

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

WAGE ORDER NO. RO2-06

PROVIDING FOR A WAGE INCREASE FOR MINIMUM WAGE EARNERS
IN THE PRIVATE SECTOR IN REGION 2

WHEREAS, the Regional Tripartite Wages and Productivity Board (RTWPB) is mandated by law to rationalize wage fixing in the region taking into account the prevailing economic conditions affecting the cost of living of wage earners, the viability of economic enterprises and the interest of both labor and management with the end in view of ensuring the health, efficiency and well-being of workers as well as the continued and sustainable viability of business and industry;

WHEREAS, the Regional Board received four (4) petitions for wage increase, three (3) at one hundred pesos per day (P100.00) and one (1) at fifty pesos per day (P50.00), all across-the-board;

WHEREAS, the Regional Board likewise received four (4) position papers from the management sector all agreeing to the need for a wage increase but with their counter proposals to compute the amount of increase based on inflation rate (IR), gross national product (GNP) and consumer price index (CPI);

WHEREAS, to give due course to the petitions for wage increase, the Regional Board conducted simultaneous public hearings/consultations on October 8, 1999 in Tuguegarao, Cagayan, Santiago City and Bayombong, Nueva Vizcaya where both labor and management were given the opportunity to present and support their respective positions;

WHEREAS, in order to have a broader, more balanced and rationalized discussion of the issue raised in the petitions and position papers of labor and management, respectively, significant and relevant statistical data on consumer price index (CPI), nominal and real wages, inflation rates (IRs) and the corresponding analysis thereof were presented by the National Economic Development Authority (NEDA);

WHEREAS, the Regional Board has noted the general consensus of both labor and management expressed during the public hearing/consultations on the need to increase the wages of workers adequate to help them cope with the rising cost of living without, however, hampering the growth of business and industry.

WHEREAS, in view of successive increase in the price of oil and other petroleum products, transportation fares, as well as the surging cost of basic services and prime commodities, the Regional Board deems it imperative to provide wage earners and their families immediate economic relief;

WHEREAS, in the same public hearings/consultations, the proposed simplified minimum wage structure was presented.

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 (RTWPB) of Region 2, hereby issues this Wage Order:

Section 1 - AMOUNT AND EFFECTIVITY OF INCREASE. Effective 15 days after publication of this new Wage Order in a newspaper of general circulation, the daily minimum wage rates of covered workers and employees shall be increased as follows:

- A) P12.00 for those in the following enterprises:
 - 1. Non-agriculture
 - 2. Agriculture

3. Cottage/Handicraft
4. Private Hospitals, and,
5. Sugar

B) P10.00 for those in the retail/service enterprise

Section 2 - COVERAGE. The wage increase prescribed under this Order shall apply to minimum wage earners only regardless of position, designation or status except household or domestic helpers and persons in the personal service of another person including family drivers.

Section 3 - REVIEW OF THE MINIMUM WAGE STRUCTURE. After six (6) months, the Regional Board shall sit en banc to conduct a review of the existing minimum wage structure with the intention to simplify the structure.

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 - 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 minimum wage increase per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 6 - WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices, learners and handicapped workers shall in no case be 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 prescribed wage rates.

Section 7 - APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of the private educational institutions, the effectivity of the wage increase prescribed under this Order shall be on June 1, 2000. Provided, however, that the employees' share in the increase of tuition fees, equivalent to or higher than the increase prescribed under this Order shall be credited as compliance with the Wage Order. Provided, finally, that where the employees' share in the increase in the tuition fee is lower than the wage increase prescribed hereunder, the employer shall pay the difference.

Section 8 - APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increases in the wage rates of the workers 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 principal or client fails to pay the prescribed increase or new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 9 - 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 10 - 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 increase to employees affected by the Order in the event such Order is affirmed.

Section 11 - CREDITING. If expressly provided for and agreed upon in the collective bargaining agreement (CBA), wage increases granted by an employer within three (3) months prior to the effectivity of this Order shall be credited as compliance with the wage increase prescribed herein. Where the increase is less than that prescribed under this Order, the employer shall pay the difference.

In the case of unorganized establishments, wage increases granted three (3) months prior to the effectivity of this Order shall be credited as compliance.

Such creditable increases shall not include anniversary wage increases, merit increases and those resulting from the regularization or promotion of employee, unless there is an agreement expressly allowing such crediting.

Section 12 - EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the increases in the wage rates under this Order results in 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 13 - 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 (DOLE) and shall be the subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

Section 14 - NON-DIMINUTION OF BENEFITS. Nothing in this Order 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 15 - PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase/allowance/rates in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

Section 16 - 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 17 - FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

Section 18 - 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, 2000 and every year thereafter in accordance with the form prescribed by the Commission.

Section 19 - REPEALING CLAUSE. All laws, orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

Section 20 - SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 21- IMPLEMENTING RULES. The Board shall prepare the necessary rules to implement this Order subject to approval of the Secretary of Labor and Employment.

Section 22- EFFECTIVITY. This Wage Order shall take effect 15 days after publication in a newspaper of general circulation.

APPROVED this 12th day of October, 1999 in Tuguegarao, Cagayan.

(Dissenting: Cannot agree to the amount of wage increase)
(SGD.) ERNESTO J. FUENCONCILLO
Workers' Representative

(SGD.) EMITERIO BALLINAN
Workers' Representative

(With dissenting vote as to exclusion of exemptions as per attached document)
(SGD.) CONSTANCIO S. SILVA
Employers' Representative

(SGD.) JOSE V. HIPOLITO
Vice Chairman

(SGD.) MILAGROS A. RIMANDO
Vice Chairman

(SGD.) AIDA M. ESTABILLO
Board Chairman

October 14, 1999

MS. AIDA M. ESTABILLO
Chairman
Regional Tripartite Wages and Productivity Board, RO2

In connection with the issuance of Wage Order No. RO2-06, I am affixing my signature with a dissenting vote as to the exclusion of all forms of exemptions from the Wage Order RO2-06 citing the following reasons:

1. The exemption provision has been an integral part of past Wage Orders;
2. NWPC, in 1994 adopted as a policy the safety net but allowed exemptions in the subsequent Wage Orders after 1994;
3. That the reason for a lower wage proposal from management for the retail sector was because it assumed that an exemption provision would be integrated in the wage order for those employing less than seven workers as was the case in Wage Order No. RO2-05;
4. That the issue of possible elimination of exemptions based on the safety net approach was not discussed during the wage consultations;
5. That Region 2 is a typhoon-prone area and during calamities it is the cottage and small business where the retail trade and agriculture sectors belong suffer the brunt of the calamity;
6. That the export-oriented industries in Region 2 which are mostly cottage in scale would benefit from exemptions as this would make them competitive considering their distance to the nearest port which is Manila is more than 450 kilometers and that finally, Region 2 has the lowest export performance due to high cost of inputs.

However, I interpose no objection as to the amount of wage increase as stated and mandated in the said Wage Order RO2-06.

(Sgd.) CONSTANCIO S. SILVA
Employers' Representative
RTWPB 2

Done this 14th day of October 1999, at Tuguegarao, Cagayan.

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

WAGE ORDER NO. RO2-06-A

AMENDING CERTAIN PROVISION OF WAGE ORDER NO. RO2-06
PARTICULARLY SECTION 6, PARAGRAPH 1, THEREOF

WHEREAS, Wage Order No. RO2-06 has been issued by the Regional Board of the Regional Tripartite Wages and Productivity Board (RTWPB), Region 2, to provide for a wage increase for minimum wage earners in the private sector in Region 2;

WHEREAS, Section 6, paragraph 1, of Wage Order No. RO2-06 provides the wages of special groups of workers to read: “ Section 6 – WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices, learners and handicapped workers shall in no case be less than seventy five per cent (75%) of the applicable minimum wage rates prescribed in this Order.”;

WHEREAS, Republic Act No. 7277 , known as the “Magna Carta for Disabled Persons” provides for the rehabilitation, self-development and self-reliance of disabled persons and their integration into the mainstream of society and for other purposes;

WHEREAS, Section 5, Title II, paragraph 1, of RA 7277 states that “No disabled person shall be denied access to opportunities for suitable employment. A qualified disabled employee shall be subject to the same terms and conditions of employment and the same compensation, privileges, benefits, fringe benefits, incentives or allowances as a qualified able bodied person”;

WHEREAS, the term “handicapped” as used in Wage Order No. RO2-06 and the term “disabled” as used in RA 7277 have one and the same meaning;

WHEREAS, “handicapped workers” should not be treated to belong in the special groups of workers as embodied in Section 6 of Wage Order No. RO-06;

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 2 hereby unanimously decrees the following amendments:

Section 1. Section 6, paragraph 1, of Wage Order No. RO2-06 shall now read as, “Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in this Order.”

Section 2. This Wage Order No. RO2-06-A shall become an integral part of Wage Order No. RO2-06.

Section 3. This amendment shall retroact to the date of the effectivity of Wage Order No. RO2-06 which is October 31, 1999.

Approved. November 11, 1999

(SGD.) ERNESTO J. FUECONCILLO
Member, Workers' Representative

(SGD.) EMITERIO C. BALLINAN
Member, Workers' Representative

(SGD.) CONSTANCIO S. SILVA
Member, Employers' Representative

(SGD.) JOSE V. HIPOLITO
Vice Chairman, DTI

(SGD.) MILAGROS A. RIMANDO
Vice Chairman, NEDA

(SGD.) GUERRERO N. CIRILO
Chairman

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

RULES IMPLEMENTING WAGE ORDER NO. RO2-06

Rule I - General Provisions

Pursuant to Section 5, Rule IV of the NWPC Revised Rules of Procedure on Minimum Wage Fixing and Section 21 of Wage Order No. RO2-06, the following rules are hereby issued for guidance and compliance by all concerned.

Section 1. Title

This Rules shall be known as the “Rules Implementing Wage Order No. RO2-06.”

Section 2. Definition of Terms.

- a. “Order” means Wage Order No. RO2-06;
- b. “Commission” refers to the National Wages and Productivity Commission (NWPC);
- c. “Board” means the Regional Tripartite Wages and Productivity Board (RTWPB) of Region 2;
- d. “Department” refers to the Department of Labor and Employment;
- e. “Region 02” refers to the geographic area in Cagayan Valley covering the provinces of Nueva Vizcaya, Quirino, Isabela, Cagayan and Batanes;
- f. “Agriculture” refers to farming in all its branches and, among others, includes the cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural or horticultural commodities, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farms or ponds, and any activities performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, but does not include the manufacturing and/or processing of sugar, coconut, abaca, tobacco, pineapple, aquatic or other farm products;
- g. “Plantation Agricultural Enterprise” is one engaged in agriculture with an area of more than twenty four (24) hectares in a locality or which employs at least twenty (20) workers. Any other agricultural enterprise shall be considered as non-plantation agricultural enterprises;
- h. “Cottage/Handicraft Enterprise” is one engaged in an economic endeavor in which the products are primarily done in the home or such other places for profit which requires manual dexterity and craftsmanship and/or whose capitalization does not exceed P1,500,000.00 regardless of previous registration with the defunct NACIDA;
- i. “Retail Enterprise” is one principally engaged in the sale of goods to end users for personal use;
- j. “Service Enterprise” is one principally engaged in the sale of service to individuals for their own or household use and is generally recognized as such;
- k. “Non-agriculture Enterprise” refers to establishments or industries regardless of employment size other than agriculture, cottage/handicraft, retail or service;
- l. “Basic Wage” means all remuneration or earnings paid by an employer to a worker for service rendered on a normal working days and hours exclusive of living

allowance and exclusive of profit sharing payments, premium payment, 13th month pay or other monetary benefits;

- m. "Minimum Wage Rates" refer to the lowest rate that an employer can pay his workers, as fixed by the Board, which shall not be lower than the applicable minimum wage rates;
- n. "Wage Distortion" means 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 employee groups in an establishment as to effectively obliterate the distinction embodied in such wage structure based on skills, length of services, or other logical bases of differentiation;

Rule II - Wage Increase

Section 1. Amount and Effectivity of Increase. Effective October 31, 1999, the daily minimum wage rates of covered workers and employees shall be increased as follows:

- a) P12.00 for those in the following enterprises:
 - 1. Non-agriculture
 - 2. Agriculture
 - 3. Cottage/Handicraft
 - 4. Private Hospitals, and,
 - 5. Sugar
- b) P10.00 for those in the retail/service enterprise

Section 2. Coverage. The wage increase prescribed in this Wage Order applies to daily minimum wage earners only regardless of position, designation or status except household or domestic helpers and persons in the personal service of another including family drivers.

Section 4. Review of the minimum wage structure. After six (6) months, the Regional Board shall sit *en banc* to conduct a review of the existing minimum wage structure with the intention to simplify the structure.

Section 5. Basis of Minimum Wage Rates. The minimum wage rates prescribed herein shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 6. 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 applicable wage rates as prescribed under the Order 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.

The adjusted minimum wage rates for workers paid by result shall be computed in accordance with the following steps:

- a)
$$\frac{\text{Amount of increase in AMW}^*}{\text{Previous AMW}} \times 100 = \% \text{ increase}$$
- b). Existing rate/piece x % increase = Increase in rate/piece
- c.) Existing rate/piece + Increase in rate/piece = Adjusted Rate/piece

?? Where AMW is the 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 7. Wages of Special Groups of Workers. Learners and apprentices shall, in no case, be paid wages less than seventy five percent (75%) of the minimum wage rates prescribed under 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 prescribed wage rates.

Section 8. Mobile and branch workers. The minimum wage rates of workers employed in branches or agencies of establishments shall be those applicable in the place where they are stationed. In the case of mobile workers, the minimum wage rates shall be those applicable in the domicile or head office of the employer.

Section 9. Transfer of Personnel. The transfer of personnel to areas with lower wage rates shall in no case be a valid ground for the reduction of higher wage rates being enjoyed by the worker prior to such transfer. However, where the worker is transferred to an area with higher minimum wage rates, he shall be entitled to the higher minimum wage rate.

Section 10. Application to Private Educational Institutions. In the case of private educational institutions, the effectivity of the wage increase prescribed under this Order shall be on June 1, 2000 whether schools have increased tuition fees or not. Provided, however, that the employees' share in the increase of tuition fees, equivalent to or higher than the increase prescribed under this Order shall be credited as compliance with the Wage Order. Provided, finally, that where the employees' share in the increase in the tuition fee is lower than the wage increase prescribed hereunder, the employer shall pay the difference.

Section 11. Application to Contractors. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increases in the wage rates of the workers 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 principal or client fails to pay the prescribed increase or new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 12. Creditable Wage Increase. If expressly provided for and agreed upon in the collective bargaining agreement (CBA), wage increases granted by an employer within three (3) months prior to the effectivity of this Order shall be credited as compliance with the wage increased prescribed herein. Where the increase is less than that prescribed under this Order, the employer shall pay the difference.

In the case of unorganized establishments, wage increases granted three (3) months prior to the effectivity of this Order shall be credited as compliance. Where the increase is less than that prescribed under this Order, the employer shall pay the difference.

Such creditable increases shall not include anniversary wage increases, merit increases and those resulting from the regularization or promotion of employee, unless there is an agreement expressly allowing such crediting.

Section 13. Suggested Formula in Determining the Equivalent Monthly Regional Minimum Wage Rates - Without prejudice to existing company practices, agreements or policies, the following formula may be used as guides in determining the equivalent monthly minimum wage rates:

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

$$\begin{array}{l} \text{Equivalent} \\ \text{Monthly} \\ \text{Rate (EMR)} \end{array} = \frac{\text{Applicable Daily Wage Rate (ADR)} \times 391.50 \text{ days}}{12}$$

Where 391.50 days :

- 302 days - Ordinary working days
- 18 days - 9 regular holidays x 200%
- 2.6 days - 1 regular holiday falling on last Sunday

$$\begin{aligned}
& \text{of August x 200\% + (30\% of 200\%)} \\
& 66.30 \text{ days} - 51 \text{ rest days x 130\%} \\
& \underline{2.60 \text{ days}} - 2 \text{ special days x 130\%} \\
& 391.50 \text{ days} - \text{Total equivalent number of days}
\end{aligned}$$

- b) For those who do not work but are considered paid on rest days, special days and regular holiday

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

Where 365 days:

$$\begin{aligned}
& 302 \text{ days} - \text{Ordinary working days} \\
& 51 \text{ days} - \text{Rest days} \\
& 10 \text{ days} - \text{Regular Holidays} \\
& \underline{2 \text{ days}} - \text{Special days} \\
& 365 \text{ days} - \text{Total equivalent number of days}
\end{aligned}$$

- c) For those who do not work and are not considered paid on Sundays or rest days:

$$\text{EMR} = \frac{\text{ADR x 314.6 days}}{12}$$

Where 314.6 days:

$$\begin{aligned}
& 302 \text{ days} - \text{Ordinary working days} \\
& 10 \text{ days} - \text{Regular Holidays} \\
& \underline{2.6 \text{ days}} - 2 \text{ Special days (if worked) x 130\%} \\
& 314.6 \text{ days} - \text{Total equivalent number of days}
\end{aligned}$$

- d) For those who do not work and are not considered paid on Saturdays and Sundays or rest days:

$$\text{EMR} = \frac{\text{ADR x 262.6 days}}{12}$$

Where 262.6 days:

$$\begin{aligned}
& 250 \text{ days} - \text{Ordinary working days} \\
& 10 \text{ days} - \text{Regular Holidays} \\
& \underline{2.6 \text{ days}} - 2 \text{ Special days (if worked) x 130\%} \\
& 262.6 \text{ days} - \text{Total equivalent number of days}
\end{aligned}$$

Note : For workers whose rest days fall on Sundays, the number of rest days in a year is reduced from 52 to 51 days, the last Sunday of August being 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.

Section 14. Appeal to the Commission - Any party aggrieved by the Wage Order may file an appeal with the Commission 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. The appeal shall be accompanied by a memorandum of appeal which shall state the grounds relied upon and the arguments in support of the appeal.

Section 15. Effect 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 to employees affected by the Order of the corresponding increase, in the event such Order is affirmed.

Rule III – Special Provisions

Section 1. Effect on Existing Wage Structure. Should any dispute arise as a result of wage distortion, the employer and the union shall negotiate to correct the distortions through the grievance procedure under their collective bargaining agreement (CBA), 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 bargaining 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, the same shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

The pendency of a dispute rising from wage distortion shall not in any way delay the applicability of any increase prescribed in the Order.

Section 2. Complaints for Non-Compliance. Complaints for non-compliance with the Order shall be filed with the Regional Office of the Department having jurisdiction over the workplace and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 3. Conduct of Inspection by the Department - The Department shall conduct inspections of establishments, as often as necessary, to determine whether the workers are paid the prescribed wage rates and other benefits granted by law or any Wage Order. In the conduct of inspection in unionized companies, Department inspectors shall always be accompanied by the president or other responsible officer of the recognized bargaining unit or of any interested union. In the case of non-unionized establishments, a worker representing the workers in the said company will accompany the inspector.

The workers' representative shall have the right to submit his own findings to the Department and to testify on the same if he does not concur with the findings of the labor inspector.

Section 4. Non-diminution of Benefits. Nothing in the Order and in this Rules 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 the employers.

Section 5. Penal Provision. Pursuant to the provisions of Section 12 of RA 6727, as amended by RA 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 of not less than Twenty-five thousand pesos (P25,000.00) nor more than One hundred thousand pesos (P100,000) 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 for 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 criminal liability imposable under this 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 6. 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 Commission or Boards.

Section 7. 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 8. 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, 2000 and every year thereafter in accordance with the form prescribed by the Commission.

Section 9. Repealing Clause. All laws, orders, issuances, rules and regulations on wages, or parts thereof inconsistent with the provisions of the Wage Order and this Rules are hereby repealed, amended or modified accordingly.

Section 10. 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 11. Effectivity of Rules. This Rules Implementing Wage Order No. RO2-06 shall take effect on October 31, 1999.

Done in Tuguegarao, Cagayan this 11th day of November 1999.

(SGD.) EMITERIO C. BALLINAN
Member, Labor Representative

(SGD.) ERNESTO J. FUECONCILLO
Member, Labor Representative

(SGD.) CONSTANCIO S. SILVA
Employers' Representative

(SGD.) MILAGROS A. RIMANDO
Vice-Chairman, NEDA

(SGD.) JOSE V. HIPOLITO
Vice-Chairman, DTI

(SGD.) GUERRERO N. CIRILO
Chairman

Approved this 28th day of January 2000.

(SGD.) BIENVENIDO E. LAGUESMA
Secretary