

Republic of the Philippines
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region 02
Tuguegarao, Cagayan

WAGE ORDER NO. RO2-01

GRANTING A COST OF LIVING ALLOWANCE TO WORKERS IN
THE PRIVATE SECTOR

WHEREAS, a petition has been submitted by the Associated Labor Union-Trade Union Congress of the Philippines (ALU-TUCP) seeking the increase of the minimum wage by Thirty Eight Pesos (P38.00) in Region 02 which comprises the provinces of Batanes, Cagayan, Isabela, Nueva Vizcaya and Quirino for reasons of compensating for the huge purchasing power already lost since June 1989, for the rest of 1990 and for the projected price increases up to the middle of 1991;

WHEREAS, in considering the said petition, the Regional Board has taken into account not only the existence of the grounds therein alleged but also the level of development of the region which varies from province to province and the abnormal condition of the region these days occasioned, among others, by the closure of the Dalton Pass in Nueva Vizcaya through which land transportation facilities normally and conveniently pass and the unreliability of the alternate routes. Shown to be most affected by these are the provinces of Nueva Vizcaya and Quirino;

WHEREAS, the Regional Board, after conducting public hearings in Bayombong, Nueva Vizcaya; Cauayan, Isabela and Tuguegarao, Cagayan has noted the insistence of labor for the granting of minimum wage adjustment, although, they both agree to the granting of a form of temporary relief during this time of abnormal condition or crisis in the region; and

WHEREAS, the Regional Board feels that it is more prudent and appropriate to defer the adjustment of the minimum wage until the present situation of the region normalizes and to give instead substitute emergency relief to the affected workers in the form of cost of living allowance (COLA).

NOW, therefore, pursuant to the power vested in it by Republic Act No. 6727, the Regional Tripartite Wages and Productivity Board (RTWPB) of Region 02 issues this Wage Order.

SECTION 1. Upon the effectivity of this Order, the employees presently entitled to/enjoying the minimum wage provided for in Republic Act No. 6727 shall, in lieu of the minimum wage adjustment, be granted a cost of living allowance (COLA), as follows:

- | | |
|---|------------------|
| a) In the Province of Isabela | - 12.00 per day; |
| b) In the Province of Cagayan | - 10.00 per day; |
| c) In the Provinces of Quirino, Nueva Vizcaya and Batanes | - 8.00 per day |

SECTION 2. All qualified workers paid by result, including those who are paid on piecework, "takay", "pakyaw" or task basis, shall be entitled to receive the prescribed cost of living allowance.

SECTION 3. The payment of the cost of living allowance herein granted shall apply to all qualified workers and employees in the educational institutions as soon as the latter have increased or granted the authority to increase tuition fees during the school year 1991-1992. Otherwise, such cost of living allowance shall be applicable not later than the opening of the next school year beginning 1992 whether or not said increase or authority to increase is granted.

SECTION 4. Exempted from the said cost of living allowance are the household or domestic helpers or persons in the service of another, including family drivers. Other exemptions may be granted to qualified employers on grounds and in the manner prescribed by RA 6727 and its implementing rules and regulations.

SECTION 5. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed cost of living allowance of qualified workers shall be borne by the principal or client of the construction/service contractor and their contracts shall be deemed amended accordingly.

SECTION 6. Where the application of the emergency cost of living allowance prescribed herein results in distortions of the pay structure within an establishment, such distortions shall be resolved using the procedure specified under Article 124 of the Labor Code of the Philippines, as amended.

SECTION 7. The Regional Board shall prepare the necessary rules and regulations to implement this Wage Order, subject to the approval of the Secretary of Labor and Employment.

SECTION 8. Any employer who refuses or fails to pay the cost of living allowance provided under this Wage Order shall be subjected to the penalties as specified under RA 6727.

SECTION 9. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid. Nothing in this Wage Order shall be construed to reduce any existing wage rate, allowance or any benefit under existing laws, decrees, issuances, executive order and/or under any contract or agreement between workers and employers.

SECTION 10. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the Region.

Approved, October 21, 1990.

(SGD) CONCEPCION P. DE LOS SANTOS
Employers' Representative

(SGD) ANGELITO A. FERNANDEZ
Workers' Representative

(SGD) FELICISIMO M. JUAN, JR.
Employers' Representative

(SGD) ROGELIO R. UDARBE
Workers' Representative

(SGD) JOSE V. HIPOLITO
Vice-Chairman

(SGD) CATALINO S. BOQUIREN, JR.
Vice-Chairman

(SGD) ARTURO L. SODUSTA
Chairman

Republic of the Philippines
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region 02
Tuguegarao, Cagayan

WAGE ORDER NO. R02-01-A
(SUPPLEMENTAL)

GRANTING A COST OF LIVING ALLOWANCE (COLA) IN LIEU OF A MINIMUM WAGE ADJUSTMENT TO COVERED EMPLOYEES IN THE PRIVATE SECTOR IN THE PROVINCES OF KALINGA-APAYAO AND IFUGAO

WHEREAS, after holding separate public hearings in Cauayan, Isabela; Bayombong, Nueva Vizcaya; and, Tuguegarao, Cagayan and deliberating on the petition filed by the Associated Labor Unions-Trade Union Congress of the Philippines (ALU-TUCP) seeking the increase of the minimum wage by thirty eight pesos (P38.00), the Regional Tripartite Wages and Productivity Board (RTWPB), Region 02, has issued Wage Order R02-01 granting employees presently entitled to/enjoying the minimum wage provided for in Republic Act No. 6727 with a cost of living allowance (COLA) in lieu of a minimum wage adjustment;

WHEREAS, in the public hearings and Regional Board deliberations held before the issuance of the above-mentioned Wage Order, the provinces of Kalinga-Apayao and Ifugao have been represented and/or were taken into account but have not been included in the said Wage Order simply because the inclusion of the same within the territorial jurisdiction of the RTWP-B02 was not clear;

WHEREAS, it is now made clear to the RTWPB-R02 that the provinces of Kalinga-Apayao and Ifugao are within its territorial jurisdiction by reason of which public hearings and deliberations had been held for the purpose of formulating a Supplemental Wage Order to cover the said provinces of Kalinga-Apayao and Ifugao;

WHEREAS, it is the consensus of the RTWPB-R02 that the provinces of Kalinga-Apayao and Ifugao are situationally similar as the provinces of Quirino, Nueva Vizcaya and Batanes in terms of inflation rate, capability of employers to pay and level of development which were the factors considered as bases of the previous wage order.

NOW, therefore, pursuant to the power vested in it by Republic Act No. 6727, the Regional Tripartite Wages and Productivity Board hereby issues this wage order to supplement Wage Order No. R02-01.

SECTION 1. Upon the effectivity of this Supplemental Wage Order, the employees presently entitled to/enjoying the minimum wage provided for in Republic Act No. 6727 in the provinces of Kalinga-Apayao and Ifugao shall, in lieu of a minimum wage adjustment, be granted a cost of living allowance (COLA) in the amount of eight pesos (P8.00) per day.

SECTION 2. The provision of sections 2, 3, 4, 5, 6, 8 and 9 of Wage Order No. R02-01 shall form parts of and be incorporated to this Supplemental Wage Order.

SECTION 3. The Rules Implementing Wage Order No. R02-01 shall be applicable to this Supplemental Wage Order.

SECTION 4. This Supplemental Wage Order shall take effect fifteen (15) days after its publication in at least one newspaper of general circulation in the Cordillera Administrative Region (CAR).

Approved, November 27, 1990.

(SGD) CONCEPCION P. DE LOS SANTOS
Employers' Representative

(SGD) ANGELITO A. FERNANDEZ
Workers' Representative

(SGD) FELICISIMO M. JUAN, JR.
Employers' Representative

(SGD) ROGELIO R. UDARBE
Workers' Representative

(SGD) JOSE V. HIPOLITO
Vice-Chairman

(SGD) CATALINO S. BOQUIREN, JR.
Vice-Chairman

(SGD) ARTURO L. SODUSTA
Chairman

Republic of the Philippines
Department of Labor and Employment
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region 02
Tuguegarao, Cagayan

RULES IMPLEMENTING WAGE ORDER NO. RO2-01

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing and Section 7 of Wage Order No. RO2-01, the following rules are hereby issued for guidance and compliance by all concerned:

Chapter I - Definition of Terms

SECTION I. Definition of Terms. - As used in this Rules,

- a) "Order" means Wage Order No. R02-01;
- b) "Commission" means the National Wages and Productivity Commission;
- c) "Board" means the Regional Tripartite Wages and Productivity Board in Region 02;
- d) "Region 02" covers the provinces of Isabela, Cagayan, Nueva Vizcaya, Quirino and Batanes;
- e) "Retail Establishment" is one principally engaged in the sales of goods to end-users for personal or household use;
- f) "Service Establishment" is one principally engaged in the sale of service to individuals for their own household use and is generally recognized as such;
- g) "New Business Enterprises" refer to enterprises, including non-profit institutions, that are established and become operational in the region on July 1, 1989 to June 30, 1993;

Chapter II - Cost of Living Allowance

SECTION I. Coverage - The Cost-of-living allowance prescribed under the Order shall apply to all workers and employees in the private sector in Region 02, who prior to the effectivity of the Order, were receiving the applicable statutory minimum wage rates or its monthly equivalent, regardless of their position, designation or status, and irrespective of the method by which their wages are paid, except:

- a. Household or Domestic Helpers, including family drivers workers in the personal service of another;
- b. Workers and employees in retail/service establishments regularly employing not more than 10 workers, when exempted from compliance with the Order, for a period fixed by the Board in accordance with applicable guidelines to be issued by the Commission;
- c. Workers in new business enterprises for a period of not more than three years from the start of operations, when exempted from compliance with the Order in accordance with Section 4 of the Order and Section 7 of this Rules; and

SECTION 2. Effectivity - The Cost of Living Allowance prescribed under the Order shall take effect on November 13, 1990, 15 days following its complete publication in least one (1) newspaper of general circulation on October 28, 1990 pursuant to Section 14 thereof.

SECTION 3. Amount

- a. Effective November 30, 1990, all covered workers and employees shall be granted a daily cost-of-living allowance as follows:
 - a) P12.00 for the province of Isabela;
 - b) P10.00 for the province of Cagayan; and
 - c) P8.00 for the provinces of Nueva Vizcaya, Quirino and Batanes.
- b. Without prejudice to existing company practices, agreements or policies, the suggested formula herein attached as Annex "A" may be used as guide in determining the equivalent monthly cost-of-living allowance.

SECTION 4. Special Features of the allowances

- a) The Allowance prescribed under the Order shall be granted to all covered workers and employees for days actually worked and/or paid for, including vacation, sick and maternity leave.
- b) The Allowance granted under the Order shall not be considered as part of the regular wage of the workers for purposes of computing wage-related benefits, such as 13th month pay, overtime and premium pay, night shift differential pay as well as premium contributions to the State Insurance Fund, SSS, Medicare and others.

SECTION 5. Application to Private Educational Institutions. - The payment of the cost-of-living allowance herein granted shall apply to all covered workers and employees in the educational institutions as soon as the latter have increased or are granted the authority to increase tuition fees during the school year 1991 - 1992. Otherwise, such cost - of -living-allowance shall be applicabal not later than the opening of the next school year beginning 1992 whether or not said increase or authority to increase tuition fees is granted.

SECTION 6. Application to Contractors - In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed cost-of-living allowance of covered workers shall be borne by the principal or client of the construction/service contractor and their contracts shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed COLA, the construction/service contractor shall be jointly and severally liable with his principal or client.

SECTION 7. Exemption

- a) The following establishments may be exempted from compliance with cost-of-living allowance prescribed under the Order upon application with and as determined by the Board in accordance with applicable rules and regulations:
 - 1) Retail/service establishments regularly employing not more than 10 workers, for as long as they remain in that condition;
 - 2) New business enterprises as defined in section 1 (g) of this Rules, for a period of three (3) years from the start of operations.
- b) Whenever an application for exemption has been duly filed with the Board, action by the Regional Office of the Department in Region 02 on any complaint for alleged non-compliance with the Order shall be deferred pending resolution of the said application; and
- c) In the event the application for exemption is not granted, all covered workers and employees shall receive the appropriate compensation due them as provided for under the Order plus interest of one percent (1%) per month retroactive to November 13, 1990.

SECTION 8. Basis of Living Allowance. - The cost-of-living allowance prescribed under the Order shall be for the normal working hours, which is eight (8) hours of work a day. For work less than the normal working hours, the following formula will apply:

$$\text{Amt. of COLA} = \frac{\text{No. of hours worked}}{\text{Normal Working Hrs.}} \times \text{Applicable COLA}$$

Example: A worker in Isabela who worked 6 hours during a day will receive a COLA, as follows:

$$\text{Amt. of COLA} = 6/8 \times \text{P12.00} = \text{P9.00}$$

SECTION 9. Workers Paid by Results. - All covered workers paid by results, including those who are paid on piece work, "takay", "pakyaw", or task basis shall be entitled to receive the prescribed cost-of-living allowance for the normal working hours which shall not exceed eight (8) hours work a day, or a proportion thereof for work less than the normal working hours.

SECTION 10. Allowance of Special Groups or Workers. - Apprentices, learners and handicapped workers shall also be entitled to the cost-of-living allowance prescribed under the Order.

All recognized learnership and apprenticeship agreements entered into before November 1, 1990 shall be considered as automatically modified insofar as their wage clauses are concerned to reflect the allowance prescribed under the Order.

SECTION 11. Complaints for Non-Compliance. - Complaints for non-compliance with the cost-of-living allowance provided in the Order shall be filed with the Regional Office of the Department in Region 02 and shall be the subject of enforcement proceedings under Article 128 and 129 of the Labor Code, as amended.

SECTION 12. Non-Diminition of Benefits. - Nothing in the Order and in this Rules shall be construed as authorizing the reduction of any existing wage rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between the workers and employers or employer practices or policies.

SECTION 13. Penal Provision. - Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed wage adjustments under the Order shall be punished by a fine not exceeding P25,000 and/or imprisonment of not less than one year nor more than two years. Provided, that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers, including , but not limited to, the president, vice-president, chief executive officer, general manager, managing director or partner.

SECTION 14. 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 Board.

SECTION 15. Effects on Other Issuances. - The provisions of existing laws decrees on wages and their implementing rules and regulations and issuances not otherwise repealed, modified or inconsistent with the Order and this Rules shall continue to have full force effect.

SECTION 16. Effectivity. - This Rules shall take effect on November 13, 1990.

Done in Tuguegarao, Cagayan, Republic of the Philippines this 15th day of November 1990.

(SGD) CONCEPCION P. DE LOS SANTOS
Employers' Representative

(SGD) ANGELITO A. FERNANDEZ
Workers' Representative

(SGD) FELICISIMO M. JUAN, JR.
Employers' Representative

(SGD) ROGELIO R. UDARBE
Workers' Representative

(SGD) JOSE V. HIPOLITO
Vice-Chairman

(SGD) CATALINO S. BOQUIREN, JR.
Vice-Chairman

(SGD) ARTURO L. SODUSTA
Chairman

Approved this __ day of November 1990.

(SGD) RUBEN D. TORRES
Secretary of Labor

ANNEX "A"

SUGGESTED FORMULA IN DETERMINING THE EQUIVALENT
MONTHLY COST-OF-LIVING ALLOWANCE (COLA)

Without prejudice to existing company practices, agreements or policies, the following formula may be used as guide in determinig the equivalent monthly cost-of-living allowance.

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

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

Where 365 days =
302 days - Ordinary working days
51 days - Rest days

10 days - Regular holidays 1
 2 days - Special days 2
 365 days - Total Equivalent number of days

II. For those who do not work and are not considered paid on Sundays or rest days:

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

Where 314 days =

302 days - Ordinary working days

10 days - Regular holidays 1

2 days - Special days 2 (If considered paid; if actually worked,

_____ this is equivalent to 2.6 days)

314 days - Total Equivalent number of days

1 Includes premium for holidays, special and rest days

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

EMR - Equivalent Monthly Rate

ADC - Applicable Daily COLA

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

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

Where 262 days =

250 days - Ordinary working days

10 days - Regular holidays

2

2 days - Special days: (If considered paid; if actually worked,

_____ this is equivalent to 2.6 days)

262 days - Total Equivalent number of days

Using the foregoing formulas:

	CLASS OF WORKERS		
	I	II	III
Isabela	P 365.00	P 314.00	P 262.00
Cagayan	304.20	261.70	218.35
Nueva Vizcaya, Quirino and Batanes	243.35	209.35	174.70

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

EMR - Equivalent Monthly Rate

ADC - Applicable Daily COLA

Note : For workers whose rest days fall on Saturdays, the number of rest days in a year is reduced from 52 to 51 days, the last Sunday of August being a regular holiday under Executive Order No. 203. For purposes of computation, said holiday, although still a rest day for them/is included in the ten regular holidays. For workers whose rest days do not fall on Sundays, the number of rest days is 52 days, as there are 52 weeks in a year.

Nothing herein shall be construed as authorizing the reduction of benefits granted under existing agreements or employer practices/policies.