WAGE ORDER NO. RB1-20

"PROVIDING FOR NEW DAILY MINIMUM WAGE RATES OF WORKERS AND EMPLOYEES IN REGION 1."

WHEREAS, the Regional Tripartite Wages and Productivity Board No. 1 (RTWPB-1) is mandated under R.A. 6727 (The Wage Rationalization Act) to periodically review the prevailing socio-economic and other conditions in the Region and if necessary to determine the applicable daily minimum wage rates;

WHEREAS, the previous Wage Order No. RB1-19 issued by the Board on November 24, 2017 which took effect on 25 January 2018 had already reached its one (1) year anniversary on 25 January 2019;

WHEREAS, in the absence of any petition for wage increase, the Board, motu proprio, reviewed the existing wage rates, and after due notice to concerned labor and management sectors, conducted public hearings on 15 February 2019 in Dagupan City, Pangasinan for the provinces of La Union and Pangasinan and 19 February 2019 in Vigan City for the provinces of Ilocos Sur and Ilocos Norte with concerned labor and management sectors in order to determine whether there is a need to adjust the minimum wages in the Region;

WHEREAS, after giving due consideration on the results of the public hearings and consistent with the government policy of inclusive growth, the Board deemed it necessary to adjust the prevailing daily wage rates of workers/employees in the Region to enable them to cope with the rising cost of living without impairing the viability of business and industry;

WHEREAS, there is a need to simplify the wage structure and adopt employment size in determining the classification of the various industries for easier administration and implementation of the wage order as well as to conform with the provisions of RA 6727, Sec. 4(a), which provides, among others, employment size as basis.

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board – Region 1 hereby issues this Order.

SECTION 1. NEW MINIMUM WAGE RATES

Upon the effectivity of this Order, the Minimum Wage Rates of all workers/employees in the private sector in the Region shall be increased as follows:

a. For workers receiving P310/day in establishments employing 30 or more, shall receive an increase of P30/day.

b. For workers receiving P285/day in establishments employing 10 to 29 workers, shall receive an increase of P25/day.
c. For workers receiving P265/day in establishments employing less than 10 workers, shall receive an increase of P17/day.

d. For workers receiving P256/day in establishments employing less than 10 workers, shall receive an increase of P17/day upon effectivity of this Order and additional P9/day 6 months after effectivity of this Order.

e. For workers receiving P265/day in Agriculture Plantation enterprises, shall receive an increase of THIRTY PESOS (P30.00)/day.

f. For workers receiving P256/day in Agriculture Non-Plantation enterprises, shall receive an increase of TWENTY SIX PESOS (P26.00)/day.

The new daily minimum wage rates of covered workers in the private sector in Region 1 shall be as follows:

<table>
<thead>
<tr>
<th>Employment Size (Source: RA 6727)</th>
<th>Previous Wage Rates (W.O. No. RB1-19)</th>
<th>Amount of Increase</th>
<th>New Wage Rates (W.O. No. RB1-20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Agriculture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. 30 or more Employees</td>
<td>P310</td>
<td>30</td>
<td>P340</td>
</tr>
<tr>
<td>b. 10-29 employees</td>
<td>285</td>
<td>25</td>
<td>310</td>
</tr>
<tr>
<td>c. 1-9 employees</td>
<td>265 (category above 3M-15M)</td>
<td>17</td>
<td>282</td>
</tr>
<tr>
<td>d. 1-9 employees</td>
<td>256 (category 3M and below)</td>
<td>17/9</td>
<td>273 – upon effectivity 282 - after 6 months from effectivity</td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Plantation</td>
<td>265</td>
<td>30</td>
<td>295</td>
</tr>
<tr>
<td>f. Non-Plantation</td>
<td>256</td>
<td>26</td>
<td>282</td>
</tr>
</tbody>
</table>

SECTION 2. COVERAGE:

All workers/employees in the private sector receiving the minimum wage rates in the Region are covered by the wage increase prescribed herein irrespective of their positions, designations or status of employment and regardless of the method by which their wages are paid.

This Order shall not cover Kasambahay/Domestic workers; persons employed in the personal service of another; and workers and employees of registered Barangay Micro Business Enterprises (BMBE) with Certificates of Authority pursuant to Republic Act 9178, as amended.

SECTION 3. BASIS OF MINIMUM WAGE

The minimum wage rates prescribed under this Order shall be for the normal working hours which shall not exceed eight (8) hours work per day.
SECTION 4. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAM (PIP)

In order to sustain increasing levels of wages and enhance competitiveness, labor and management as partners are encouraged to adopt productivity improvement schemes that will improve the quality of life of workers and in turn enable them to produce and earn more, such as time and motion studies, good housekeeping, quality circles, labor and management cooperation as well as implement gain-sharing and other performance incentive programs.

Pursuant to the Two-Tiered Wage System, Wage Advisory No. RB 1-01 has been issued to guide private establishments in the formulation, adoption and implementation of productivity programs and performance and productivity-based incentive that an enterprise may provide based on agreement between workers and management.

The Board shall continue to issue advisories on PIPs for adoption by all sectors in the Region.

SECTION 5. MINIMUM WAGE RATES APPLICABLE TO BUSINESS ESTABLISHMENTS WITH MULTIPLE BUSINESS ACTIVITIES

The minimum wage rates applicable to business establishments performing multiple business activities not separately registered with any appropriate government agency shall be determined in accordance with their dominant business activity.

SECTION 6. CREDITABLE WAGE INCREASE

Wage increases granted by an employer within three (3) months prior to the effectivity of this Wage Order by virtue of Collective Bargaining Agreement in unionized establishments and those of the non-unionized sectors setting equal or greater than the minimum wage rates herein provided shall be considered compliance herewith; and

Anniversary wage increases, merit wage increases and those resulting from their regularizations or promotion of employees shall not be credited as compliance.

SECTION 7. 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 adjusted amount prescribed by this Order for the normal working hours which shall not exceed eight (8) hours per day or a proportion thereof for working less than eight (8) hours.

SECTION 8. WAGES OF SPECIAL GROUPS OF WORKERS AND EMPLOYEES

Persons employed under Apprenticeship or Learnership Agreement shall be entitled to not less than Seventy Five Percent (75%) of the new minimum wage rates under this Order.
All Learnership and Apprenticeship Agreements entered into before the
effectivity of this Order shall be 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
increase in this Order pursuant to R.A. 7277.

**SECTION 9. APPLICATION TO PRIVATE EDUCATIONAL
INSTITUTIONS**

All Private Educational Institutions shall implement this Order starting
School Year 2018-2019.

The share in the tuition fee increases of covered workers and
employees for School Year 2018-2019 shall be considered as compliance
with this Order, however, payment of any shortfall shall be given starting
School Year 2019-2020.

Private Educational Institutions which have not increased their tuition
fees for the School Year 2018-2019, may defer compliance with the
provisions of this Order until School Year 2019-2020.

**SECTION 10. APPLICATION TO CONTRACTORS**

In the case of contracts for construction projects and for security,
janitorial and similar services, the prescribed increase 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
principals or clients fail to pay the prescribed increase, the
construction/service contractors shall be jointly and severally liable with
their principals or clients.

**SECTION 11. MOBILE AND BRANCH WORKERS/EMPLOYEES**

The minimum wage rates of workers and employees, who by the
nature of their work have to travel, shall be those applicable in the domicile
or head office of the employer.

The minimum wage rates of workers and employees working in
branches or agencies of establishments within or outside the region shall be
those applicable in the place where they are stationed.

**SECTION 12. TRANSFER OF WORKERS AND EMPLOYEES**

The transfer of workers and employees from one region to another
shall not diminish the wage rates being enjoyed by them prior to such
transfer. The workers and employees transferred to other regions with
higher wage rates shall be entitled to the minimum wage rate applicable
therein.

**SECTION 13. EXEMPTION**

The following categories of establishments may be exempted from
compliance with this Order, upon application with and as determined by the
Board in accordance with the National Wages and Productivity Commission
(NWPC) Guidelines No. 2, Series of 2007 (NWPC Amended Rules on
Exemption)
1. Distressed establishments;
2. New business establishments;
3. Retail/Service establishments employing not more than ten (10) workers; and
4. Establishments adversely affected by calamities such as natural and human-induced disasters.

SECTION 14. DURATION AND EXTENT OF EXEMPTION

Establishments that applied for exemption and found qualified may be granted a partial or full exemption of one (1) year in accordance with the NWPC Guidelines No. 02, Series of 2007.

SECTION 15. EFFECT OF APPLICATION FOR EXEMPTION

An application for exemption duly filed shall have the effect of deferring any action on any complaint for non-compliance with the Order until resolution of the application by the Board.

In case the application for exemption is not approved, covered workers and employees of the applicant-establishment shall be paid the prescribed minimum wage rates under this Order plus one percent (1%) simple interest per month retroactive to the effectivity of this Order.

SECTION 16. APPEAL TO THE COMMISSION

Any party aggrieved by this Order may file a verified appeal with the NWPC through the Board within ten (10) calendar days from the publication of this Order.

SECTION 17. EFFECT OF AN APPEAL

The filing of the appeal does not operate to stay this Order unless the party appealing such Order shall file with the NWPC an undertaking with a surety or sureties satisfactory to the NWPC for payment of the corresponding increase for covered workers and employees in the event this Order is affirmed.

SECTION 18. EFFECT ON EXISTING WAGE STRUCTURE

In case the wage increases provided for by this Order result in the distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Article 124 of the Labor Code, as amended.

SECTION 19. COMPLAINTS FOR NON-COMPLIANCE

Complaints for non-compliance with this Order shall be filed with the Department of Labor and Employment Regional Office I (DOLE-Region 1) having jurisdiction over the workplace and shall be subject to the mandatory thirty (30) day conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 of the Labor Code, as amended.
SECTION 20. 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/employees and employers.

SECTION 21. PENAL PROVISION

Any person, corporation, trust or firm, partnership, association or entity who refuses or fails to pay the prescribed increases in this Order, shall be punished by a fine of not less than P25,000.00 nor more than P100,000.00 or imprisonment of not less than two (2) years nor more than four (4) years or both such fine and imprisonment at the discretion of the court pursuant to the provision of Section 12 of R.A. 6727, as amended by R.A. 8188.

SECTION 22. 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 23. FREEDOM TO BARGAIN

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

SECTION 24. REPORTORIAL REQUIREMENT

Any person, company, corporation, partnership or any entity engaged in the business shall submit a verified itemized listing of their labor component to the Board not later than 31 January 2019 and every year thereafter in accordance with the form prescribed by the NWPC.

SECTION 25. REPEALING CLAUSE

All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Order are hereby repealed, amended or modified accordingly.

SECTION 26. IMPLEMENTING RULES

The Board shall prepare the necessary rules to implement this Order subject to the approval of the Secretary of Labor and Employment.

SECTION 27. SEPARABILITY CLAUSE

If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.
SECTION 28. EFFECTIVITY

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

UNANIMOUSLY APPROVED this 19th day of March, 2019, City of San Fernando, La Union, Philippines.

ATTESTED BY:

ATTY. ROMINA E. BOADO-CABRILLOS
Board Secretary VI

APPROVED:

JERRY V. PARLAN
Employers' Representative

CATHERINE Q. PANGAN
Workers' Representative

SALVADOR R. POSERIO
Employers' Representative

NESTOR G. RILLON
Vice-Chairperson

DARIA R. MINGARACAL
Vice-Chairperson

NATHANIEL V. LACAMBRA
Chairperson