

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-07
 Providing for New Minimum Wage Rates in Region III

WHEREAS, in pursuit of its wage determination mandate, the Board continuously assesses and studies the appropriateness of the minimum wage rates, taking into consideration the movement in prices, employment and other changes in the socio-economic conditions in the Region;

WHEREAS, in the light of the series of oil price hikes, the increases in transportation fares and acting on the petition filed by Gillion Philippines Employees Union ALU-TUCP, a public hearing was conducted on November 26, 1999;

WHEREAS, after evaluation of the petition for wage increase together with the results of the public hearing and wage studies, this Board deems it necessary to adjust the minimum wage rates in Region III;

NOW THEREFORE, by virtue of the powers and authority vested under Republic Act No. 6727 otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Region 3, hereby issues this Wage Order:

Section 1. NEW MINIMUM WAGE RATES. Upon the effectivity of this Order, the daily minimum wage rates applicable to workers and employees in the private sector in Region 3 shall be as follows:

SECTOR	B A S I C W A G E			
	Upon Effectivity of the Order		Effective May 1, 2000	
	Bulacan	Other Provinces	Bulacan	Other Provinces
NON-AGRICULTURE				
Establishment with total assets of P30 million or more	175.50	171.50	180.50	176.50
Establishment with total assets of less than P30 million	168.50	164.50	173.50	169.50
AGRICULTURE				
Plantation	143.50	143.50	148.50	148.50
Non-Plantation	128.50	128.50	133.50	133.50
PRIVATE HOSPITALS				
Establishment with 20 or More bed capacity	163.50	163.50	168.50	168.50
Establishment with less than 20 bed capacity	149.50	149.50	154.50	154.50

RETAIL./SERVICE				
Establishment with 16 Or more employees	161.50	161.50	166.50	166.50
Establishment with less Than 16 employees	148.50	148.50	153.50	153.50
COTTAGE/HANDICR AFT	128.50	128.50	133.50	133.50

Section 2. EMERGENCY RELIEF ASSISTANCE (ERA). The Emergency Relief Assistance (ERA) under Wage Order No. RBIII-06 shall continue to be granted in the same amount and under the same wage ceiling and other terms and conditions as stipulated in the said Wage Order.

Section 3. COVERAGE. The minimum wage rates provided in this Wage Order shall apply to all covered workers and employees in the private sector in Region 3 regardless of position, designation or status of employment and irrespective of the method by which their wages are paid. Not covered in this Order are household or domestic helpers and persons employed in the personal service of another including family drivers.

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

Section 6. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable wage rate prescribed in this Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified in so far as their wage clauses are concerned to reflect the new prescribed wage rates.

Section 7. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of educational institutions, the share of workers and employees covered in the increase in tuition fees for School Year 1999-2000 shall be credited as compliance with this 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 2000-2001.

Private educational institutions which did not increase their tuition fees for the School Year 1999-2000 may defer compliance with the provision of this Order until School Year 2000-2001.

Section 8. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage rates of the workers shall be borne by the principal or clients of the construction/service contractors and contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 9. EXEMPTIONS. Distressed firms may be exempted from this Order upon application with and as determined by the Board, based on documentation and other requirements pursuant to the NWPC Guidelines No. 01, series of 1996.

All applications for exemption from compliance with this Order shall be filed within seventy five (75) days from the date of the publication of the Rules Implementing the Wage Order. The

Board has the discretion to grant full or partial exemption to such employer with respect to the amount or period of exemption but in no case shall it exceed one (1) year from the effectivity of this Order.

Section 10. EFFECT OF APPLICATION FOR EXEMPTION . An application for exemption duly filed shall have the effect of deferring any action on any complaint for non-compliance with the Order until resolution of the application by the Board.

In case the application for exemption is not approved, covered employees/workers of the applicant establishment shall be paid the prescribed minimum wage rates under this Order plus one percent (1%) simple interest per month retroactive to the effectivity of this 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 this 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 increase 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 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 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 new minimum wage rates prescribed 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 Article 124 of the Labor Code of the Philippines, as amended.

Section 15. 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 16. 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, 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 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, 2000 and every year thereafter in accordance with the form prescribed by the Commission.

Section 21. REPEALING CLAUSE. All laws, 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 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 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 a newspaper of general circulation.

APPROVED this 16th day of December 1999, San Fernando, Pampanga. .

(SGD) JOSE T. DE LEON
Board Member

(SGD) JONES B. ALABANZA
Board Member

Refused to sign
SABINO C. MENDIOLA
Board Member

Refused to sign
RAUL C. REMODO
Board Member

(SGD) REMIGIO A. MERCADO
Vice-Chairperson

(SGD) BLESILA A. LANTAYONA
Vice-Chairperson

(SGD) ANA C. DIONE
Chairperson

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-07A
 Amending Section 1 of Wage Order No. RBIII-07

WHEREAS, Wage Order No. RBIII-07 was published last December 29, 1999 in one (1) newspaper of general circulation;

WHEREAS, upon review of the said Wage Order, the provision on new minimum wage rates for private hospitals with bed capacity of less than 20 for Bulacan and other provinces needs to be adjusted;

NOW THEREFORE, by virtue of the powers and authority vested under Republic Act No. 6727 otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Region 3, hereby issues this amendment to Section 1 of Wage Order No. RBIII-07 and to read as:

Section 1. **NEW MINIMUM WAGE RATES.** Upon the effectivity of this Order, the daily minimum wage rates applicable to workers and employees in the private sector in Region 3 shall be as follows:

SECTOR	BASIC	WAGE
	Upon Effectivity	Of the Wage Order
	Bulacan	Other Provinces
xxx xxx		
xxx xxx		
PRIVATE HOSPITALS		
xxx xxx		
Establishment with less than 20 bad capacity	P151.50	P151.50
xxx xxx		

APPROVED this 21st day of February 2000, San Fernando, Pampanga.

(SGD) JOSE T. DE LEON
Board Member

(SGD) JONES B. ALABANZA
Board Member

(SGD) SABINO C. MENDIOLA
Board Member

(SGD) RAUL C. REMODO
Board Member

(SGD) REMIGIO A. MERCADO
Vice Chairperson

(SGD) BLESILA A. LANTAYONA
Vice-Chairperson

(SGD) ANA C. DIONE
Chairperson

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

RULES IMPLEMENTING WAGE ORDER NO. RBIII-07

RULE I
GENERAL PROVISIONS

Pursuant to Section 5, Rule IV of the NWPC Revised Rules of Procedure on Minimum Wage Fixing and Section 22 of Wage Order No. RBIII-07, 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. RBIII-07.”

Section 2. Definition of Terms. As used in this Rules.

- a) Order refers to Wage Order No. RBIII-07;
- b) Board refers to the Regional Tripartite Wages and Productivity Board in Region III;
- c) Commission refers to the National Wages and Productivity Commission;
- d) Department refers to the Department of Labor and Employment;
- e) Secretary refers to the Secretary of Labor and Employment;
- f) Region III covers the provinces of Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac and Zambales and the cities of Angeles, Cabanatuan, Olongapo, Palayan, Tarlac and San Jose;
- g) Basic Wage means all remuneration or earnings paid by an employee to a worker for services rendered on normal working days and hours, but does not include cost-of-living-allowances, profit sharing investments, premium payments, 13th month pay and other monetary benefits, which are not considered as part or integrated into the regular salary of the workers on the date this Order became effective;
- h) Emergency Relief Assistance (ERA) refers to the additional monetary benefit given by an employer to his employees to answer, at least partly, for increase in every day expenses of the latter;
- i) Agriculture refers to farming in all its branches including 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 connection with such farming operations. This does not include the manufacturing and/or processing of sugar, coconut, abaca, tobacco, pineapple, aquatic or other farm products;
- j) Plantation Agricultural Enterprise is one engaged in agriculture with an area of more than 24 hectares in a locality or which employs at least twenty (20) workers. Any other agricultural enterprise shall be considered as “ Non-Plantation Agricultural Enterprise”;
- k) Cottage/Handicraft Establishment 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 whose capitalization does not exceed P1.5 million (in conformity with SMED Resolution No. 3, Series of 1995) regardless of previous registration with the defunct NACIDA;
- l) Household or Domestic Helper refers to workers who administer strictly to the personal

needs of their employer. This includes family drivers;

- m) Establishment refers to an economic unit which engages in one or predominantly one kind of economic activity at a single fixed location.

For purposes of determining eligibility for exemption, establishments under the same owner/s but separately registered with the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) or Cooperative Development Authority (CDA) As the case may be, irrespective of their location, shall be treated as individual and distinct establishments.

- n) Distressed Employer refers to employers/establishments which meet the criteria enumerated in Sec. 3 (A) of the NWPC Guidelines No. 01, Series of 1996 on the Rules on Exemption;
- o) Capitalization refers to paid-up capital, in the case of a corporation, and total invested capital, in the case of a partnership or single proprietorship;
- p) Full Accounting Period refers to a period of twelve (12) months or one year of business operations;
- q) Total Assets refers to all kinds of properties, real or personal, owned by the firm and used for the conduct of its business;
- r) Deficit refers to the negative balance of the retained earnings account of a corporation. Retained earnings represent the cumulative balance of periodic earnings, dividend distributions, prior period adjustments and other capital adjustments;
- s) Stock Corporation refers to one organized for profit and issues shares of stock to its members;
- t) Non-stock Non-profit Organization refers to one organized principally for public purposes such as charitable, educational, cultural or similar purposes and does not issue shares of stock to its members;
- u) Partnership refers to an association of two or more persons who bind themselves to contribute money, property or industry to a common fund with the intention of dividing the profits among themselves or for the exercise of a profession;
- v) Single Proprietorship refers to a business unit owned and controlled by only one person
- w) Cooperative refers to duly registered association of persons who voluntarily join together to form a business establishment which they themselves own, control and patronized and which may fall under any of the following types: credit, consumers, producers, marketing, service or multi-purpose;
- x) Quasi-banks refers to institutions such as investment houses and financing companies performing quasi-banking functions as defined by the Bangko Sentral ng Pilipinas.

RULE II *NEW MINIMUM WAGE RATES*

Section 1. **NEW MINIMUM WAGE RATES.** Upon effectivity of the Wage Order, the daily minimum wage rates applicable to workers and employees in the private sector in Region 3 shall be as follows:

SECTOR	BASIC WAGE			
	Effective January 13, 2000		Effective May 1, 2000	
	Bulacan	Other Provinces	Bulacan	Other Provinces
NON-AGRICULTURE				
Establishment with total assets of P30 million or more	175.50	171.50	180.50	176.50
Establishment with total assets of less than P30 million	168.50	164.50	173.50	169.50
AGRICULTURE				
Plantation	143.50	143.50	148.50	148.50
Non-Plantation	128.50	128.50	133.50	133.50
PRIVATE HOSPITALS				
Establishment with 20 or More bed capacity	163.50	163.50	168.50	168.50
Establishment with less Than 20 bed capacity	151.50	151.50	154.50	154.50
RETAIL./SERVICE				
Establishment with 16 Or more employees	161.50	161.50	166.50	166.50
Establishment with less Than 16 employees	148.50	148.50	153.50	153.50
COTTAGE/HANDI CRAFT	128.50	128.50	133.50	133.50

Section 2. EMERGENCY RELIEF ASSISTANCE (ERA). The Emergency Relief Assistance (ERA) under Wage Order No. RBIII-06 shall continue to be granted in the same amount and under the same wage ceiling and other terms and conditions as stipulated in the said Wage Order.

Section 3. COVERAGE. The minimum wage rates provided in the Wage Order shall apply to all covered workers and employees in the private sector in Region 3 regardless of position, designation or status of employment and irrespective of the method by which their wages are paid. Not covered in this Order are household or domestic helpers and persons employed in the personal service of another including family drivers.

Section 4. BASIS OF MINIMUM WAGE. The minimum wage rates prescribed herein shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 5. CREDITING.

- a) Increases granted by employers within ninety (90) days prior to the effectivity of the Wage Order shall be credited as compliance with the Order. In case the increases are less than the prescribed adjustment in the Order, the employer shall pay the difference.
- b) Such increases shall not include 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 6. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of educational institutions, the share of workers and employees covered in the increase in tuition fees for previous School Year shall be credited as compliance with the Wage Order. Where the share of the workers and employees is less than what is provided therein, the employer shall pay the difference starting School Year 2000-2001.

Private educational institutions which did not increase their tuition fees for the previous School Year may defer compliance with the provision of the Wage Order until School Year 2000-2001.

Section 7. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage rates of the workers shall be borne by the principal or clients of the construction/service contractors and contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

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 applicable minimum wage rates prescribed under the Order for the normal workings hours which shall not exceed eight (8) hours work a day, or a proportion thereof for work of less than the normal working hours.

The adjusted minimum wage rates for workers paid by results 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 rates

The wage rates of workers who are paid by results shall continue to be established in accordance with Article 101 of the Labor, as amended and its implementing regulations.

Section 9. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable wage rate prescribed in the Order.

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

Section 10. MOBILE AND BRANCH WORKERS. The statutory minimum wage rates of workers, who by 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 within the Region shall be those applicable in the place where they are stationed.

Section 11. TRANSFER OF PERSONNEL. The transfer of personnel to areas outside the Region shall not be valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. The workers transferred to the other Regions with higher wage rates shall be entitled to the minimum wage rate applicable therein.

Section 12. 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 13. EFFECT OF THE 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 EXEMPTIONS

Section 1. EXEMPTIONS. Distressed firms may be exempted from this Order upon application with and as determined by the Board, based on documentation and other requirements pursuant to the NWPC Guidelines No. 01, Series of 1996.

Section 2. PROCEDURES ON EXEMPTION.

A. Procedures. Within seventy five (75) days from date of publication of this Rules, an application for exemption shall be filed with the Board in two (2) typewritten copies by the owner/manager or duly authorized representative of an establishment, either through personal service or by registered mail. The date of mailing shall be deemed the date of filing.

All applications for exemption shall be under oath and must be supported by a proof of notice to the Union President/contracting party (in case the establishment is organized) or a copy of the circular giving general notice to all workers (if there is no union) that an application for exemption from compliance with this Order has been filed with the Board. 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 supporting documents. The notice shall be posted in a conspicuous place in the establishment.

B. Supporting Documents. The following supporting documents shall be submitted by distressed establishments together with the application and the proof of notice.

1. Audited financial statements together with the Auditor's opinion and notes thereto for 1997 and 1998 filed with and stamped "received" by the BIR and SEC;
2. Certification from the Central Bank, in case of banks under receivership/liquidation;
3. Audited interim quarterly financial statements together with the Auditor's opinion and notes thereto for the period immediately preceding the effectivity of the Order.

In case an application for exemption is filed with incomplete supporting documents, the complete supporting documents should be submitted within the 75-day period and no further extension shall be allowed pursuant to NWPC Resolution No. 01, series of 1999

The Board may require the submission of other pertinent commercial documents to support the application for exemption.

C. Criteria for Exemption. In order to determine whether a distressed establishment is qualified for exemption, the following criteria shall be used:

1. For stock corporations/cooperatives:
 - a. When deficit as of the last full accounting period or interim period, if any, immediately preceding the effectivity of the Order amounts to 20% or more impairment of the paid-up capital for the same period; or
 - b. When an establishment registers capital deficiency i.e., negative stockholders' equity as of the last full accounting period or interim period, if any, immediately preceding the effectivity of the Order.
2. For single proprietorships/partnerships:
 - a. Single proprietorships/partnerships operating for at least two (2) years may be granted exemption:
 - a.1 When the net accumulated losses for the last two (2) full accounting periods and interim period, if any, preceding the effectivity of the Order amount to 20% or more of the total invested capital at the beginning of the period under review, or
 - a.2 When an establishment registers capital deficiency i.e., negative net worth as of the last full accounting period or interim period, if any, immediately preceding the effectivity of the Order.
 - b. Single proprietorships/partnerships operating for less than two (2) years may be granted exemption when the net accumulated losses for the period immediately preceding the effectivity of the Order amounts to 20% or more of the total invested capital at the beginning of the period under review.
3. For Non-stock Non-Profit Organizations
 - a. Non-stock non-profit organizations operating for at least two (2) years may be granted exemption:
 - a.1. When the net accumulated losses for the last two (2) full accounting periods and interim period, if any, immediately preceding the effectivity of the Order amount to 20% or more for the fund balance/members' contribution at the beginning of the period under review, or
 - a.2. When an establishment registers capital deficiency i.e., negative fund balance/members' contribution as of the last full accounting period or interim period, if any, immediately preceding the effectivity of the Order.
 - b. Non-stock non-profit organizations operating for less than two (2) years may be granted exemption when the net accumulated losses for the period immediately preceding the effectivity of the Order amount to 20% or more of the fund balance/members' contribution at the beginning of the period under review.
4. For Banks and Quasi-banks
 - a. Under receivership/liquidation

Exemption may be granted to a bank or quasi-bank under receivership or liquidation when there is a certification from the Bangko Sentral ng Pilipinas that it is under receivership or liquidation as provided in Section 30 of RA 7653, otherwise known as the New Central Bank Act.
 - b. Under controllership/conservatorship

A bank or quasi-bank under controllership/conservatorship may apply for exemption as distressed establishment under Section 3A of NWPC Guidelines No. 01, Series of 1996.

Section 3. DURATION AND EXTENT OF EXEMPTION. A full exemption of one (1) year shall be granted to distressed establishments that meet the applicable criteria for exemption under Section 3 of NWPC Guidelines No. 01, Series of 1996.

However, a partial exemption of 50% with respect to the amount or period of exemption may be granted to distressed establishments.

Section 4. EFFECT OF FILING OF APPLICATION FOR EXEMPTION. Whenever an application for exemption has been filed with the Board, the Regional Office of the Department shall be duly notified. Pending resolution of the said application, action on any complaint for alleged non-compliance with the Order shall be deferred by the Regional Office of the Department.

Section 5. EFFECT OF DISAPPROVED APPLICATION FOR EXEMPTION. In the event that the application for exemption is not approved, affected workers shall be paid the mandated minimum wage rates as provided for under the Order retroactive to the date of the effectivity of the Order plus simple interest of one percent (1%) per month retroactive to the effectivity of this Order.

Section 6. MOTION FOR RECONSIDERATION. An aggrieved party may file with the Board a motion for reconsideration of the decision on the application for exemption within ten (10) days from receipt of the decision, stating the particular grounds upon which the motion is based, copy furnished the other party and the Regional Office of the Department.

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.

RULE IV *SPECIAL PROVISION*

Section 1. EFFECTS ON EXISTING WAGE STRUCTURE. Should any dispute arise as a result of wage distortion, the employer and the union shall negotiate to correct the distortion 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 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 arising from wage distortion shall not in any way delay the applicability of any wage adjustment prescribed by 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 inspection of establishments, as often as necessary, to determine whether workers are paid the minimum wage rates prescribed in the Wage Order 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

representative chosen by the workers in the said company shall accompany the Department 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 Department 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, issuance, 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 wage adjustments 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 (P100,000.00) 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 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.

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.

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 Board.

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

Section 9. REPEALING CLAUSE. All laws, orders, 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. This Rules shall take effect on January 13, 2000.

APPROVED this 31st day of January, 2000 San Fernando, Pampanga.

(SGD) JOSE T. DE LEON
Board Member

Refused to sign
SABINO C. MENDIOLA
Board Member

(SGD) JONES B. ALABANZA
Board Member

Refused to sign
RAUL C. REMODO
Board Member

(SGD) REMIGIO A. MERCADO
Vice-Chairperson

(SGD) BLESILA A. LANTAYONA
Vice-Chairperson

(SGD) ANA C. DIONE
Chairperson

Approved this 14th day of February 2000.

(SGD) BIENVENIDO E. LAGUESMA
Secretary