



Republic of the Philippines
Department of Labor and Employment
National Wages Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD V
Bicol Region

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WAGE ORDER NO. RBV-18

PROVIDING FOR NEW WAGE STRUCTURE AND PRESCRIBING NEW MINIMUM WAGE RATES TO PRIVATE SECTOR WORKERS IN BICOL REGION

WHEREAS, under Republic Act (RA) 6727 otherwise known as *The Wage Rationalization Act*, the Regional Tripartite Wages and Productivity Boards are mandated to set the applicable minimum wage of workers in the private establishments in the regions following a standard minimum wage fixing process and set of criteria.

WHEREAS, pursuant to its mandate under the law to periodically assess the prevailing socio-economic conditions in the Region and to review *motu proprio* the existing minimum wage therein, the Regional Tripartite Wages and Productivity Board V (Board) after publication and due notice to all concerned sectors conducted public wage consultations/hearings in Camarines Norte on April 4, 2017, Camarines Sur on April 5, 2017, Albay on April 6, 2017, Catanduanes on April 7, 2017, Masbate on April 19, 2017 and Sorsogon on April 21, 2017;

WHEREAS, consistent with the government policy of achieving higher levels of productivity to promote economic growth and generate jobs, and to augment the income of workers, there is a need to build the capacity of business enterprises to be competitive through productivity improvement and gainsharing programs;

WHEREAS, there is a need to continuously promote the implementation of the Two-Tiered Wage System in the Region for the effective protection of the minimum wage earners by setting the floor wage and for the equitable distribution of the benefits from productivity growth by establishing performance-based incentives schemes applicable to both labor and management;

WHEREAS, after a thorough evaluation of the existing socio-economic conditions of the Region and based on the public hearings, consultations, studies and deliberations conducted, the Board has determined the need to provide workers with immediate relief to cope with the rising cost of living without impairing the viability of business;

WHEREAS, the Board has collectively agreed to simplify the wage structure and adopted employment size in determining the classification of the establishments for improved and easier implementation of the Wage Order;

WHEREAS, based on Philippine Statistics Authority (PSA) Data on 2015 List of Establishments, of the 34,186 establishments in Region V, most of them are micro establishments (*employing 1 to 9 workers*) which accounts for 92.4% thereof. Small establishments (*employing 10 to 99 workers*) are merely 7%, while medium (*employing 100 to 199 workers*) and large establishments (*employing 200 and above workers*) account for 0.3% only. In terms of employment in private establishments in Bicol, 80% of the workers belong to the service sector, while the 19% of the workers are in the industry sector and only 1% of the workers are in agriculture sector.

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, the Regional Tripartite Wages and Productivity Board V hereby issues this Wage Order.

Section 1. Upon effectivity of this Wage Order:

1.1 Simplification of Sectoral/Industry Classifications. The industry/sector classifications shall be reclassified as follows:

<i>Employment Size, All Sectors</i>
A) Establishments employing 10 workers and above
B) Establishments employing 1 to 9 workers

- 1.2. Increase.** There shall be an increase in the basic wage, as follows:
- P25.00 per day for establishments employing 11 workers and above;
 - P42.00 per day for establishments employing 10 workers;
 - P32.00 per day for establishments employing 1 to 9 workers.

Section 2. NEW MINIMUM WAGE RATES. The new daily minimum wage rates of workers and employees in the private sector in the Region shall be as follows:

<i>Establishment Classification</i>	<i>New Minimum Wage Rates</i>
A) Establishments employing <u>10 workers and above</u>	P290.00
B) Establishments employing <u>1 to 9 workers</u>	P280.00

Section 3. COVERAGE. The wage rate per day prescribed in this Order shall apply to all minimum wage earners in the private sector in the Region regardless of their position, designation or status of employment and irrespective of the method by which they are paid.

This Wage Order shall not cover kasambahay/domestic workers, persons in the personal service of another, including family drivers, and workers of duly registered Barangay Micro-Business Enterprises (BMBEs) with Certificates of Authority pursuant to RA 9178, as amended.

Section 4. BASIS OF MINIMUM WAGE RATES. The minimum wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 5. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takay", "pakyaw" or task basis, shall receive not less than the prescribed minimum wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 6. WAGES OF SPECIAL GROUPS OF WORKERS. Apprentices and learners shall receive not less than seventy-five (75%) of the applicable minimum wage rate prescribed herein.

All learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the new prescribed wage rates.

All qualified handicapped workers shall receive the full amount of the minimum wage rate in this Order pursuant to R.A. 7277, also known as *The Magna Carta for Disabled Persons*.

Section 7. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2017-2018 shall be considered as compliance with the increase set forth herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting school year 2018-2019.

Private educational institutions, which have not increased their tuition fees for the School Year 2017-2018, may defer compliance with the provisions of this Order until the beginning of School Year 2018-2019.

In any case, all private educational institutions shall implement the wage rates prescribed herein starting School Year 2018-2019.

Section 8. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage rates of the workers shall be borne by the principals or clients of the construction/service contractors and the contracts shall be deemed amended accordingly.

In the event, however, that the principal or client fails to pay the prescribed minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 9. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE SCHEMES. In order to sustain the rising levels of wages and enhance competitiveness, businesses or labor and management as partners are strongly encouraged to adopt productivity improvement schemes, that will improve the quality of life of workers and in turn enable them to produce more and earn more, such as time and motion studies, good housekeeping, quality circles, labor-management cooperation as well as implement gainsharing programs and other performance incentive programs.

Section 10. EXEMPTION. No exemption from compliance under this Wage order shall be allowed except for those automatically exempted as provided by law.

However, in case of calamity, the Board may accept applications for exemption for establishments adversely affected by calamities such as natural and/or human-induced disasters, subject to NWPC Guidelines No. 02, series of 2007 as amended by NWPC Resolution No. 01, series of 2014.

Section 11. APPEAL TO THE COMMISSION. Any party aggrieved by this Wage Order may file a verified appeal with the Commission, through the Board, in three (3) printed copies, not later than ten (10) calendar days from the publication of this Order.

Section 14. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subject to mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA) However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 and 129 of the Labor Code, *as amended*.

Section 15. NON-DIMINUTION OF BENEFITS. Nothing in this Order shall be construed to reduce any existing wage rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between the workers and employers or employer practices or policies.

Section 16. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase/allowance/rates in accordance with this Order shall be subject to the penal provisions under R.A. 6727, *as amended by RA 8188*.

Section 17. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board.

Section 18. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

Section 19. REPORTING REQUIREMENT. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2018 and every year thereafter in accordance with section 3 of RA 6727 in relation to Article 124 of the Labor Code of the Philippines, as amended, and in the form prescribed by the Commission.

Section 20. REPEALING CLAUSE. All orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended or modified accordingly.

Section 21. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Order is declared unconstitutional, or in conflict with existing law,, the other provisions or parts thereof shall remain valid.

Section 22. IMPLEMENTING RULES. The Board shall submit to the Commission the necessary Rules and Regulations to implement this Wage Order subject to the approval of the Secretary of Labor and Employment, not later than ten (10) days from publication of this Wage Order.


Section 23. ADVISORY ON PRODUCTIVITY-BASED PAY. Based on the Two-Tiered Wage System, the Board shall issue the corresponding advisories on productivity-based pay which shall serve as guidelines for private sector on the range of productivity bonuses and incentives that an enterprise may provide based on agreement between the workers and the management.

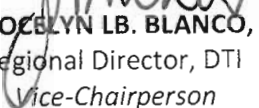
The DOLE Regional Office shall monitor the implementation of the agreed productivity-based pay.

Section 24. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Region.

APPROVED: 25 April 2017, Legazpi City, Philippines.

MARCELO S. TAN
Employer's Representative


EDGARDO T. NAVARROZA
Employer's Representative


ENGR. JOCELYN LB. BLANCO, CESO II
Regional Director, DTI
Vice-Chairperson


RONALDO C. AFABLE
Worker's Representative

(vacant)
Worker's Representative


AGNES M. ESPINAS, CESE
Regional Director, NEDA
Vice-Chairperson


ATTY. MA. KARINA B. TRAYVILLA
Regional Director, DOLE
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