

Republic of the Philippines
Department of Labor and Employment
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region 2
Tuguegarao, Cagayan

WAGE ORDER NO. RO2-03
GRANTING A P15.00 ACROSS THE BOARD INCREASE

WHEREAS, the Regional Tripartite Wages and Productivity Board has been authorized by law to rationalize wage fixing in the region taking into consideration macro and micro economic factors prevailing in the region, with the end in view of assuring the continued viability of business and industry, as well as securing the workers' health, efficiency and well-being;

WHEREAS, the Regional Board received seven (7) petitions from the labor sector seeking wage increases ranging from P29.00 to P50.00 daily, five (5) of which demand an across-the-board increase;

WHEREAS, the Regional Board likewise received three (3) position papers filed by the management sector, two (2) agreeing to implement all across-the-board increase;

WHEREAS, the Regional Board has noted the general consensus of both labor and management to effect an across-the-board increase in the region expressed during the public hearings held on April 26, 1995 and August 11, 1995 at Santiago City and the series of regionwide multi-sectoral consultations conducted on September 24-26, 1995 at Tuguegarao, Cagayan;

WHEREAS, the Regional Board likewise noted the low level of workers' organization in the region and the inability of the workers to bargain collectively;

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Region 02 hereby issues this Wage Order with the following provisions:

Section 1. Upon the effectivity of this Wage Order, all employees/workers in the private sector in Region II, regardless of status of employment are granted an across-the-board increase of P15.00 daily.

Section 2. All workers paid by result, including those *who* are paid on piece work, "takay", "pakyaw" or task basis, shall receive the prescribed across-the-board wage increase for the normal working hours which shall not exceed eight (8) hours work a day, or a proportion thereof for working less than the normal working hours.

Section 3. In case of contracts for construction projects and for security, janitorial and similar services, the prescribed increase in the wage rates of workers shall be borne by the principal or client of the construction/service contractors and their contract shall be deemed amended accordingly.

In the event, however, that the principal or client fails to pay the prescribed wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 4. Wage of learners, apprentices, and handicapped workers shall in no case shall be less than seventy-five percent (75%) of the applicable minimum wage rates, as increased by this Wage Order.

Section 5. Exempted from provisions of this Wage Order are household or domestic helpers and persons employed in the personal service of another, including family drivers.

The following establishments may also be exempted from complying with this Wage Order upon application with and approval by the Regional Board in accordance with applicable rules and regulations:

1. retail/service establishments regularly employing not more than four (4) workers/employees;

2. distressed establishments/firms in accordance with the criteria under existing rules prescribed by the Commission;

3. establishments/firms which have been adversely affected by calamities that occurred within six (6) months before the effectivity of this Wage Order; and,

4. new business enterprises with capitalization of not more than One Hundred Thousand Pesos (P100,000.00) for a period of one (1) year.

Section 6. Whenever an application for exemption has been duly filed with the Regional Board, action on any complaint for alleged non-compliance with this Wage Order shall be deferred pending resolution of the application for exemption by the Regional Board.

In the event that applications for exemption are not granted, workers and employees of the establishment whose application has been denied shall receive the appropriate adjustment in compensation due them as provided for in this Wage Order plus interest of one percent (1%) per month retroactive to the effectivity of this Wage Order.

Section 7. All employees and workers of private educational institutions are covered by this Wage Order, except that its effectivity and implementation as to them shall be deferred to June 1, 1996. Provided, however, that any distribution of the employees' share in incremental tuition fee increases as required by law, equivalent to or higher than the increase herein provided, shall be credited as compliance. Provided, finally, that where the distribution of the employees' share in the incremental tuition fee increase is lower than the wage increase prescribed under this Wage Order, the employer shall pay the difference.

Section 8. If expressly provided for and agreed upon in the collective bargaining agreements, all increases in the daily basic wage rates granted by the employers three (3) months prior to the effectivity of this Wage Order shall be credited as compliance with the increases in the wage rates prescribed herein, provided that, where such increases are less than the prescribed increase in the wage rates under this Wage Order, the employer shall pay the difference. Provided finally, that anniversary wage increase, merit wage increases, as well as increases resulting from the regularization or the promotion of the employees are not considered increases for purposes of applying the crediting provision of this section.

Section 9. Where the application of the increase in this Wage Order results in distortions of the wage structure within an establishment, the employer and the union shall negotiate to correct the distortions. Any dispute arising from wage distortions shall be resolved through the grievance procedure under their collective bargaining agreement and, if it remains unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in writing, such dispute shall be decided by the voluntary arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time said dispute was referred to voluntary arbitration.

In cases where there are no collective agreements or recognized labor unions, the employers and workers shall endeavor to correct such distortions. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board and, if it remains unresolved after ten (10) calendar days of conciliation, shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). It shall be mandatory for the NLRC to conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

The tendency of a dispute arising from a wage distortion shall not in any way delay the applicability of the increase prescribed in this Wage Order.

Section 10. The 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 11. Complaints for non-compliance with the wage increase prescribed under this Wage Order shall be filed with the Department of Labor and Employment (DOLE) Regional Office and shall be the subject of enforcement proceedings under Article 128 and 129 of the Labor Code, as amended.

Section 12. Any employer who refuses or fails to pay the increases provided under this Wage Order shall be punished by a fine not exceeding Twenty Five Thousand Pesos (P25,000.00) and/or imprisonment of not less than one (1) year nor more than two (2) years. Provided, that any person convicted under this Wage Order pursuant to RA 6727 shall not be entitled to the benefits provided for under the Probations 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 13. Any party aggrieved by this Wage Order may file an appeal with the Commission through the Board within ten (10) calendar days from the publication of the Wage Order. The Commission shall decide the appeal within sixty (60) calendar days from the filing of the appeal.

Section 14. The filing of the appeal shall not suspend the effectivity of this Wage Order unless the persons appealing files with the Commission an undertaking with a surety in such amount as may be fixed by the Commission for the payment to the employees affected by the wage increase, in the event such Wage Order is affirmed.

Section 15. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Commission or the Regional Boards.

Section 16. All laws, orders, issuances, rules and regulations, or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended, or modified accordingly. If any provision or part of this Wage Order or the application thereof to any person or circumstance, is held invalid or unconstitutional, the remainder of this Wage Order or the application of such application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 17. Nothing in this Wage Order and its implementing guidelines shall be construed to reduce 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.

Section 18 This Order shall take effect on January 1, 1996 after it shall have been published in one (1) newspaper of general circulation, at least fifteen (15) days prior to its date of effectivity.

Approved this 17th day of October 1995, Tuguegarao, Cagayan.

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