

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-08

**PROVIDING FOR AN INCREASE IN THE MINIMUM WAGE AND INTEGRATION OF
 EMERGENCY RELIEF ASSISTANCE (ERA) TO THE BASIC WAGE**

WHEREAS, considering the increase in prices of petroleum products, the increase in transportation fare, and the depreciation of the Philippine peso, there is a need to adjust the wage level of workers;

WHEREAS, cognizant of this need and subsequent impact of the aforesaid trends on purchasing power of the labor sector has been subject of studies at both the national and regional levels;

WHEREAS, even in the absence of a wage petition in Central Luzon and while the one year expiration of the existing wage order has not lapsed, the RTWPB-03 acted motu proprio to provide necessary relief to wage earners to restore their purchasing power without impairing investment and employment opportunities in the region;

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 of Region 3, hereby issues this Wage Order:

Section 1. MINIMUM WAGE INCREASE AND INTEGRATION OF EMERGENCY RELIEF ASSISTANCE. Upon effectivity of this Order, all covered workers and employees in the private sector receiving a minimum wage will receive an increase of Sixteen Pesos (P16.00) per day for all categories.

The ERA provided under Wage Order No. RBIII-06 and continued to be granted under Wage Order No. RBIII-07 shall be integrated to the basic wage upon effectivity of this Order.

Section 2. 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	BULACAN	OTHER PROVINCES
NON-AGRICULTURE		
Establishment with total assets of 30 Million or more	208.50	204.50
Establishment with total assets of less than P 30 Million	201.00	197.00
AGRICULTURE		
Plantation	174.50	174.50
Non-Plantation	158.50	158.50
PRIVATE HOSPITALS		
Establishment with 20 or more bed capacity	195.50	195.50
Establishment with less than 20 bed capacity	180.50	180.50

RETAIL./SERVICE		
Establishment with 16 or more employees	193.50	193.50
Establishment with less Than 16 employees	179.50	179.50
COTTAGE/HANDICRAFT	158.50	158.50

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 2000-2001 shall be considered 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 2001-2002.

Private educational institutions which did not increase their tuition fees for the School Year 2000-2001 may defer compliance with the provisions of this Order until School Year 2001-2002.

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 10. 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 11. 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 12. 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 13. EFFECTS ON EXISTING WAGE STRUCTURE. Wage distortions that may result as a consequence of this Order shall be addressed through mutual agreement by the employer and its employees or their representative unions.

Advisory formula to correct distortions are annexed to the Implementing Rules of this Order as possible alternatives for the parties to consider.

The annexed formula are neither compulsory nor mandatory in nature and any other agreement the parties may adopt shall take precedence to these formula.

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

Disputes that may arise as a result of this Order shall be resolved in accordance with Article 124 of the Labor Code as amended.

Section 14. 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 15. 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 16. 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 17. 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 18. 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 19. 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 20. 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 21. 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 22. 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 23. EFFECTIVITY. This Wage Order shall take effect on November 16, 2000.

APPROVED this 9th day of October 2000, San Fernando, Pampanga. .

(SGD) JOSE T. DE LEON*
Board Member

(SGD) JONES B. ALABANZA*
Board Member

*I dissent . I am for P75.00/day
across-the-board*

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across-the-board*

(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

* - with partial dissenting opinion

PARTIAL DISSENTING OPINION

We dissent with respect to the effectivity date of the Wage Order. The Rules of Procedure on minimum wage fixing, specifically Rule IV, Section 3 thereof, provides that "any Wage order issued by the Board may not be disturbed for a period of twelve (12) months from its effectivity, and no petition for wage increase shall be entertained within the said period."

We believe, accordingly, that the Board cannot also issue, motu proprio, a conditions, such as extraordinary increase in the prices of petroleum products and basic goods or services. The majority of the Board has not shown any such extraordinary increase in prices that justifies an increase in the minimum wage within one year from the effective of the last Wage Order.

We also dissent with respect to the absence of provisions on exemption which can be availed of by covered establishments that are adversely affected by the present economic slump in the economy of the country, especially distressed industries.

All past wage orders allowed exemption, upon proper application and approval, of enterprises on the basis of manifest inability to pay, including distressed establishments and exporters with forward contracts. The non-inclusion in this Wage order of suitable provisions on exemption may result in a large number of employers being forced out by business and thousands of employees losing their jobs. The Wage Order will thus pose a serious threat to employment security.

Angeles City, 10 October 2000.

(SGD) JOSE T. DE LEON
Board Member

(SGD) JONES B. ALABANZA
Board Member

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-08

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-08, 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-08.”

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

- a) Order refers to Wage Order No. RBIII-08;
- 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) 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;
- h) 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”;
- i) 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;
- j) Household or Domestic Helper refers to workers who administer strictly to the personal needs of their employer. This includes family drivers;

RULE II
NEW MINIMUM WAGE RATES

Section 1. MINIMUM WAGE INCREASE AND INTEGRATION OF EMERGENCY RELIEF ASSISTANCE. Upon effectivity of this Order, all covered workers and

employees in the private sector receiving the minimum wage will receive an increase of Sixteen Pesos (P16.00) per day for all categories.

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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 3. **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 4. 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 5. 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 2001-2002.

Section 6. 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 7. 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 working 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) Amount of increase in AMW*
----- x 100 = % increase;
Previous AMW
- 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 Code, as amended and its implementing rules and regulations.

Section 8. 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 9. 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 10. 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 11. 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 12. 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 *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.

Advisory formula to correct distortions are annexed to this Rule as possible alternatives for the parties to consider. (Annex A)

The annexed formula are neither compulsory nor mandatory in nature and any other agreement the parties may adopt shall take precedence to these formula.

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. The 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, 2001 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 November 16, 2000.

APPROVED this 9th day of October, 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

* with partial dissenting opinion

** for across the board - P75.50 per day

Approved this 14th day of December 2000, subject to the notation below:

(SGD) BIENVENIDO E. LAGUESMA
Secretary

NOTATION TO THE RULES IMPLEMENTING WAGE ORDER NO. RBIII-08

1. Annex A shall read as follows:
Bagtas Approach:

$$\text{Wage Distortion Adjustment} = \frac{\text{New Min. Wage}}{\text{Previous Min. Wage}} \times \text{Present Wage of Employee}$$

ANNEX A

ADVISORY FORMULA IN CORRECTING THE EFFECTS OF THIS ORDER
ON THE EXISTING WAGE STRUCTURE (WAGE DISTORTION)

1. Pineda Formula

$$\text{Wage distortion adjustment} = \frac{\text{Existing minimum wage}}{\text{Wage of employee}} \times \text{Mandated wage increase}$$

2. Pineda-Cruz-So Formula

$$\text{Wage distortion adjustment} = \frac{\text{Existing minimum wage}^n}{\text{Wage of employee}} \times \text{Mandated wage increase}$$

Where: exponent is represented by n

3. Percentile Approach

$$\text{Wage distortion adjustment} = \text{Percentile weight of pay group} \times \text{Mandated wage increase}$$

4. Philippine Construction Supply Formula

$$\text{Wage distortion adjustment} = \frac{\text{Existing minimum wage}}{\text{Formula base rage (FBR)}} \times \text{Mandated wage increase}$$

Where : FBR = Actual wage rate (AWR) + agreed amount of adjustment

5. Jimenez, Ofreneo, Delas Alas Jr. (JODA) Formula

$$\text{Wage distortion adjustment} = \frac{W_b - W_a}{2}$$

$$\text{New daily wage rate} = \text{wage distortion adjustment} + W_c$$

Where: W_a = old daily minimum wage

W_b = daily wage of employee (where $W_b > W_a$, or W_b is above the old min, W_a)

$$\begin{aligned} W_c &= \text{new daily minimum wage} \\ &= W_a + \text{mandated wage increase} \end{aligned}$$

6. Wire rope Formula

$$\text{Wage distortion adjustment} = \frac{\text{Existing Minimum Wage}}{\text{Present wage of employee}} \times (\text{Mandated Wage Increase} - \text{Creditable increase})$$

7. Bagtas Approach

$$\text{Wage distortion adjustment} = \frac{\text{Mandated wage increase}}{\text{Existing minimum wage}} \times \text{Present wage of employee}$$