

Republic of the Philippines  
Department of Labor and Employment  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
Region 2  
Tuguegarao, Cagayan

WAGE ORDER NO. RO2-02

INCREASING THE MINIMUM WAGE RATES

WHEREAS, the Regional Tripartite Wages and Productivity Board is mandated by law to conduct a continuing study of wage rates to ascertain whether these are adequate to ensure the workers' health, efficiency and well-being as well as the continued viability of business and industry;

WHEREAS, the Regional Board, after conducting public consultations in Tuguegarao, Cagayan; Ilagan, Isabela; Bayombong, Nueva Vizcaya; and Cabarroguis, Quirino has noted the consensus of both labor and management that there is a need to adjust the existing minimum wage in the region;

WHEREAS, regional socio-economic realities and prospects, wage competitiveness in terms of attracting new investments; retention of present employment of workers and creation/generation of new jobs, with least inflationary effect were considered in adjusting the present minimum wage;

WHEREAS, considering the regional poverty threshold and inflation rate for the past three (3) years, it is deemed imperative to provide workers and their families immediate relief to enable them to cope with the rising cost of living;

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Region O2 hereby issues this Wage Order with the following provisions:

Section 1. Upon effectivity of this Wage Order, the statutory minimum wage rates applicable to workers and employees in the private sector in Region II shall be increased as follows:

1.1 P15.00 per day	Isabela
1.2 P14.00 per day	Cagayan
1.3 P12.00 per day	Nueva Vizcaya
1.4 P11.00 per day	Quirino
1.5 P11.00 per day	Batanes

Section 2. Exempted from provisions of this wage order are:

- 2.1. Household or domestic helpers and persons in the personal service of another, including family drivers;
- 2.2. establishments regularly employing not more than four (4) workers/employees;
- 2.3. Distressed establishment/firm whose capital has been validly impaired by at least twenty five percent (25%) within one (1) year before the effectivity of this Wage Order;
- 2.4. Establishment/firm which has been adversely affected by past natural calamities that occurred within six (6) months before the effectivity of this Wage Order; and
- 2.5. New business enterprises with capitalization of not more than ONE HUNDRED THOUSAND PESOS (P100,000.00) for a period of one (1) year.

Section 3. All workers paid by result, including those who are paid on piece work, "takay", "pakyaw" or task basis, shall be entitled to receive the prescribed minimum wage increase for the normal working hours which shall not exceed eight (8) hours work a day, or a proportion thereof for working less than the normal working hours.

Section 4. In case of contracts for construction projects and for security, janitorial and similar services, the prescribed increase of minimum wage of qualified workers shall be borne by the principal or client of the construction/service contract and their contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 5. Wage of learners, apprentices, and handicapped workers shall in no case start below seventy-five percent (75%) of the applicable minimum wage rates.

Section 6. Where the application of the increase of the minimum wages prescribed herein results in distortion of pay structure within an establishment, such distortion of the pay structure within an establishment shall be resolved using procedure specified under Article 124 of the Labor Code of the Philippines, as amended.

Section 7. Wage increase granted by an employer as a result of Collective Bargaining Agreements (CBAs), anniversary wage increases, merit wage increase and those resulting from the regularization or promotion of employees shall not be credited as compliance with the wage increase prescribed herein.

Section 8. The Board shall prepare the necessary rules and regulations to implement this Wage Order, subject to the approval of the Secretary of Labor and Employment.

Section 9. Any employer who refuses or fails to pay the minimum wage increase provided under this Wage Order shall be subject to the penalties specified under RA 6727.

Section 10. Nothing in this Wage Order and its implementing guidelines 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.

Section 11. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts thereof shall remain valid and existing.

Section 12. This Wage Order shall take effect on December 1, 1993.

Approved November 16, 1993

(SGD) CATALINO S. BOQUIREN, JR.  
Regional Director, NEDA-R02  
Vice-Chairman, RTWPB-RO2

(SGD) RUBEN B. DICIANO  
Officer-in-Charge, DTI-R02  
Vice-Chairman, RTWPB-RO2

(SGD) CONCEPCION P. DE LOS SANTOS  
Vice-President-Academics,  
Dean, Graduate School, SLCT  
RB Employers' Representative

(SGD) PERFELITO V. ANCHETA  
Regional Governor, PCCI-R02  
RB Employers' Representative

(SGD) EDGAR B. BACHILLER  
President, CARSUMCO Supervisors  
Labor Union  
RB Workers' Representative

(SGD) PRECILO L. BUSLIG  
Professor, SFC  
RB Workers' Representative

(SGD) ANA C. DIONE  
Acting Regional Director, DOLE-R02  
Board Chairman, RTWPB-RO2

Republic of the Philippines  
Department of Labor and Employment  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
Region 02  
Tuguegarao, Cagayan

RULES IMPLEMENTING WAGE ORDER NO. RO2-02

Pursuant to the authority granted to the Regional Tripartite Wages and Productivity Board under Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing and Section 8 of Wage Order No. RO2-02, the following rules are hereby issued for guidance and compliance by all concerned.

Section 1. Definition of Terms.

- a) "Order" means Wage Order No. RO2-02;
- b) "Commission" refers to the National Wages and Productivity Commission;
- c) "Regional Board" means the Regional Tripartite Wages and Productivity Board of Region 02;
- d) "Department" refers to the Department of Labor and Employment
- e) "Region 02" refers to the geographic area in Cagayan Valley covering the provinces of Nueva Vizcaya, Quirino, Isabela, Cagayan and Batanes.
- f) "Agriculture" refers to farming in all its branches and among others, includes the cultivation, growing and harvesting of any agricultural or horticultural commodity, dairying, raising of livestock or poultry, the culture of fish and other aquatic product in farms or ponds, and any activity performed by a farmer on a farm as an incident to or in conjunction with such farming operations, but does not include the manufacturing and/or processing of sugar, coconut, tobacco, aquatic or other farm products.
- g) "Plantation Agricultural Enterprise" is one engaged in agriculture with an area of more than 24 hectares in a locality or which employs at least 20 workers. Any other agricultural enterprise shall be considered as "Non-Plantation Agricultural Enterprise";
- h) "New Business Enterprise" refers to establishments that shall be created/organized after and/or during the effectivity of the Order with a capitalization of not more than one hundred thousand pesos (100,000.00).
- i) "Retail Establishment" is one principally engaged in the sale of goods to end users for personal or household use;
- j) "Service Establishment" is one principally engaged in the sale of service to individuals for their own or household use and is generally recognized as such.
- k) "Establishment regularly employing not more than four (4) workers" refers to an establishment employing not more than 4 workers, regardless of status, except the owner/s, for at least six (6) months in any calendar year;
- l) "Cottage/Handicraft Establishment" is one engaged in an economic endeavor in which the products are primarily done in the home or such other places for profit which requires manual dexterity and craftsmanship and/or whose capitalization does not exceed P500,000.00 regardless of previous registration with the defunct NACIDA;
- m) "Basic Wage" means all remuneration or earnings paid by an employer to a worker for services rendered on normal working days and hours but does not include cost-of-living allowances, profit sharing payments, premium payment, 13th month pay or other monetary benefits which are not considered as part or integrated into the regular salary of the workers on the date the order became effective.

- n) "Statutory Minimum Wage" is the lowest wage rate fixed by law that an employer can pay his workers;
- o) "Minimum Wage Rates" refer to the lowest wage rate that an employer can pay his workers, as fixed by the Board, which shall not be lower than the applicable statutory minimum wage rates
- p) "Wage Distortion" means a situation where an increase in prescribed wage rates results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinction embodied in such wage structure based on skills, length of services, or other logical bases of differentiation;
- q) "Capitalization" means paid-up capital in the case of a corporation, and total invested capital in the case of a partnership or single proprietorship.

Section 2. Coverage - The wage order shall apply to workers and employees in the private sector receiving the applicable statutory minimum wage rates under Republic Act No. 6727 regardless of their position, designation or their status, and irrespective of the method by which their wages are paid, except:

- a) Household or domestic helpers and persons in the personal service of another, including family drivers;
- b) Establishments regularly employing not more than four (4) workers/employees;
- c) Distressed establishment/firm whose capital has been validly impaired by at least twenty five percent (25%) within one (1) year before the effectivity of this Wage Order upon application with and as determined by the Regional Board;
- d) Establishment/firm which has been adversely affected by past natural calamities that occurred within six (6) months before the effectivity of this Wage Order; the period of exemption to be given upon exemption by the Regional Board shall be in proportion to the extent of damage incurred but not to exceed one (1) year;
- e) New business enterprise with capitalization of not more than ONE HUNDRED THOUSAND PESOS (P100,000.00) for a period of one (1) year as determined by the Regional Board in accordance with applicable rules and regulations.

Section 3. Amount of Minimum Wage Increase - Effective December 1, 1993, the daily statutory minimum wage rates of covered workers in Region 2 shall be increased as follows:

- 3.1 P15.00 per day Isabela
- 3.2 P14.00 per day Cagayan
- 3.3 P12.00 per day Nueva Vizcaya
- 3.4 P11.00 per day Quirino
- 3.5 P11.00 per day Batanes

Section 4. a) Daily Minimum Wage Rates - The daily minimum wage rates of workers and employees shall be as follows:

SECTOR/INDUSTRY	RA 6727 Effective July 1, 1989	ISABELA + P15	WAGE Effective CAGAYAN + P 14	ORDER NO. December 1, N.VIZCAYA + P 12	2 1993 QUIRINO + P 11	BATANES + P 11
	<b>Non-Agriculture</b>	89.00	104.00	103.00	101.00	100.00

<b>Agriculture</b>						
Plantation with annual gross sales of P5M or more	79.00	94.00	93.00	91.00	90.00	90.00
Plantation with annual gross sales less than P5M	74.00	89.00	88.00	86.00	85.00	85.00
Non-Plantation	58.50	73.50	72.50	70.50	69.50	69.50
<b>Cottage/Handicraft</b>						
Employing more than 30 workers	67.00	82.00	81.00	79.00	78.00	78.00
Employing not more than 30 workers	65.00	80.00	79.00	77.00	76.00	76.00
<b>Private Hospitals</b>	85.00	100.00	99.00	97.00	96.00	96.00
<b>Retail Service</b>						
Municipalities with population of not more than 150,000						
Employing more than 10 workers	85.00	100.00	99.00	97.00	96.00	96.00
Employing not more than 10 workers	58.00	73.00	72.00	70.00	69.00	69.00
<b>Sugar Mills</b>	91.00	106.00	105.00	103.00	102.00	102.00
Agriculture						
Plantation with annual gross sales of P5M or more	73.50	88.50	87.50	85.50	84.50	84.50
Plantation with annual gross sales less than P5M	68.50	83.50	82.50	80.50	79.50	79.50
Non-Plantation	58.50	73.50	72.50	70.50	69.50	69.50
<b>Business Enterprises with Capitalization of not more than P500,000 and employing not more than 20 workers</b>						
<b>Non-Agriculture</b>	79.00	94.00	93.00	91.00	90.00	90.00
<b>Agriculture Plantation</b>						
Products other than Sugar	69.00	84.00	83.00	81.00	80.00	80.00
Sugar	63.50	78.50	77.50	75.50	74.50	74.50
<b>Private Hospitals</b>	75.00	90.00	89.00	87.00	86.00	86.00
<b>Retail/Service</b>						
<b>Municipalities with population of not more than 150,000</b>						
<b>Employing more than 10 workers</b>	75.00	90.00	89.00	87.00	86.00	86.00

b) Without prejudice to existing company practices, policies or agreements, the suggested formula herein attached as Annex "A" may be used as guides in determining the equivalent monthly minimum wage rates.

Section 5. Basis of Minimum Wage Rates. The statutory minimum wage rates prescribed under the Order shall be for the normal working hours which shall not exceed eight (8) hours per day.

Section 6. Creditable Wage Increase. Wage increase granted by an employer as a result of collective bargaining agreements (CBAs), anniversary wage increases, merit wage increase and those resulting from the regularization or promotion of employees shall not be credited as compliance with the wage increase prescribed in the order.

If there are increases granted under circumstances other than those above-mentioned, such increases shall be referred to the Regional Board for crediting.

## Section 7. Workers Paid by Results

- a) All workers paid by results, including those who are paid on piecework, "takay", "pakyaw", or task basis, shall receive not less than the applicable statutory minimum wage rates prescribed under the Order for the normal working hours which shall not exceed eight (8) hours work a day, or a proportion thereof for work less than the normal working hours.

The new applicable minimum wage rate for workers paid by results shall be computed in accordance with the following steps:

1. Amount of increase in AMW/Previous AMW x 100 = % increase;
  2. Existing rate/piece x % increase = increase in rate/piece;
  3. Existing rate/piece + increase in rate/piece = adjusted rate/piece.
- b) The wage rate of workers who are paid by results shall continue to be established in accordance with Article 101 of the Labor Code, as amended, and its implementing regulations.

Section 8. Wages of Special Group of Workers - Wage of apprentices, learners and handicapped workers shall in no case be less than 75 percent of the applicable minimum wage rates provided in the Order.

All recognized learnership and apprenticeship agreements entered into before December 1, 1993 shall be considered as automatically modified in so far as their wage clauses are concerned to reflect the increase prescribed under the Order.

Section 9. Application to Contractors - In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage increase shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed wage rates, the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 10. Mobile and Branch Workers - The minimum wage rate of workers, who by nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

Section 11. Permanent Transfer of Personnel - The permanent transfer of personnel from one province to another shall not be a valid ground for the reduction of the wage rate being enjoyed by the worker prior to such transfer; however, upon the permanent transfer of personnel to another place with higher minimum rate he shall enjoy the corresponding/applicable minimum wage.

Section 12. Facilities Deductible from Wages - Where the establishments or the employers customarily furnish facilities to their workers such as meals and housing, the fair and reasonable value of such facilities may be deducted from the workers' wages, provided that their acceptance thereof is voluntary or done in consultation with the union, if any. The evaluation of such facilities can be made by the DOLE Regional Office upon request of such establishments.

Subsidized meals and snacks may be furnished by the establishments or the employers provided that the subsidy shall not be less than 30% of the fair and reasonable value of such facilities. In such case, the employer may deduct from the wages of employees not more than 70% of the value of meals and snacks actually enjoyed by the employees, provided that such deductions are with the written authorization of the employees concerned.

Section 13. Wage Distortion - Where the application of any wage increase resulting from a Wage Order issued by the Regional Board results in distortions in the wage structure within an establishment, the employer and the union shall negotiate to correct the distortions using the grievance procedure under their collective bargaining agreement. If it remains unresolved, it shall be decided through voluntary arbitration within ten (10) calendar days from the time the dispute was referred for voluntary arbitration, unless otherwise agreed upon by the parties in writing.

Where there are no collective agreements or recognized labor unions, the employer and workers shall endeavor to correct the wage distortion. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board and if it remains unresolved after

ten (10) calendar days of conciliation, it shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

The pendency of a dispute arising from a wage distortion shall not in any way delay the applicability of the wage increase prescribed in the Order.

Section 14. Complaints for Non-Compliance - Complaints for non-compliance with the wage increase prescribed under the Order shall be filed with the DOLE Regional Office and shall be the subject of enforcement proceedings under Article 128 and 129 of the Labor Code, as amended.

Section 15. Conduct of Inspection by the Department - The DOLE Regional Office shall conduct inspections of establishments, as often as necessary, to determine whether the workers are paid the prescribed wage rates and other benefits granted by law or the Order. In the conduct of inspection in unionized companies, the DOLE inspectors shall always be accompanied by the president or other responsible officer of the recognized bargaining unit or of any interested union member. In the case of non-unionized establishments, a worker representing the workers in the said company shall accompany the inspector.

The workers' representative shall have the right to submit his own findings to the DOLE and to testify on the same if he does not concur with the findings of the labor inspector.

Section 16. Registration/Reporting Requirement - Any person, company, corporation, partnership or any other entity engaged in business shall submit annually a verified itemized listing of their labor component to the Regional Board and the National Statistics Office not later than April 15, 1994; January 31, 1995 and every year thereafter in accordance with the form to be prescribed by the Commission. The listing shall specify the names, salaries and wages of their workers and employees below the managerial level including learners, apprentices and disabled/handicapped workers.

Section 17. Non-Diminution of Benefits - Nothing in the Order shall be construed as authorizing the reduction of any existing wage rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders, and/or under any contract of agreement between the workers and employers or employer practices or policies.

Section 18. Penal Provision - Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase under the Order shall be punished by a fine of not exceeding Twenty Five Thousand Pesos (P25,000.00) and/or imprisonment of not less than one (1) year nor more than two (2) years. Provided, that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

If the violation is committed by a corporation, trust, firm, partnership, association or any other entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers, including but not limited to, the president, vice president, chief executive officer, general manager, managing director or partner.

Section 19. Prohibition on Other Issuances - The provisions of existing laws and decrees on wages and their implementing rules and regulations and issuances not otherwise repealed, modified or inconsistent with the Order and this Rules shall continue to have full force and effect.

Section 20. Prohibition Against Injunction - No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal, or other entity against any proceeding before the Board.

Section 21. Effectivity - This Rules shall take effect upon the approval by the Secretary of Labor and Employment.

Done in Tuguegarao, Cagayan this 2nd day of March, 1994.

(SGD) CATALINO S. BOQUIREN, JR.  
Regional Director, NEDA - RO2

(SGD) JOSE V. HIPOLITO  
Regional Director, DTI - RO2

Vice Chairman, RTWPB - RO2

Vice Chairman, RTWPB - RO2

(SGD) CONCEPCION P. DE LOS SANTOS  
Vice President - Academics,  
Dean, Graduate School, SLCT  
RB Employers' Representative

(SGD) PERFELITO V. ANCHETA  
Regional Governor, PCCI - RO2  
RB Employers' Representative

(SGD) EDGAR B. BACHILLER  
President, CARSUMCO Supervisors  
Labor Union  
RB Workers' Representative

(SGD) PRECILO L. BUSLIG  
Professor, SFC  
RB Workers' Representative

(SGD) ANA C. DIONE  
Acting Regional Director, DOLE - RO2  
Board Chairman, RTWPB - RO2

Approved this 22nd day of April 1994, subject to the notations contained on the following page hereof.

(SGD) BIENVENIDO E. LAGUESMA  
Acting Secretary

N.B *The wage order was published in the Local Paper (Northern Forum) of general circulation in the region last November 21-27, 1993 issue.*

ANNEX "A"

SUGGESTED FORMULA IN DETERMINING THE EQUIVALENT  
MONTHLY STATUTORY MINIMUM WAGE RATES

Without prejudice to existing company practices, agreements or policies, the following formula may be used as guides in determining the equivalent monthly cost-of-living allowance.

- a. For those who are required to work everyday including Sundays or rest days, special days and regular holidays:

$$EMR = \frac{ADR \times 390.90 \text{ days}}{12}$$

Where 390.90 days =

302	days - Ordinary working days
20	days - 10 Regular holidays x 200%
66.30	days - 51 Rest days x 130%
<u>2.60</u>	days - Special days x 130%
390.90	days - Total Equivalent number of days

- b. For those who do not work but considered paid on rest days, special days and regular holidays:

$$EMR = \frac{ADR \times 365 \text{ days}}{12}$$

Where 365 days =

302	days - Ordinary working days
51	days - Rest days
	10 days - Regular holidays
	<u>2</u> days - Special days
365	days - Total Equivalent number of days

- c. For those who do not work and are not considered paid on Sundays or rest days:

$$EMR = \frac{ADR \times 314 \text{ days}}{12}$$

Where 314 days =

302	days - Ordinary working days
10	days - Regular holidays
	2 days - Special days (If considered paid; if actually worked, this is equivalent to
	<u>2.6</u> days)
314	days - Total Equivalent number of days

- d. For those who do not work and are not considered paid on Saturdays, Sundays or rest days:

$$EMR = \frac{ADR \times 262 \text{ days}}{12}$$

Where 262 days =

250	days - Ordinary working days
10	days - Regular holidays
<u>2</u>	days - Special days (If considered paid; if actually worked, this is equivalent to 2.6 days)
262	days - Total Equivalent number of days

---

EMR - Equivalent Monthly Rate  
ADR - Applicable Daily Wage Rate

Note: *For workers whose rest days fall on Sundays, the number of rest days in a year is reduced from 52 to 51 days, the last Sunday of August being a regular holiday under Executive Order No. 203. For purposes of computation, said holiday, although still a rest day for them is included in the 10 regular holidays. For workers whose rest days do not fall on Sundays, the number of rest days is 52 days, as there are 52 weeks in a year.*

*Nothing herein shall be construed as authorizing the reduction of benefits granted under existing agreements or employer practices/policies.*

NOTATIONS TO RULES IMPLEMENTING WAGE ORDER NO. RTWPB-02 - 02

1. *The definition of New Business Enterprise shall be revised to read as follows:*

*"New Business Enterprise" refers to an establishment with a capitalization of not more than One Hundred Thousand Pesos (P1000,000.00) that is established/organized during the period when the minimum wage rates under the Order are in effect, or until a new Wage Order is issued.*

2. *If the intention of the Board is to grant exemption only to Retail/Service Establishments regularly employing not more than four workers, the Board should issue a Supplemental Wage Order and the*

*corresponding supplemental implementing Rules to this effect. Such exemption shall not be automatic but granted only upon application with and approval by the Board.*

3. *Section 2, item c shall be revised to conform with the NWPC Revised Guidelines on Exemption which provides that the period under review shall be the last two full accounting periods and interim period, if any, preceding the effectivity of the Order.*
4. *The Board shall issue supplemental guidelines covering this category of exemption, subject to approval by the Commission.*
5. *The second paragraph of Section 6 shall be deleted as there is no provision on allowable crediting in the Order.*
6. *It has also been noted that the definition of "agriculture" under Section 1 (f) omitted certain phrases/words based on the definition provided under RA 6727. For consistency, the Board shall adopt the complete definition of "agriculture" specified by RA 6727.*
7. *The Board may also wish to re-study the definition of "cottage/handicraft establishment" to conform with the attached SMED Council Resolution No. 1 Series of 1992.*

Republic of the Philippines  
Department of Labor and Employment  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
Region 2  
Tuguegarao, Cagayan

SUPPLEMENTAL RULES IMPLEMENTING WAGE ORDER NO. RO2-02

WHEREAS, the Rules Implementing Wage Order No. RO2-02 was approved on April 22, 1994 by the Acting Secretary of Labor and Employment;

WHEREAS, the approval of said Rules is subject to amendments noted by the National Wages and Productivity Commission (NWPC); and

WHEREAS, the Regional Board of Region 2 in its meeting held on June 15, 1994 saw the need to amend certain provisions of the Rules Implementing Wage Order No. RO2-02 to conform with the notations set forth by the NWPC and for easier administration and/or implementation of the same.

NOW, THEREFORE, pursuant to the authority granted to the Regional Tripartite Wages and Productivity Board (RTWPB), Region 2, under Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing; and, Section 8 of Wage Order No. RO2-02, the following amendments are hereby issued to supplement the Rules Implementing Wage Order No. RO2-02 for guidance and compliance by all concerned.

Section 1. Section 1, paragraphs f and h of the Implementing Rules is hereby amended to read as follows:

- (f) Agriculture refers to farming in all its branches and among others, includes the cultivation and tillage of the soil, production, cultivation, and growing and harvesting of any agricultural or horticultural commodities, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farms or ponds, and any activities performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, but does not include the manufacturing and/or processing of sugar, coconut, abaca, tobacco, pineapple, aquatic or other farm products.
- (h) New Business Enterprise refers to an establishment with a capitalization of not more than One Hundred Thousand Pesos (P100,000.00) that is established/organized during the period when the minimum wage rates under the Order are in effect, or until a new wage order is issued.

Section 2. Section 2 and paragraphs b, c, and d of the Implementing Rules are hereby amended to read as follows:

"Section 2. Coverage - The wage order shall apply to all workers and employees in the private sector in the region regardless of their position, designation or their status, and irrespective of the method by which their wages are paid except:

- (b) Retail and service establishments employing not more than four (4) workers/employees upon application with and approval by the Regional Board.
- (c) Establishment/firm whose capital has been validly impaired by at least twenty five percent (25%) for the last two (2) full accounting periods and interim period, if any, preceding the effectivity of the Order upon application with and as determined by the Regional Board.
- (d) Establishment/firm which has been adversely affected by past natural calamities that occurred within six (6) months before the effectivity of this Wage Order upon submitting the following:
  - d.1. Affidavit regarding the adverse effect of the calamity.
  - d.2. Certification of the extent of damage suffered by the employer from the:
    - Department of Social Welfare and Development (DSWD)

- Department of Trade and Industry (DTI)
- Office of the Municipal Mayor where the establishment is located

These certifications should indicate the date when the calamity occurred and the amount of incurred losses due to calamity. Additional documents may be required by the Board as the need arises.

d.3. Other sufficient proofs to establish the claim of adverse effects of the calamity.

Natural calamities shall be understood to mean all calamities brought about by nature such as typhoons, floods, earthquakes and other similar destructions.

For purposes of this provision, any calamities/destructions caused by man may also be considered as basis for exemption upon the discretion of the Board.

The period of exemption to be given upon exemption by the Regional Board shall be in proportion to the extent of damage incurred but not to exceed one (1) year."

Section 3. The wage structure under Section 4 (a) of the Implementing Rules shall now be read as follows:

SECTOR/INDUSTRY	WAGE ORDER NO. R02-02 Effective December 1, 1993					
	RA 6727 Effective July 1, 1989	ISABELA + P15 * +P12.00 COLA	CGYAN + P14 * +P10.00 COLA	N.VIZ QRNO + P 12 * +P8.00 COLA	BATANES + P11 * +P8.00 COLA	+ P11 * + P8.00 COLA
COLA						
Non-Agriculture	89.00	104.00	103.00	101.00	100.00	100.00
Agriculture						
Plantation with annual gross sales of P5M or more	79.00	94.00	93.00	91.00	90.00	90.00
Plantation with annual gross sales less than P5M	74.00	89.00	88.00	86.00	85.00	85.00
Non-Plantation	58.50	73.50	72.50	70.50	69.50	69.50
Cottage/Handicraft:						
Employing more than 30 workers	67.00	82.00	81.00	79.00	78.00	78.00
Employing not more than 30 workers	65.00	80.00	79.00	77.00	76.00	76.00
Private Hospitals	85.00	100.00	99.00	97.00	96.00	96.00
Retail/Service						
Municipalities with population of not more than 150,000						
Employing more than 10 workers	85.00	100.00	99.00	97.00	96.00	96.00
Employing not more than 10 workers	58.00	73.00	72.00	70.00	69.00	69.00
Sugar						
Mills	91.00	106.00	105.00	103.00	102.00	102.00
Agriculture						
Plantation with annual gross sales of P5M or more	73.50	88.50	87.50	85.50	84.50	84.50
Plantation with annual gross sales of less than P5M	68.50	83.50	82.50	80.50	79.50	79.50
Non-Plantation	58.50	73.50	72.50	70.50	69.50	69.50
Business Enterprises with Capitalization of not more than P500,000 and employing not more than 20 workers						
Non-Agriculture	79.00	94.00	93.00	91.00	90.00	90.00
Agriculture Plantation						
Products other than sugar	69.00	84.00	83.00	81.00	80.00	80.00

Sugar	63.50	78.50	77.50	75.50	74.50	74.50
Private Hospitals	75.00	90.00	89.00	87.00	86.00	86.00
Retail Service						
Municipalities with population of not more than 150,000						
Employing not more than 10 workers	75.00	90.00	89.00	87.00	86.00	86.00

\* Under Wage Order No. RO2-01

Section 4. The second paragraph of Section 6 of the Implementing Rules is hereby deleted.

Section 5. This supplemental rules shall take effect upon the approval of the Secretary of Labor and Employment.

Done in Tuguegarao, Cagayan this 15th day of June 1994.

(SGD) SINFOROSO M. BIRUNG  
OIC-Regional Director, NEDA-RO2  
Vice Chairman, RTWPB-RO2

(SGD) JOSE V. HIPOLITO  
Regional Director, DTI-RO2  
Vice Chairman, RTWPB-RO2

(SGD) CONCEPCION P. DE LOS SANTOS  
Vice President - Academics  
Dean, Graduate School, SLCT  
RB Employers' Representative

(SGD) PERFELITO V. ANCHETA  
Regional Governor, PCVC-RO2  
RB Employers' Representative

(SGD) EDGAR B. BACHILLER  
President, CARSUMCO Supervisors  
Labor Union  
RB Workers' Representative

(SGD) PRECILO L. BUSLIG  
Professor, SFC  
RB Workers' Representative

(SGD) RICARDO S. MARTINEZ, SR.  
Regional Director, DOLE-RO2  
Board Chairman, RTWPB-RO2

Approved this 22nd day of September, 1994, subject to the notations below.

(SGD) BIENVENIDO E. LAGUESMA  
Acting Secretary

#### NOTATIONS

1. *To make the Supplemental Rules consistent with the Wage Order, Section 2 thereof shall be revised to read as follows:*  
  
*"Section 2. Coverage - The Wage Order shall apply to workers and employers in the private sector receiving the applicable statutory minimum wage rates regardless of their position, designation or their status and irrespective of the method by which their wages are paid."*
2. *Man-made calamities referred to in the second paragraph of Section 2.d.3 is not provided for in the original or the amended Wage Order, hence should be omitted.*