

Republic of the Philippines  
Department of Labor and Employment  
Regional Tripartite Wages and Productivity Board  
Regional Board No. IV

**WAGE ORDER NO. IV - 04**  
**SETTING THE NEW MINIMUM WAGE IN THE REGION**

WHEREAS, the basic purpose of the minimum wage as a safety net is to advance the living standards of low income workers who are unable to keep up or adjust their income on their own given the erosion of said income due to inflation;

WHEREAS, while the safety net requirement as a “core” standard is needed to influence market outcomes and protect vulnerable workers, it should at the same time succeed in taking advantage of new market opportunities and not impede the inflow of capital nor the competitive management of the changing environment;

WHEREAS, the long-term regional aspiration is to put in place a framework for a wage policy that complements informal and rural labor markets, support an effective system of industrial relations, provide safeguards for the vulnerable, avoid biases that favor the relatively well-off worker and obviate obstacles to facilitate the transition to a more market-based and internationally integrated pattern of development;

WHEREAS, this issuance is rational, consistent and progressive within the context of existing economic and social environment;

WHEREAS, the spatial configuration of the Region is marked by heterogeneity, with areas classified as:

a. Growth Corridor Areas or rapidly urbanizing and industrializing parts of the Region strategically located near Metro Manila; composed of the Provinces of Batangas, Cavite, Laguna, & Rizal the Cities of Batangas, Cavite, Lipa, San Pablo, Tagaytay, Trece Martirez & Lucena and the Municipalities of Tiaong, Candelaria, Sariaya in Quezon.

b. Emerging Growth Areas or areas with predominantly rural/agricultural resource potential located at/or near the rapidly urbanizing and industrializing parts of the Region and the large Metro Manila markets composed of the remaining parts of Quezon, Puerto Princesa City in Palawan, San Jose in Occidental Mindoro, Calapan in Oriental Mindoro and Sta. Cruz in Marinduque;

c. Resource Based Areas with predominantly rural/agricultural resource potential far from internal regional and Metro Manila markets; composed of the provinces of Aurora, Romblon and the rest of: Occidental Mindoro, Oriental Mindoro, Palawan and Marinduque.

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 hereby issues this Wage Order:

**SECTION 1. AMOUNT OF MINIMUM WAGE.** Upon effectivity of this Order, the daily minimum wage rates of workers in the Region shall be as follows:

|                       | <u>pesos per day</u> |
|-----------------------|----------------------|
| Growth Corridor Areas |                      |
| Non-Agriculture       | 155.00               |
| Agriculture           |                      |
| Plantation            | 145.00               |
| Non-Plantation        | 125.00               |
| Emerging Growth Areas |                      |
| Non-Agriculture       | 142.00               |
| Agriculture           |                      |

|                      |        |
|----------------------|--------|
| Plantation           | 132.00 |
| Non-Plantation       | 112.00 |
| Resource Based Areas |        |
| Non-Agriculture      | 137.00 |
| Agriculture          |        |
| Plantation           | 127.00 |
| Non-Plantation       | 107.00 |

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 2. ON COVERAGE. The minimum wage rates prescribed under this Order shall apply to all employees in the private sector in the Region regardless of their position, designation or status and irrespective of the method by which their wages are paid, except:

(a) Household or domestic helpers, family drivers and persons in the personal service of another; and

(b) Workers or Employees of Retail/Service Establishments regularly employing not more than (10) workers;

SECTION 3. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. For Private Educational Institutions subject to the regulation of the Department of Education and Culture, the prescribed minimum wage rate of this Order shall be applicable upon approval of the Department of Education and Culture of the school's application for increase in tuition fee rates but in no case will this temporary deferment be more than one year.

SECTION 4. APPLICATION TO ESTABLISHMENTS SUBJECT TO GOVERNMENT REGULATORY CONTROL. Establishments whose product/service pricing is subject to government regulatory control as in the case of electric cooperatives and other similarly situated establishments, the prescribed minimum wage shall be applicable upon approval of their new rates but in no case will this temporary deferment be more than one year.

SECTION 5. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage rates for covered workers shall be borne by the principals or clients of the construction /service contractor and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed minimum wage rates, the construction/service contractor shall be jointly and severally liable with the principal or client. The applicability of the new minimum wage rates as well as its exemption /deferment provisions shall follow the principal or client.

SECTION 6. 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 7. APPLICATION TO EXPORTERS. Establishments in the Export Industry which earn at least fifty percent (50%) of its normal operating revenues from export sales, the effectivity of minimum wage rates under this Order shall be deferred but shall not be for a period of more than one year.

SECTION 8. APPLICATION TO SPECIAL GROUPS OF WORKERS. Wage rates of apprentices, learners and handicapped workers shall in no case be less than seventy-five (75%) of the applicable minimum wage rates.

SECTION 9. CREDITABILITY PROVISIO. All forms of basic wage and/or salary increases, regardless of nature, provided they bring the actual wage and/or salary to the new minimum wage rates and provided

further the resultant is equal to or greater than the minimum wage rates established under this Order are deemed creditable .

Future wage and/or salary increases up to three (3) months from the effectivity of this Wage Order may be accelerated and shall be deemed creditable as compliance to this Wage Order provided the resultant is equal to or greater than the minimum wage rates established under this Order .

Where said increases are less than the prescribed minimum wage rates in the Order, the employer shall pay the difference.

SECTION 10. EXEMPT. Upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations , distressed establishments as defined in the NWPC Revised Guidelines on Exemption may be exempted .

The Regional Board has the option to grant full or partial exemption as warranted.

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 11. EFFECTS ON EXISTING WAGE STRUCTURE. Wage/salary distortions and/or severe compression which 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 formulae to correct distortions or severe compression are annexed to this Order as possible alternatives for the parties to consider.

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

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

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

SECTION 12. PENAL PROVISIONS Any employer who refuses or fails to pay the corresponding rates provided under this Order shall be subject to the penalties under R.A 6727 .

SECTION 13. PROHIBITION AGAINST INJUNCTION .No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceeding before the Board

SECTION 14. 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 15. REPEALING /SEPARABILITY CLAUSE. If any provision or part of this Order is declared unconstitutional or invalid, the other provisions or parts shall remain valid. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowance or other benefits under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between workers and employers.

SECTION 16. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in at least one newspaper of general circulation in the Region.

Approved this 21st day of March 1996. Quezon City, Philippines.

(SGD) HENRY M. PAREL  
Chairman

(SGD) DITA M. MARALIT  
Vice-Chairman

(SGD) CATALINO O. BOQUIREN, JR.  
Vice-Chairman

(SGD) NICASIO S. RECTO, JR.  
Worker Representative

(SGD) DOMINADOR E. BANATIN  
Worker Representative

(SGD) MARCELINO C. PINEDA  
Employer Representative

(SGD) RENATO B. ALMEDA  
Employer Representative

Republic of the Philippines  
Department of Labor and Employment  
Regional Tripartite Wages and Productivity Board  
Regional Board No. IV

**RULES IMPLEMENTING WAGE ORDER NO. IV-04**

Pursuant to the authority granted to the Regional Tripartite Wage and Productivity Board under Revised Rules of Procedure on Minimum Wage the following rules are hereby issued for guidance and compliance by all concerned:

RULE 1  
GENERAL PROVISIONS

Section 1. Title .

This Rules shall be known as “ Rules Implementing Wage Order IV-04;

Section 2. Definition of Terms .

As used in this Rules,

- (a) *Order* means Wage Order No. IV - 04;
- (b) *Board* means the Regional Tripartite Wages and Productivity Board of Region IV;
- (c) *Commission* means the National Wages and Productivity Commission;
- (d) *Department* means the Department of Labor and Employment;
- (e) *Region IV* covers the provinces of Aurora, Batangas, Cavite, Laguna, Marinduque, Occidental Mindoro, Oriental Mindoro, Palawan, Quezon, Rizal and Romblon and the cities of Batangas, Cavite, Lipa, Lucena, Puerto Princesa, San Pablo, Tagaytay and Trece Martirez;
- (f) The *Growth Corridor Areas* covers the province of Batangas, Cavite, Laguna and Rizal; the cities of Batangas, Cavite, Lipa, San Pablo, Tagaytay, Trece Martirez and Lucena; and the Municipalities of Tiaong, Candelaria, Sariaya in Quezon;
- (g) The *Emerging Growth Areas* covers the remaining parts of Quezon, Puerto Princesa City in Palawan, San Jose in Occidental Mindoro, Calapan in Oriental Mindoro and Sta. Cruz in Marinduque.
- (h) The *Resource Based Areas* covers the provinces of Aurora, Romblon and the rest of Occidental Mindoro, Oriental Mindoro, Palawan and Marinduque;
- (i) *Minimum Wage Rates* refer to the minimum wage rates , as fixed by the Board, that an employer can pay his workers.
- (j) *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;
- (k) *Plantation Agricultural Enterprise* is one engaged in agriculture with an area of more than 24 hectares in a locality or which employs at least 20 workers. Any other agricultural enterprise shall be considered as" Non-Plantation Agricultural Enterprise";

- (l) *Distressed Establishments* are establishments which have incurred losses and/or whose capital have been impaired by at least twenty five percent (25%);
- (m) *Retail Establishment* is one principally engaged in the sale of goods to end-users for personal or household use;
- (n) *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;
- (o) *Cottage/Handicraft* refers to all handicraft manufacturers which use local raw materials fashioned by hand with artistic skills;
- (p) *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 foreign currency

RULE 2  
NEW MINIMUM WAGE RATES

Section 1. Coverage

The minimum wage rates prescribed under this Order shall apply to all employees in the private sector in the Region regardless of their position, designation or status, and irrespective of the method by which their wages are paid, except:

- i) Household or domestic helpers, including family drivers and workers in the personal service of another.
- ii) Workers and employees of retail/service establishments regularly employing not more than ten (10) workers

Section 2. Amount of Minimum Wage.

Upon effectivity of this Order , the daily minimum wage rates of workers in the Region shall be as follows

|                        | pesos per day |
|------------------------|---------------|
| Growth Corridors Areas |               |
| Non-Agriculture        | 155.00        |
| Agriculture            |               |
| Plantation             | 145.00        |
| Non-Plantation         | 125.00        |
| Emerging Growth Areas  |               |
| Non-Agriculture        | 142.00        |
| Agriculture            |               |
| Plantation             | 132.00        |
| Non-Plantation         | 112.00        |
| Resource Based Areas   |               |
| Non-Agriculture        | 137.00        |
| Agriculture            |               |
| Plantation             | 127.00        |

In line with the rationalization of wages between and among particular groups of workers and eliminating marginal differentials between wage categories, minimum wages of workers in the other sectors shall be augmented proportionately in accordance with ANNEX "A".

Section 3. Application to Private Educational Institutions

For Private Educational Institutions subject to the regulation of the Department of Education and Culture, the prescribed minimum wage rate of this Order shall be applicable upon approval of the Department of Education and Culture of the school's application for increase in tuition fee rates but in no case will this temporary deferment be more than one year.

Section 4 Application to Establishments Subject to Government Regulatory Control

Establishments whose product/service pricing is subject to government regulatory control as in the case of electric cooperatives and other similarly situated establishments , the prescribed minimum wage shall be applicable upon approval of their new rates but in no case will this temporary deferment be more than one year.

Section 5. Application to Contractors

In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage rates for covered workers shall be borne by the principals or clients of the construction /service contractor and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed minimum wage rates ,the construction/service contractor shall be jointly and severally liable with the principal or client. The applicability of the new minimum wage rates as well as its exemption /deferment provisions shall follow the principal or client .

Section 6. 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.

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

Section 7. Application to Exporters .

Establishments in the Export Industry which earn at least fifty percent (50%) of its normal operating revenues from export sales whose product pricing is computed using labor costs based on previous mandated rates. , the effectivity of minimum wage rates under this Order shall be deferred but shall not be for a period of more than one year.

These condition shall be verified based on predominant and accepted documents used in the industry that show applicant has a contract for export and that the contract translated to actual sales.

Length of exemption shall be computed based on the relationship of the weighted value or volume of each specific contract and the date of receipt of payment for each specific contract relative to the value or volume of the total contract for a one year period, viz:

$$TD = \frac{\sum_{i=1}^n E_i v_i}{\sum_{i=1}^n E_i v_i + 1}$$

where

|    |   |   |
|----|---|---|
| TD | = | length of period of deferment   |
| vi | = | partial advance to the contract amount at any given time  |
| ti | = | time partial payment is received  |
| n  | = | number of staggered payments of the total contract amount   |
| V  | = | total contract amount for the year  |
| 1  | = | refers to one (1) month or the maximum length of time it takes an exporter to be paid by the buyer from delivery of goods |

#### Section 8. Application to Special Groups of Workers

Wage rates of apprentices, learners and handicapped workers shall in no case be less than seventy-five (75%) of the applicable minimum wage rates.

All recognized learnership and apprenticeship agreements entered into before 13 April 1996 shall be considered as automatically modified insofar as their wage clauses are concerned to reflect the increase prescribed under this Order.

#### Section 9. Creditability Proviso

All forms of basic wage and/or salary increases, regardless of nature, provided they bring the actual wage and/or salary to the new minimum wage rates and provided further the resultant is equal to or greater than the minimum wage rates established under this Order are deemed creditable .

Future wage and/or salary increases up to three (3) months from the effectivity of this Wage Order may be accelerated and shall be deemed creditable as compliance to this Wage Order provided the resultant is equal to or greater than the minimum wage rates established under this Order .

Where said increases are less than the prescribed minimum wage rates in the Order, the employer shall pay the difference.

#### Section 10. Exemption

Upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations , distressed establishments as defined in the NWPC Revised Guidelines on Exemption may be exempted .Application shall be filed not later than sixty (60) days from the publication of the approved Implementing Rules of this Order.

The Regional Board has the option to grant full or partial exemption as warranted.

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.see ANNEX "B" - Exemption Processing Flow

#### Section 11. Effects on Existing Wage Structure

Wage/salary distortions and/or severe compression which 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 formulae to correct distortions or severe compression are annexed to the Rules of the Order as possible alternatives for the parties to consider.

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

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

Disputes which may arise as a result of this Order shall be resolved in accordance with Article 124 of the Labor Code as amended .see ANNEX "C" - Wage Distortion /Compression Formula

#### Section 12. Complaints for Non-Compliance

Complaints for non-compliance with wage increase provided in this order shall be filed with the Regional Office of the Department in Region IV and shall be subject to enforcement proceedings under articles 128 and 129 of the Labor Code as amended.

#### Section 13. Penal Provisions

Any employer who refuses or fails to pay the corresponding rates provided under this Order shall be subject to the penalties under R.A 6727 .

#### Section 14 . Prohibition Against Injunction.

No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceeding before the Board

#### Section 15. Repealing / Separability Clause

If any provision or part of this Order is declared unconstitutional or invalid , the other provisions or parts shall remain valid. Nothing in this Wage Order shall be construed to reduced any existing wage rates, allowance or other benefits under existing laws, degrees , issuances , executive orders and/or under any contract or agreement between workers and employers.

#### Section 16. Effectivity

This Rules shall take effect on 13 April 1996 concurrent with the effectivity of the Order of which it is part of.

Done this 18th day of April 1996 in Quezon City, Philippines.

(SGD) HENRY M. PAREL  
Chairman

(SGD) DITA M. MARALIT  
Vice-Chairman

(SGD) CATALINO O. BOQUIREN JR.  
Vice-Chairman

(SGD) NICASIO S. RECTO, JR.  
Worker Representative

(SGD) DOMINADOR E. BANATIN  
Worker Representative

(SGD) MARCELINO C. PINEDA  
Employer Representative

(SGD) RENATO B. ALMEDA  
Employer Representative

Approved this \_\_\_\_\_ 1996

(SGD) LEONARDO A. QUISUMBING  
Secretary of Labor and Employment

APPLICABLE MINIMUM WAGE ADJUSTMENT  
Southern Tagalog Region

| Areas / Sector  | Effectivity<br>April 13, 1996<br>In Pesos/Day |
|---|---|
| <u><i>A. GROWTH CORRIDOR AREAS</i></u>  |   |
| Non- Agricultural, includes private hospitals,<br>Retail/Service establishments employing<br>more than ten (10)workers. | 155.00  |
| Cottage/Handicraft regardless of no.ofworkers   | 133.00  |
| Agriculture   |   |
| Plantation workers regardless of gross sales  | 145.00  |
| Non-Plantation Workers  | 125.00  |
| <u><i>B. EMERGING GROWTH AREAS</i></u>  |   |
| Non-Agriculture, includes private hospitals,<br>Retail/Service establishments employing<br>more than ten (10)workers.   | 142.00  |
| Cottage/Handicraft regardless of no.of workers  | 120.00  |
| Agriculture   |   |
| Plantation workers regardless of gross sales  | 132.00  |
| Non-Plantation Workers  | 112.00  |
| <u><i>C. RESOURCE BASED AREAS</i></u>   |   |
| Non-Agriculture, includes private hospitals,<br>Retail/Service establishments employing<br>more than ten (10)workers    | 137.00  |
| Cottage/Handicraft regardless of no.of workers  | 115.00  |
| Agriculture   |   |
| Plantation workers regardless of gross sales  | 127.00  |
| Non-Plantation Workers  | 107.00  |

APPLICABLE MINIMUM WAGE ADJUSTMENT  
Southern Tagalog Region

| Areas/Sector  | <u>April 13, 1996</u><br>Pesos/Day | <u>April 13, 1997</u><br>Pesos/Day |
|---|------------------------------------|------------------------------------|
| <i><u>A. Growth Corridor Areas</u></i>                                |                                    |                                    |
| Non-Agriculture   | 155.00                             | 155.00                             |
| Agriculture   |                                    |                                    |
| Plantation  |                                    |                                    |
| More than P 5M Gross Sales  | 145.00                             | 145.00                             |
| Less than P 5M Gross Sales  | 140.00                             | 145.00                             |
| Non-Plantation  | 125.00                             | 125.00                             |
| Private Hospital  | 151.00                             | 155.00                             |
| Cottage/Handicraft regardless<br>of no. of employees                  | 133.00                             | 133.00                             |
| Retail/ Service Establishment<br>Employing More Than ten (10) workers | 151.00                             | 155.00                             |
| <i><u>B. Emerging Growth Areas</u></i>                                |                                    |                                    |
| Non-Agriculture   | 142.00                             | 142.00                             |
| Agriculture   |                                    |                                    |
| Plantation  |                                    |                                    |
| More Than P 5M gross sales  | 132.00                             | 132.00                             |
| Less Than P 5M gross sales  | 127.00                             | 132.00                             |
| Non-Plantation  | 112.00                             | 112.00                             |
| Private Hospital  | 138.00                             | 138.00                             |
| Cottage/Handicraft regardless<br>of no. of employees                  | 120.00                             | 120.00                             |
| Retail/Service Establishment<br>Employing More Than ten (10) workers  | 138.00                             | 142.00                             |
| <i><u>C. Resourced Based Areas</u></i>                                |                                    |                                    |
| Non-Agriculture   | 137.00                             | 137.00                             |
| Agriculture   |                                    |                                    |
| Plantation  |                                    |                                    |
| More Than P 5M gross sales  | 127.00                             | 127.00                             |
| Less Than P 5 M gross sales   | 122.00                             | 127.00                             |
| Non-Plantation  | 107.00                             | 107.00                             |
| Private Hospital  | 133.00                             | 137.00                             |
| Cottage/Handicraft regardless of no.<br>of employees                  | 115.00                             | 115.00                             |
| Retail/Service establishment<br>employing more than ten (10) workers  | 133.00                             | 137.00                             |

## DISTORTION / COMPRESSION ADJUSTMENT FORMULAS

## 1) SLOPE FACTOR APPROACH (Agreed Ceiling Cut-off Salary/Wage )

Amount of Increases = slope factor( Present/ Actual Salary- Min. Wage IV-03)

Where: Slope Factor=  $\frac{\text{Amount of Increases Under Min. Wage IV- 04}}{(\text{Pre-determined Cut-off Salary/Wage- Min. Wage IV-03})}$

To Illustrate:

Agreed Cut-off Salary/Wage = P 200.00/day  
Present/Actual Salary/Wage = P 190.00/day

$$\text{Slope Factor} = \frac{17.00}{(200.00- 138.00)} = 0.274$$

Amount of Increase 0.274 (190 - 138) = 14.25

New Salary/Wage = 190.00 + 14.25 = P 204.25

## 2) PARABOLIC APPROACH (Variable Salary/Wage Increase)

$\frac{\text{Min Wage WO IV 03}}{\text{Present Salary/Wage} - \text{Actual Salary/ Wage}}$  ( Min. Wage Adjustment) - Creditable Increases

To Illustrate:

$$\frac{138.00}{190.00 - 17.00} ( 17.00 - 0 ) = 0.726 (17.00) = \underline{12.34}$$

New Salary Wage = 190.00 + 12.34 = P 202.35

Republic of the Philippines  
Department of Labor and Employment  
Regional Tripartite Wages and Productivity Board  
Regional Board No. IV

**WAGE ORDER NO. IV-04-A**  
**SUPPLEMENTING SECTIONS 1 AND 7 OF WAGE ORDER NO. IV-04**

WHEREAS, on March 29, 1996, the Regional Tripartite Wages and Productivity Board of Region IV issued Wage Order No. IV-04 pursuant to its mandate under Republic Act No. 6727;

WHEREAS, it is necessary to supplement the Wage Order to reflect the Boards' proper intent, specifically as it refers to the amount of minimum wage for certain categories of workers and the criteria and requirements as to deferment eligibility;

WHEREAS, the augmentation requirement pertains specifically to Sections 1 and 7 of Wage Order IV-04;

NOW THEREFORE, in view of the foregoing, the Board resolves, as it hereby resolves, to augment Sections 1 and 7 of Wage Order IV-04 to read as follows:

Section 1. AMOUNT OF MINIMUM WAGE. In line with the rationalization of wages between and among particular groups of workers and eliminating marginal differences between wage categories, the daily minimum wage rates of workers in the Region upon effectivity of the Order shall be as follows:

| Sector  | Growth<br>Corridor<br><u>Area</u><br>Pesos/day | Emerging<br>Growth<br><u>Area</u><br>Pesos/day | Resource<br>Based<br><u>Area</u><br>Pesos/day |
|---|--|--|---|
| (1) <u>NON-AGRICULTURE</u><br>Includes Private Hospitals & Retail/Service<br>Establishments employing more than ten<br>(10) workers | 155.00   | 142.00   | 137.00  |
| (2) <u>AGRICULTURE PLANTATION</u><br>Regardless of gross sales  | 145.00   | 132.00   | 127.00  |
| (3) <u>AGRICULTURE NON-PLANTATION</u>   | 125.00   | 112.00   | 107.00  |
| (4) <u>COTTAGE/HANDICRAFT</u><br>Regardless of no. of workers   | 133.00   | 120.00   | 115.00  |

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 7. APPLICATION TO EXPORTERS. For establishments in the export industry which earn at least fifty percent (50%) of its 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 new minimum wage rates under this Order shall be deferred but shall not be for a period of more than one year.

Allowable length of period of deferment grant shall be based on the weighted values 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 a thirty day payment lag.

A written internal agreement on the manager of deferment period as agreed between employers and employees in the export sector shall take precedence over any guidelines specified in this section of the Order and its Implementing Rules provided said agreed deferment does not exceed one year.

The effectivity of this Supplemental Order shall retroact to 13 April 1996 concurrent with the effectivity of the Order of which it is part of.

Done this 17<sup>th</sup> day of May 1996, Quezon City, Philippines.

(SGD) HENRY M. PAREL  
Chairman

(SGD) DITA M. MARALIT  
Vice-Chairman

(SGD) CATALINO O. BOQUIREN JR.  
Vice-Chairman

(SGD) NICASIO S. RECTO JR.  
Worker Representative

(SGD) OSCAR M. ACERON  
Worker Representative

(SGD) MARCELINO C. PINEDA  
Employer Representative

(SGD) RENATO B. ALMEDA  
Employer Representative