

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-18

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

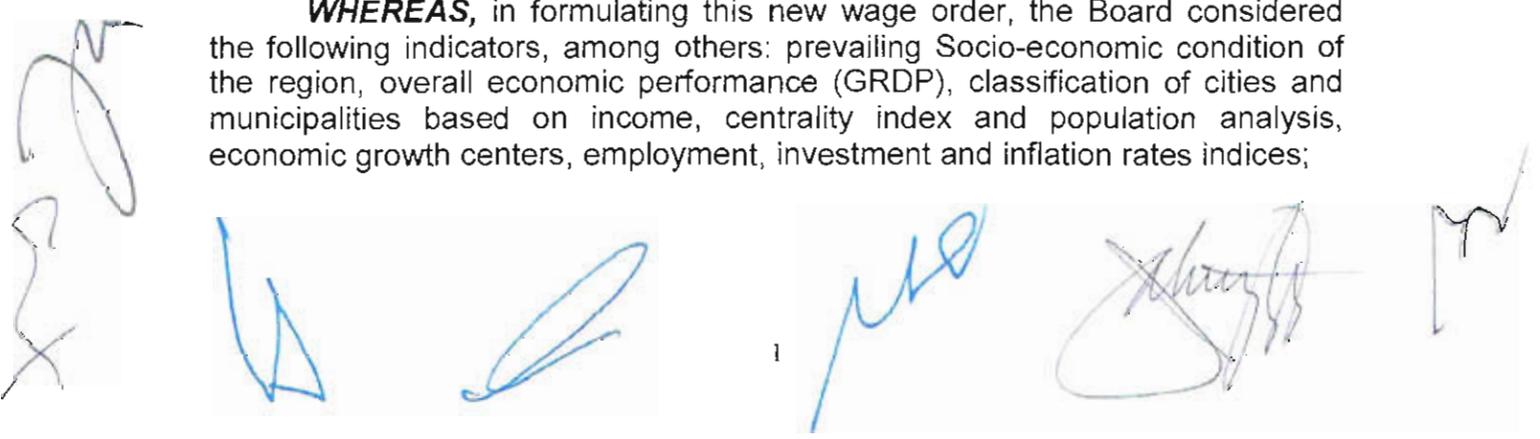
WHEREAS, RA 6727, otherwise known as the Wage Rationalization Act, empowers the Regional Tripartite Wages and Productivity Boards to determine and fix minimum wage rates applicable in the regions and to issue the corresponding Wage Orders subject to the guidelines issued by the National Wages and Productivity Commission, in particular 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 (herein referred to as the Board) continuously 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 decided motu proprio to initiate wage review and thereafter scheduled a series of Public Consultations/Hearings throughout the region as follows: Morning of November 29, 2016 at Hotel Supreme, Magsaysay Ave., Baguio City for Benguet and the City of Baguio, Morning of December 13, 2016 at Southville Inn, Lagawe for Ifugao, Morning of December 14, 2016 at Ridgebrook, Samoki, Bontoc for Mountain Province, Morning of January 10, 2017 at Golden Berries Hotel, San Juan, Tabuk for Kalinga, Morning of January 11, 2017 at the Municipal Hall, Luna for Apayao and Morning of January 12, 2017 at Lucky's Hotel & Restaurant, Bangued for Abra. These activities were subsequently conducted by the Board as scheduled;

WHEREAS, in the conduct of Public Consultations/Hearings, sectoral workshop for participants was done to elicit their respective positions on the wage issues focused on the possibility of wage adjustments for domestic workers and formal sector workers and the applicability of TTWS;

WHEREAS, in formulating this new wage order, the Board considered the following indicators, among others: prevailing Socio-economic condition of the region, overall economic performance (GRDP), classification of cities and municipalities based on income, centrality index and population analysis, economic growth centers, employment, investment and inflation rates indices;

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WHEREAS, the series of deliberations resulted to the realization of revising the classifications of sector/industry and geographical area categories so that the new wage adjustments shall be responsive to the diverse and actual socio-economic conditions prevailing in various areas of the region but without veering away with the principle of wage simplification and other policy directives;

WHEREAS, as a necessary consequence of the aforementioned revision, the Sector / Industry and the geographical areas were reclassified as provided under Section 2 of this new Wage Order;

WHEREAS, the necessary reclassification is specifically illustrated in the case of Itogon, Tuba, and Sablan clustered together with Baguio City and La Trinidad to form the BLIST Area. Their economic growth and development are significantly slower than that of Baguio City and La Trinidad and therefore, they have to be dissociated and treated differently, again to reflect the actual economic situation of the concerned municipalities.

NOW THEREFORE, 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, Cordillera Administrative Region, hereby issues this Wage Order.

Section 1. Coverage. All minimum wage earners in the Cordillera Administrative Region regardless of their position, designation or status and irrespective of the method their wages are paid are covered by this Wage Order. Not covered are persons employed in the personal service of another, domestic workers by virtue of R.A. 10361, otherwise known as the Batas Kasambahay and 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. The Minimum Wage Levels.

Upon effectivity of this Wage Order, the levels of minimum wages in the Cordillera Administrative Region shall be as follows:

Daily Minimum Wage Rates

Sector/Industry	Baguio City & La Trinidad	Tabuk City, Bangued, Bontoc, Lagawe, Banaue, Buguias, Bauko, Sagada, & Tublay	Other Areas in the Region
All Industries / Sectors employing 11 or more	BASIC+COLA 285+15	BASIC+COLA 275+15	BASIC+COLA 265+15
	300	290	280
All Industries/Sectors employing 10 or less	BASIC+COLA 270+15	BASIC+COLA 265+15	BASIC+COLA 255+15
	285	280	270

In the areas of Itogon, Tuba, and Sablan, covered workers shall continue to receive the minimum wage rates provided by the previous Wage Order, comprising of P285 basic rate per day in all industries and 270 basic rate per day for microenterprises.

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 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 workers and employees covered in the increase in tuition fees for School Year 2017-2018 shall be considered as compliance with this Wage Order. Where the share of the workers and employees is less than what is provided herein, the employer shall pay the difference starting school Year 2018-2019.

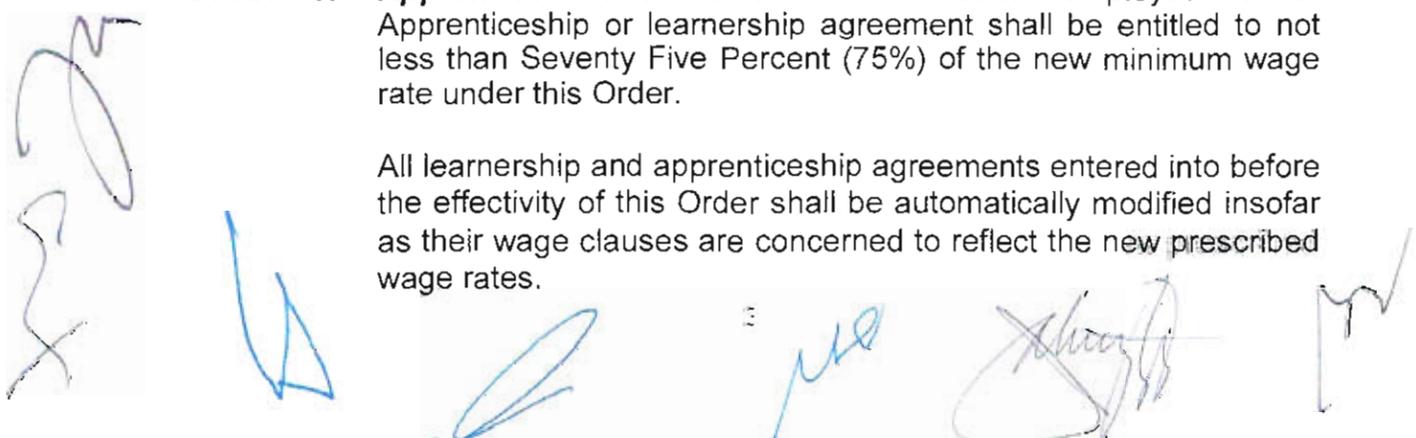
Private educational institutions which shall not increase their tuition fees for the School Year 2017-2018 may defer compliance with the provisions of this Wage Order until School Year 2018-2019.

In any case, all private educational institutions shall implement the increase prescribed herein starting School Year 2018-2019.

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

Section 9. *Apprentices and learners.* Persons employed under Apprenticeship or learnership agreement shall be entitled to not less than Seventy Five Percent (75%) of the new minimum wage rate under this Order.

All 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 new prescribed wage rates.



Section 10. *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 in or outside the Region shall be those applicable in the place where they are stationed.

Section 11. *Exemption.* Applications for exemption from compliance with this Order shall not be allowed. However, in case of a calamity, the Board may accept application from exemption filed by establishments adversely affected by calamities such as natural and/human induced disasters pursuant to NWPC Resolution 01, Series of 2014.

Section 12. *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 13. *Appeal to the Commission.* Any party aggrieved by this Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Order.

Section 14. *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 15. *Effects on Existing Wage Structure.* Where the application of the wage increase provided for by this Order results 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, as amended.

Section 16. *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-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 17. *Penal Provisions.* Any person, corporation, trust or firm, partnership, association or entity that refuses or fails to pay the prescribed increases in accordance with this Order shall be subject to the penal provisions under R.A. 6727, as amended by RA 8188.

Section 18. *Prohibition Against Injunction.* No preliminary or permanent injunction or temporary restraining order maybe issued by any court, tribunal or other entity against any proceedings before the Board.

Section 19. *Freedom to Bargain.* This Order shall not be construed to prevent workers from bargaining for higher wages with their respective employers.

Section 20. *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, 2018 and every year thereafter in accordance with the form prescribed by the Commission.

Section 21. *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 22. *Rules Implementing this Order.* The Board shall prepare the necessary rules to implement this Order subject to approval of the Secretary of Labor and Employment.

Section 23. *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 24. *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.

APPROVED: This 26th day of April 2017, Baguio City, Philippines.

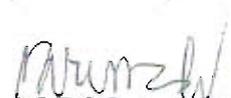

MILTON L. BALAGTEY
Workers' Representative


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

RULES AND REGULATIONS IMPLEMENTING WAGE ORDER NO. RB-CAR-18

Pursuant to Section 6, Rule IV of the NWPC Revised Rules of Procedure on Minimum Wage Fixing, series of 2007, and Section 22 of Wage Order No. RB-CAR-18, the following Rules are hereby issued for guidance and compliance by all concerned in the Cordillera Administrative Region.

RULE I

GENERAL PROVISIONS

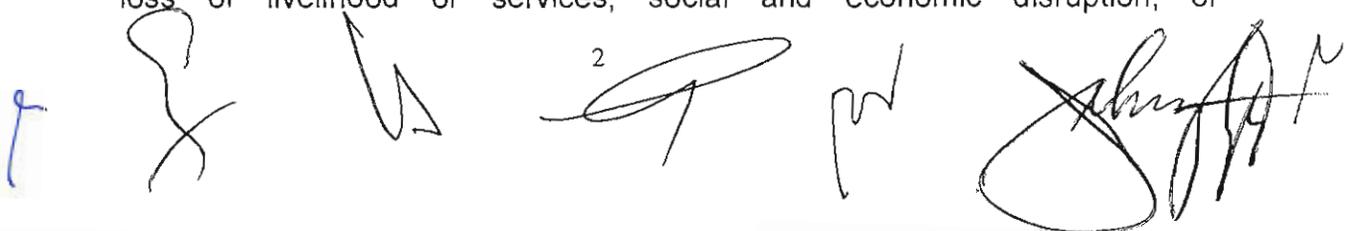
Section 1. Title. These Rules shall be known as the "The Rules Implementing Wage Order RB-CAR-18".

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

- a. **Order** - refers to Wage Order No. RB-CAR-18;
- 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. **Micro Enterprises** - refer to enterprises with ten (10) or less employees AND with capitalization of not more than Three Million pesos (Php. 3,000,000.00).
- f. **Minimum Wage** - refers to the lowest wage rates that an employer is obliged to pay his workers as fixed by the Board;
- g. **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;
- h. **Floor Wage**- refers to the lowest level of wages prescribed by the Board to be paid to minimum wage earners in accordance with the Two Tiered Wage System;
- i. **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.

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- j. **Productivity Based Pay**- 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 his workers;
- k. **Cost of Living Allowance (COLA)** – refers to a certain amount prescribed by the Board and given to covered workers under the Order aimed at helping them cope with the increase in prices of essential commodities while minimizing its effects or cost to employers;
- l. **CAR-Cordillera Administrative Region** - covers the Provinces of Mt. Province, Abra, Benguet, Ifugao, Kalinga and Apayao and the City of Baguio;
- m. **Two-Tiered Wage System** - 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;
- n. **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;
- o. **Advisory 01, Series of 2013** - refers to the set of guidelines issued by the Board for the proper implementation of the Productivity Based Pay under the Second Tier of Wage Order No. RB-CAR-15;
- p. **Advisory 02, Series of 2014** - refers to the set of guidelines issued by the Board for the proper implementation of the Productivity Based Pay under the Second Tier of Wage Order No. RB-CAR-16;
- q. **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;
- r. **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;
- s. **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 twelve of Republic Act numbered sixty-seven hundred twenty-seven (RA 6727), otherwise known as the Wages Rationalization Act of 1989;
- t. **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;
- u. **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



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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. This includes natural, technological, biological and societal hazards;

- v. **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;

RULE II

WAGE ADJUSTMENTS

Section 1. Coverage

Covered private sector workers and employees receiving the minimum wage in the Cordillera Administrative Region regardless of their position, designation or status and irrespective of the method their wages are paid are covered by the Wage Order.

Not covered are persons employed in the personal service of another, domestic workers by virtue of R.A. 10361, otherwise known as the Batas Kasambahay and 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. The Minimum Wage Levels

Upon effectivity of this Wage Order, the levels of minimum wages in the Cordillera Administrative Region shall be as follows:

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Sector/Industry	Baguio City & La Trinidad	Tabuk City, Bangued, Bontoc, Lagawe, Banaue, Buguias, Bauko, Sagada, & Tublay	Other Areas in the Region
All Industries / Sectors employing 11 or more	BASIC+COLA 285+15	BASIC+COLA 275+15	BASIC+COLA 265+15
	300	290	280
All Industries/Sectors employing 10 or less	BASIC+COLA 270+15	BASIC+COLA 265+15	BASIC+COLA 255+15
	285	280	270

In the areas of Itogon, Tuba, and Sablan, covered workers shall continue to receive the minimum wage rates provided by the previous Wage Order, comprising of P285 basic rate per day in all industries and 270 basic rate per day for microenterprises.

Section 3. Basis of Minimum Wage

The minimum wage rates prescribed under the Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 4. 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 and Advisory No. 02, series of 2014 and other board advisories that may be subsequently issued.

But nothing can prevail over 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 5. 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 6. Suggested Formulae 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:

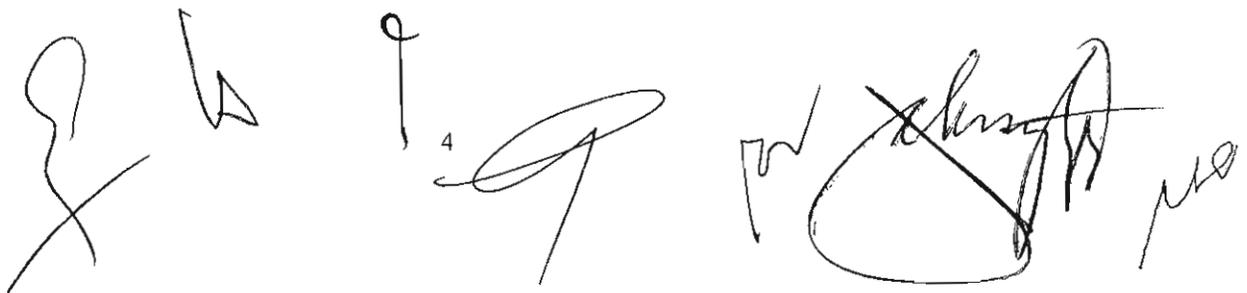
- a. For those who are required to work everyday including Sundays or rest days, special days and holidays

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

Where 393.5 days/year	=	298.0 - ordinary working days
		24.0 - regular holidays
		67.6 - 52 rest days x 130%
		<u>3.9</u> - 3 special days x 130%
		393.5 Total no. of days/year

- 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 - ordinary working days
 52 - Sundays/rest days
 12 - regular holidays
 3 - special days
365 Total 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 - ordinary working days
 12 - regular holidays
 3 - special days
313 Total 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 - ordinary working days
 12 - regular holidays
 3 - special days
261 Total no. of days/year

Section 7. Application to Private Educational Institutions

In the case of private educational institutions, the share of workers and employees covered in the increase in tuition fees for School Year 2017-2018 shall be considered as compliance with this Wage Order. Where the share of the workers and employees is less than what is provided herein, the employer shall pay the difference starting school Year 2018-2019.

Private educational institutions which shall not increase their tuition fees for the School Year 2017-2018 may defer compliance with the provisions of this Wage Order until School Year 2018-2019.

In any case, all private educational institutions shall implement the increase prescribed herein starting School Year 2018-2019.

Section 8. 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.

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Section 9. Workers Paid by Results

- a. All 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 increases for the workers paid by results shall be computed in accordance with the formula provided hereunder.

- 1.
$$\frac{\text{Amount of Increase in AMW}}{\text{previous applicable min. wage}} \times 100 \% = \% \text{ increase}$$
- 2. Existing rate/piece x % increase = increase in rate/piece;
- 3. Existing rate/piece + increase in rate/piece = adjusted rate per piece.

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

- b. Wage rates of workers paid by results. In order to ensure payment of fair and reasonable wage rates, the same shall be determined through time and motion studies or in consultation with representatives of workers and employer's organizations;

Section 10. 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 the Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of the Order shall be amended automatically insofar as their wage clauses are concerned to reflect the adjustment prescribed.

All qualified handicapped workers shall receive the full amount of increases pursuant to RA 7277.

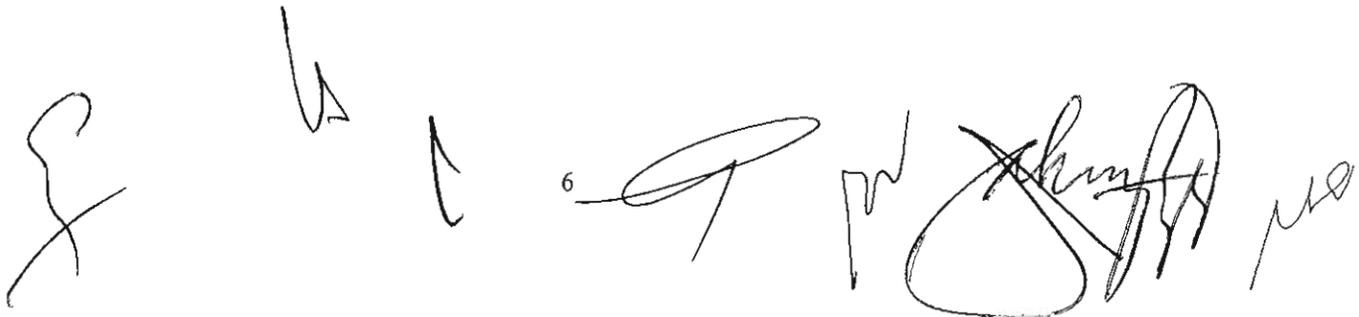
Section 11. Mobile and Branch Workers

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.

The minimum wage rates 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. 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 the transfer. Workers transferred to other Regions with higher wage rates shall be entitled to the minimum wage rate applicable therein.

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R U L E I I I
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 NWPC Resolution 01, Series of 2014.

Section 2. Criteria in Applying for Exemption

The following criteria shall be used to determine if the applicant-establishment adversely affected by calamities 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 the Wage 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 1 year, the 6 month period may be extended to 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.

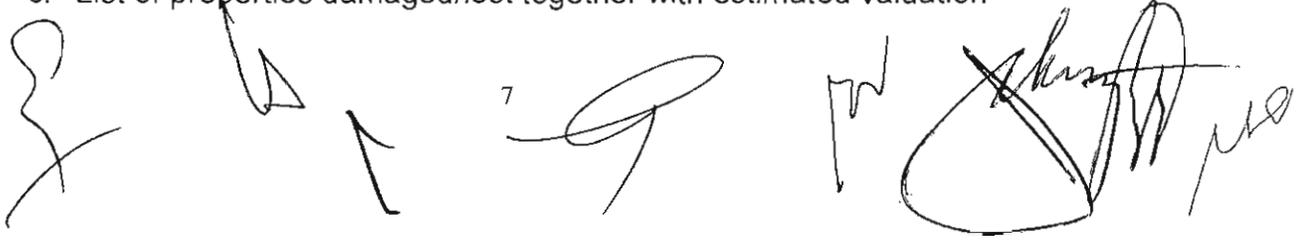
Only losses or damage to properties directly resulting from the calamity and not incurred as a result of normal business operations shall be considered.

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

Application for exemption must be accompanied by the following 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

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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 statement.

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.

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, IRR.

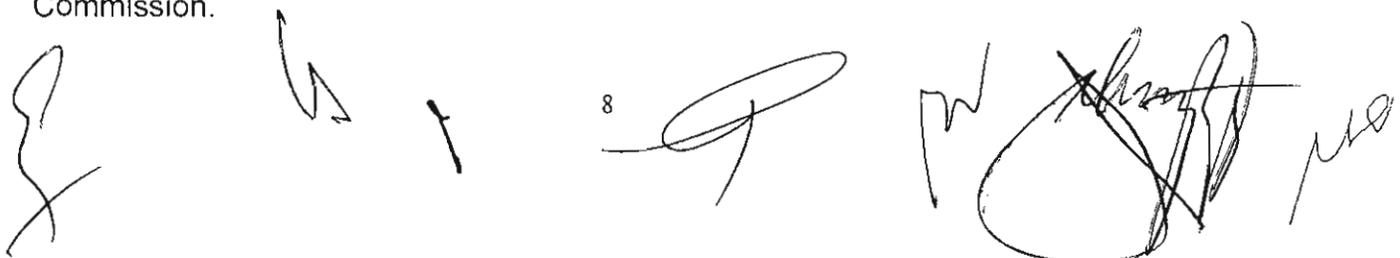
B. For Filing of Opposition

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.

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D. For Filing of Appeal to the Commission

1. 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.
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 of 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.

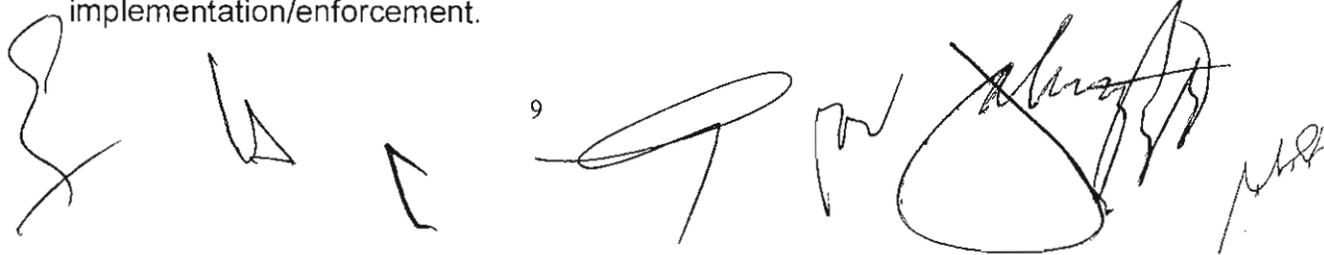
Section 5. *Extent and Duration of Exemption*

A full exemption of one (1) year from effectivity of the Order shall be granted to applicants that meet the applicable aforementioned criteria.

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.



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

Section 7. Application for Projects/Branches/Divisions

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 the Order.

RULE IV

SPECIAL PROVISIONS

Section 1. 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-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 2. Non-Diminution of Benefits

Nothing in this 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.

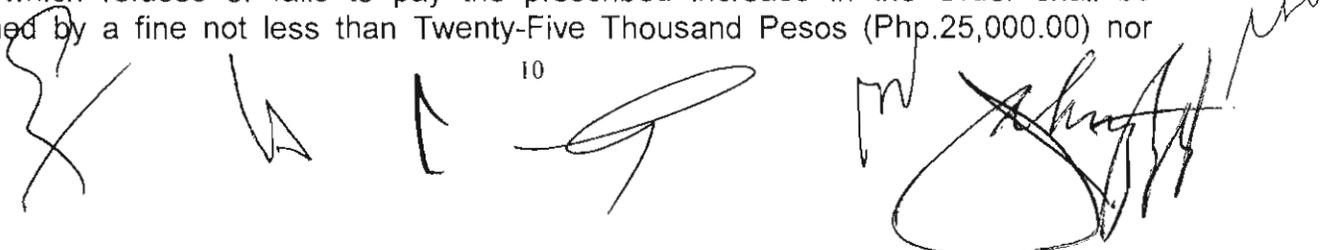
Section 3. Effects on Existing Wage Structure

Where effects of the wage increases 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 as amended. The following formula may be used to correct the same.

$$\frac{\text{Previous Minimum Wage (Wage Order RB-CAR-17)}}{\text{Actual Salary}} \times \text{Prescribed Increase} = \text{Amount of wage adjustment due to distortion}$$

Section 4. Penal Provision

Pursuant to the provision of Section 12 of Republic Act 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 the Order shall be punished by a fine not less than Twenty-Five Thousand Pesos (Php.25,000.00) nor

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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 this Order.

Section 6. Effect of Filing of Appeal

The filing of the appeal does not operate to stay the 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

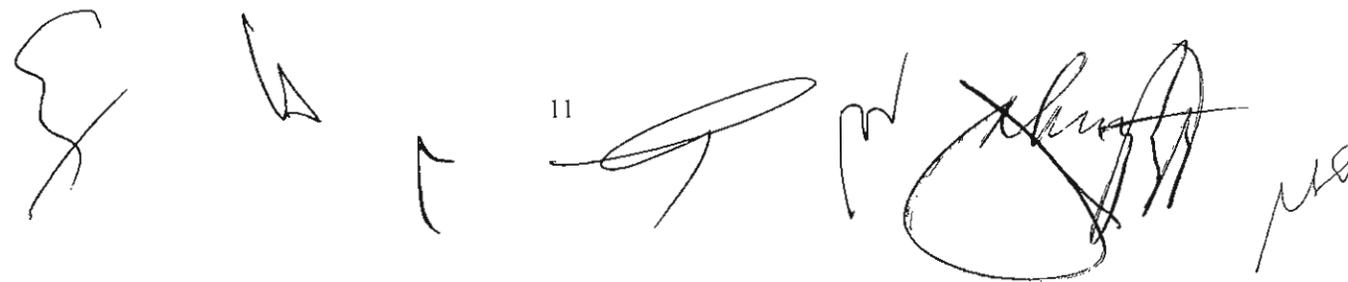
The Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages and flexible working arrangements with their respective employers.

Section 9. Reporting Requirements

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, 2015, 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 these Rules are hereby repealed, amended or modified accordingly.

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Section 11. Separability Clause

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

Section 12. Effectivity

These Implementing Rules and Regulations shall have the same date of effectivity as that of the Wage Order.

Done this 19th day of May 2017, Baguio City, Philippines.



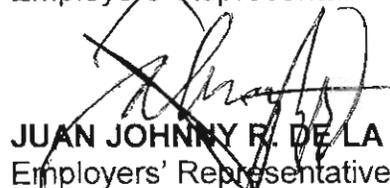
MILTON L. BALAGTEY
Workers' Representative



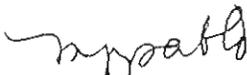
ALFONSO T. LAO
Employers' Representative



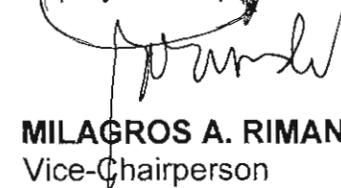
RENERIO C. LARDIZABAL Jr.
Workers' Representative



JUAN JOHNNY R. DE LA CRUZ
Employers' Representative



MYRNA P. PABLO
Vice-Chairperson

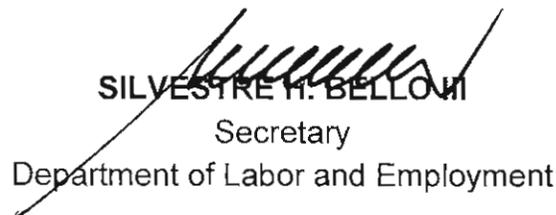


MILAGROS A. RIMANDO
Vice-Chairperson



EXEQUIEL RONIE A. GUZMAN
Chairperson

Approved this 24th day of JULY, 2017, in the City of Manila, Philippines.



SILVESTRE H. BELLO III
Secretary
Department of Labor and Employment

