

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Cordillera Administrative Region
Baguio City

WAGE ORDER NO. RB-CAR-20

**PRESCRIBING THE NEW MINIMUM WAGE RATES
OF PRIVATE SECTOR WORKERS IN THE
CORDILLERA ADMINISTRATIVE REGION**

WHEREAS, R.A. No. 6727, otherwise known as the Wage Rationalization Act, empowers the Regional Tripartite Wages and Productivity Boards to determine and fix minimum wage rates applicable in the regions and to issue the corresponding Wage Orders subject to the guidelines issued by the National Wages and Productivity Commission, particularly NWPC Guidelines No. 01 of 2007, as amended by NWPC Guidelines No. 02 of 2012;

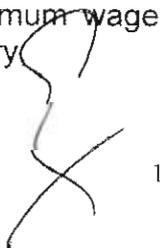
WHEREAS, in consonance with the aforementioned guidelines for the implementation of RA 6727, the Regional Tripartite Wages and Productivity Board – Cordillera Administrative Region (hereinafter referred to as the Board) adheres to policy requirements of the Two-Tiered Wage System (TTWS) in the exercise of its minimum wage fixing authority, consistent with the policy of the government to provide safety measures for lowly paid workers, attain a higher level of productivity in the work area, increase employment and augment the income of workers through incentives, without necessarily impairing the growth of business and interest of employers;

WHEREAS, in the absence of any petition for a wage adjustment filed, the Board in its meeting, resolved to *motu proprio* initiate a wage review of the required socio-economic data and indicators obtaining in the region as key information sources in determining if a new wage order shall be issued to adjust the minimum wage rates of private sector workers in the region;

WHEREAS, after publication and due notice to the public, the Board further resolved to conduct public hearings in the region, as follows: September 6, 2019, 8AM-12NN at Origenes Hall in Bangued for the Province of Abra; September 11, 2019, 8AM-12NN at Davidson Hotel, Tabuk City for the clustered Provinces of Kalinga and Apayao; September 12, 2019, 8AM-12NN at Southville Inn, Lagawe for the clustered Provinces of Ifugao and Mountain Province; and September 17, 2019, 8AM-12NN at Orchard Hotel, Baguio City for Benguet and the City of Baguio, to determine the propriety of issuing a new wage order;

WHEREAS, during the scheduled public hearings, workshops for participants were carried out to elicit their respective positions focused on the issue of wage adjustments in the existing minimum wage levels;

WHEREAS, based on the inputs from the stakeholders derived from the consultations and public hearings, the Board has determined the need to increase the prevailing minimum wage rates without impairing the viability of existing business and industry



WHEREAS, in adjusting the First Tier or the regional minimum wage rates through this new wage order, the Board primarily takes into account Section 3a of NWPC Guidelines No. 2 Series of 2012 which provides that the same shall be set higher than the Poverty Threshold, along with the Standards/Criteria for Minimum Wage Fixing under Rule II Section 2 of NWPC Guidelines No. 1 Series of 2007, the impact of the socio-economic indicators in the region, the prevailing wage levels in neighboring regions, the principle of wage simplification, and other wage policy directives;

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, the Board, hereby issues this Wage Order.

Section 1. COVERAGE. This Wage Order shall apply to all minimum wage earners in the private sector in the Cordillera Administrative Region regardless of their position, designation or status and irrespective of the method their wages are paid.

The following are not covered:

- a) Persons employed in the personal service of another;
- b) Domestic workers by virtue of R.A. 10361, otherwise known as the Batas Kasambahay; and
- c) Workers in the registered Barangay Micro Business Enterprises with Certificate of Authority pursuant to R.A. 9178, otherwise known as "Barangay Micro Business Enterprises (BMBE) Act of 2002".

Section 2. NEW MINIMUM WAGE RATES.

a) Upon effectivity of this wage order, the new rates shall be as follows:

DAILY MINIMUM WAGE RATES												
Sector/ Industry	*Baguio City & La Trinidad ** Tabuk City				Bangued, Bontoc, Banaue, Lagawe, Bauko, Sagada, Buguias, Itogon, Mankayan, Tuba, & Tublay				Other Areas in the Region			
	Under WO No. RB-CAR- 19	Wage Increase		New Minimum Wage	Under WO No. RB-CAR- 19	Wage Increase		New Minimum Wage	Under WO No. RB- CAR-19	Wage Increase		New Minimum Wage
		BASIC	COLA			BASIC	COLA			BASIC	COLA	
All Industries/ Sectors employing 11 or more	*320	20	10	350	315	15	10	340	300	30	10	340
	**315	25	10	350								
All Industries/ Sectors employing 10 or less	*310	30	10	350	305	25	10	340	300	30	10	340
	**305	35	10	350								

The new minimum wage rates in CAR are, thus, summarized as:

AREA	NEW DAILY MINIMUM WAGE RATES For All Sectors and Industries in Region CAR
Baguio City, La Trinidad, & Tabuk City	P340 (Basic) + P10 (COLA) = P350
Other Areas in the Region	P330 (Basic) + P10 (COLA) = P340

b) Effective May 1, 2020, the P10 COLA (all areas) shall be integrated into the BASIC rates.

Section 3. BASIS OF MINIMUM WAGE. The minimum wage rates prescribed under this Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 4. NON-DIMINUTION OF BENEFITS. Nothing in this Wage Order shall be construed to reduce or eliminate 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 being enjoyed by the workers prior to the issuance of this Order.

Section 5. IMPLEMENTATION OF SECOND TIER. The Second Tier or the Productivity Based Pay shall continue to be implemented following the guidelines provided by Advisory No. 01, series of 2013, Advisory 02 of 2014 and subsequent Advisories which may be issued by the Board.

Section 6. CREDITABLE PRODUCTIVITY BASED PAY. For establishments identified as priority industries and already granting Productivity Based Pay or its equivalent to their workers, this may be credited as compliance to the Second Tier. Merit increases, anniversary increases or wage increases resulting from the regularization or promotion of the employees per company policy or as provided by law are not credited as compliance to the Second Tier.

Section 7. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2019-2020 shall be considered as compliance with the wage rates prescribed herein. Where the share of the workers and employees is less than what is provided herein, the employer shall pay the difference starting School Year 2020-2021.

Private educational institutions that have not increased their tuition fees for the School Year 2019-2020 may defer compliance with the wage rates prescribed herein until the beginning of School Year 2020-2021.

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

Section 8. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increase 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 principals or clients fail to pay the prescribed increase, the construction/service contractors shall be jointly and severally liable with their principals or clients.

Section 9. 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 the prescribed wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 10. APPRENTICES AND LEARNERS. Persons employed under recognized apprenticeship or learnership agreement shall be entitled to not less than Seventy Five Percent (75%) of the applicable minimum wage rates prescribed in this Order. All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the new minimum wage rates.

Section 11. MOBILE AND BRANCH WORKERS. The minimum wage rates of workers, who by the nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

In the case of 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 12. EXEMPTION. Applications for exemption from compliance with this Order shall not be allowed. However, in case of a calamity, the Board may accept applications for exemption for establishments adversely affected by calamities such as natural and/human induced disasters, pursuant to Sec. 2 of NWPC Resolution 01, Series of 2014.

Section 13. TRANSFER OF PERSONNEL. The transfer of personnel from one province or region to another shall not be a valid reason for the reduction of the wage rate being enjoyed by the worker prior to the transfer.

Section 14. APPEAL TO THE COMMISSION. Any party aggrieved by this Wage Order may file a verified appeal to the Commission, through the Board, within ten (10) calendar days from the publication of this Wage Order.

Section 15. EFFECT OF FILING OF APPEAL. The filing of the appeal does not operate to stay this Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission, for payment of the corresponding increases for covered employees in the event this Order is affirmed.

Section 16. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the wage rates prescribed in this Order results in distortions in the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Art. 124 of the Labor Code, as amended.

Section 17. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment-Cordillera Administrative Region (DOLE-CAR) having jurisdiction over the workplace and shall be subjected to the mandatory thirty (30) day conciliation and mediation process under the Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 and 129 of the Labor Code, as amended.

Section 18. PENAL PROVISION. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in this Order, shall be subject to the penalties provided under Sec. 12 of R.A. 6727, as amended by RA 8188.

Section 19. 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 20. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers from bargaining for higher wages with their respective employers.

Section 21. REPORTING REQUIREMENT. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified report on their wage structure to the Board not later than January 31, 2020 and every year thereafter, in accordance with the form prescribed by the Commission.

Section 22. REPEALING CLAUSE. All orders, issuances, rules and regulations, or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended or modified accordingly.

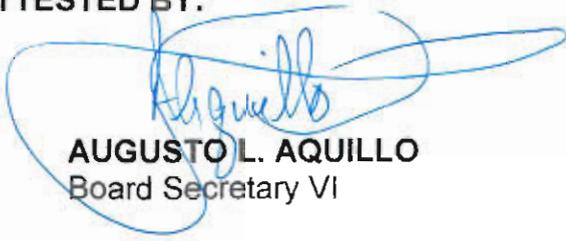
Section 23. IMPLEMENTING RULES. The Board shall prepare the necessary Rules and Regulations to implement this Order subject to the approval of the Secretary of Labor and Employment.

Section 24. SEPARABILITY CLAUSE. If, for any reason, a section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 25. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in at least one (1) local newspaper of general circulation in the Region.

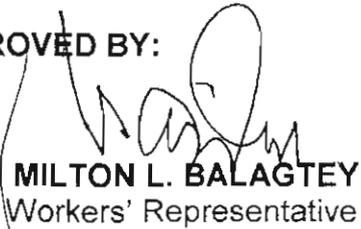
UNANIMOUSLY APPROVED this 1st day of October 2019, in Baguio City, Philippines.

ATTESTED BY:



AUGUSTO L. AQUILLO
Board Secretary VI

APPROVED BY:



MILTON L. BALAGTEY
Workers' Representative



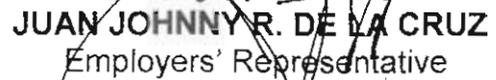
RENERIO C. LARDIZABAL, JR.
Workers' Representative



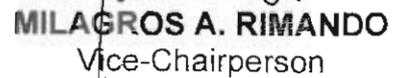
MYRNA P. PABLO
Vice-Chairperson



ALFONSO T. LAO
Employers' Representative



JUAN JOHNNY R. DE LA CRUZ
Employers' Representative



MILAGROS A. RIMANDO
Vice-Chairperson



EXEQUIEL RONIE A. GUZMAN
Chairperson

November 18, 2019 – Date of Effectivity

RULES AND REGULATIONS IMPLEMENTING WAGE ORDER NO. RB-CAR-20

Pursuant to Section 6, Rule IV of the NWPC Revised Rules of Procedure on Minimum Wage Fixing, series of 2007, and Section 23 of Wage Order No. RB-CAR-19, the following Rules are hereby issued for guidance and compliance by all concerned in the Cordillera Administrative Region.

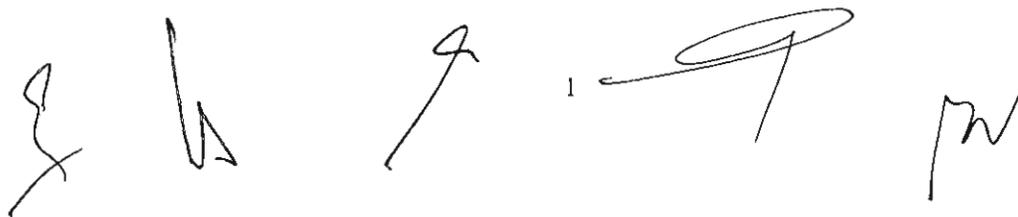
R U L E I

GENERAL PROVISIONS

Section 1. Title. These Rules shall be known as the "The Rules Implementing Wage Order No. RB-CAR-20".

Section 2. Definition of Terms as used in these Rules.

- a. **Order** - refers to Wage Order No. RB-CAR-20;
- b. **Commission or NWPC** - refers to the National Wages and Productivity Commission;
- c. **Board** - refers to the Regional Tripartite Wages and Productivity Board of the Cordillera Administrative Region;
- d. **DOLE-CAR** - Refers to the regional Office of the Department of Labor and Employment, Cordillera Administrative Region;
- e. **Establishment** - refers to an economic unit that engages in one or predominantly one kind of economic activity at a single fixed location. For purposes of determining eligibility for exemption, establishments under the same owner/s but are separately registered with the Local Government Unit (LGU), Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), or Cooperative Development Authority (CDA), as the case may be, irrespective of their location, shall be treated as individual and distinct establishments;
- f. **Barangay Micro Business Enterprises (BMBEs)** – enterprises duly registered with the local government units where they are located and have been issued Certificates of Authority pursuant to R. A. 9178, otherwise known as the BMBE Act of 2002;
- g. **Minimum Wage Rates** - refers to the lowest wage rates that an employer is obliged to pay his workers as fixed by the Board;
- h. **Basic Wage** - refers to all remunerations 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 allowance, profit sharing payments, premium payments, 13th month pay and other monetary benefits which are not considered as part of or integrated into the regular salary of the worker on the date the wage became effective;



- i. **COLA** – means Cost of Living Allowance granted under the wage order to be paid by an employer to a worker for services rendered intended to help the latter cope with the rising cost of living and is not considered part of the basic wage;
- j. **Wage Distortion** – refers to 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 employees' groups in an establishment as to effectively obliterate the distinctions embodied in such wage structure based on the skills, length of service, or other logical basis of differentiation.
- k. **Productivity Based Pay**- refers to the Second Tier or additional income given to workers as incentives derived from successful implementation of productivity programs through any gain-sharing scheme designed by the employer or by virtue of any agreement with the workers;
- l. **Poverty Threshold** – refers to the minimum income or expenditure required for a family or individual to meet the basic food and non-food requirements.
- m. **Cordillera Administrative Region (CAR)** - covers the Provinces of Mountain Province, Abra, Benguet, Ifugao, Kalinga and Apayao and the Cities of Baguio and Tabuk;
- n. **Two-Tiered Wage System (TTWS)** - refers to a two-pronged regional wage structure comprising of the First Tier which is mandatory for implementation, and the Second Tier which is voluntary and is designed to allow employers and their workers agree on how to improve the existing terms and conditions of employment including levels of incentives based on labor productivity and business performance;
- o. **Centrality Index** – refers to the measure used to determine the economic growth of an area based on the availability of services and facilities intended for business operations;
- p. **Advisory 01, Series of 2013** - refers to the set of guidelines issued by the Board for the proper implementation of the Second Tier of the Order;
- q. **Advisory 02, Series of 2014** - refers to the set of guidelines issued by the Board for the proper implementation of the Second Tier of the Order;
- r. **RA 6971** - refers to the Productivity Incentives Act of 1990 which encourages companies to adopt productivity based pay and gain-sharing schemes for their workers due to good business performance or labor productivity;
- s. **Resolution No. 01-2014** - refers to a Resolution by the National Wages and Productivity Commission amending NWPC Guidelines No. 02, series of 2007, mandating all Wage Orders issued by the Boards to include natural calamities and human-induced disasters as grounds for filing application for exemption;
- t. **Establishments adversely affected by Natural Calamities and Human-induced Disasters** – refers to establishments in an area declared by competent authority to be under a state of calamity. The natural calamities, such as earthquakes, lahar flow, typhoons, volcanic eruptions, fire floods and similar occurrences must have occurred within six (6) months prior to the effectivity of the Order;

- u. **State of Calamity** - refers to a condition involving mass casualty and/or major damages to property, disruption of means of livelihoods, roads and normal way of life of people in the affected areas as a result of the occurrence of natural or human-induced hazard, as defined by RA 10121, "Philippine Disaster Risk Reduction and Management Act of 2010;
- v. **Hazard** - a dangerous phenomenon, substance, human activity or condition that may cause loss of life, injury or other health impacts, property damage, loss of livelihood or services, social and economic disruption, or environmental damage; any potential threat to public safety and/or public health; any phenomenon which has the potential to cause disruption or damage to people, their property, their services or their environment, i.e., their communities. The four classes of hazards are natural, technological, biological and societal hazards;
- w. **Disaster** - a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources; an actual threat to public health and safety where the local government and the emergency services are unable to meet immediate needs of the community; an event in which the local emergency management measures are insufficient to cope with a hazard, whether due to lack of time, capacity or resources, resulting in unacceptable levels of damage or number of casualties;
- x. **RA 8188** – an Act increasing the penalty and imposing double indemnity for violation of the prescribed wage increases in the wage rates amending for the purpose Section 12 of Republic Act numbered sixty-seven hundred twenty-seven (RA 6727), otherwise known as the Wages Rationalization Act of 1989;

RULE II

NEW MINIMUM WAGE RATES

Section 1. *New classifications and Minimum Wage Increase.*

Upon effectivity of this Wage Order:

- 1.1. The classification of establishments under Wager Order No. RB-CAR-19 as to EMPLOYMENT SIZE (those "employing 11 or more and those employing 10 or less") shall be merged as "All sectors or industries in CAR";
- 1.2. Moreover, the 3 AREA classifications in the previous Wage Order shall be simplified to 2 areas, specifically:
 - a. "Baguio City, La Trinidad and Tabuk City; and
 - b. "Bangued, Bontoc, Banaue, Lagawe, Bauko, Sagada, Buguias, Itogon, Mankayan, Tuba, and Tublay" shall be merged together with "All Other Areas in the Region".
- 1.3. There shall be an increase in the daily minimum wage as shown in the following table:

Sector/ Industry	* Baguio City, La Trinidad ** Tabuk City				Bangued, Bontoc, Banaue, Lagawe, Bauko, Sagada, Buguias, Itogon, Mankayan, Tuba, & Tublay				Other Areas in the Region			
	Under WO No. RB-CAR- 19	Wage Increase		New Minimum Wage upon effectivity	Under WO No. RB- CAR-19	Wage Increase		New Minimum Wage upon effectivity	Under WO No. RB- CAR-19	Wage Increase		New Minimum Wage upon effectivity
		BASIC	COLA			BASIC	COLA			BASIC	COLA	
All Industries/ Sectors employing 11 or more	*320	20	10	350	315	15	10	340	300	30	10	340
	**315	25	10	350								
All Industries/ Sectors employing 10 or less	*310	30	10	350	305	25	10	340	300	30	10	340
	**305	35	10	350								

Section 2. New Minimum Wage Rates.

2.1. The new daily minimum wage rates applicable for all sectors or industries in the region, upon effectivity date of this Order shall be:

AREA CLASSIFICATION	NEW DAILY MINIMUM WAGE RATES For All Sectors/Industries in CAR (Upon effectivity date)
Baguio City, La Trinidad & Tabuk City	P340 (Basic) + P10 (COLA) = P350
Other Areas in the Region	P330 (Basic) + P10 (COLA) = P340

2.2. Effective May 1, 2020, the P10 COLA in all areas shall be integrated into the BASIC RATE, to wit:

AREA CLASSIFICATION	DAILY MINIMUM BASIC WAGE For All Sectors/Industries in CAR
Baguio City, La Trinidad, & Tabuk City	P350
Other Areas in the Region	P340

Section 3. Coverage. The wage increases prescribed herein shall apply to all workers and employees in the private sector receiving minimum wage in the Cordillera Administrative Region (CAR) regardless of their position, designation or status and irrespective of the method by which their wages are paid.

This Order shall not cover the following:

- a. Persons employed in the personal service of another;
- b. Domestic workers by virtue of R.A. 10361, otherwise known as the Batas Kasambahay; and
- c. Workers of Barangay Micro Business Enterprises (BMBEs) with Certificate of Authority pursuant to R.A. 9178, otherwise known as "Barangay Micro Business Enterprises (BMBE) Act of 2002".

Section 4. Basis of Minimum Wage. The minimum wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 5. Implementation of Second Tier. The Second Tier or the Productivity Based Pay shall continue to be implemented following the guidelines provided under Advisory No. 01, series of 2013 and Advisory No. 02, series of 2014 and other board advisories that may be subsequently issued.

But nothing shall prevent other industries or companies outside the identified priority industries from having their own initiative or desire to adopt and implement the Second Tier in their workplaces.

Section 6. Creditable Productivity Based Pay. For establishments identified as priority industries and already granting Productivity Based Pay or its equivalent to their workers, the same may be credited as compliance to the Second Tier. Merit increases, anniversary increases or wage increases resulting from the regularization or promotion of the employees per company policy or as provided by law are not credited as compliance to the Second Tier.

Section 7. Suggested Formula in Determining the Equivalent Monthly Regional Minimum Wage Rates. Without prejudice to existing company practices, agreements or policies more beneficial to workers, the following suggested formula maybe used as guides in determining the Equivalent Monthly Rate of workers:

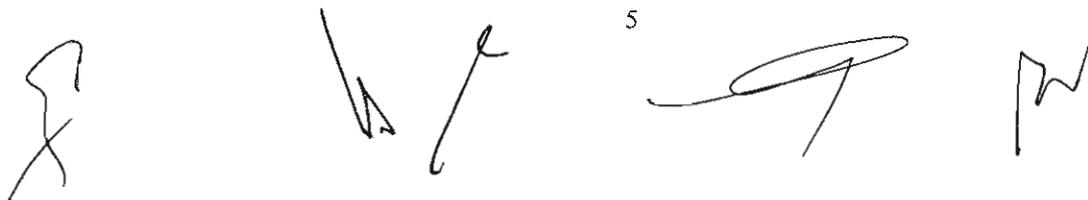
a. For those who are required to work everyday including Sundays or rest days, special days and holidays

$$\text{Equivalent Monthly Rate (EMR)} = \frac{\text{Applicable Daily Rate (ADR)} \times 393.5 \text{ days}}{12 \text{ Months}}$$

$$\begin{aligned} \text{Where } 393.5 \text{ days/year} &= 298 \text{ days - ordinary working days} \\ &+ 24 \text{ days - regular holidays} \\ &+ 67.6 \text{ days - } 52 \text{ rest days} \times 130\% \\ &+ 3.9 \text{ days - } 3 \text{ special days} \times 130\% \\ &= \underline{393.5 \text{ days}} \text{ - Total equivalent no. of days/year} \end{aligned}$$

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

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



Where 365 days/year	=	298 days - ordinary working days
		52 days - Sundays/rest days
		12 days - regular holidays
		3 days - special days
		<u>365 days</u> - Total equivalent no. of days/year
c. For those who do not work and are not considered paid on Sundays or rest days:		
EMR	=	$\frac{ADR \times 313 \text{ days}}{12 \text{ months}}$
Where 313 days / year	=	298 days - ordinary working days
		12 days - regular holidays
		3 days - special days
		<u>313 days</u> - Total equivalent no. of days/year
d. For those who do not work and are not considered paid on Saturdays and Sundays or rest days:		
EMR	=	$\frac{ADR \times 261 \text{ days}}{12 \text{ months}}$
Where 261 days/year	=	246 days - ordinary working days
		12 days - regular holidays
		3 days - special days
		<u>261 days</u> - Total equivalent no. of days/year

Section 8. Application to Private Educational Institutions. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2019-2020 shall be considered as compliance with the wage rates prescribed herein. Where the share of the workers and employees is less than what is provided herein, the employer shall pay the difference starting school Year 2020-2021.

Private educational institutions that have not increased their tuition fees for the School Year 2019-2020 may defer compliance with the wage rates prescribed herein until the beginning of School Year 2020-2021.

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

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

Section 10. Workers Paid by Results. All covered workers paid by results, including those who are paid on piecework, *takay*, *pakyaw*, or *task* basis, shall receive not less than the increases prescribed under the Order for normal working hours which shall not exceed eight (8) hours per day, or a proportion thereof, for working less than eight (8) hours.

The adjusted minimum wage rates of workers paid by results shall be computed in accordance with the formula provided hereunder:

1.
$$\frac{\text{Amount of Increase in AMW}^*}{\text{Previous AMW}^*} \times 100 = \% \text{ increase;}$$

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2. Existing rate/piece x % increase = Increase in rate per piece;
3. Existing rate/piece + Increase in rate per piece = Adjusted rate per piece.

*where: **AMW** is Applicable Minimum Wage Rate

The 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 11. Wages of Special Groups of Workers. Apprentices or learners shall receive not less than Seventy Five Percent (75%) of the new minimum wage prescribed in this Order.

All recognized Learnership and Apprenticeship Agreements entered into before the effectivity of this Order shall be automatically modified insofar as their wage clauses are concerned to reflect the adjustment prescribed.

All qualified handicapped workers shall receive the full amount of increase in this Order pursuant to RA 7277.

Section 12. Mobile and Branch Workers. The minimum wage rates of workers, who by the nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

The minimum wage rates of workers working in branches or agencies of establishments within or outside the region shall be those applicable in the place where they are stationed.

Section 13. Transfer of Personnel. The transfer of personnel from one province or region to another shall not be a valid ground for the reduction of the wage rate being enjoyed by the worker prior to such transfer. Workers transferred to other Regions with higher wage rates shall be entitled to the minimum wage rate applicable therein.

RULE III EXEMPTIONS

Section 1. Exemption from Compliance with the Wage Order. Applications for exemption from compliance with the Order shall not be allowed except in cases of establishments adversely affected by calamities such as natural and/or human induced disasters pursuant to Section 2 of NWPC Resolution 01, Series of 2014.

Section 2. Criteria for Exemption. The following criteria shall be used to determine whether an applicant establishment adversely affected by calamity is qualified for exemption:

1. The establishment must be located in an area declared by a competent authority as under a state of calamity;
2. The calamity must have occurred within 6 months prior to the effectivity of this Order. However, if based on the assessment by a competent authority, the damage to properties is at least 50% and the period of recovery will exceed one (1) year, the 6-month period may be extended to one (1) year;

3. Losses suffered by the establishment as a result of the calamity that exceed the insurance coverage should amount to 20% or more of the stockholders' equity as of the last full accounting period in the case of corporations and cooperatives, total invested capital in the case of partnership and single proprietorships and fund balance/members' contribution in the case of non-stock non-profit organizations.

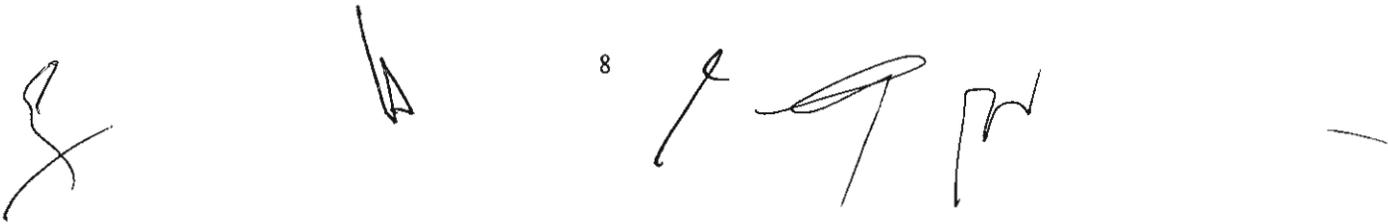
Only losses or damage to properties directly resulting from the calamity and not incurred as a result of normal business operations shall be considered.

4. Where necessary, the Board or its duly-authorized representative shall conduct an ocular inspection of the establishment or engage the services of experts to validate the extent of damages suffered.

Section 3. Documents Required. The application for exemption must be accompanied by the following supporting documents:

1. Proof of notice of filing of the application to the President of the union/contracting party if one is organized in the establishment, or if there is no union, a copy of a circular giving general notice of the filing of the application to all the workers in the establishment. The proof of notice, which may be translated in the vernacular, shall state that the workers' representative was furnished a copy of the application with all the supporting documents. The notice shall be posted in a conspicuous place in the establishment.
2. Affidavit from the owner/manager or duly authorized representative of the establishment regarding the following:
 - a. Date and type of calamity;
 - b. Amount of losses/damages suffered as a direct result of the calamity;
 - c. List of properties damaged/lost together with estimated valuation;
 - d. For properties that are not insured, a statement that the same are not covered by insurance.
3. Copies of insurance policy contracts covering the properties damaged, if any.
4. Adjuster's report for insured properties;
5. Audited financial statements for the last full accounting period preceding the effectivity of the Order stamped received by the appropriate government agency. In case of severe damage to properties caused by the calamity, a certification by the Barangay and pictures of the damaged property/ties may be submitted in lieu of the audited financial statements.
6. Applicant's certification that a general assembly to explain to its employees its intent to file an application for exemption, has been conducted prior to the filing of the application and an undertaking to conduct another general assembly informing its employees of the decision of the Board on its application.

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

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Section 4. Procedures on Exemption

A. For Filing of Application

1. An application, in three (3) legible copies may be filed with the Board by the owner/manager or duly authorized representative of an establishment, in person or by registered mail. The date of mailing shall be deemed as the date of filing.

Applications for exemption filed with the DOLE regional, district or provincial offices are considered filed with the appropriate Regional Board in the region.

2. The Board may accept applications for exemption on the basis of the effects of the occurrence of the calamity provided that the applicants shall comply with the documentary requirements provided under Rule III, Section 3, of this IRR.
3. The application shall be under oath and accompanied by complete supporting documents as enumerated under Rule III, Section 3 of this IRR.

B. For Filing of Opposition

Any worker or, if unionized, the union in the applicant establishment, may file with the appropriate Board within fifteen (15) days from receipt of the notice of the filing of the application, an opposition to the application for exemption stating the reasons why the same should not be approved, furnishing the applicant a copy thereof. The opposition shall be in three (3) legible copies, under oath and accompanied by pertinent documents, if any.

C. For Filing of Motion for Reconsideration

The aggrieved party may file with the Board a motion for reconsideration of the decision on the application for exemption within ten (10) days from its receipt and shall state the particular grounds upon which the motion is based, copy furnished the other party and the DOLE - CAR.

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.

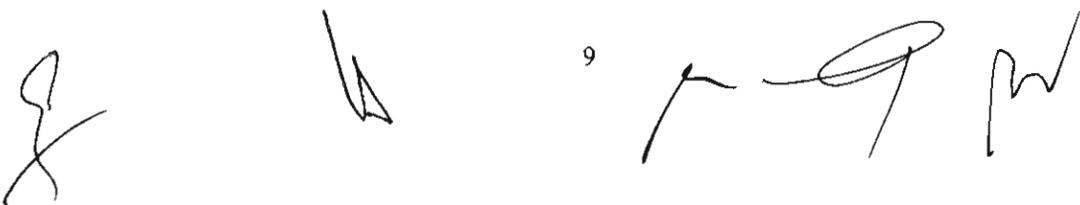
D. For Filing of Appeal to the Commission

1. **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, with proof of service to the other party, shall be accompanied with a memorandum of appeal which shall state the date appellant received the decision, the grounds relied upon and the arguments in support thereof.

The appeal shall not be deemed perfected if it is filed with any office or entity other than the Board.

2. **Grounds for Appeal** - An appeal may be filed on the following grounds:
 - a. Non-conformity with the prescribed guidelines and/or procedures on exemption;



- b. Prima facie evidence of grave abuse of discretion on the part of the Board; or
 - c. Questions of law.
3. **Opposition** - The appellee may file with the Board his reply or opposition to the appeal within ten (10) days from receipt of the appeal. Failure of the appellee to file his reply or opposition shall be construed as waiver on his part to file the same.
4. **Transmittal or records** - Within five (5) days upon receipt of the reply or opposition of the appellee or after the expiration of the period to file the same, the entire records of the case which shall be consecutively numbered, shall be transmitted by the Board to the Commission.

Section 5. Extent and Duration of Exemption. A full exemption of one (1) year from effectivity of this Order shall be granted to applicants that meet the applicable aforementioned criteria for exemption.

Section 6. Action on Application for Exemption. Upon receipt of an application with complete documents, the Board shall take the following steps:

- a. Notify the DOLE Regional Office of the pendency of the application requesting that action on any complaint for non-compliance with the Order be deferred pending resolution of the application by the Board;
- b. Request the DOLE Regional Office to conduct ocular inspection, if necessary, of establishments applying for exemption to verify number of workers, nature of business and other relevant information;
- c. Act and decide on the application for exemption with complete documents, as much as practicable, within 45 days from the date of filing. In case of contested application, the Board may conduct conciliation or call hearings thereon;
- d. Transmit the decision of the Board to the applicant establishment, the workers or president of the union, if any, and the Commission, for their information; and the DOLE Regional Office, for their implementation/enforcement.

The Board may create a Special Committee with one representative from each sector to expedite processing of applications for exemption.

Section 7. Application for Project/Branch/Division. Where the exemption being sought is for a particular project/branch/division not separately registered and licensed, the consolidated audited financial statements of the establishment shall be used as basis for determining its distressed condition.

Section 8. Effect of Disapproved Application. In the event that the application for exemption which has been filed is not granted, covered workers shall be paid the mandated wage increases as provided for under the Order plus an interest of one (1%) percent per month retroactive to the date of effectivity of this Order.

RULE IV

SPECIAL PROVISIONS

Section 1. Complaints for Non-Compliance. Complaints for non-compliance with the Wage Order shall be filed with the Regional Office of the Department of Labor and Employment-Cordillera Administrative Region (DOLE-CAR) and shall be

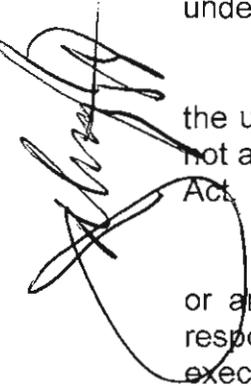
subjected to the mandatory thirty (30) day conciliation and mediation process under the Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 and 129 of the Labor Code of the Philippines, as amended.

Section 2. Non-Diminution of Benefits. Nothing in the Order shall be construed to reduce or eliminate 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 being enjoyed by the workers prior to the issuance of this Order.

Section 3. Effects on Existing Wage Structure. Where effects of the wage increase provided for by this Order result in the distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Art. 124 of the Labor Code of the Philippines, as amended. The following formula may be used to correct the same.


$$\frac{\text{Previous Minimum Wage (Wage Order RB-CAR-19)}}{\text{Actual Salary}} \times \text{Prescribed Increase} = \text{Amount of wage adjustment due to distortion}$$

Section 4. Penal Provision. Pursuant to the provision of Section 12 of R.A. No. 6727, as amended by Republic Act No. 8188, any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase in this Order shall be punished by a fine not less than Twenty-Five Thousand Pesos (Php.25,000.00) nor more than One Hundred Thousand Pesos (Php.100,000.00) 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 court; Provided, that any person convicted under the Order shall not be entitled to the benefits provided 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 the aforementioned Act.

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 5. Appeal to the Commission. Any party aggrieved by the Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of the Order. The Commission shall decide the appeal within sixty (60) calendar days from the date of filing.

Section 6. Effect of Appeal. The filing of appeal shall not suspend the effectivity of the Wage Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding increases for covered employees, in the event the Order is affirmed.

Section 7. 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 Commission or Board.

Section 8. Freedom to Bargain. This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages and flexible working arrangements with their respective employers.

Section 9. Reporting Requirement. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2020, and every year thereafter in accordance with the form prescribed by the Commission.

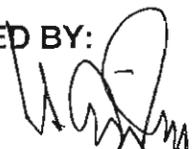
Section 10. Repealing Clause. All orders, issuances, rules and regulations on wages, or parts thereof inconsistent with the provisions of the Order and this Rules are hereby repealed, amended or modified accordingly.

Section 11. Separability Clause. If any provision or part of the Order and this Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Order and this Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 12. Effectivity. This Implementing Rules and Regulations shall have the same date of effectivity as that of the Wage Order.

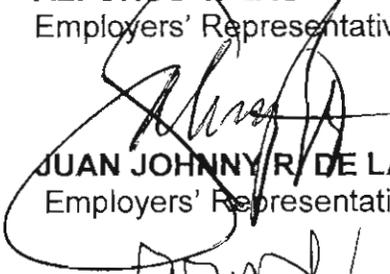
Done this 1st day of October 2019, Baguio City, Philippines.

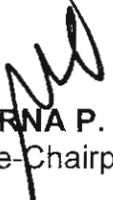
APPROVED BY:


MILTON L. BALAGTEY
Workers' Representative


ALFONSO T. LAO
Employers' Representative


RENERIO C. LARDIZABAL Jr.
Workers' Representative

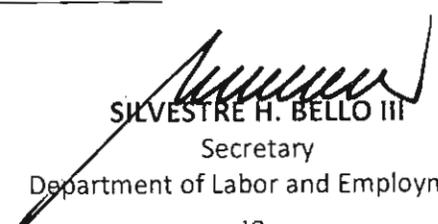

JUAN JOHNNY R. DE LA CRUZ
Employers' Representative


MYRNA P. PABLO
Vice-Chairperson


MILAGROS A. RIMANDO
Vice-Chairperson


EXEQUIEL RONIE A. GUZMAN
Chairperson

Approved this 9th day of December 2019.


SILVESTRE H. BELLO III
Secretary
Department of Labor and Employment