

Republic of the Philippines  
Department of Labor and Employment  
National Wages and Productivity Commission  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD NO. 3  
San Fernando, Pampanga

WAGE ORDER NO. RBIII-04  
PROVIDING FOR NEW MINIMUM WAGE RATES

WHEREAS, due to the increase in the prices of basic commodities and the possible increase in the prices of oil and other petroleum products, the Regional Tripartite Wages and Productivity Board No. 3 conducted a series of Wage Consultations within its territorial jurisdiction;

WHEREAS, during the wage consultations the labor sector proposed a P35.00 to P88.00 per day wage increase in order to restore their purchasing power;

WHEREAS, the employer sector aware of the clamor of the labor sector for wage adjustments are of the position that any increase at this stage would further push inflation but, however, agree to discuss minimum wage increase proposal;

WHEREAS, after taking into consideration the significant economic indicators and notwithstanding the arguments presented by both labor and management on the wage issue, the Board decided to adjust the prevailing minimum wage level to enable the workers cope with the rising cost of living;

NOW THEREFORE, by virtue of the power and authority vested under Republic Act 6727, known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Region III hereby issues this Wage Order.

Section 1. DAILY MINIMUM WAGE RATES. Upon the effectivity of this Order, the daily minimum wage rates applicable to workers and employees in the private sector in Region III shall be as follows:

- 1.0 For Non-Agricultural Workers in Bulacan
  - 1.a P140.00 for those employed in establishments with less than 30 employees or with total assets of less than P30 million;
  - 1.b P147.00 for those employed in establishments with 30 or more workers or with total assets of 30 million or more;
- 2.0 For Non-Agricultural Workers in Other Provinces
  - 2.a P136.00 for those employed in establishments with less than 30 employees or with total assets of less than P30 million;
  - 2.b P143.00 for those employed in establishments with 30 or more workers or with total assets of P30 million or more;
- 3.0 For Agricultural Workers in All Provinces
  - 3.a P100.0 for non-plantation workers;
  - 3.b P115.00 for plantation workers;
- 4.0 For Retail/Service Workers in All Provinces
  - 4.a P120.00 for those employed in establishments with less than 16 employees;
  - 4.b P133.00 for those employed in establishments with 16 or more employees;
- 5.0 For Cottage/handicraft Workers in All Provinces, P100.00;
- 6.0 For Private Hospital Workers in All Provinces
  - 6.a P120.00 for those employed in establishments with less than 16 employees;
  - 6.b P133.00 for those employed in establishments with 16 or more employees.

Section 2. PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of the workers and employees covered in the increase of tuition fees for School Year 1995-1996 shall be credited as compliance with the minimum wage prescribed herein, where the share of the workers and employees is less than the minimum wage provided herein, the employer shall pay the difference starting School Year 1996-1997.

Section 3. EXEMPTIONS. Exempted from the provision of this Wage Order are household or domestic helpers and persons in the personal service of another, including family drivers.

The following establishments may also be exempted from the Wage Order upon application with and as determined by the Board, in accordance with the applicable rules and regulations to be issued by the Board and existing provisions of the Revised NWPC Guidelines on Exemption:

1. Retail/service establishments regularly employing not more than ten (10) workers
2. Distressed firms as defined in the Revised NWPC Guidelines for Exemption
3. Establishments directly affected by the 1995 lahar flow or flood
4. New Business Enterprises

Whenever an applications for exemption has been duly filed with the Regional Board, action on any complaint for alleged non-compliance with this Wage Order shall be deferred pending its resolution.

Section 4. EXTENT AND DURATION OF EXEMPTION. The Board has the discretion to grant full or partial exemption to such employer which shall not exceed one (1) year from the effectivity of this Wage Order.

Section 5. EFFECT OF DISAPPROVED APPLICATION FOR EXEMPTION. In the event that application for exemption are not granted, affected workers and employees shall receive the appropriate wages due them as provided for in this Order plus interest of one percent (1%) per month retroactive to the effectivity of this Order.

Section 6. SERVICE CONTRACTORS AND OTHER CONTRACTORS. In the case of contractual workers for construction projects and for security, janitorial and similar services, the prescribed minimum wage for workers and employees under this category shall be paid 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 minimum wage, the construction/service contractors and the principal or client shall be jointly and severally liable.

Section 7. WORKERS PAID BY RESULT. All workers paid by result including those who are paid by piecework, "takay", "pakyaw" or task basis, shall be entitled to receive the prescribed minimum wage increase per eight (8) hours a day for a wage proportional to the equivalent of the minimum wage for a regular eight (8) hours working day.

Section 8. SPECIAL GROUP OF WORKERS. Learners and apprentices shall be paid wages not less than seventy-five percent (75%) of the minimum wage rates under this Order.

All valid learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically amended as far as their wage clauses are concerned.

Section 9. CREDITING. Wage increases granted by an employer within 90 days prior to the effectivity and 90 days after the effectivity of this Order shall be credited as compliance with the minimum wage prescribed herein.

Section 10. WAGE DISTORTION. The employers and workers shall correct the wage distortion arising from a severe contraction of quantitative differences in salary rates between and among employees and workers. This shall be settled through employers' initiative, grievance procedure, voluntary arbitration or through the National Labor Relations Commission, whichever is applicable.

Section 11. REPORTORIAL REQUIREMENTS. All employers, whether covered or exempted, shall submit a duly prescribed report on their compliance with this Order on or before January 31, 1997, and every year thereafter.

Section 12. IMPLEMENTING RULES. The Board shall prepare the necessary rules and regulations to implement this Order, subject to the approval of the Secretary of Labor and Employment.

Section 13. APPLICABILITY. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid. Nothing in this Order shall be construed to reduce any existing wage rate, allowance or other benefits under existing laws, decrees, issuances, executive orders and/or under contract or agreement between workers and employers.

Section 14. PENALTIES. Any employer who fails to comply with this Order shall be subject to the penalties prescribed by existing laws.

Section 15. EFFECTIIVTY. This Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation.

Approved, this 26th day of February 1996 at San Fernando, Pampanga, Philippines.

SABINO C. MENDIOLA  
Workers' Representative

(SGD) JOSE T. DE LEON  
Employers' Representative

RAUL C. REMODO  
Workers' Representative

(SGD) JONES B. ALABANZA  
Employers' Representative

(SGD) REMIGIO A. MERCADO  
Vice-Chairman

(SGD) OLIVER B. BUTALID  
Vice-Chairman

(SGD) MAXIMO B. LIM  
Chairman

Republic of the Philippines  
Department of Labor and Employment  
National Wages and Productivity Commission  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD-REGION III  
San Fernando, Pampanga

RULES IMPLEMENTING WAGE ORDER NO. RBIII-04

Pursuant to the authority vested in the Regional Tripartite Wages and Productivity Board No. 3 under Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing, and Section 12 of Wage Order No. RBIII-04 the following rules are hereby issued for strict compliance by all concerned:

CHAPTER I – DEFINITION OF TERMS

DEFINITION OF TERMS. As used in this Rules.

- a) “Order” refers to Wage Order No. RBIII-04;
- b) “Board” refers to the regional Tripartite Wages and Productivity Board in Region III;
- c) “Commission” refers to the National Wages and Productivity Commission;
- d) “Department” refers to the Department of Labor and Employment;
- e) “Secretary” refers to the Secretary of Labor and Employment;
- f) “Region III” covers the provinces of Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac and Zambales and the cities of Angeles, Cabanatuan, Olongapo, Palayan and San Jose;
- g) “Minimum Wage” is the lowest rate fixed by law that an employer can pay his workers;
- h) “Establishments directly affected by the 1995 lahar flow or flood” refers to establishments located within the municipalities in the Province of Pampanga that were severely affected by the lahar flow or lahar related floods in October 1995. The lahar or flood affected areas shall include the municipalites of Bacolor, Porac, Guagua, Sta. Rita, Sto. Tomas and San Fernando. The establishments directly affected by the lahar or flood must be within the aforementioned municipalities as of October 1, 1995;
- i) “Agriculture” refers to farming in all its branches including the cultivation and tillage of the soil, production, cultivation, 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 connection with such farming operations. This does not include the manufacturing and/or processing of sugar, coconut, abaca, tobacco, pineapple, aquatic or other farm products;
- j) “Plantation Agricultural Enterprise” is one engaged in agriculture with an area of more than 24 hectares in a locality or which employees at least twenty (20) workers. Any other agricultural enterprise shall be considered as “Non-Plantation Agricultural Enterprises”;
- k) “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 whose capitalization does not exceed P1.5 million (in conformity with SMED Resolution No. 3, Series of 1995) regardless of previous registration with the defunct NACIDA;
- l) “Household or Domestic Helpers” shall mean workers who administer strictly to the personal needs of their employer. This includes family drivers;

- m) "Retail Establishment" is one principally engaged in the sale of goods to end-users for personal or household use;
- n) "Service Establishment" is one principally engaged in the sale of service to individuals for their own and household use and generally recognized as such;
- o) "Distressed Employer" refers to employers/establishments which meet the criteria enumerated in Sec. 3(3) of the NWPC Revised Guidelines on Exemption;
- p) "Wage Distortion" means the situation where an increase in the prescribed wage rates results in the elimination or severe contraction of intentional quantitative difference in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service 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;
- r) "Total Assets" refers to all kinds of properties, real or personal, owned by the firm and used for the conduct of its business;
- s) "Start of Business Operation" refers to the actual date of business operations, as certified by the appropriate government agency (e.g. Certifications issued by authorities in Special Economic Zones). In case no such agency/ies will certify on the actual date of operation, the start of business operation shall refer to the registration with the last appropriate government agency/ies;
- t) "New Business Enterprises" refers to establishments newly registered with the appropriate government agencies and with start of business operations within the period October 1, 1995 to September 30, 1996.

## CHAPTER II – WAGE RATES

Section 1. **COVERAGE.** The minimum wage rates prescribed under this Wage order shall apply to all workers and employees in the private sector regardless of their position, designation or status, and irrespective of the method by which their wages are paid, except household or domestic helpers and persons in the personal service of another, including family drivers.

Section 2. **EFFECTIVITY.** The Order takes effect on March 28, 1996.

Section 3. **DAILY MINIMUM WAGE RATES.** Effective March 28, 1996 the Daily Minimum Wage Rates of workers and employees in Region III shall be as follows:

SECTOR	BULACAN	OTHER PROVINCES
<b>NON-AGRICULTURAL</b>		
Establishments with less than 30 workers or with total assets of less than P30 Million	147.00	136.00
Establishments with 3 or more workers or with total assets of P30 Million or more	147.00	143.00
<b>AGRICULTURE</b>		
Non-Plantation	100.00	100.00
Plantation	115.00	115.00
<b>PRIVATE HOSPITALS</b>		
Establishments with less than 16 employees	120.00	120.00
Establishments with 16 or more employees	133.00	133.00
<b>RETAIL/SERVICE</b>		
Establishments with less than 16 employees	120.00	120.00

Establishments with 16 or more employees	133.00	133.00
COTTAGE/HANDICRAFT	100.00	100.00

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

Section 5. CREDITING. Wages increases granted by an employer within 90 days prior to the effectivity and 90 days after the effectivity of this Order shall be credited as compliance with minimum wage prescribed herein.

Where such increase are less than the prescribed adjustment, the employer shall pay the difference. Such increase shall not include merit wage increase.

Section 6. WORKERS PAID BY RESULT.

a) All workers paid by result, including those who are paid by piecework or task basis, shall receive wages proportional to the equivalent of the minimum wage for a regular working day.

The adjusted minimum wage rates for workers paid by result shall be computed in accordance with the following steps:

- 1) Amount of increase in AMW\* - previous AMW x 100 = % increase  
\*Where AMW is the Applicable Minimum Wage Rate.
- 2) Existing rate/piece x % increase = Increase in rate/piece
- 3) Existing rate/piece + Increase in rate/piece = adjusted rate/piece

b) The wage rates of workers who are paid by results shall continue be established in accordance with article 101 of the Labor Code, as amended and its implementing regulations.

Section 7. WAGES OF LEARNERS APPRENTICE. Wages of apprentices and learners shall in no case be less than seventy five percent (75%) of the minimum wage rates under the Order.

All valid learnership and apprenticeship agreements entered into before March 28, 1996 shall be considered as automatically modified insofar as their wage clauses are concerned.

Section 8. APPLICATIONS TO SERVICE CONTRACTORS AND OTHER CONTRACTORS. In the case of contractual workers for construction projects and for security, janitorial and similar services, the prescribed minimum wage for workers and employees under this category shall be paid 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 minimum wage, the construction/service contractor and the principal or client shall be jointly and severally liable.

Section 9. APPLICATIONS TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of workers and employees covered in the increase of tuition fees for School Year 1995-1996 shall be credited as compliance with the minimum wage prescribed herein. Where the share of the workers and employees is less that the minimum wage provided herein, the employer shall pay the difference starting School Year 1996-1997.

Private educational institutions which did not increase their tuition fees for the School Year 1995-1996 may defer compliance with the provisions of this Order until School Year 1996-1997.

In any case, all private educational institutions shall implement the increase in the daily minimum wage rate prescribed in the Order starting School year 1996-1997.

Section 10. MOBILE AND BRANCH WORKERS. The minimum wage rates of the workers working in branches or agencies of establishments in or outside the Region shall be those applicable in the place where they are stationed.

Section 11. TRANSFER OF PERSONNEL. The transfer of workers to areas outside the Region with lower minimum wage rate shall not be valid ground for the reduction of the wage rates being enjoyed by the worker prior to such transfer. The worker transferred to a Region with higher rates will be entitled to the minimum wage rates applicable therein.

Section 12. EXEMPTIONS. The following establishments may be exempted from the payment of the new minimum wage rates of this Wage Order upon application with and as determined by the Board in accordance with applicable rules and regulation:

1. Retail/service establishments regularly employing not more than ten (10) workers.
2. Distressed firms as defined in the Revised NWPC Guidelines for Exemption.
3. Establishments directly affected by the 1995 lahar flow or flood.
4. New Business Enterprises.

Section 13. PROCEDURES ON EXEMPTION.

A. Procedure. Within sixty (60) days from date of publication of this Rules, an application for exemption shall be filed with the Board in two (2) typewritten copies by the owner/manager or duly authorized representative of an establishment, either through personal service or by registered mail. The date of mailing shall be deemed as the date of filing.

All applications for exemption shall be under oath and must be supported by a proof of notice to the Union President/contracting party ( in case the establishment is organized) or a copy of the circular giving general notice to all workers (if there is no union) that an application for exemption from compliance with the Order has been filed with the Board. The proof of notice, which may be translated in the vernacular, shall state the the workers' representative was furnished a copy of the application with all supporting documents. The notice shall be posted in a conspicuous place in the establishment.

B. Supporting Documents. The following supporting documents shall be submitted together with the application and the proof of notice:

For retail/service establishment employing not more than ten (10) workers:

1. An affidavit from the employer stating the principal economic, activity number of workers and amount of total assets;
2. Business permit for the current year from the appropriate government agency/ies.

For Distressed Establishments:

1. An affidavit from the employer stating the principal economic activity, number of employees and amount of total assets;
2. Audited financial statements for 1994 and 1995 filed with and stamped "received" by the BIR and SEC;
3. Interim quarterly financial statements for the first quarter of 1996;
4. Income tax returns for 1994 and 1995 filed with and stamped "received" by the BIR;
5. Quarterly income tax returns for the first quarter of 1996.
6. Certification from the Central Bank, in case of banks under receivership/liquidation;

For establishments directly affected by the 1995 lahar flow or lahar related floods:

1. An affidavit from the employer stating the location of the business establishment when it was affected by the lahar or flood in October, 1995, principal economic activity, number of workers, amount of total assets and extent of damage brought about the calamity;

For New Business Enterprises:

1. An affidavit from the employer stating the date of start of business operations, principal economic activity, number of workers employed in the establishment and amount of total assets;
2. Business permit (latest registration) from the Office of the City/Municipal Mayor, SEC, DTI, or CDA registration;

Certifications (if any) issued in special economic zones.

In case an application for exemption is filed with incomplete supporting documents, the applicant shall be notified and shall be given ten (10) days from receipt of the notice to complete the documents required, otherwise, the application shall be dismissed.

The Board may require the submission of other pertinent commercial documents to support the application for exemption.

Section 14. CRITERIA FOR EXEMPTION. In order to determine whether an applicant establishment is qualified for exemption, the following criteria shall be used:

In the case of Retail/Service Establishments:

1. It is engaged in the retail of goods or services to end-users for personal or household use; and
2. It is regularly employing not more than ten (10) workers.

In the case of Distressed Establishments:

1. For stock corporations/cooperatives, the accumulated losses for the last two full accounting periods and the interim period immediately preceding the effectivity of the Order have resulted to 25% or more impairment on paid-up capital or total invested capital, or registers a capital deficiency i.e. negative stockholders' equity as of the last full accounting period preceding the effectivity of the Order.
2. For single proprietorships/partnerships, the accumulated losses for the last two full accounting periods and interim period immediately preceding the effectivity of the Order amounts to 25% or more of the total invested capital or the establishment registers a capital deficiency i.e. negative net worth and of the last full accounting period immediately preceding the Order.
3. For non-stock, non-profit organizations, the decline in total revenues during the year preceding the effectivity of the Order have declined by at least 10% from the previous year.
4. For banks and quasi-banks under receivership/liquidation, a certification from the BSP that it is under receivership or liquidation on account of insolvency as provided in Section 30, R.A. 7653 otherwise known as the New Central Bank Act.

Banks under controllership/conservatorship may apply for exemption as Distressed establishment under Sec. 14 (b) hereof.

In case of establishments directly affected by the 1995 lahar flow or lahar related floodings:

1. It is located within the municipalities in the Province of Pampanga that were severely affected by the lahar flow or lahar related floods in October 1995.

In case of New Business Establishment:

1. It is newly registered with the appropriate government agencies and started its business operations within the period October 1, 1995 to September 30, 1996.

Section 15. MOTION FOR RECONSIDERATION. An aggrieved party may file with the Board a motion for reconsideration of the decision on the application for exemption within ten (10) days from receipt of the decision, stating the particular grounds upon which the motion is based, copy furnished the other party and the Regional Office of the Department.

No second motion for reconsideration shall be entertained in any case. The decision of the Board shall be final and executory unless appealed to the Commission.



Section 16. APPEAL. Any party aggrieved by the decision of the Board may file an appeal to the Commission, through the Board, in two (2) legible copies, not later than ten (10) days from the date of receipt of the decision. The appeal must be filed in the manner prescribed by the Commission and must be based on any of the following grounds:

- a. Non-conformity with the prescribed guidelines/procedures on exemption;
- b. Prima facie evidence of grave abuse of discretion on the part of the Board; or
- c. Questions of law

Section 17. EXTENT AND DURATION OF EXEMPTION. The Board has the discretion to grant full or partial exemption to such employer which shall not exceed one (1) year from the effectivity of this Wage Order.

New Business Enterprises that were established after the effectivity of the Order shall be exempted for a period not to exceed one (1) year from the start of the business operation, provided, however, that in the event a new wage order is issued, the exemption shall cover only Wage Order No. RBIII-04, without prejudice to the decision of the Board on the coming wage order.

Section 18. EFFECT OF DISAPPROVED APPLICATION FOR EXEMPTION. In the event that applications for exemption are not granted, affected workers and employees shall received the appropriate wages due to them as provided for in this Order plus interest of one percent (1%) per month retroactive to the effectivity of this Order.

Section 19. WAGE DISTORTION. Where the application of the prescribed minimum wage under the Order results in wage distortion, the employers and workers shall correct the same if such arises from a severe contraction of quantitative differences in salary rates between and among employees and workers. This shall be settled through employers initiative, grievance procedure, voluntary arbitration, through the National Conciliation and Mediation Board, or through the National Labor Relations Commission, whichever is applicable.

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 20. NON-DIMINUTION OF BENEFITS. Nothing in the Order and in this Rules 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 employees.

Section 21. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with the minimum wage prescribed under the Order shall be filed with the Regional Office of the Department and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 22. CONDUCT OF INSPECTION BY THE DEPARTMENT. The Department 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 any wage Order. In the conduct of inspection in unionized companies, Department Inspectors shall always be accompanied by the President or other responsible officer of the recognized bargaining unit or of any interested unit. In the case of non-unionized establishments, the 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 Department and to testify on the same if he does not concur with the findings of the Labor Inspector.

Section 23. PAYMENT OF WAGES. Upon written petition of the majority of workers and employees concerned, all private establishments, companies, businesses and other entities with at least twenty five (25) workers and located within one (1) kilometer radius to a commercial, savings or rural bank, shall pay the wages and other benefits of their workers through any of said banks within the period and in the manner and form prescribed under the Labor Code, as amended.

Section 24. REPORTORIAL REQUIREMENTS. All employers whether covered or exempted, shall submit a duly prescribed report on their compliance with the Order on or before January 31, 1997, and every year thereafter.

Section 25. 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 26. PENALTIES. Pursuant to the provision of Section 12 of Republic Act N. 6727, any person, corporation, trust, firm, partnership, associations or entity which refuses or fails to pay the prescribed increase in the Order shall be punished by a fine 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 be not be entitled to the benefits provided for under the Probation Law.

If the violation is committed by a corporation, trust or 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 27. APPLICABILITY. If any provision or part of the Order in this Rules is declared unconstitutional or illegal, the other provisions or parts shall remain valid. Nothing in the Order and in this Rules shall be construed to reduce any existing wage rate, allowance or other benefits under existing laws, decrees, issuances executive orders and/or under contract or agreement between workers and employers.

For establishments not covered under the Order, the relevant provision of Wage Order No. RBIII-03 shall continue to apply provided, however, that provisions of previous wage orders not consistent and contrary to the Order are hereby repealed.

Section 28. EFFECTIVITY. This Rules shall take effect on March 28, 1996.

Done in the Municipality of San Fernando, Province of Pampanga, Republic of the Philippines this 17th day of May , 1996.

SABINO C. MENDIOLA  
Workers' Representative

(SGD) JOSE T. DE LEON  
Employers' Representative

RAUL C. REMODO  
Workers' Representative

(SGD) JONES B. ALABANZA  
Employers' Representative

(SGD) LEON M. DACANY, JR.  
(Officer in Charge, NEDA III)

(SGD) OLIVER B. BUTALID  
Vice-Chairman

(SGD) MAXIMO B. LIM  
Chairman

Approved this 17th day of June, 1996, subject to the notations contained on page 11, hereof.

(SGD.) CRESENCIANO B. TRAJANO  
Acting Secretary

NOTATIONS TO RULES IMPLEMENTING WAGE ORDER NO. RBIII-04:

1. Add the following sentence to the first paragraph of Section 13 (A), Chapter II, to wit:

“In the case of New Business Enterprises (NBEs), the deadline for filing applications for exemption shall be sixty (60) days from the start of operations.”

2. The required interim financial documents under Section 13 (B), Chapter II (i.e. interim financial statements and quarterly income tax returns) shall for the interim period, if any, immediately preceding the effectivity of the Order.
3. Non-stock, non-profit organizations indicated under Section 14, Chapter II shall refer only to those that do not charge fees for services rendered and whose revenues are derived primarily from donations and contributions.
4. The grant of partial exemption under Section 17, Chapter II shall be allowed only to distressed establishments.
5. The Board shall issue a Supplemental Rules, subject to approval of the Commission, to determine extent of damage brought about by the lahar flow or lahar-related floods that must be incurred by a firm in order to qualify for exemption.

Republic of the Philippines  
Department of Labor and Employment  
National Wages and Productivity Commission  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD NO. 03  
San Fernando, Pampanga

SUPPLEMENTAL RULES IMPLEMENTING WAGE ORDER NO. RBIII-04

WHEREAS, Section 3(3) of Wage Order No. RBIII-04 provides that establishments directly affected by the 1995 lahar flow or flood may be exempted from the provision of the Wage Order;

WHEREAS, it is necessary to determine the extent of damage incurred by a company in order to qualify as a establishment directly affected by the 1995 lahar flow or flood;

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act 6727 known as the Wage Rationalization Act to the Regional Tripartite Wages and Productivity Board, Region 3, the following provisions in the Rules Implementing Wage Order No. RBIII-04 are hereby amended:

I. Paragraph 3, Section 13 of the Rules Implementing Wage Order No. RBIII-04, shall be amended to include the following:

Section 13. PROCEDURES ON EXEMPTION.

x x x

B. Supporting Documents.

For establishments directly affected by the 1995 lahar flow or lahar related floods:

1. An Affidavit from the employer stating the location of the business establishment when it was affected by the lahar lahar or flood in October 1995; amount of losses/damages suffered as a direct result of the calamity; list of properties damaged/lost together with estimated valuation; for properties not insured, a statement that the same are not covered by insurance;
2. Copies of insurance policy contracts covering the properties damaged, if any;
3. Adjuster's report for insured properties;
4. Audited financial statements for 1995 stamped received by the appropriate government agency;
5. Quarterly financial statement for the last quarter of 1995.

II. Paragraph 3, Section 14 of the Rules Implementing Wage Order No. RBIII-04, shall be amended to include the following statements:

Section 14. CRITERIA FOR EXEMPTION.

x x x

In case of establishments directly affected by the 1995 lahar flow or lahar related floodings:

1. It should conform with the definition under Chapter I (h) of the Rules Implementing Wage Order No. RBIII-04;
2. It must have suffered losses as a result of the calamity that exceed the insurance coverage amounting to 20% or more of the stockholder equity as of the last full accounting period in the case of corporations and cooperatives, total invested capital in the case of partnerships and single proprietorships and fund balance/members' contribution in the case of non-stock non-profit organizations;

III. All applications under this category of application shall be filed with the Board in two (2) typewritten copies within sixty (60) days from date of publication of this amendatory rules.

Done in the Municipality of San Fernando, Province of Pampanga, Republic of the Philippines, this 12<sup>th</sup> day of September 1996.

SABINO C. MENDIOLA  
Workers' Representative

(SGD) JOSE T. DE LEON  
Employers' Representative

RAUL C. REMODO  
Workers' Representative

(SGD) JONES B. ALABANZA  
Employers' Representative

(SGD) REMIGIO A. MERCADO  
Vice-Chairman

(SGD) OLIVER B. BUTALID  
Vice-Chairman

(SGD) MAXIMO B. LIM  
Chairman

Approved this 30<sup>th</sup> day of October 1996, subject to the notations below:

(SGD) CRESENCIANO B. TRAJANO  
Acting Secretary

1. The required quarterly financial statement for the last quarter of 1995 under Item I, Section 13 (B) shall be deleted.
2. The following statement shall be included in the criteria for exemption under Item II, Section 14 (2):  
  
    "Only losses or damages to properties directly resulting from the calamity and not incurred as a result of normal business operations shall be considered."
3. The deadline for filing applications for exemption under Item III shall be within sixty (60) days from publication of approved Implementing Rules pursuant to NWPC Resolution No. 1, Series of 1994.