

Republic of the Philippines  
 Department of Labor and Employment  
 National Wages and Productivity Commission  
**REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD NO. 3**  
 San Fernando, Pampanga

**WAGE ORDER NO. RBIII-13**

**PROVIDING FOR COST OF LIVING ALLOWANCE IN REGION III**

**WHEREAS**, Republic Act 6727, mandated the Regional Tripartite Wages and Productivity Board-Region III (RTWPB-III) to determine and fix minimum wage rates and periodically review the same in relation to prevailing socio-economic and other conditions in the Region;

**WHEREAS**, the RTWPB-III acted motu proprio on the minimum wage adjustment issue and conducted a series of sectoral consultations on July 23, July 25, and July 30, 2007 and a public hearing on August 6, 2007;

**WHEREAS**, after evaluation of the results of the consultations and public hearing, the RTWPB-III felt the need to provide workers immediate relief from the rising costs of living taking into account the interests of both labor and management as well as the continued and sustained viability of business and industry;

**WHEREAS**, consistent with the government's policy of achieving higher levels of productivity, the RTWPB-III encourages the workers and business enterprises to be competitive through the adoption of productivity improvement and gainsharing programs.

**NOW THEREFORE**, by virtue of the power and authority vested under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Board hereby issues this Wage Order:

**Section 1. AMOUNT OF COLA.** Upon the effectivity of this Wage Order, a cost of living allowance (COLA) of Nine Pesos (P9.00) per day shall be granted to all minimum wage earners in the region.

**Section 2. NEW MINIMUM WAGE RATES.** Upon effectivity of this Wage Order, the new minimum wage rates in the region shall be as follows:

SECTOR	BULACAN, BATAAN, NUEVA ECIJA, PAMPANGA, TARLAC, ZAMBALES		
	Basic Wage	COLA under WO RBIII-13	Minimum Wage under WO RBIII-13
Non-Agriculture			
Establishment with total assets of P30M or more	278.00	9.00	287.00
Establishment with total assets Of less than P30M	270.50	9.00	279.50

Agriculture			
Plantation	248.00	9.00	257.00
Non-Plantation	232.00	9.00	241.00
Hospitals			
With 20 or more bed capacity	269.00	9.00	278.00
With less than 20 bed capacity	254.00	9.00	263.00
Retail/Service			
With 16 or more workers	267.00	9.00	276.00
With less than 16 workers	253.00	9.00	262.00
Cottage/Handicraft	232.00	9.00	241.00

Sector	AURORA		
	Basic Wage	COLA under WO RBIII-13	Minimum Wage under WO RBIII-13
Non-Agriculture	227.00	9.00	236.00
Agriculture			
Plantation	212.00	9.00	221.00
Non-Plantation	192.00	9.00	201.00
Retail/Service employing not more than 10 workers	149.00	9.00	158.00
Cottage Handicraft	200.00	9.00	209.00

**Section 3. COVERAGE.** The COLA provided herein shall apply to all minimum wage earners/workers and employees in the private sector in Region III regardless of position, designation or status of employment and irrespective of the method by which their wages are paid. Not covered in this Wage Order are household or domestic helpers and persons employed in the personal service of another including family drivers and workers of Barangay Micro Business Enterprises with Certificates of Authority, pursuant to R.A. 9178.

**Section 4. BASIS OF COLA.** The COLA prescribed under the Wage 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 COLA in this order per eight (8) hours a day, or a proportion thereof for working less than eight (8) hours.

**Section 6. SPECIAL GROUP OF WORKERS.** The minimum wage rate of apprentices and learners shall in no case be less than seventy-five percent (75%) of the prescribed minimum wage rate under Section 2 of this Wage Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified in accordance with the Wage Order.

**Section 7. PRODUCTIVITY-BASED WAGES.** In order to sustain rising levels of wages and enhance competitiveness, businesses are strongly encouraged to adopt productivity improvement schemes, such as, time and motion studies, good housekeeping, quality circles, labor-management cooperation, as well as implement gainsharing programs. Accordingly, the Regional Board shall provide the necessary studies and technical assistance pursuant to RA 6971, the Productivity Incentives Act of 1990.

**Section 8. 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 2007-2008 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 2008-2009.

Private educational institutions which have not increased their tuition fees for the School Year 2007-2008 may defer compliance with the provisions of this Wage Order until School Year 2008-2009.

In any case, all private educational institutions shall implement the increase prescribed herein starting School Year 2008-2009.

**Section 9. CONTRACTORS.** In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed COLA of the workers shall be borne by the principals or clients of the construction/service contractors and their contracts shall be deemed amended accordingly. In the event, however, that the principals or clients fail to pay the prescribed increases, the construction/service contractors shall be jointly and severally liable with his principal or client.

**Section 10. EXEMPTION.** Upon application with and as determined by the Board, the following may be exempt from the applicability of this Wage Order, subject to applicable rules and regulations issued by the Commission:

1. Retail and service establishments employing not more than ten (10) workers at the time of the publication of this Wage Order;
2. Distressed Establishments, as defined in the NWPC Guidelines No. 02, Series of 2007 ;
3. Garment Exporting firms, including indirect exporters, with at least fifty percent (50%) export sales and with forward contracts with their foreign buyers/principals entered into on or twelve (12) months before the effectivity of this Wage Order and without escalation clauses with respect to the contract prices thereof, may be exempt

during the lifetime of the said contract but not to exceed twelve (12) months from effectivity of this Wage Order.

**Section 11. APPEAL TO THE COMMISSION.** Any party aggrieved by this Wage Order may file a verified appeal to the Commission through the Board within ten (10) calendar days from the publication of the Order.

**Section 12. 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 COLA to employees affected by the Order in the event such Order is affirmed.

**Section 13. CREDITING.** Increases granted by an employer within ninety (90) days prior to the effectivity of this Wage Order shall be credited as compliance with the Order, provided that, where such increases are less than what is provided in the Order, the employer shall pay the difference.

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

**Section 14. EFFECTS ON EXISTING WAGE STRUCTURE.** Where the application of the COLA prescribed in this Wage Order results in distortions in the wage structure within the establishment, the wage distortions may be resolved using the following formula:

$$\frac{\text{Minimum Wage Under Wage Order No. RBIII-12}}{\text{Present Salary}} \times \text{Amount of COLA in WO RBIII-13} = \text{Amount of COLA due to distortion}$$

**Section 15. 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 (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 16. NON-DIMINUTION OF BENEFITS.** Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowances, and benefits of any form under existing laws, decrees, issuance, executive orders and/or under any contract or agreement between workers and employers.

**Section 17. PENAL PROVISION.** Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage rates in accordance with this Wage Order shall be subject to the penal provisions under R.A. 6727, as amended by R.A. 8188.

**Section 18. 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 19. FREEDOM TO BARGAIN.** This Wage 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 20. REPORTING REQUIREMENTS.** Any person, company, corporation, partnership, or any entities engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2008 and every year thereafter in accordance with the form prescribed by the Commission.

**Section 21. REPEALING CLAUSE.** All orders, rules, and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

**Section 22. SEPARABILITY CLAUSE.** If, for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

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

**Section 24. EFFECTIVITY.** 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** this 4th day of September 2007, City of San Fernando, Pampanga.

(Sgd.) **JOSE T. DE LEON**  
Board Member

(Sgd.) **FLORDELIZA MARIA REYES-RAYEL**  
Board Member

(Sgd.) **RAUL C. REMODO\***  
Board Member

(Sgd.) **EDGAR B. VENTURA\***  
Board Member

(Sgd.) **REMIGIO A. MERCADO**  
Vice-Chairperson

(Sgd.) **BLESILA A. LANTAYONA**  
Vice-Chairperson

(Sgd.) **NATHANIEL V. LACAMBRA**  
Chairperson

\* We dissent . Amount of increase is insufficient and there should be no wage exemption.

*Date of Publication:*

*Date of Effectivity:*