

Republic of the Philippines  
Department of Labor and Employment  
Regional Tripartite Wages and Productivity Board  
Regional Board No. IV

**WAGE ORDER NO. IV - 02**

INCREASING THE STATUTORY MINIMUM WAGE

*WHEREAS*, it is the responsibility of the State to secure a humane standard of living for the lowliest and unprotected members of the workforce and their families;

*WHEREAS*, minimum wage setting is one of the instruments influencing family income which dictates the standard of living;

*WHEREAS*, there is an average of 1.8 income earners per household in the region who contribute to the total family income;

*WHEREAS*, in addition to wage income, other forms of income benefits such as social security insurance, Medicare benefits, employee compensation insurance, 13th month pay, 5 days incentive leave, medical health care and other form of fringe benefits, all of which are partly or wholly provided and paid for by employers, constitute part of the family income;

*WHEREAS*, fixing of minimum wage, while intended to guarantee a humane standard of living, should not;

- a. hamper or jeopardize the creation of jobs;
- b. doubly penalize the employers who have granted unilateral or negotiated wage adjustments that addresses the same considerations and covering the same period as the minimum wage adjustment;
- c. erode the gains made by labor and capital in maintaining industrial peace and cooperation;
- d. hinder economic growth and development;

*WHEREAS*, fixing of minimum wages is not intended to substitute, duplicate or supplant the declared policy of the State on the primacy of free collective bargaining as the principal mode of setting wages;

*WHEREAS*, attainment of higher productivity is an essential pre-requisite in the maintenance of real wage gains; real wages like wealth is achieved thru increase in productivity and cannot be artificially created;

*WHEREAS*, the extent and velocity of price increase from the last Wage Order represents an abnormal deviation principally caused by a combination of quantum increases in the cost of fuel, energy and other production inputs, as well as the significant depreciation of the peso vis-à-vis other currencies, among others;

*WHEREAS*, it is now opportune to lay down the principles of a rational , consistent and developmental minimum wage-setting policy;

WHEREAS, the spatial configuration of the Region is marked by heterogeneity, with areas classified as:

a. **Growth Corridors** or rapidly urbanizing and industrializing parts of the Region strategically located near Metro Manila; composed of the provinces of Batangas, Cavite, Laguna & Rizal and the Cities of Batangas, Cavite, Lipa, San Pablo, Tagaytay, Trece Martirez & Lucena and the Municipalities of Tiaong, Candelaria, Sariaya in Quezon.

b. **Emerging Growth Areas** or areas with predominantly rural/agricultural resource potential located at/or near the rapidly urbanizing and industrializing parts of the Region and the large Metro Manila markets composed of Marinduque the remaining parts of Quezon.

c. **Resource Based Areas** with predominantly rural/agricultural resource potential far from internal regional and Metro Manila markets; composed of the provinces of Aurora, Occ. Mindoro, Or. Mindoro, Palawan, Romblon and Puerto Princesa City.

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 IV hereby issues this Wage Order:

*SECTION 1.* Upon the effectivity of this Wage Order, the daily statutory minimum wage rates applicable to workers in the private Sector in Region IV hereby shall be increased as follows:

- a. P9.00 for the Growth Corridor Areas
- b. P5.00 for the Emerging Growth Areas
- c. P7.00 for the Resource Based Areas

*SECTION 2.* Exempted from provisions of this Wage Order are household or domestic helpers and persons in the personal service of another, including family drivers.

Retail/Service establishments regularly employing not more than (10) workers and distressed employers whose capital has been impaired by at least twenty-five percent (25%) during the preceding year may be exempted from this Wage Order upon application with and as determined by the Regional Board in accordance with applicable rules and regulations.

The Regional Board has the option to grant full or partial exemption, the allowed minimum period of exemption being one (1) year.

Whenever an application for exemption has been filed with the Regional Board, action by the Regional Office of the Department of Labor and Employment on any complaint for alleged non-compliance with this Wage Order shall be deferred pending resolution of the application for exemption by the Regional Board.

In the event that an application for exemption is not granted, covered workers and employees shall receive the appropriate compensation due them as provided for in this Wage Order plus interest of one percent (1%) per month retroactive to the effectivity of this Wage Order.

*SECTION 3.* a) In case of private educational institutions, the share of covered workers and employees in the increase of tuition fees for school year 1991 shall be credited as compliance with the wage increase prescribed herein. Where their share is less than the wage increase provided herein, the employer shall pay the difference.

b) Private educational institution which increased tuition fees beginning school year 1991-1992 shall comply with the minimum wage increase prescribed under this Wage Order as follows.

1. In cases where the tuition fee increase was effected on or before the effectivity of this Wage Order, the minimum wage increases shall take effect upon the effectivity of this Wage Order.
2. In cases where the tuition fee increase was effected after the effectivity of this Wage Order, the minimum wage increase shall take effect not later than the date the school actually increased tuition fees but in the latter case, such wage increase shall not be made retroactive to the effectivity of this Wage Order.
3. Beginning school year 1992-1993, all schools shall implement the minimum wage increase regardless of whether or not they have actually increased tuition fees.

c) In case of business establishments in the export industries, whose product pricing is covered by forward contracts with labor cost computed using minimum wage rates prescribed under Wage Order IV-01, the effectivity of the minimum wage rates under this Wage Order shall be upon completion of the current contracts but shall be not later than January 1, 1992.

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

*SECTION 5.* 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 6.* All wage and salary increases granted by an employer from January 1, 1991 to Dec. 31, 1991 shall be credited as compliance with the minimum wage increases prescribed under this Wage Order, provided that:

a. Where such creditable increases are less than the prescribed minimum wage adjustment, the employer shall pay the appropriate distortion adjustment specified under Section 7 of this Wage Order.

b. Where such creditable increases were to be granted after the date of effectivity of this Wage Order, the same shall be made effective on the date of effectivity of this Wage Order. If such creditable increases are more than the prescribed minimum wage adjustment, the employer may maintain the original date of effectivity for the difference.

c. Such creditable increases to this Wage Order include CBA grants and anniversary increases, unilateral grants, cost of living grants, food and transportation allowances/ subsidies provided they are incorporated in the basic wage of the employee, all of which are intended to address rise in the cost of living during the year. Promotional adjustments are not deemed creditable to this Wage Order.

*SECTION 7.* Wage distortion shall mean a situation where CBA grants and anniversary increases, unilateral grants and other cash grants made creditable as compliance to this Wage Order are less than the prescribed minimum wage adjustment and as a consequence, intentional quantitative difference in wage or salary rates between and among employee groups in an establishment are eliminated or severely contracted as to effectively obliterate the distinctions embodied in such wage structure based on skill, length of service, or other logical basis of differentiations.

Accordingly, the distortion adjustment should follow this formula:

$$\text{Distortion Adj.} = \frac{\text{Min. Wage under W.O. \# IV-01 Employee Salary as of Dec. 31, 1990}}{\text{Min. Wage Adj. under W.O \# IV-02}} \times \text{Creditable Increases}$$

Disputes which may arise as a result of this Wage Order shall be resolved in accordance with Article 124 of the Labor Code as amended.

Nothing in this Wage Order is intended to prevent all parties from agreeing to other forms or means of correcting wage distortions provided the resulting distortion adjustment is not less than the applicable formula provided in this section.

*SECTION 8.* The Regional 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.* Representatives of workers and employers, in coordination with the Regional Office of the Department of Labor and Employment are encouraged to jointly undertake programs and projects to ensure maximum compliance with this Wage Order and promote full employment.

*SECTION 10.* Any employer who refuses or fails to pay the minimum wage rates provided under this Wage Order shall be subject to the penalties under R.A. 6727.

*SECTION 11.* 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 Wage Order shall be construed to reduce any existing wage rates, allowance or other benefit under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between workers and employers.

*SECTION 12.* This Wage Orders shall take effect fifteen ( 15) days after its publication in at least one (1) newspaper of general circulation in the region.

Approved this 21st day of May 1991.

(SGD) ROMEO A. YOUNG  
Chairman

(SGD) RICHARD ALBERT I. OSMOND  
Vice-Chairman

(SGD) BUENAVENTURA C. GO-SOCO  
Vice-Chairman

(SGD) NICASIO S. RECTO, JR.  
Member, Worker Representative.

(SGD) DOMINADOR E. BANATIN  
Member, Worker Representative  
*\* Objection to Section 6*

(SGD) LORENZO B. CASTILLO  
Member, Employer Representative

(SGD) MARCELINO C. PINEDA  
Member, Employer Representative

Republic of the Philippines  
Department of Labor and Employment  
Regional Tripartite Wages and Productivity Board  
Regional Board No. IV

RULES IMPLEMENTING WAGE ORDER NO. IV - 02

Pursuant to the authority granted to the Regional Tripartite Wage and Productivity Board under Rules of Procedure on Minimum Wage Fixing, the following rules are hereby issued for guidance and compliance by all concerned:

CHAPTER I - DEFINITION OF TERMS

*Section I.* DEFINITIONS OF TERMS. As used in this Rules,

- (a) *Order* means Wage Order No. IV - 02;
- (b) *Board* means the Regional Tripartite Wages and Productivity Board of Region IV;
- (c) *Commission* means the National Wages and Productivity Commission;
- (d) *Department* means the Department of Labor and Employment;
- (e) *Region IV* covers the provinces of Aurora, Batangas, Cavite, Laguna, Marinduque, Occidental Mindoro, Oriental Mindoro, Palawan, Quezon, Rizal and Romblon and the cities of Batangas, Cavite, Lipa, Lucena, Puerto Princesa, San Pablo, Tagaytay and Trece Martirez;
- (f) The *Growth Corridor Areas* covers the provinces of Batangas, Cavite, Laguna and Rizal; the cities of Batangas, Cavite, Lipa, San Pablo, Tagaytay, Trece Martirez and Lucena; and the municipalities of Tiaong, Candelaria, Sariaya in Quezon.
- (g) The *Emerging Growth Areas* covers the province of Marinduque and the remaining parts of Quezon;
- (h) The *Resource Based Areas* covers the provinces of Aurora, Occidental Mindoro, Oriental Mindoro, Palawan and Romblon and the city of Puerto Princesa;
- (i) *Distressed Establishments* refer to establishments with capital impairment in the preceding year as may be determined by the Board;
- (j) *Statutory Minimum Wage* is the lowest wage fixed by law that an employer can pay his workers;
- (k) *Minimum Wage Rates* refer to the minimum wage rates that an employer can pay his workers, as fixed by the Board, and which shall not be lower than the applicable statutory minimum wage rates;
- (l) *Wage Distortion* shall mean a situation where CBA grants and anniversary increases, unilateral grants and other cash grants made creditable as compliance to this Order are less than the prescribed minimum wage adjustment and as a consequence, intentional quantitative difference in wage or salary rates between and among employee groups in an establishment are eliminated

or severely contracted as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service, or other logical basis of differentiations;

(m) *Agriculture* refers to farming in all its branches and among others, includes 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 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;

(n) *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";

(o) *Retail Establishment* is one principally engaged in the sale of goods to end-users for personal or household use;

(p) *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;

## CHAPTER II - WAGE INCREASE

*Section 1. COVERAGE.* a) the wage increase prescribed under the Order shall apply to all workers and employees in the private sector in Region IV who, prior to the effectivity of the Order were receiving the applicable statutory minimum wage rate or its monthly equivalent, regardless of their position, designation or status, and irrespective of the method by which their wages are paid, except:

- i) Household or domestic helpers, including family drivers and workers in the personnel service of another;
- ii) Workers and Employees in retail/service establishments regularly employing not more than 10 workers, when exempted from compliance with the Order for a period fixed by the Board in accordance with applicable rules and regulations used in this Order.

*Section 2. EFFECTIVITY.* This Order takes effect on 11th June 1991, fifteen (15) days following its publication in a newspaper of general circulation.

*Section 3. AMOUNT OF MINIMUM WAGE RATES INCREASE.* The daily minimum wage rates of covered workers and employees shall be increased as follows:

- i) P 9.00 in the "Growth Corridors";
- ii) P 5.00 in the "Emerging Growth Areas";
- iii) P 7.00 in the "Resource Based Areas";

*Section 4. DAILY MINIMUM WAGE RATES.* The resulting applicable daily minimum wage rates of workers and employees in the Region are herewith attached as Annexes A & B of this Rules including the conversion of their monthly equivalents in Annex C.

*Section 5. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.*

(a) With respect to private educational institutions, the share of the covered workers and employees in the increase in tuition fees for school year 1991 shall be credited as compliance with the wage increase prescribed herein. Where their share is less than the wage increase provided in this Order, the employer shall pay the difference.

(b) Private educational institutions which increased tuition fees beginning school year 1991-1992 shall comply with the prescribed Order as follows:

1. Where the tuition fee increase is effected on or before the effectivity of this Wage Order, the amount of increase shall take effect upon the effectivity of this Wage Order.
2. Where the tuition fee increase was effected after the effectivity of this Wage Order, the amount of increase shall take effect not later than the date the school actually increased tuition fees, but in the latter case, such increase shall not be made retroactive to the effectivity of this Wage Order.

c) Beginning school year 1992-1993, all private schools shall implement the minimum wage increase whether or not they actually increased tuition fees.

*Section 6. APPLICATION TO CONTRACTORS.*

(a) In case of business establishments in the export industry whose product pricing is covered by forward contracts with labor cost computed under Wage Order IV-01, the effectivity of the minimum wage rates under this Order shall be upon completion of the current contract but not later than January 1, 1992.

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

*Section 7. WORKERS PAID BY RESULTS.*

(a) All workers paid by results, 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 of work per day, or portion thereof for working less than the normal working hours.

Adjustment in the minimum wage rates for workers paid by results shall be computed as follows:

- i)  $\frac{\text{Amount Increase in AMW}^*}{\text{previous AMW}^*} \times 100 = \% \text{ Increase}$
- ii)  $\text{Existing rate/pc.} \times \frac{\% \text{ Increase}}{100} = \text{Increase in rate/pc.}$
- iii)  $\text{Existing rate/pc.} + \text{Increase in rate/pc.} = \text{adjustment}$   
\*where AMW is the Applicable Minimum Wage Rate.

(b) Wage rates 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 GROUPS OF WORKERS.* Wages of apprentices, learners, and handicapped workers shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates .

All recognized learnership and apprenticeship agreements entered into before 11 June 1991 shall be considered as automatically modified in so far as their wage clauses are concerned to reflect the increased prescribed under this Order.

*Section 9. CREDITABLE WAGE INCREASE.* All wage and salary increases granted by the employer from January 1, 1991 to December 31, 1991 shall be credited as compliance to the minimum wage increase prescribed in this Wage Order provided that:

(a) Where such creditable increases are less than the prescribed minimum wage adjustment , the employer shall pay the distortion adjustment using the formula specified in this Order.

(b) Where such creditable increase are to be granted after the effectivity of this Order, the same shall be effective on the date of effectivity of this Order. If such creditable increases are more than the prescribed minimum adjustment, the employer may maintain the original date of effectivity for the difference.

(c) Except promotional adjustments, such increases like CBA grants, anniversary increases, unilateral grants, allowances & subsidies provided they are incorporated in the basic wage of the employee, all of which are intended to the address rises in cost of living during the year, are deemed creditable

*Section 10. WAGE DISTORTION.* Any distortion in the wage structure within an establishment arising from the application of the wage increase provided under this Order shall be adjusted using this formula:

$$\text{Distortion Adj.} = \frac{\text{Min. Wage under WOIV-01}}{\text{Employee salary as of Dec. 31, 1990}} \times \text{Min. Wage Adj. under WO IV-02} - \text{Creditable Increases}$$

Disputes which may arise as a result of wage distortion shall be resolved in accordance with Article 124 of the Labor Code as amended.

Nothing in this Wage Order is intended to prevent all parties from agreeing to other forms or means of correcting wage distortion provided the adjustment result is not less than the applicable formula in this Section.

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

Any issue involving wage distortion shall not be a ground for strikes or lockouts.

*Section 11. EXEMPTION.*

(a) The following establishments may be exempted from compliance with the wage increase prescribed under this Order upon application with and as determined by the Board in accordance with applicable rules and regulations:

- 1) Retail/Service establishments regularly employing not more than 10 workers;
- 2) Distressed establishments whose capital has been impaired by at least twenty-five percent (25%) during the year preceding the application.
- 3) Covered establishments in the export industry under Section 6 (a) which shall be required to submit an authenticated forward contract substantiated with a certification indicating establishment is a direct exporter.

b) The Board has the option to grant full or partial exemption for a period not exceeding one(1) year from the effectivity of this Order.

c) Whenever an application for exemption has been duly filed with the Board, action by the Regional Office of the Department in Region IV on any complaint for alleged non-compliance with the Order shall be deferred pending resolution of the said application;

d) In the event that the application for exemption is not granted, the workers and employees shall receive the appropriate compensation due them as provided for under the Order plus compounded interest of one percent (1%) per month retroactive to the effectivity of this Order.

*Section 12. COMPLAINTS FOR NON-COMPLIANCE.* Complaints for non-compliance with the wage increase provided in the Order shall be filed with the Regional Office of the Department in Region IV and shall be subject to enforcement proceedings under Article 128 and 129 of the Labor Code, as amended.

*Section 13. NON-DIMINUTION OF BENEFITS.* Nothing in the Order and this Rules 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 or agreement between the workers and employers or employer practices or policies.

*Section 14. PENAL PROVISIONS.* Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increases under this Order shall be punished by a fine not exceeding twenty five thousand pesos (P25,000) 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 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 15. EFFECTS 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 its Rules shall continue to have full force and effect.

*Section 16. PROHIBITION AGAINST INJUNCTION.* No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entities against any proceeding before the Board.

*Section 17. EFFECTIVITY.* This Rules shall take effect on June 11, 1991.

Done in Quezon City, Republic of the Philippines.

07 June 1991.

(SGD) ROMEO I. YOUNG  
Chairman

(SGD) RICHARD I. OSMOND  
Vice-Chairman

(SGD) BUENAVENTURA C. GO-SOCO, JR.  
Vice-Chairman

(SGD) NICASIO S. RECTO, JR.  
Worker Representative

(SGD) DOMINADOR BANATIN  
Worker Representative

(SGD) LORENZO B. CASTILLO  
Employer Representative

(SGD) MARCELINO C. PINEDA  
Employer Representative

Approved this June 13, 1991.

(SGD) NIEVES R. CONFESSOR  
Acting Secretary

ANNEX A

Daily Statutory Minimum Wage Rates - The daily statutory minimum wage rates of workers and employees in Region IV shall be shown as follows:

INDUSTRY/SECTOR	Growth Corridor Areas		Emerging Growth Areas	Resource Based Areas
	Provinces of Batangas, Cavite, Laguna & Rizal & the cities of Batangas, Cavite, Lipa, San Pablo, Tagaytay & Trece Martires	Lucena City, Tiaong, Candelaria, and Sariaya, Quezon	Provinces of Marinduque and other parts of Quezon	Provinces of Aurora, Occ. Mindoro, Or. Mindoro, Palawan and Romblon and Puerto Princesa City
Non-Agriculture	113.00	110.00	106.00	106.00
Agriculture				
Plantation with annual gross sales of P5M or more	103.00	100.00	96.00	96.00
Plantation with annual gross sales of less than P5M	98.00	95.00	91.00	91.00
Non-Plantation	82.50	79.50	75.50	75.50
Cottage/Handicraft				
Employing more than 30 workers	91.00	88.00	84.00	84.00
Employing not more than 30 workers	89.00	86.00	82.00	82.00

Private Hospitals	109.00	106.00	102.00	102.00
Retail/Service				
Sugar Mills	115.00	112.00	108.00	108.00
Agriculture				
Plantation with annual gross sales of P5M or more	97.50	94.50	90.50	90.50
Plantation with annual gross sales of less than P5M	92.50	89.50	85.50	85.50
Non-Plantation	82.50	79.50	75.50	75.50

ANNEX B

INDUSTRY/SECTOR	Growth Corridor	Areas	Emerging Growth Areas	Resource Based Areas
	Provinces of Batangas, Cavite, Laguna & Rizal & the cities of Batangas, Cavite, Lipa, San Pablo, Tagaytay & Trece Martires	Lucena City, Tiaong, Candelaria, and Sariaya, Quezon	Provinces of Marinduque and other parts of Quezon	Provinces of Aurora, Occ. Mindoro, Or. Mindoro, Palawan and Romblon and Puerto Princesa City
Business Enterprises w/Capitalization not more than P500,000 and employing not more than 20 workers				
Non-Agriculture	103.00	106.00	96.00	96.00
Agriculture Plantation				
Products other than Sugar	93.00	90.00	86.00	86.00
Sugar	87.50	84.50	80.50	80.50
Private Hospitals	99.00	96.00	92.00	92.00
Retail/Service				
Cities w/ population of more than 150,000				
Employing more than 15 workers	103.00	100.00	96.00	96.00
Employing 11 to 15 workers	99.00	96.00	92.00	92.00
Cities and Municipalities with population of not more than 150,000				
Employing more than 15 workers	99.00	96.00	92.00	92.00
Countryside and Barangay Business Enterprises registered under RA6810 (Kalakalan 20)				
A. Not Exempted from RA 6727				

Non-Agriculture	103.00	100.00	96.00	96.00
Cottage/Handicraft	89.00	86.00	82.00	82.00
Agriculture Plantation				
Sugar	87.50	84.50	80.50	80.50
Other Crops	93.00	90.00	86.00	86.00
Agriculture Non-Plantation	82.50	79.50	79.50	79.50
<b>B. Exempted from RA 6727</b>				
Non-Agriculture	89.00	89.00	81.00	81.00
Cottage/Handicraft	74.00	71.00	67.00	67.00
Agriculture Plantation				
Sugar	72.50	69.50	65.50	65.50
Other Crops	78.50	75.50	71.00	71.00
Agriculture Non-Plantation	67.50	64.50	60.50	60.50

#### ANNEX C

#### SUGGESTED FORMULA IN DETERMINING THE EQUIVALENT MONTHLY 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 statutory minimum wage rates:

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

$$\text{Equivalent Monthly Rate (EMR)} = \frac{\text{application daily wage rate (ADR)} \times 390.90 \text{ days}}{12}$$

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>	<u>days</u>	- 2 special days x 130%	2/
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:

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

Where 365 days =

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

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

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

Where 314 days =

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

- 
- 1/ Includes premium for holidays, special days and rest days.  
2/ November 1 and December 31 under Executive Order No. 203 dated June 30, 1987.

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

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

Where 262 days =

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

- 
- 2/ November 1 and December 31 under Executive Order No. 203 dated June 30, 1987.

Note: *For workers whose 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 in the ten 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.*