Data is destructive maintenance, not a backup or restore test, and is unnecessary in ordinary use. Payroll data on the computer is not encrypted: use a password-protected Windows or macOS account and turn on disk encryption (BitLocker or FileVault).

22. Trial, subscription and activation

A new installation starts a 14-day trial. Company / Settings → License / Trial shows the status and the Machine Code (1).

The trial uses native security state; changing the computer clock, deleting data or restoring payroll does not extend it.



License / Trial: (1) Machine Code, (2) License Key, (3) Activate License, (4) Check Subscription Now.

LokalPay is licensed by subscription. The license key is tied to the computer's Machine Code, and the subscription (plan, end date and number of computers) is kept by LokalPay on its license server.

1. Send the Machine Code to LokalPay through the approved support channel. LokalPay registers the computer on your subscription and sends you a license key.
2. With the computer connected to the internet, enter the key in License Key (2) and click Activate License (3). LokalPay contacts the license server, and the status shows "Subscription active", your company name and the end date. Keep the key private.
3. Quit and reopen LokalPay to confirm the status stays active.
4. LokalPay re-checks the subscription about twice a day. It keeps working without internet for up to 7 days after the last successful check. Connect the computer at least once a week. Check Subscription Now (4) checks straight away, for example right after a renewal.
5. From 7 days before the end date, a yellow bar at the top shows how many days are left. After the end date there are 5 grace days: payroll still runs, but a red bar (and a message when LokalPay opens) shows the date payroll will lock. Renew before then.
6. When the grace days are over, the subscription is cancelled, or the computer is removed from it, payroll is locked: Calculate, Save, Finalize and attendance approval show a message instead. The lock screen explains the reason. Click Continue — view records only to open employees, payroll history, payslips, reports and backups. These are never locked, so your data is always available. After renewal, click Check Subscription Now.
7. For a replacement computer, ask LokalPay to move the subscription to the new Machine Code, then restore your Full Backup on the new computer. A backup does not move the license.

Your plan may cover a set number of active employees; License / Trial shows, for example, "12 of 25 employees". When the plan is full, LokalPay will not add a new employee or re-activate a former one; set a former employee to Separated or Inactive, or contact LokalPay to upgrade. Existing employees, payroll and records are never locked by this, and separated or inactive employees do not count.

A temporary key from LokalPay (for example while the internet is down for longer) works offline until the date on the key.

Never disable the verifier or use a modified build to bypass licensing.

23. Troubleshooting without losing data

No employee appears: check the employee status and selection. Separated/inactive employees remain relevant to historical reports. Imported ID is unknown: confirm the device ID and use explicit matching; never force another person's ID. No readable times: reopen the mapping and check the real time columns, date format and export layout. Not Used must not point to a missing punch you intend to invent.

Approval blocked: review unresolved punches, raw-log assignments, future dates, holiday eligibility and rest-day status. "Scheduled workday has no attendance row": add the listed day with Add day, then enter the times or mark it absent or rest day. Overnight hours look wrong: check the employee shift, unpaid break, next-day rest day/holiday and both punch dates. Grace seems inconsistent: it applies only to the first arrival, and counts from the scheduled start when exceeded.

Calculation messages:

- "No approved attendance matches …": approve attendance for exactly this period, or tick Calculate from the hours typed above.
- "Dated wage history does not cover … through …": no wage review covers those dates. Open the employee's Wage-order evidence and dated changes and save a review whose Effective from and Verified through cover the dates shown, with the rate actually paid then (chapter 7). For a new employee, check the Hire date.
- "Dated wage increase requires approved daily attendance …": the pay really changes inside this period. Approve daily attendance for the period, or run two payrolls split at the change date.
- "… was edited after it was approved": review the attendance and approve again.
- "… already has a finalized payroll … which overlaps …": choose the correct dates, or amend the earlier payroll in its exact period.
- "… below the minimum wage …": update the dated wage review, or record the approved exemption.
- "PhilHealth auto basis is only an estimate": choose the ×313/12 or ×261/12 method, or a verified manual basis.
- "Custom OT across a wage-change cutoff …": use Automatic OT, or record the employee's overtime exemption.
- "Historical payroll … needs explicit snapshot review": complete chapter 16.
- "MWE classification changes within this cutoff": split the payroll at the change.

Wage review blocked: verify the workplace, exact order category, rate, source, reviewer and validity. Do not extend the old review merely to pass. Mixed MWE allocation blocked: obtain a reviewed contribution allocation and a complete employment/payroll history. Incomplete annualization: confirm every actual prior cutoff and the annual facts; do not invent records.

Contributions differ across halves: compare the month-to-date deductions with the final monthly liability. A shortfall is not automatic deduction authority. Save disabled: calculate again after changing an input or review, and fix the exact guard message. History/report empty: confirm the finalized status and the selected year/period; a current-year annual report may correctly remain interim. NOT SAVED banner: see chapter 21.

Settlement blocked: check the reconciliation fingerprint, actual payment date, required evidence, unique reference and remaining amount. Do not overwrite a reconciliation that has posted settlements. A wrong posted entry requires an evidence-based support correction. PDF missing: complete the system Save action and check the saved file. Activation failed: ask the owner for a key for this Machine Code, and leave security intact.

When contacting support, provide the version, operating system, steps, exact error and a synthetic reproduction if possible. Do not email a production backup or employee identifiers unless the owner has an approved secure process and you authorize that disclosure.

24. Routine operating checklists

Before each cutoff:

- export a backup;
- verify wage review dates, the actual workplace and the minimum-wage table;
- check schedules, rest days and holidays;
- keep the original attendance;
- confirm the contribution basis and collection policy;
- review unusual allowances, benefits and deductions.

Before finalization:

- confirm identities and dates;
- resolve every attendance exception and missing workday;
- approve attendance for the exact period;
- approve supported eligibility;
- compare gross pay, deductions and net pay;
- verify month-to-date contributions;
- inspect taxable/exempt classifications;

- review every draft;
- obtain employer approval.

After finalization:

- verify history and report totals;
- save payslips and the register;
- make the actual employee payments separately and keep the receipts;
- review agency liabilities and record the actual remittance;
- make the payslip PDFs and the bank transfer file, if you use them (chapters 19 and 26);
- check that the bank shows the same total as LokalPay before approving the transfer;
- click Back Up Payroll Data and keep the copy off this computer.

At year end:

- reconcile every finalized period and benefit;
- obtain tax-fact approval;
- finalize supported reconciliation targets;
- make and record the actual refund/collection;
- reconcile dated settlements and annual withholding;
- prepare the forms and complete official validation/filing through the professional process;
- keep acceptance and payment proof.

25. Final pay for a separated employee

When an employee resigns or is separated, LokalPay works out the final pay from the saved, finalized payroll and what you enter. It is a guide for you and your reviewer, not a legal computation.

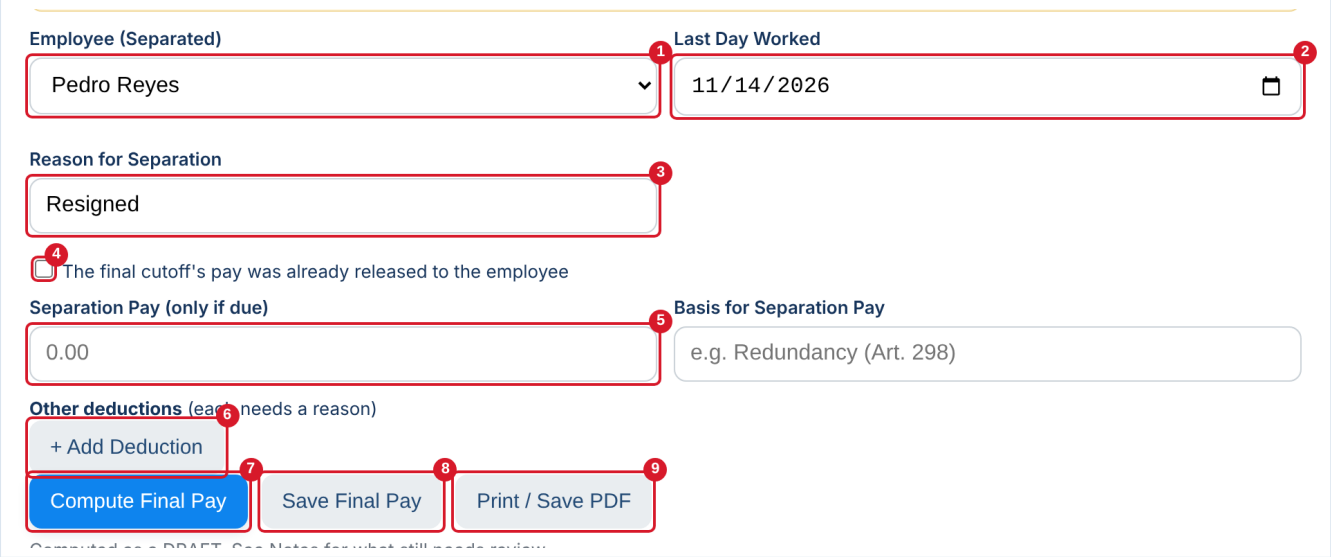
Before you start:

1. Run the employee's last cutoff through the normal payroll steps (attendance, approve, calculate, finalize). It should pay only up to the last day worked.
2. In Employees, set the employee's Employment Status to Separated and save. Only Separated employees appear in Final Pay.

Then:

3. Open Reports and scroll to Final Pay.
4. Choose the employee (1). Enter the Last Day Worked (2) and the Reason for Separation (3).
5. If the last cutoff's pay was already given to the employee, tick (4) so it is not paid twice.

6. Separation pay (5): enter it only if it is due (for example for redundancy under Art. 298), with its basis. LokalPay never computes it.
7. Other deductions (6): for example an unreturned company phone. Each needs an amount and a reason.
8. Click Compute Final Pay (7). Check the statement, then Save Final Pay (8) and Print / Save PDF (9).

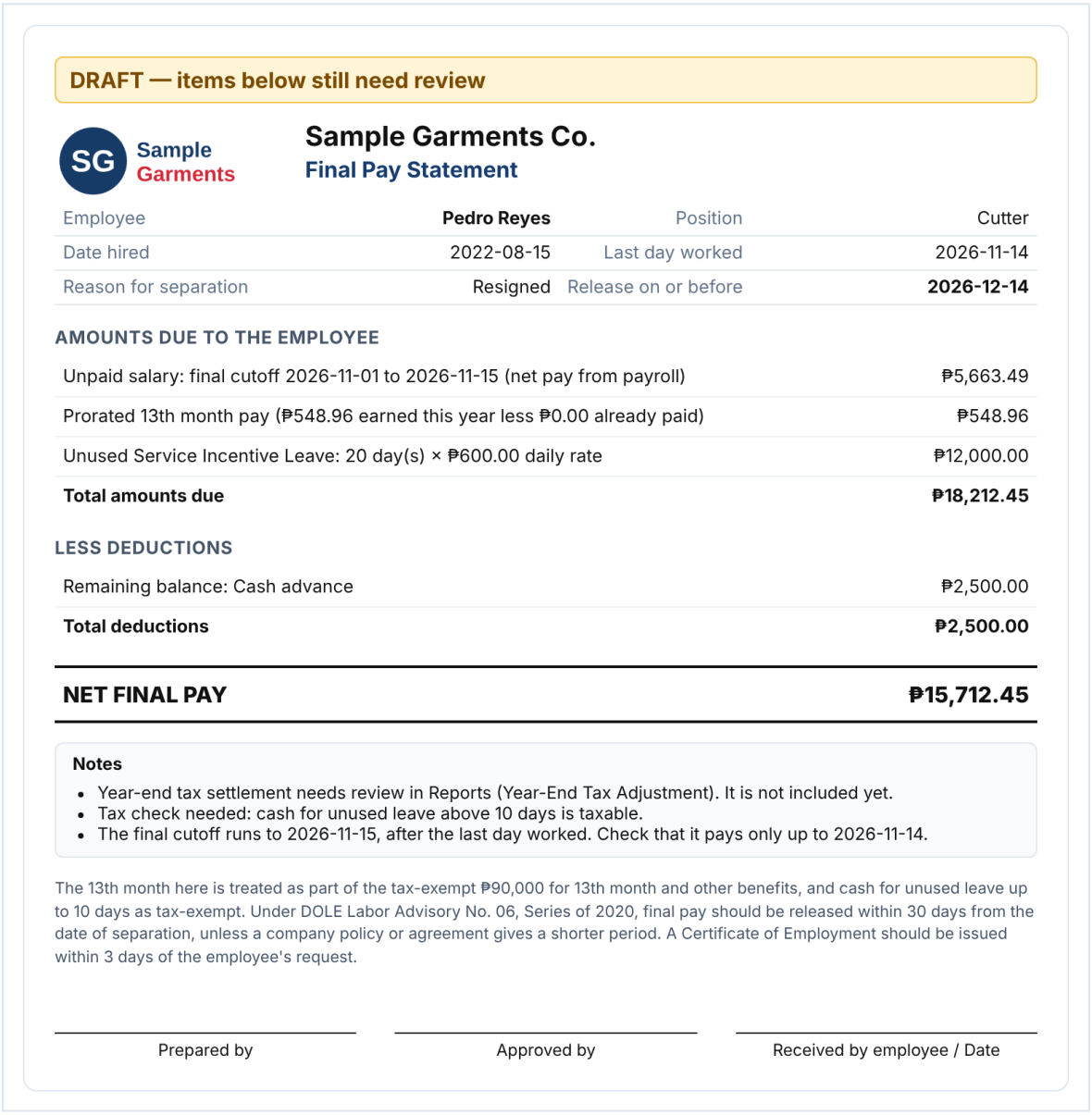


Final Pay: (1) employee, (2) last day worked, (3) reason, (4) last cutoff already paid, (5) separation pay, (6) other deductions, (7) Compute, (8) Save, (9) Print / Save PDF.

The statement adds:

- the net pay of the finalized cutoff that covers the last day worked;
- the prorated 13th month: this year's 13th-month basis ÷ 12, less 13th month already paid;
- unused Service Incentive Leave × the daily rate (if SIL is on);
- a year-end tax refund, when tax withheld is more than tax due;
- separation pay, if entered.

It deducts the full remaining balance of each loan or cash advance, other deductions, and year-end tax still due.



DRAFT — items below still need review

SG Sample Garments

Sample Garments Co.

Final Pay Statement

Employee	**Pedro Reyes**	Position	Cutter
Date hired	2022-08-15	Last day worked	2026-11-14
Reason for separation	Resigned	Release on or before	**2026-12-14**

AMOUNTS DUE TO THE EMPLOYEE

Unpaid salary: final cutoff 2026-11-01 to 2026-11-15 (net pay from payroll)	₱5,663.49
Prorated 13th month pay (₱548.96 earned this year less ₱0.00 already paid)	₱548.96
Unused Service Incentive Leave: 20 day(s) × ₱600.00 daily rate	₱12,000.00
Total amounts due	**₱18,212.45**

LESS DEDUCTIONS

Remaining balance: Cash advance	₱2,500.00
Total deductions	**₱2,500.00**

NET FINAL PAY **₱15,712.45**

Notes

- Year-end tax settlement needs review in Reports (Year-End Tax Adjustment). It is not included yet.
- Tax check needed: cash for unused leave above 10 days is taxable.
- The final cutoff runs to 2026-11-15, after the last day worked. Check that it pays only up to 2026-11-14.

The 13th month here is treated as part of the tax-exempt ₱90,000 for 13th month and other benefits, and cash for unused leave up to 10 days as tax-exempt. Under DOLE Labor Advisory No. 06, Series of 2020, final pay should be released within 30 days from the date of separation, unless a company policy or agreement gives a shorter period. A Certificate of Employment should be issued within 3 days of the employee's request.

Prepared by | Approved by | Received by employee / Date

A Final Pay Statement for the sample employee Pedro Reyes. DRAFT because the year-end tax still needs review.

DRAFT at the top means something still needs review, and the Notes say what: for example no finalized cutoff covers the last day, the 13th-month records are incomplete, the year-end tax needs review in Reports, or the cutoff runs past the last day worked. A Tax check needed note means the 13th month and other benefits are above the ₱90,000 tax-free amount, or more than 10 unused leave days are paid. Have these checked before you release the money.

The statement prints on one portrait page, with the release date (30 days after the last day worked, as DOLE Labor Advisory No. 06, Series of 2020 expects unless a shorter period applies) and lines for Prepared by, Approved by and Received by. Keep the signed copy. A Certificate of Employment should be issued within 3 days of the employee's request.

26. Paying salaries by bank transfer

LokalPay can make the payroll upload file for your bank's business online banking, so you do not type each employee's account and amount. LokalPay only makes the file: you upload it to your bank and approve the transfer there. Nothing is paid until you approve it in your bank.

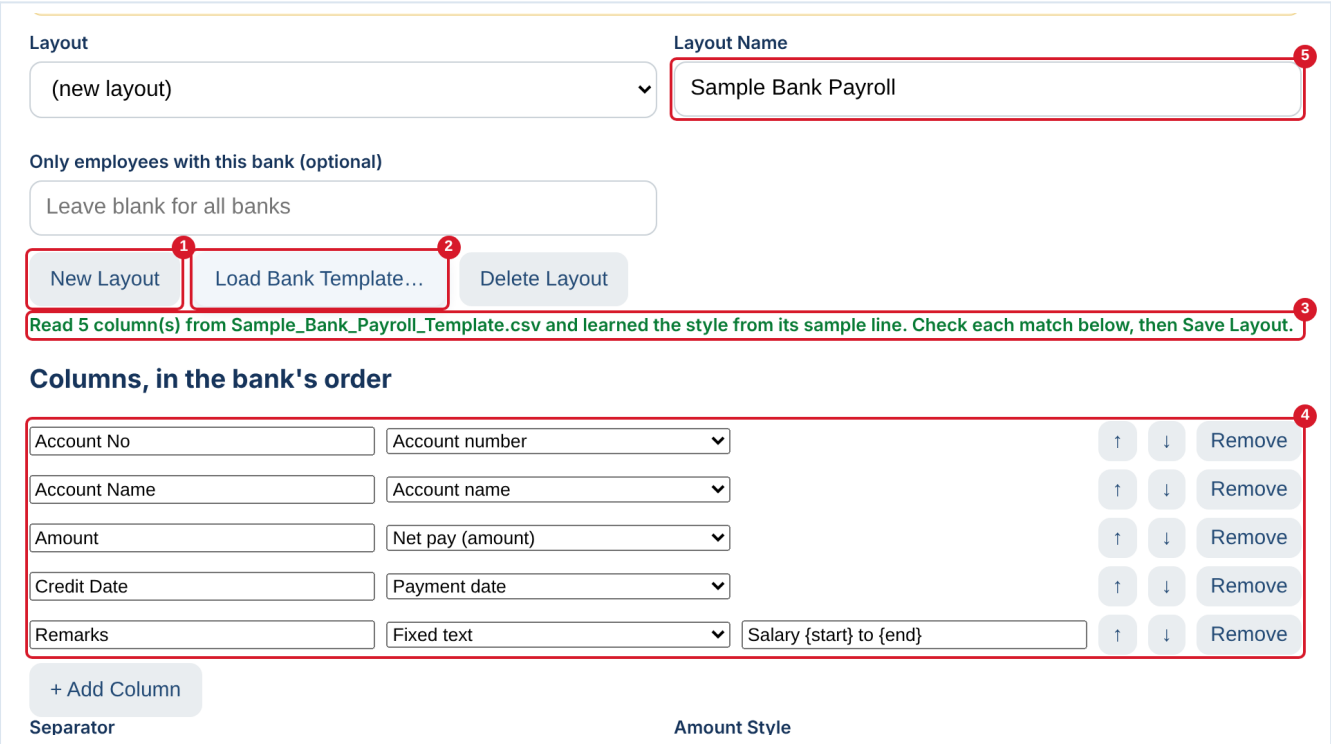
IMPORTANT: Banks do not publish their payroll upload formats. Each business gets its bank's template from the bank's business online banking or its account officer, usually after opening a payroll account. You set up that template once in LokalPay (a "bank file layout"), and LokalPay fills it in after each payroll.

Step 1. Add the employees' bank accounts

For each employee paid by bank transfer, enter Bank, Account Name and Account Number in Employees (chapter 7, Part H). Employees without an account are listed separately so you can pay them in cash or by GCash.

Step 2. Set up your bank's layout (once)

1. Open Company / Settings → Bank File Layouts.
2. Click New Layout (1), then Load Bank Template (2) and choose the template or sample file from your bank: CSV, TXT or Excel.
3. Read the message (3). LokalPay read the column headings and the sample line, and suggested a match for each column (4). Check every match: each heading in your bank's file, and what LokalPay will put there (account number, account name, net pay, payment date, employee ID, bank, fixed text, or leave blank). Use the arrows to change the order, Remove to delete a column, and Add Column for one LokalPay did not find.
4. For Fixed text, type the words to put in every row. {start}, {end} and {paydate} are replaced with the cutoff dates and the payment date; for example "Salary {start} to {end}".
5. Give the layout a name (5), for example the bank's name.

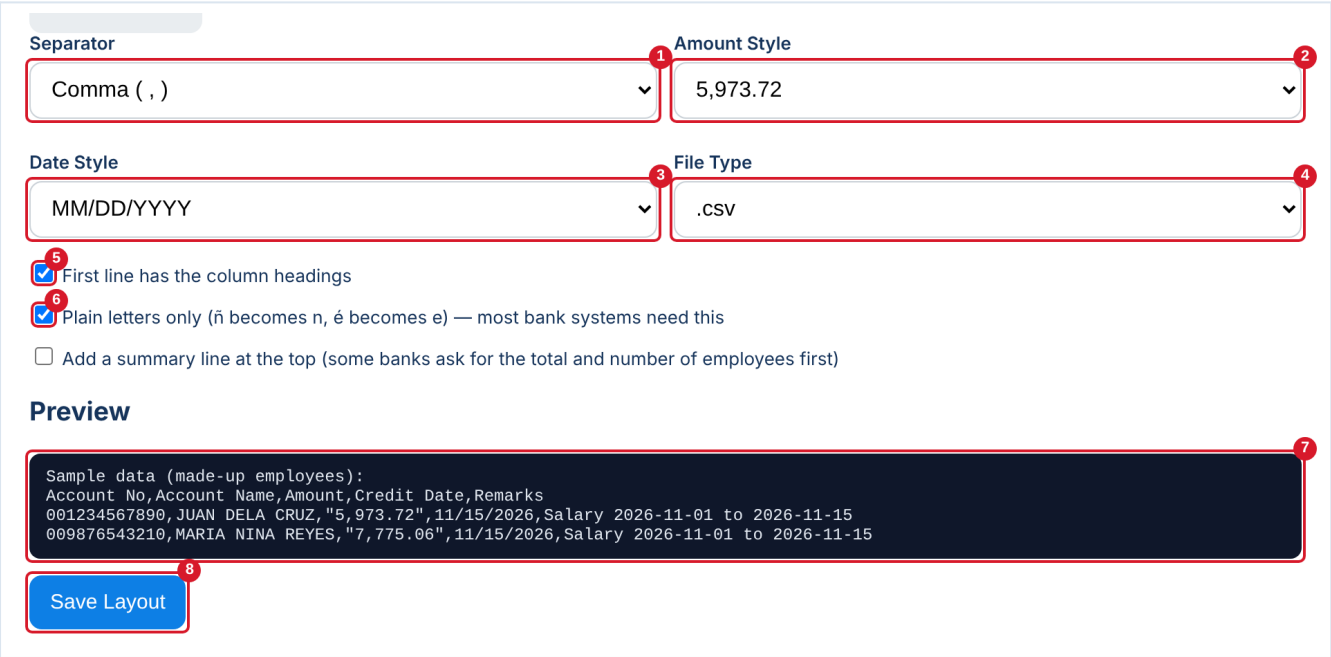


Bank File Layouts: (1) New Layout, (2) Load Bank Template, (3) what LokalPay read, (4) the columns and their matches, (5) the layout name.

6. Check the file settings, which LokalPay fills in from the sample line: the Separator (1), the Amount Style (2), the Date Style (3) and the File Type (4). Tick First line has the column headings (5) if your bank's file has a heading line. Keep Plain letters only (6) ticked unless your bank accepts ñ and accents.

7. Some banks want a summary line first, for example the company account, the total and the number of employees. Tick Add a summary line at the top and choose its columns.

8. Compare the Preview (7) with your bank's template. The preview uses two made-up employees, never real accounts. Click Save Layout (8).

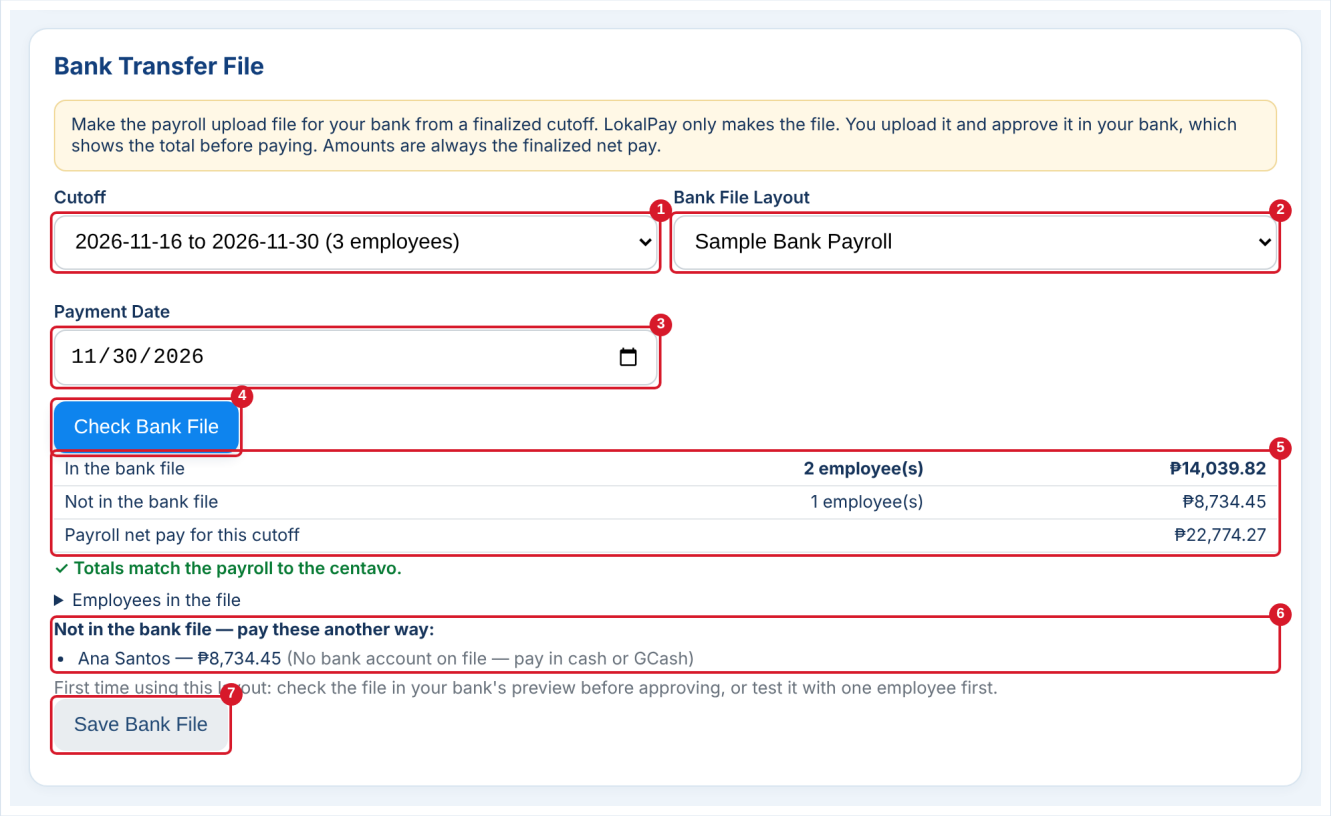


File settings: (1) separator, (2) amount style, (3) date style, (4) file type, (5) heading line, (6) plain letters, (7) preview, (8) Save Layout.

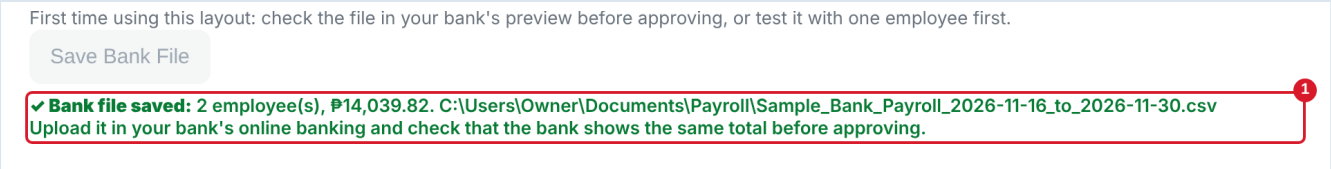
If your bank has a different file for each bank (for example one for Metrobank accounts), make one layout for each and enter the bank in Only employees with this bank.

Step 3. Make the bank file after each payroll

1. Finalize the payroll for the cutoff.
2. Open Payroll History → Bank Transfer File. Choose the Cutoff (1) and the Bank File Layout (2). The Payment Date (3) starts as the cutoff's end date; change it to the day the bank will credit the salaries.
3. Click Check Bank File (4). Read the result (5): who is in the file and the total, who is not in the file (6) and why, and the payroll's net pay. The two totals must add up to the payroll's net pay to the centavo, or no file is made.
4. Pay the employees under Not in the bank file another way, for example in cash or by GCash.
5. Click Save Bank File (7) and save the file.



Bank Transfer File: (1) cutoff, (2) layout, (3) payment date, (4) Check Bank File, (5) the totals, (6) who to pay another way, (7) Save Bank File.



(1) Where the bank file was saved.

Sample_Bank_Payroll_2026-11-16_to_2026-11-30.csv

```
Account No,Account Name,Amount,Credit Date,Remarks
001234567890,JUAN DELA CRUZ,"6,684.46",11/30/2026,Salary 2026-11-16 to 2026-11-30
009876543210,MARIA LOPEZ,"7,355.36",11/30/2026,Salary 2026-11-16 to 2026-11-30
```

The saved file for the sample company, in the bank's layout.

IMPORTANT: Do not open the bank file in Excel and save it again before uploading. Excel can remove leading zeroes from account numbers and change amounts and dates. Upload the file exactly as LokalPay saved it. Opening it only to look is fine; close it without saving.

Step 4. Upload and approve in your bank

1. Sign in to your bank's business online banking and open its payroll or bulk transfer upload.

2. Upload the file LokalPay saved.

3. Before approving, check that the bank shows the same number of employees and the same total as LokalPay.
4. The first time you use a layout, test it: check the bank's preview carefully, or upload a file for one employee first. LokalPay reminds you of this the first time.
5. Keep the bank's confirmation with your payroll records.

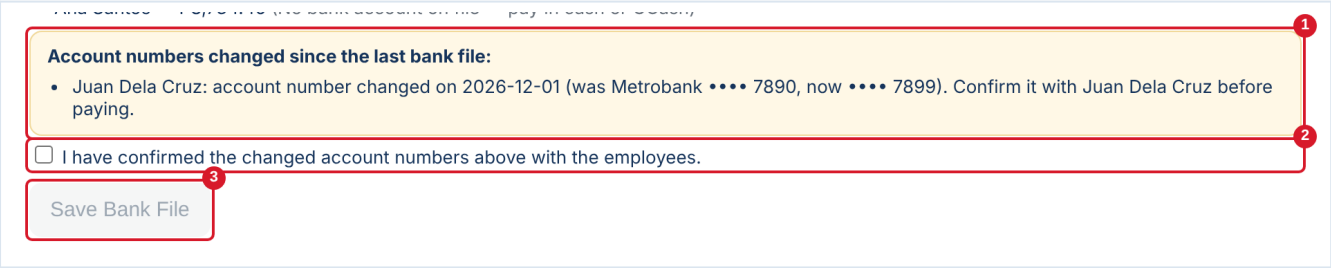
When LokalPay stops or warns

Same account number twice. If two employees have the same account number, no file is made. Fix the account in Employees.



Two employees with the same account number: no file is made.

Account number changed. If an employee's account number changed since the last bank file, LokalPay lists the old and new last 4 digits (1). Save Bank File (3) stays off until you tick (2) that you have confirmed the change with the employee. Confirm it directly with the employee before paying.



(1) An account number changed since the last bank file, (2) the confirmation, (3) Save Bank File.

Other reasons a file is not made: an account number on file is not 6 to 20 digits; the payment date is missing; the layout has no account number or amount column; or nobody in the cutoff can be paid with this layout.

Common problems

- The bank rejects the file: compare your layout's columns, separator, amount style and date style with the bank's template, and the heading line and summary line settings. Ask the bank which field it rejected.
- Leading zeroes are missing: the file was opened and saved in Excel. Make the bank file again and upload it without opening it in Excel.
- The payment date is wrong: it starts as the cutoff's end date. Change it before Check Bank File.
- An employee is missing: they have no bank account on file, their bank does not match the layout's bank, or their net pay is zero.

Each saved bank file is recorded with its date, layout, cutoff, number of employees, total, who was left out and why, and only the last 4 digits of each account.

27. References and glossary

Refer to the official DOLE/NWPC wage-order publications (Region VII: ROVII-26, effective 4 October 2025; ROVII-27, effective 14 October 2026), Proclamation No. 1006, s. 2025 (2026 holidays), SSS Circular 2024-006, PhilHealth Circular 2018-0001 and Advisory 2025-0002, RA 9679 and HDMF Circular No. 460, RR 11-2018, and the Labor Code (Arts. 82 and 87) as they apply to your employees and period. Do not rely on a remembered nationwide wage amount.

MWE: minimum-wage earner under verified statutory coverage. SMW: statutory minimum wage. OT: overtime. NSD: night-shift differential. MBS: monthly basic salary basis (PhilHealth). COLA: cost-of-living allowance. EE/ER: employee/employer share. EC: employer-paid Employees' Compensation component. PRN: agency payment reference number. Approved attendance: the reviewed daily record for one employee and one exact period. Snapshot: retained payroll facts and amounts from the original calculation. Reconciliation: comparing recorded amounts with liabilities. Settlement: an actual completed refund or collection. Preparation copy: a review aid that has not been officially submitted or accepted. Not Used: no corresponding source column is being imported. Overtime exemption: a recorded Labor Code Art. 82 category that places an employee outside the overtime rules. SIL: Service Incentive Leave, 5 paid days a year after one year of service (Labor Code Art. 95). Equivalent daily rate: a monthly salary × 12 ÷ 313 or 261. Final pay: what is owed to an employee at separation, less what they owe. Bank file layout: your bank's payroll upload format, set up once in LokalPay. Bank transfer file: the upload file LokalPay makes from finalized net pay; LokalPay never moves money.