

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
National Wages and Productivity Commission
Regional Tripartite Wages and Productivity Board No. IV-A
City of Calamba, Laguna

WAGE ORDER NO. IVA-11
SETTING THE MINIMUM WAGE FOR CALABARZON AREA

WHEREAS, under R. A. 6727, Regional Tripartite Wages and Productivity Board –IVA (RTWPB- IVA) is mandated to rationalize minimum wage fixing in the Region considering the prevailing socio-economic condition affecting the cost of living of wage earners, the generation of new jobs and preservation of existing employment, the capacity to pay and sustainable viability and competitiveness of business and industry, and the interest of both labor and management;

WHEREAS, the Board issues this Wage Order No. IVA-11, granting wage increases to all covered private sector workers in the Region effective fifteen (15) days upon publication in a newspaper of general circulation;

WHEREAS, on 19 May 2006, the Trade Union Congress of the Philippines filed a petition for a Seventy Five Pesos (Php75.00) per day, across-the-board, and region wide wage increase;

WHEREAS, the Board, in its intention to elicit sectoral positions on the wage issue, conducted region wide, separate consultations with Labor and Management Sectors on 20 and 22 June 2006, respectively, and a public hearing with Tripartite Sectors on 30 June 2006, in Calamba, Laguna;

WHEREAS, the frequent and unpredictable increases in the price of petroleum products especially triggered by the Middle East crises would result to higher production costs and higher costs of living, thereby making it more urgent to address the issue on minimum wage adjustment;

WHEREAS, the cost of imported materials for manufactured products, and implementation of the 2% Reformed Value Added Tax, evidently eroded the purchasing power of the peso (PPP);

WHEREAS, the Board recognizes the need to adjust the minimum wage of workers in the Region to compensate for the impact brought about by current economic reversals without impairing the productivity and viability of business and industry;

WHEREAS, the Board as a result of its continuous study of the wage structure of the region, simultaneous with the assessment of the needs of workers, capacity to pay of the employers, comparability of the wage levels, and the developments in the socio-economic condition of the region, decided to rationalize and simplify the region's wage structure;

WHEREAS, consistent with the government's policy of achieving higher levels of productivity to promote economic growth and generate employment, and to augment the income of workers, there is need to build the capacity of business enterprises to be competitive through productivity improvement and gain sharing programs;

WHEREAS, this Wage Order applies to CALABARZON Area, (as defined under Executive Order 103 Series of 2002) which covers the provinces of Cavite, Laguna, Batangas, Rizal and Quezon;

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 IV-A hereby issues this Wage Order:

SECTION 1. AMOUNT OF INCREASE. Upon the effectivity of this Wage Order, all minimum wage workers and employees in the private sector in Region IV-A shall receive a basic wage

increase in the amount as follows:

- 1) Extended Metropolitan Area P 10.00
- 2) Growth Corridor Area P 6.00 - 18.00
- 3) Emerging Growth Area P 6.00 - 14.00
- 4) Resource Based Area P 3.00 - 8.00

SECTION 2. NEW MINIMUM WAGE RATES. The daily minimum wage rates of private workers and employees in Region IV-A upon effectivity of this Order shall be:

| CALABARZON AREAS | Sector | | | | |
|--|----------------------|-------------|--------------------|---------|--|
| | Non - Agriculture | Agriculture | | Cottage | RETAIL & SERVICE ESTABLISHMENT Employing not more than 10 workers |
| | | Plantation | Non- Plantation | | |
| EXTENDED METROPOLITAN AREA | 287.00 | 262.00 | 242.00 | 250.00 | 182.00 |
| CAVITE Bacoor, Imus LAGUNA Biñan, San Pedro RIZAL Cainta, Taytay | | | | | |
| GROWTH CORRIDOR AREA /1 | 272.00 | 247.00 | 227.00 | 235.00 | 167.00 |
| CAVITE Cavite City, Carmona, Dasmariñas, Gen. Trias, Rosario LAGUNA Cabuyao, Calamba City, Los Baños, San Pablo City, Sta. Cruz, Sta. Rosa. RIZAL Antipolo City | | | | | |
| GROWTH CORRIDOR AREA | 267.00 | 242.00 | 222.00 | 230.00 | 164.00 |
| CAVITE Kawit, Silang, Tagaytay City, Tanza, Trece Martirez BATANGAS Batangas City, Bauan, Lipa City, San Pascual, Sto. Tomas, Tanauan City QUEZON Lucena City | | | | | |

| CALABARZON AREAS | SECTOR | | | | |
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| | Non - Agriculture | Agriculture | | Cottage | RETAIL & SERVICE ESTABLISHMENT Employing not more than 10 workers |
| | | Plantation | Non - Plantation | | |
| EMERGING GROWTH AREA /2 | 266.00 | 241.00 | 221.00 | 229.00 | 161.00 |
| CAVITE GMA RIZAL Rodriguez, Tanay | | | | | |
| EMERGING GROWTH AREA /3 | 251.00 | 226.00 | 206.00 | 214.00 | 150.00 |
| BATANGAS Balayan, Calaca, Lemery, Nasugbu, Calatagan, Mabini, Rosario, San Jose RIZAL Angono, Binangonan, San Mateo QUEZON Candelaria, Sariaya | | | | | |
| RESOURCE BASED AREA /4 | 241.00 | 216.00 | 196.00 | 204.00 | 138.00 |
| CAVITE Indang, Naic, Noveleta Ternate LAGUNA Paete, Pakil BATANGAS San Juan RIZAL Pililia QUEZON Tiaong | | | | | |
| RESOURCE BASED AREA /5 | | | | | |
| | 236.00 | 211.00 | 191.00 | 199.00 | 137.00 |
| CAVITE Alfonso, Amadeo, Gen. Aguinaldo, Magallanes, Maragondon, Mendez- Nunez LAGUNA Alaminos, Bay, Calauan, Cavinti, Famy, Kalayaan, Liliw, Luisiana, Lumban, Mabitac, Magdalena, Majayjay, Nagcarlan, Pagsanjan, Pangil, Pila, Rizal, Siniloan, Sta Maria, Victoria | | | | | |

| | |
|---|--|
| BATANGAS Agoncillo, Alitagtag, Balete, Cuenca, Ibaan, Laurel, Lian, Lobo, Malvar, Mataas na Kahoy, Padre Garcia, San Luis, San Nicolas, Sta. Teresita, Taal, Talisay, Taysan, Tingloy, Tuy RIZAL Baras, Cardona, Jala- Jala, Morong, Teresa | |
|---|--|

| CALABARZON AREAS | Sector | | | | |
|--|----------------------|-------------|---------------------|---------|--|
| | Non - Agriculture | Agriculture | | Cottage | RETAIL & SERVICE ESTABLISHMENT Employing not more than 10 workers |
| | | Plantation | Non - Plantation | | |
| QUEZON | 218.00 | 198.00 | 178.00 | 186.00 | 130.00 |
| Agdangan, Alabat, Atimonan, Buenavista, Burdeos, Calauag, Catanauan, Dolores, Gen. Luna, Gen. Nakar, Guinayangan, Gumaca, Infanta, Jomalig, Lopez, Lucban, Macalelon, Mauban, Mulanay, Padre Burgos, Pagbilao, Panulukan, Patnanungan, Perez, Pitogo, Plaridel, Polilio, Quezon, Real, Sampaloc, San Andres, San Antonio, San Francisco, San Narciso, Tagkawayan, Tayabas, Unisan | | | | | |

- 1/ Reclassified Extended Metropolitan Area to Growth Corridor Area under WO IVA-09
- 2/ Reclassified Extended Metropolitan Area to Emerging Growth Area under WO IVA-09
- 3/ Reclassified Growth Corridor Area to Emerging Growth Area under WO IVA-09
- 4/ Reclassified Growth Corridor Area to Resource Based Area under WO IVA-09
- 5/ Reclassified Emerging Growth Area to Resource Based Area under WO IVA-09

All workers covered by this Wage Order receiving less than the prescribed minimum wage(s) shall be adjusted at least to the new daily minimum wage rates prescribed herein.

SECTION 3. COVERAGE. The minimum wage rates prescribed under this Order shall apply to all covered workers and employees in all private establishments in Region IV-A regardless of their position, designation or status of employment and irrespective of the method by which their wages are paid. Not covered by this Wage Order are household or domestic helpers, persons employed in the personal service of another, including family drivers and workers of Barangay Micro Business Enterprises (BMBEs) with Certificates of Authority, pursuant to R.A. 9178.

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

SECTION 5. APPLICATION TO WORKERS PAID BY RESULTS. All workers paid by result, including those who are paid on piece work, takay, pakyaw or task basis, shall be entitled to

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

SECTION 6. PRODUCTIVITY BASED WAGES. In order to sustain rising levels of wages and enhance competitiveness, business are encouraged to adopt productivity improvement schemes such as time and motion studies, good housekeeping, quality circles, labor management cooperation as well as implement gain sharing programs. Accordingly, the Board shall provide the necessary studies and technical assistance pursuant to Republic Act No. 6971 or the Productivity Incentives Act of 1990.

SECTION 7. APPLICATION TO SPECIAL GROUPS OF WORKERS. 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.

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 minimum wage.

All qualified handicapped workers shall receive the full amount of the minimum wage rate prescribed herein pursuant to R.A. 7277.

SECTION 8. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers in the increase in tuition fees for SY 2006-2007 shall be considered as compliance with the increase prescribed herein. However, payment of any short fall shall be covered starting SY 2007-2008. Those which have not increased their tuition fees for SY 2006-2007 may defer compliance with the provision of the Wage Order until the beginning of SY 2007-2008. In any event, all private educational institutions shall implement the minimum wage rate prescribed herein starting SY 2007-2008.

SECTION 9. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increase in the wage rate of covered workers shall be borne by the principals or clients of the construction/service contractor and the contracts shall be deemed amended accordingly. In the event, however, that the principals or clients fail to pay the prescribed wage rates, the contractors shall be jointly and severally liable with the principals or clients.

SECTION 10. APPLICATION TO TRANSFER, BRANCH AND MOBILE EMPLOYEES. In cases where the establishment may have branches in different parts of the region or where its headquarters is outside the region, the applicable rate is the rate of the particular city/municipality where the employee is based. In cases of mobile employees, the home base rate shall apply. In cases of transfer from a high rate city/municipality to a lower rate city/municipality, the higher rate shall continue to be applied.

SECTION 11. APPLICATION TO EXPORT ESTABLISHMENTS. Upon application with and as determined by the Board, export establishments which earn at least fifty percent (50%) of their normal operating revenues from export sales and whose product pricing is computed using labor costs based on previous mandated minimum wage rates, the effectivity of minimum wage rates under this Order shall be deferred but shall not to exceed one year.

The allowable length of period of deferment grant shall be based on the weighted value or volume of which specific contract with the time and/or expected time of receipt of payment of each specific contract in proportion to the total contract value or volume for a one- year period plus thirty days payment lag.

Deferment of the increases provided herein shall apply only for increases made effective fifteen (15) days upon publication in a newspaper of general circulation.

SECTION 12. EXEMPTION. Upon application with and as determined by the Board based on the criteria and supporting documents, exemption from the applicability of this Order maybe allowed on the following categories of establishments:

- a. New Business Enterprises as defined in the NWPC Guidelines No. 01 Series of 1996.
- b. Distressed Establishments as defined in the NWPC Guidelines No. 01 Series of 1996.

SECTION 13. APPLICATION FOR EXEMPTION. Applications for exemption from this Order shall be filed within seventy five (75) days from the date of publication of the approved Rules Implementing this Order.

In the case of New Business Enterprises, applications shall be filed not later than sixty (60) days from the date of registration.

The period of exemption shall be in accordance with Section 8 of the NWPC Guidelines (Rules on Exemption) Series of 1996.

Whenever an application for exemption has been filed with the Regional Board, action by the Regional Office of the Department of Labor and Employment on any complaint for alleged non-compliance with this Order shall be deferred pending resolution of the application for exemption by the Regional Board.

In the event that an application for exemption is not granted, covered workers and employees shall receive the appropriate compensation due them as provided for in this Order plus interest of one percent (1%) per month retroactive to the effectivity of this Order.

SECTION 14. 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 15. EFFECT OF FILING AN 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.

SECTION 16. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the wage increase prescribed in this Order results in distortion in the wage structure within the establishments, it is being left to the parties concerned to address in accordance with the procedure under Article 124 of the Labor Code, as amended.

Advisory formulae to correct distortions will be contained in the Implementing Rules of this Order.

SECTION 17. 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 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 18. NON-DIMINUTION OF BENEFITS. Nothing in this Order shall be construed to reduce existing wage rates, allowances, and benefits of any form under existing laws, decrees, issuances, executive orders and/or under any contract of agreement between the workers and employers.

SECTION 19. PENAL PROVISIONS. Any employer who refuses or fails to pay the corresponding rates provided under this Order shall be subject to the penalties under RA. 6727, as amended by R.A.8188.

SECTION 20. PROHIBITIONS AGAINST INJUNCTION. No preliminary or permanent injunction of temporary restraining order may be issued by any court, tribunal or other cities against any proceeding before the Board.

SECTION 21. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms or enterprises from bargaining for higher wages with their respective employers.

SECTION 22. 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, 2007 and every year thereafter in accordance with the form prescribed by the Commission.

SECTION 23. REPEALING CLAUSE. All orders, issuances, rules and regulations, or parts thereof inconsistent with this Wage Order are hereby repealed, amended or modified accordingly.

SECTION 24. SEPARABILITY CLAUSE. If for any reason, any section or provision of this Order is declared unconstitutional or invalid, the other provisions or parts shall remain valid.

SECTION 25. IMPLEMENTING RULES. The Regional Board shall prepare the necessary rules and regulations to implement this Order, subject to the approval of the Secretary of Labor and Employment.

SECTION 26. EFFECTIVITY. This Order shall take effect fifteen (15) days upon publication in a newspaper of general circulation.

Approved this 19th day of July, 2006 in Calamba City, Laguna.

ATTY. MAXIMO B. LIM, CESO III
Chairman

MARILOU Q. TOLEDO
Vice-Chairman

SEVERINO C. SANTOS
Vice-Chairman

RENATO B. ALMEDA
Employer Representative

LUCILA C. TARRIELA
Employer Representative

BENJAMIN P. BASQUIÑAS, JR.
Worker Representative

JUANITO S. FACUNDO
Worker Representative

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
National Wages and Productivity Commission
Regional Tripartite Wages and Productivity Board No. IV-A
City of Calamba Laguna

**RULES IMPLEMENTING
WAGE ORDER NO. IVA – 11**

Pursuant to Section 5, Rule IV of the NWPC Revised Rules of Procedure on Minimum Wage Fixing and Section 25 of Wage Order No. IV-A-11, the following rules are hereby issued for the guidance and compliance by all concerned:

RULE I - GENERAL PROVISIONS

SECTION 1. TITLE. This Rules shall be known as “ **Rules Implementing Wage Order No. IV A-11**;

SECTION 2. DEFINITION OF TERMS. As used in this Rules,

- (a) “**Order**” means Wage Order No. IVA – 11;
- (b) “**Board**” means the Regional Tripartite Wages and Productivity Board of Region IVA;
- (c) “**Commission**” means the National Wages and Productivity Commission;
- (d) “**Department**” means the Department of Labor and Employment;
- (e) “**Region IVA**” or **CALABARZON** covers the Provinces of Cavite, Laguna, Batangas, Rizal, Quezon, and the Cities of Cavite, Tagaytay, Trece Martirez, Calamba, San Pablo, Sta. Rosa, Batangas, Lipa, Tanauan, Antipolo and Lucena, per Executive Order 103;
- (f) “**Extended Metropolitan Area**” or areas in the Region geographically and physically bordering Metro Manila, covering the Municipalities of Bacoor and Imus in Cavite; Biñan and San Pedro in Laguna; Cainta and Taytay in Rizal;
- (g) “**Growth Corridor Area**” or areas rapidly urbanizing and industrializing parts of the Region, covering the Cities and Municipalities of Dasmariñas, Cavite City, Carmona, Gen. Trias, Kawit, Rosario, Silang, Tagaytay City, Tanza, Trece Martires City in Cavite, Cabuyao, Calamba City, Los Baños, San Pablo City, Sta Cruz and Sta. Rosa City in Laguna, Antipolo City in Rizal, Batangas City, Bauan, Lipa City, San Pascual, Sto. Tomas, Tanauan City, in Batangas, Lucena City in Quezon;
- (h) “**Emerging Growth Area**” or areas with rural and agricultural resource potential located at/or near the rapidly urbanizing and industrializing parts of the Region, covering the Municipalities of Gen. Mariano Alvarez in Cavite; Angono, Binangonan, Rodriguez, San Mateo, Tanay in Rizal; Balayan, Calaca, Calatagan, Lemery, Mabini, Nasugbu, Rosario, and San Jose in Batangas; Candelaria and Sariaya in Quezon;
- (i) “**Resource Based Area**” or areas with predominantly rural and agricultural resource potential far from regional and Metro Manila markets, covering the Municipalities of Alfonso, Amadeo, Gen Aguinaldo, Indang, Magallanes, Maragondon and Mendez-Nuñez, Naic, Noveleta and Ternate in Cavite; Baras, Cardona, Jala-jala, Morong, Pililia, and Teresa in Rizal; Alaminos, Bay, Calauan, Cavinti, Famy, Kalayaan, Liliw, Luisiana, Lumban, Mabitac, Magdalena, Majayjay, Nagcarlan, Paete, Pagsanjan, Pangil, Pakil, Pila, Rizal, Siniloan, Sta. Maria, and Victoria in Laguna; Agoncillo, Alitagtag, Balete, Cuenca, Ibaan, Laurel, Lian, Lobo, Malvar, Mataas na Kahoy, Padre Garcia, San Juan, San Luis, San Nicolas, Sta Teresita, Taal, Talisay, Taysan, Tingloy and Tuy in Batangas; Agdangan, Atimonan, Alabat, Buenavista,

Burdeos, Calauag, Catanauan, Dolores, Guinayangan, Gen. Nakar, Gen. Luna, Gumaca, Infanta, Jomalig, Lopez, Lukban, Macalelon, Mauban, Mulanay, Padre Burgos, Panukulan, Pagbilao, Patnanungan, Perez, Pitogo, Plaridel, Polilio, Quezon, Real, Sampaloc, San Andres, San Antonio, San Francisco, San Narciso, Tagkawayan, Tayabas, Tiaong, and Unisan in Quezon;

(j) “**Minimum Wage Rates**” refer to the lowest wage rate(s), as fixed by the Board, that an employer is obliged to pay his workers;

(k) “**Non-Agriculture**” refers to establishments and industries other than agriculture and retail or service, regardless of employment size;

(l) “**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 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;

(m) “**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 Enterprise";

(n) “**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 P 1.5M (in conformity with SMED Resolution No. 3, series of 1995) regardless of previous registration with the defunct NACIDA;

(o) “**Retail Establishment**” is one principally engaged in the sale of goods to end-users for personal or household use. A retail establishment that regularly engages in wholesale activities loses its retail character;

(p) “**Service Establishment**” is one principally engaged in the sale of service to individuals for their own or household use and is generally recognized as such;

(q) “**Barangay Micro Business Enterprise**” refers to any business entity or enterprise granted a Certificate of Authority under Republic Act No. 9178;

(r) “**Exporter**” means any person, natural or juridical, licensed to do business in the Philippines, engaged directly or indirectly in the manufacture or trade of products or services which earn at least fifty percent (50%) of its normal operating revenues from the sale of its products or services abroad for foreign currency. In the case of indirect exporters, the requirement that products or services be sold “abroad for foreign currency” shall not apply as, by the very nature of their business, the sale of their products or services takes place in the Philippines and such indirect exporters are usually paid in Philippine currency;

(s) “**New Business Enterprise**” refers to establishments, including non-profit institutions, established within two (2) years from effectivity of the Wage Order based on the latest registration with the appropriate government agency such as SEC, DTI, CDA and Mayor’s Office;

(t) “**Distressed Establishment**” refers to establishments which meet the criteria enumerated in Section 3A of the National Wages and Productivity Commission (NWPC) Guidelines No. 1 Series of 1996, known as Rules on Exemption from Compliance with the Prescribed Wage Increase/Cost of Living Allowances Granted by the Regional Tripartite Wages and Productivity Board;

(u) “**Notice to Workers (NTW)**” is a document that informs workers of the filing for exemption/deferment of the applicant –firm with the Board. The NTW shall be under oath and

shall contain information on the application and its supporting documents filed with the Board. The proper recipient of the NTW shall be the following; a.) union president, in case of organized establishments or b.) worker's representative, in case of non-unionized establishment;

(v) "**Acknowledgement Receipt (AR)**" is a document that shows that the NTW was received by the proper recipient. The AR shall be under oath and shall contain information on the recipient, his/her union affiliation, his/her company position/designation and/or information on what interest he/she represents. The recipient is deemed responsible for informing co-workers on the content of the NTW and shall answer of misrepresentation should they arise.

RULE II - NEW MINIMUM WAGE RATES

SECTION 1. AMOUNT OF INCREASE. The amount of increase in the minimum wage rates of all workers and employees in the private sector in the region effective August 7, 2006 are as follows:

- 1) Extended Metropolitan Area P 10.00
- 2) Growth Corridor Area P 6.00 & 18.00
- 3) Emerging Growth Area P 6.00 - 14.00
- 4) Resource Based Area P 3.00 - 8.00

SECTION 2. NEW MINIMUM WAGE RATES. The new daily minimum wage rates of private workers and employees in Region IVA effective August 7, 2006 are as follows:

| CALABARZON AREAS | Sector | | | | |
|--|----------------------|-------------|--------------------|---------|--|
| | Non - Agriculture | Agriculture | | Cottage | RETAIL & SERVICE ESTABLISHMENT Employing not more than 10 workers |
| | | Plantation | Non- Plantation | | |
| EXTENDED METROPOLITAN AREA | 287.00 | 262.00 | 242.00 | 250.00 | 182.00 |
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| RESOURCE BASED AREA /5 | 236.00 | 211.00 | 191.00 | 199.00 | 137.00 |
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All workers covered by the Order receiving less than the prescribed minimum wage(s) shall be adjusted at least to the new daily minimum wage rates prescribed herein.

SECTION 3. COVERAGE. The minimum wage rates prescribed under the Order shall apply to all minimum wage workers and employees in all private establishments in Region IV-A regardless of their position, designation or status of employment and irrespective of the method by which their wages are paid. Not covered by this Wage Order are household or domestic helpers, persons employed in the personal service of another, including family drivers and workers of Barangay Micro Business Enterprises (BMBEs) with Certificates of Authority, pursuant to R. A. 9178.

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

SECTION 5. APPLICATION TO 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 of 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 rate.

The wage rates of workers who are paid by results shall be continued to be established in accordance with Article 101 of the Labor Code, as amended and its Implementing Regulations.

SECTION 6. PRODUCTIVITY BASED WAGES. In order to sustain rising levels of wages and enhance competitiveness, business are 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 Board shall provide the necessary studies and technical assistance pursuant to Republic Act. No. 6971 or the Productivity Incentives Act of 1990.

SECTION 7. APPLICATION TO SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be less than seventy five percent (75%) of the applicable minimum wage rates prescribed in the Order. Apprenticeship shall be guided by the Kasanayan at Hanapbuhay Program – an Apprenticeship and Employment Program of the Department of Labor and Employment.

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

All qualified handicapped workers shall receive the full amount of the minimum wage rate prescribed herein pursuant to R.A. 7277.

SECTION 8. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers and employees in the increase of tuition fees for school year 2006-2007 shall be considered as compliance with the wage increase prescribed in this Order. However, payment of any shortfall in the prescribed increase set forth in this Order shall be covered starting SY 2007-2008.

Private educational institutions, which have not increased their tuition fees for SY 2006-2007, may defer compliance with the provisions of the Order until the beginning of SY 2007-2008. In any case all private educational institutions shall implement the prescribed increase in the Order starting SY 2007-2008.

SECTION 9. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increase in the wage rate of covered workers shall be borne by the principals or clients of the construction/service contractor and the contracts shall be deemed amended accordingly. In the event, however, that the principals or clients fail to pay the prescribed wage rates, the contractors shall be jointly and severally liable with the principals or clients.

For contracts entered into by registered BMBEs, their non coverage to the payment of the minimum wage does not in anyway extend to the principals or clients of the said BMBE.

SECTION 10. APPLICATION TO MOBILE, BRANCH AND TRANSFERRED EMPLOYEES.

Mobile and Branch Employees

The minimum wage rates of mobile 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 or outside the Region shall be those applicable in the place where they are stationed or based.

Transfer of Personnel

The transfer of personnel to areas outside the Region or from a high rate city/municipality to a lower rate city/municipality shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. Workers transferred to other Regions or from a lower rate municipality to a higher rate municipality shall be entitled to the minimum wage rates applicable therein.

RULE III - EXPORTERS

SECTION 1. APPLICATION FOR DEFERMENT. Upon application with and as determined by the Board, establishments in the export industry which earn at least fifty percent (50%) of their normal operating revenues from export sales and whose product pricing is computed using labor costs based on previous mandated rates, may be granted deferment from the Order but such deferment shall not to exceed one year.

These conditions shall be verified based on predominant and accepted documents used in the industry that should show applicant entered into contracts before August 7, 2006, but these contracts shall be concluded, that is, produced and delivered, and consequently paid for between the periods August 7, 2006 to August 7, 2007.

The allowable length of period of deferment grant shall be based on the weighted value or volume of each specific contract with the time and/or expected time of receipt of payment of each specific contract in proportion to the total contract value or volume for a one year period plus thirty days payment lag.

Deferment application shall be filed not later than seventy-five (75) days from the publication of this Rules. The date of mailing shall be the date of filing. The procedure for application for exemption shall likewise apply for deferment application.

SECTION 2. REQUIREMENTS FOR A DEFERMENT APPLICATION

1. Application letter under oath with attendant information on the firm's principal economic activity, amount of total assets, date of start of operation, the regular number and names of workers with their corresponding salaries and wages and dates of employment.

2. Proof of notice of filing of application to the President of the union/contracting party if one is organized in the establishment, or if there is no union, a copy of the circular giving general notice of the filing of application to all workers in the establishment. 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 the supporting documents. The notice shall be posted in a conspicuous place.

SECTION 3. ADDITIONAL SUPPORTING DOCUMENTS

I. For Direct Exporters

1. Proof of 50% Export Sales Status.

2. Contracts with Foreign Buyers/s entered into before August 7, 2006, but for production, delivery and subsequent payment between the periods August 7, 2006 to August 7, 2007.

3. Invoices, Bills of Lading, Confirmed Inward Letters of Credit, Lading Certificate and other Commercial documents with reference to the contracts described above.

II. For Indirect Exporters

1. Certification from Consignee/s that export products consigned were in fact sold by consignee/s.

2. Proof of 50% Export Sales Status of Consignee/s

3. Contracts with Consignee/s entered into before August 7, 2006, but for production, delivery and subsequent payment between the periods August 7, 2006 to August 7, 2007.

4. Purchase Orders, Invoices, Receipts and other Commercial Documents with reference to contracts described above.

SECTION 4. EFFECT OF FILING OF APPLICATION FOR DEFERMENT. Whenever an application for deferment has been filed with the Regional Board, action by the Regional Office of the Department of Labor and Employment on any complaint for alleged non-compliance with the Order shall be deferred pending resolution of the application for deferment by the Regional Board.

SECTION 5. EFFECT OF DISAPPROVED APPLICATION FOR DEFERMENT. In the event that an application for deferment is not granted, covered workers and employees shall receive the appropriate compensation due them as provided for in the Order plus interest of one percent (1%) per month retroactive to the effectivity of the said Order or from the period not covered by the grant of deferment, whichever is applicable.

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 - EXEMPTION

SECTION 1. EXEMPTION. Upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations, New Business Enterprises and Distressed Establishments as defined in the NWPC Guidelines No. 01, Series of 1996 (Rules on Exemption) may be exempted from compliance with the Order. The criteria for exemption for these exemptible categories shall be those provided for in the said Rules on Exemption.

1. New Business Enterprises (NBEs)

Requirements:

a. Application letter under oath with attendant information on the firm's address of economic activity, principal economic activity and product/s, date of start of operation, amount of total assets/investments, number of employees employed with the corresponding basic salaries/wages, including a statement under oath that the company's application is done in good faith and not intended to circumvent the provisions of this Wage Order;

b. Proof of notice of filing of application to the president of the union/contracting party if one is organized in the establishment, or if there is no union, a copy of the circular giving general notice of the filing of application to all workers in the establishment. 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 the supporting documents. The notice shall be posted in a conspicuous place.

c. Business Permit or Certificate of registration with appropriate government agency such as SEC, DTI, CDA, Mayors Office;

d. Certification (if any) issued by Special Economic Zones.

2. Distressed Establishments

Requirements of Application for Exemption:

a. Application letter under oath with attendant information on the firm's address of economic activity, principal economic activity and product/s, amount of total assets, date of start of operation, regular number and names of workers with their corresponding basic salaries and wages and dates of employment.

b. Proof of notice of filing of application to the president of the union/contracting party if one is organized in the establishment, or if there is no union, a copy of the circular giving general notice of the filing of application to all workers in the establishment. 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 the supporting documents. The notice shall be posted in a conspicuous place.

c. Audited Financial statements together with the Auditor's Opinion and the notes thereto for the last two full accounting periods 2004-2005 filed with and stamped "received" by the Securities and Exchange Commission and the Bureau of Internal Revenue:

d. Audited interim quarterly financial statements together with Auditor's Opinion and the notes thereto for the period immediately preceding the effectivity of the Order.

SECTION 2. SUBMISSION OF OTHER DOCUMENTS. The Board may require the submission of other pertinent documents to support the application for exemption.

SECTION 3. APPLICATION FOR EXEMPTION: Application for exemption shall be filed not later than seventy-five (75) days from the date of publication of the Rules Implementing this Order. The date of mailing shall be the date of filing.

In the case of New Business Enterprises, applications shall be filed not later than sixty (60) days from the date of registration.

The period of exemption shall be in accordance with Section 8 of the NWPC Guidelines (Rules on Exemption) Series of 1996.

SECTION 4. EFFECT OF FILING OF APPLICATION FOR EXEMPTION. Whenever an application for exemption has been filed with the Regional Board, action by the Regional Office of the Department of Labor and Employment on any complaints for alleged non-compliance with this Order shall be deferred pending resolution of the application for exemption by the Regional Board.

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

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 V - WAGE DISTORTION

SECTION 1. WAGE DISTORTION. This is 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 distinctions embodied in such wage structure based on skills, length of service, or other logical bases of differentiation.

SECTION 2. EFFECTS ON EXISTING WAGE STRUCTURE. Should any dispute arise as a result of wage distortion, the same shall be left to the parties concerned to address the distortions 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 is 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 there from 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 Relation 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.

SECTION 3. FORMULA. Advisory formulae to correct distortion are contained in this Implementing Rules attached as Annex A.

SECTION 4. PENDENCY OF DISPUTE. The pendency of a dispute rising from wage distortion shall not in any way delay the applicability of any increase prescribed in the Order.

RULE VI - APPEAL

SECTION 1. APPEAL ON THE WAGE ORDER. Any party aggrieved by the Wage Order may appeal such Order to the Commission by filing a verified appeal with the Board in three (3) typewritten legible copies 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.

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.

SECTION 2. APPEAL ON EXEMPTION. Any party aggrieved by the decision of the Board may file an appeal to the Commission, through the Board, in two (2) legible copies, not later than ten (10) days from date of receipt of the decision.

The appeal, with proof of service to the other party, shall be accompanied with a memorandum of appeal which shall state the date appellant received the decision, the grounds relied upon and the arguments in support thereof.

RULE VII - SPECIAL PROVISIONS

SECTION 1. 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 2. 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 3. PENAL PROVISION. Pursuant to 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 (P100,000.00) or imprisonment of not less 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 managers, managing director or partner.

The employer/s 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 4. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against and proceedings before the Commission or Boards.

SECTION 5. 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 6. 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, 2007 and every year thereafter in accordance with the form prescribed by the Commission.

SECTION 7. REPEALING CLAUSE. All 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 8. 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 9. EFFECTIVITY. This Rules shall take effect on August 7, 2006.

ATTY. RICARDO S. MARTINEZ, SR., CESO III
Chairman

MARILOU Q. TOLEDO
Vice-Chairman

SEVERINO C. SANTOS
Vice-Chairman

RENATO B. ALMEDA
Employer Representative

LUCILA C. TARRIELA
Employer Representative

BENJAMIN P. BASQUIÑAS, JR.
Worker Representative

JUANITO S. FACUNDO
Worker Representative

ARTURO D. BRION
Secretary
DEPARTMENT OF LABOR AND EMPLOYMENT