



WAGE ORDER NO. RTWPB-02-20

Providing for New Minimum Wage Rates for Workers in the Private Sector in Region 2

WHEREAS, under Republic Act No. 6727 (The Wage Rationalization Act), the Regional Tripartite Wages and Productivity Boards (RTWPBs) are mandated to determine and fix minimum wage rates in their respective regions;

WHEREAS, the Board, pursuant to the NWPC Amended Rules of Procedure on Minimum Wage Fixing, *motu proprio* reviewed the existing minimum wage and conducted wage and productivity consultations on October 17, 2019 in Solano, Nueva Vizcaya; October 18, 2019 in Isabela; and on November 25, 2019 in Tuguegarao City, Cagayan;

WHEREAS, after publication of the notice of public hearing at the Northern Post newspaper on December 28, 2019 and due notice to the concerned stakeholders, a Public Hearing on the review of minimum wage was conducted on January 24, 2020 at Balai Santiago, Santiago City, Isabela;

WHEREAS, as a result of the periodic and continuous review of the socio-economic conditions in the Region, and taking into consideration the results of the consultations and public hearing and deliberations conducted, the Regional Board unanimously agreed the need to increase the minimum wage rates in Region 2 to provide workers with immediate relief to cope with the rising cost of living without impairing the viability of business;

WHEREAS, the Two-Tiered Wage System (TTWS) under NWPC Guidelines No. 02-2012, prescribes poverty threshold as the floor wage. Thus, the Regional Board deemed it necessary to raise the lowest statutory wage rates in the region to a level above the poverty threshold;

WHEREAS, consistent with the government's policy of achieving a higher level of productivity to preserve jobs, and to augment the income of workers, there is a need to build the capacity of business enterprises to be competitive by adopting and implementing productivity improvement and gainsharing programs.

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, the Regional Tripartite Wages and Productivity Board-Region 02 hereby issues this Wage Order.

SECTION 1. NEW MINIMUM WAGE RATES. Upon effectivity of this Wage Order, all minimum wage workers and employees of private establishments in Region 02 shall be paid the following minimum wage rates:

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INDUSTRY/ SECTOR	MINIMUM WAGE RATES UNDER WAGE ORDER No. RTWPB-02-19			NEW BASIC WAGE INCREASE	MINIMUM WAGE UNDER WAGE ORDER No. RTWPB-02- 20
	BASIC WAGE	COST OF LIVING ALLOWANCE (COLA)	TOTAL		
1. Non Agriculture; and Retail/Service Establishments employing more than 10	350.00	10.00	360.00	10.00	370.00
2. Agriculture	330.00	10.00	340.00	5.00	345.00
3. Retail/Service Establishments employing not more than 10	310.00	10.00	320.00	12.50 upon effectivity of this Order (1 st tranche)	345.00
				12.50 on July 1, 2020 (2 nd tranche)	

SECTION 2. COVERAGE. The new minimum wage rates prescribed under this Wage Order shall apply to all minimum wage workers and employees in the private sector in the region, regardless of their position, designation or status of employment.

Excluded from the coverage of this Wage Order are domestic workers and persons in the personal service of another and workers of registered Barangay Micro-Business Enterprises (BMBEs) with valid Certificates of Authority pursuant to Republic Act No. 9178.

SECTION 3. APPLICATION OF THE NEW WAGE RATES. The new wage rates prescribed under this Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours of work a day.

SECTION 4. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers in the increase of tuition fees for the School Year 2019-2020 shall be considered as compliance with the wage increase prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting School Year 2020-2021.

Private educational institutions which have not increased their tuition fees for the School Year 2019-2020 may defer compliance with the provisions of this Wage Order until the beginning of the School Year 2020-2021.

In any event, all private educational institutions shall implement the wage increase prescribed herein starting School Year 2020-2021.

SECTION 5. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takay", "pakyaw" or task basis shall be entitled to receive not less than the prescribed minimum wage rate for eight (8) normal working hours a day, or a portion thereof for those working less than eight (8) hours.

SECTION 6. WAGE DISTORTION. Where the application of the new wage rates prescribed in this Wage Order results in wage distortion within the

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establishment, it shall be corrected in accordance with the procedure provided for under Article 124 of the Labor Code, as amended.

SECTION 7. EXEMPTIONS. Applications for exemption from compliance with this Order shall not be allowed. However, in case of calamity, the Board may accept applications for exemption for establishments adversely affected by calamities such as natural or human-induced disasters, pursuant to NWPC Guidelines No. 02, Series of 2007 as amended by NWPC Resolution 01, series of 2014.

SECTION 8. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Wage Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subject to the mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

SECTION 9. NON-DIMINUTION OF BENEFITS. Nothing in this Wage Order shall be construed to reduce any existing wage rate, allowance or other benefits of any form under existing laws, decrees, issuances and executive orders or under any contract or agreement between workers and employers.

SECTION 10. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAMS. In order to sustain rising levels of wages and enhance competitiveness, labor and management as partners in business are encouraged to adopt productivity improvement schemes that will improve the quality of work of employees and, in turn, enable them to produce more and earn more, such as time and motion studies, good housekeeping, quality circles, labor-management cooperation, as well as implement gainsharing programs and other performance incentive programs.

Pursuant to the Two-Tiered Wage System, the Board issued Advisory No. RTWPB-II-02, **with agribusiness, wholesale and retail trade; and hotels and restaurants** as its target industries, notwithstanding the issuance of future advisories to guide workers and management in the formulation, adoption and implementation of programs and performance and productivity-based incentive schemes.

SECTION 11. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board.

SECTION 12. FREEDOM TO BARGAIN. This Wage Order shall not be construed to prevent workers in particular firms or enterprises or industries from bargaining for higher wages with their respective employers.

SECTION 13. APPEAL TO THE COMMISSION. Any party aggrieved by this Wage Order may file a verified appeal with the National Wages and Productivity Commission through the Board within ten (10) calendar days from the publication of this Wage Order.

The filing of the appeal does not operate to stay the Wage Order unless the party appealing such Wage Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding increase to employees affected by the Wage Order in the event such Wage Order is affirmed.

SECTION 14. REPORTING REQUIREMENT. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified

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itemized listing of their labor component to the RTWPB II not later than January 31, 2020 and every year thereafter in accordance with the form prescribed by the Commission.


SECTION 15. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.


SECTION 16. REPEALING CLAUSE. All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

SECTION 17. IMPLEMENTING RULES. The Board shall prepare the implementing rules of this Wage Order subject to the approval of the Secretary of Labor and Employment.


SECTION 18. EFFECTIVITY. This Wage Order takes effect fifteen (15) days after its publication in a newspaper of general circulation.

APPROVED this 4th day of February, 2020 in Tuguegarao City, Cagayan,


JOHNNY M. ALVARO
Employees' Representative


ERNESTO J. FUECONCILLO
Employees' Representative

vacant
Employers' Representative


ARCELI L. DULIN
Employers' Representative


DIONISIO C. LEDRES, JR.
Vice Chairperson


ROMLEAH JULIET P. OCAMPO
Vice Chairperson


Atty. EVELYN R. RAMOS
Chairperson