

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Board No. VI
Iloilo City

WAGE ORDER NO. RB6-08

INCREASING THE MINIMUM WAGE RATES

WHEREAS, citing the erosion of the purchasing power of the Philippine peso, among others, petitions for wage increase were filed with the Regional Board in October 1997;

WHEREAS, public consultations were conducted in the different provinces and various sectors in Region VI to capture direct information from affected/interested parties, groups and/or organizations on the need to issue a new wage order;

WHEREAS, the data gathered during the consultations warrants the issuance of a wage order increasing the minimum wage rates in the Region to enable the workers/employees to cope with the escalating standards of living;

WHEREAS, the erosion of the Philippine Peso has affected not only the labor sector but the entire business community as well;

WHEREAS, while the Regional Board recognizes the needs of the workers and their families, it also has to consider the requirements of the economic and social development of the Region.

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

Section 1. Upon effectivity of this Wage Order, the daily basic wage of the minimum wage earners in the Region shall be increased by P10.00. Henceforth, the new minimum wage rates shall be as follows:

<u>CLASSIFICATION</u>	<u>Basic</u>	<u>COLA</u>
SUGAR INDUSTRY		
MILLS	P 139.65	P 10.00
AGRICULTURE		
Plantation with capitalization of more than P3 M	117.50	10.00
Plantation with capitalization of not more than P3 M	92.00	18.50
Non-Plantation	80.00	15.50

NON-SUGAR INDUSTRIES

BUSINESS ENTERPRISES
WITH CAPITALIZATION OF MORE THAN P3 MILLION

NON-AGRICULTURE

(i.e., Industrial/Commercial)	136.85	10.00
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AGRICULTURE

Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5 M or more	117.40	10.00
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Plantation with annual gross sales of less than P5 M	110.90	10.00
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Non-Plantation	89.85	10.00
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COTTAGE/HANDICRAFT

Employing more than 30 workers	101.20	10.00
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Employing not more than 30 workers	99.00	10.00
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PRIVATE HOSPITALS

126.00	10.00
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RETAIL/SERVICE

Cities with population of more than 150,000

Employing more than 15 workers	131.40	10.00
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Employing 11-15 workers	126.00	10.00
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Employing not more than 10 workers	89.30	10.00
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Municipalities and cities with population of not more than 150,000

Employing more than 10 workers	126.00	10.00
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Employing not more than 10 workers	89.30	10.00
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BUSINESS ENTERPRISES WITH CAPITALIZATION
OF MORE THAN P1 MILLION BUT NOT MORE THAN P3 MILLION

NON-AGRICULTURE

(i.e., Industrial/Commercial)	112.35	24.50
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AGRICULTURE

Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	96.90	20.50
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Plantation with annual gross sales of less than P5 M	91.40	19.50
Non-Plantation	74.35	15.50
COTTAGE/HANDICRAFT		
Employing more than 30 workers	83.70	17.50
Employing not more than 30 workers	81.50	17.50
PRIVATE HOSPITALS	103.50	22.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	107.90	23.50
Employing 11-15 workers	103.50	22.50
Employing not more than 10 workers	73.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	103.50	22.50
Employing not more than 10 workers	73.80	15.50

BUSINESS ENTERPRISES WITH CAPITALIZATION
OF NOT MORE THAN P1 MILLION

NON-AGRICULTURE	96.90	20.50
AGRICULTURE PLANTATION OTHER THAN SUGAR		
	85.90	18.50
PRIVATE HOSPITALS	92.50	19.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	96.90	20.50
Employing 11-15 workers	92.50	19.50
Employing not more than 10 workers	73.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	92.50	19.50
Employing not more than 10 workers	73.80	15.50

Section 2. The new wage rates herein provided shall not cover household or domestic helpers and persons in the personal service of another including family drivers.

Section 3. The COLA granted under this Wage Order shall not be considered as part of the basic wage of the workers for purposes of computing wage-related benefits such as 13th-month pay, overtime pay, premium pay, holiday pay and night differential pay.

Section 4. All qualified workers paid by results, including those who are paid by piece work, "takay", "pakyaw" or task basis, shall likewise be entitled to the new wage rate and the prescribed Cost of Living Allowance.

Section 5. In the case of private educational institutions, this Wage Order shall take effect beginning schoolyear 1998-1999.

Section 6. Wage increases/additional cash allowances, given on or after January 1, 1998 shall be credited as compliance with this Wage Order.

Section 7. Exemptions of retail/service establishments employing not more than ten (10) workers, distressed establishments, new business enterprises and establishments adversely affected by natural calamities shall be subject to applicable existing rules and regulations.

Section 8. In the case of contracts for construction projects and for security, janitorial and similar services, the herein prescribed benefits of covered workers and employees 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 principals or clients fail to pay the prescribed allowance, the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 9. Where the application of the wage increase/Cost of Living Allowance prescribed herein results in distortion of the pay structure within an establishment, such distortion shall be resolved using the procedure specified under Article 124 of the Labor Code of the Philippines.

Section 10. The Regional Board shall provide the necessary rules and regulations to implement this Wage Order subject to the approval of the Secretary of Labor and Employment.

Section 11. Any employer who refuses or fails to comply with this Wage Order shall be subjected to the penalties as specified under RA. 6727 as amended by RA 8188.

Section 12. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts thereof shall remain valid.

Section 13. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowances or any other benefits under existing laws, decrees, issuances or executive orders and/or under any contract or agreement between workers and employers.

Section 14. This Wage Order shall take effect fifteen (15) days after its complete publication in a newspaper of general circulation in the Region.

Approved. Iloilo City, Philippines, JANUARY 27, 1998.

(SGD) VIRGILIO A. SINDICO
EMPLOYERS' REPRESENTATIVE

(SGD) WENNIE G. SANCHO
WORKERS' REPRESENTATIVE

(SGD) JAMES C. LEDESMA, SR.
EMPLOYERS' REPRESENTATIVE

(SGD) NATALIO V. SITJAR
WORKERS' REPRESENTATIVE

(SGD) DOMINIC P. ABAD
VICE CHAIRMAN
REGIONAL DIRECTOR, DTI

(SGD) TRUMAN T. CAINGLET
VICE CHAIRMAN
REGIONAL DIRECTOR, NEDA

(SGD) CARLOS L. BOTEROS
CHAIRMAN
REGIONAL DIRECTOR, DOLE

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Board No. VI
Iloilo City

RULES IMPLEMENTING WAGE ORDER NO. RB6-08

Pursuant to the authority granted to the Regional Tripartite Wages and Productivity Board under Article 122 (b) Section 3 of Republic Act No. 6727, otherwise known as the Wage Rationalization Act and Section 10 of Wage Order No. RB6-08, the following rules are hereby issued for guidance and compliance by all concerned:

RULE 1

Section 1. DEFINITION OF TERMS. As used in these Rules:

- (a) Order means Wage Order No. RB6-08;
- (b) Commission means the National Wages and Productivity Commission;
- (c) Board means the Regional Tripartite Wages and Productivity Board of Region VI;
- (d) Department means the Department of Labor and Employment;
- (e) Region VI covers the provinces of Aklan, Antique, Capiz, Guimaras, Iloilo, Negros Occidental and the cities of Bacolod and Iloilo;
- (f) Agriculture includes farming in all its branches and among others, includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of any agricultural or horticultural commodities, aquaculture, the raising of livestock and poultry, 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 deep-sea fishing, the manufacturing or processing of sugar, coconut, abaca, tobacco, pineapple or other farm products, marine and aquaculture 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) 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 with total assets of not more than P1,500,00.00 pursuant to SMED Council Resolution No. 3, Series of 1995;
- (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) Distressed establishment refers to an establishment which meets the criteria enumerated in Section 3A of the NWPC Guidelines No. 1, Series of 1996;

- (l) New business enterprises refer to establishments, including non-profit institutions, newly registered with the appropriate government agency such as Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA) and Mayor's Office within two (2) years from the effectivity of the Wage Order;
- (m) Capital refers to paid-up capital at the end of the last full accounting period in the case of corporations or the total invested capital at the beginning of the period under review in the case of partnerships and single proprietorship, the fund balance/members' contribution at the beginning of the period under review in case of non-stock non-profit organizations;
- (n) Basic wage means all the 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 payments, 13th-month pay or other monetary benefits which are not considered as part of or integrated into the regular salary of the workers on the date the Order became effective;
- (o) COLA means Cost of Living Allowance;
- (p) Minimum wage rate is the lowest wage rate fixed by law that an employer can pay his workers;
- (q) 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 distinctions embodied in such wage structure based on skills, length of service, or other logical bases or differentiations.

Section 2. AMOUNT OF BASIC WAGE AND COST OF LIVING ALLOWANCE. Upon effectivity of Wage Order No. RB6-08, the new minimum basic wages and the minimum Cost-of-Living Allowance of all employees and workers in the Region shall be as follows:

<u>CLASSIFICATION</u>	<u>NEW WAGE RATES</u> Effective 2-21-98	
	<u>Basic</u>	<u>COLA</u>
SUGAR INDUSTRY		
MILLS	139.65	10.00
AGRICULTURE		
Plantation with capitalization of more than P3 M	117.00	10.00
Plantation with capitalization of not more than P3 M	92.00	18.00
Non-Plantation	80.00	15.50
NON-SUGAR INDUSTRIES		
BUSINESS ENTERPRISES WITH CAPITALIZATION OF MORE THAN P3 MILLION		
NON-AGRICULTURE (i.e., Industrial/Commercial)	136.85	10.00

AGRICULTURE

Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5 M or more	117.40	10.00
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Plantation with annual gross sales of less than P5 M	110.90	10.00
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Non-Plantation	89.85	10.00
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COTTAGE/HANDICRAFT

Employing more than 30 workers	101.20	10.00
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Employing not more than 30 workers	99.00	10.00
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PRIVATE HOSPITALS	126.00	10.00
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RETAIL/SERVICE

Cities with population of more than 150,000		
Employing more than 15 workers	131.40	10.00

Employing 11-15 workers	126.00	10.00
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Employing not more than 10 workers	89.30	10.00
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Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	126.00	10.00

Employing not more than 10 workers	89.30	10.00
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BUSINESS ENTERPRISES WITH CAPITALIZATION OF MORE THAN P1 MILLION BUT NOT MORE THAN P3 MILLION

NON-AGRICULTURE

(i.e., Industrial/Commercial)	112.35	24.50
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AGRICULTURE

Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	96.90	20.50
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Plantation with annual gross sales of less than P5 M	91.40	19.50
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Non-Plantation	74.35	15.50
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Employing not more than 30 workers	81.50	17.50
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PRIVATE HOSPITALS	103.50	22.50
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Employing not more than 10 workers	73.80	15.50
RETAIL/SERVICE		
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	103.50	22.50
Employing not more than 10 workers	73.80	15.50
BUSINESS ENTERPRISES WITH CAPITALIZATION OF NOT MORE THAN P1 MILLION		
NON-AGRICULTURE	96.90	20.50
AGRICULTURE PLANTATION OTHER THAN SUGAR	85.90	18.50
PRIVATE HOSPITALS	92.50	19.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	96.90	20.50
Employing 11-15 workers	92.50	19.50
Employing not more than 10 workers	73.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	92.50	19.50
Employing not more than 10 workers	73.80	15.50

Section 3. CREDITABLE WAGE INCREASE. Wage increases given on or after January 1, 1998 shall be credited as compliance with this Wage Order.

RULE II BASIC WAGE AND COST OF LIVING ALLOWANCE

Section 1. COVERAGE. The new minimum wage rates shall cover all workers in the Region regardless of their position, designation, status, irrespective of the method by which their wages are paid, including learners and apprentices, except household and domestic helpers or persons in the personal service of another.

Section 2. COLA FOR UNWORKED DAYS.

- (a) All covered workers shall be entitled to their daily cost of living allowance during the days that they are paid their basic wage even if unworked;
- (b) The cost of living allowance (COLA) of part-time workers shall not be less than the amount in proportion to the time they actually worked.

Section 3. WORKERS PAID BY RESULTS. All workers paid by result, including those who are paid by piece work, "takay", "pakyaw" or task basis, shall receive not less than the applicable basic wage and COLA rates prescribed under the Wage Order for the normal working hours which shall not exceed eight (8) hours a day or a proportion thereof for work of less than the normal working hours.

Industries/Establishments currently paying their workers/employees specific unit rates in the different phases of its operations based on time and motion studies previously developed and approved by competent authority, shall, in the absence of a more updated study, continue the practice but shall proportionately adjust the said wage rates with respect to the basic wage and the cost of living allowance of all workers in the Region as mandated under Wage Orders No. RB6-06 and 07 in accordance with its classification as mandated in the Wage Order.

Section 4. BASIC WAGE AND COLA OF SPECIAL GROUPS OF WORKERS. Apprentices, handicapped workers and learners shall in no case receive less than 75% of the applicable Basic Wage and COLA rates.

Section 5. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed basic wage and COLA for covered workers and employees shall be borne by the principals or clients of the construction/service contractors and the contracts shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed allowance, the construction/service contractor shall be jointly and severally liable with the principal or client, subject to the Provisions on Exemption of the Principal per NWPC Guideline No. 01, Series of 1996, unless otherwise amended.

Section 6. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the new minimum basic wage rate and cost of living allowance shall be effective beginning schoolyear 1998-1999.

Section 7. SPECIAL FEATURES OF COLA. COLA granted to the workers and employees in compliance with the Wage Order cannot be considered as part of the regular wage of the workers and employees for purposes of determining wage-related benefits such as overtime pay, premium pay, holiday pay and night differential pay.

Section 8. PAYMENT OF BASIC WAGE AND COLA. The basic wage and COLA prescribed by the Wage Order shall be paid in legal tender together with the regular wage on the customary pay day.

Section 9. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance of the requirements prescribed under the Wage Order shall be filed with the Regional Office of the Department, Region VI and shall be the subject of enforcement proceedings under Art. 128 and Art. 129 of the Labor Code, as amended.

RULE III EXEMPTIONS

Section 1. APPLICATION FOR EXEMPTION. Distressed employers, retail/service establishments employing not more than ten (10) workers, new business enterprises and establishments adversely affected by natural calamities may apply with the Board for exemption from compliance with the Wage Order in accordance with existing laws and/or guidelines.

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

Exemption granted pursuant to the Wage Order shall in no case extend beyond one (1) year from the effectivity of the Wage Order.

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 the Wage Order plus an interest of 1% per month retroactive from the date when the Wage Order became effective.

Applications for exemption shall be filed within sixty (60) days after publication of the Rules in at least one newspaper of general circulation in the Region.

In the case of new business enterprises, the application for exemption shall be filed within sixty (60) days from date of registration.

RULE IV GENERAL PROVISIONS

Section 1. NON-DIMINUTION OF BENEFITS. Nothing in the Wage Order shall be construed to reduce any existing wage rates, allowances or other benefits under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between the workers and the employers.

Section 2. PENAL PROVISIONS. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustment in the wage rates and COLA in accordance with this Wage Order shall be punished by a fine of not less P25,000.00 nor more than P100,000.00 or imprisonment of not less than two (2) years nor more than four (4) years or both, such fine and imprisonment at the discretion of the courts: *Provided*, That any person convicted under the Act shall not be entitled to the benefits provided for under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: *Provided*, That payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act.

If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty or 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 3. SEPARABILITY PROVISION. If any provision or part of the Wage Order and these Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Wage Order and these Rules or application of such provision or part thereof to other person or circumstance shall not be affected thereby.

Section 4. EFFECTIVITY. These Rules shall take effect on February 21, 1998.

Done in the City of Iloilo, Republic of the Philippines this 10th day of February 1998.

(SGD) VIRGILIO A. SINDICO
Employers' Representative

(SGD) WENNIE G. SANCHO
Workers' representative

(SGD) JAMES C. LEDESMA, SR.
Employers' Representative

(SGD) NATALIO V. SITJAR
Workers' representative

(SGD) DOMINIC P. ABAD
Vice Chairman
REGIONAL DIRECTOR, DTI

(SGD) TRUMAN T. CAINGLET
Vice Chairman
REGIONAL DIRECTOR, NEDA

(SGD) CARLOS L. BOTEROS
Chairman
Regional Director, DOLE