



Republic of the Philippines  
Department of Labor and Employment  
National Wages Productivity Commission  
**REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD V**  
(Bicol)

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## **WAGE ORDER NO. RB05-11**

### **PROVIDING FOR NEW MINIMUM WAGE RATES IN REGION V**

**WHEREAS**, under Republic Act No. 6727 (The Wage Rationalization Act), the Regional Tripartite Wages and Productivity Boards (RTWPBs) are mandated to rationalize wage fixing in the regions taking into account the prevailing economic conditions affecting the cost of living of wage earners, the viability of business and industry and the interest of both labor and management;

**WHEREAS**, the RTWPB V, in its continuing study of the prevailing socio-economic indicators in the region, recognizes the adverse effects of the increases in the prices of fuel, basic goods and services, utilities, RVAT implementation and the decline in peso value;

**WHEREAS**, the Board, in response to the nationwide clamor for wage adjustment, has conducted motu proprio a series of public consultations/workshops on wages and wage-related issues in the provinces of the region, to wit; Sorsogon and Masbate on 10 July 2006; Albay and Catanduanes on 12 July 2006; Camarines Norte on 14 July 2006 and in Camarines Sur on 15 July 2006, respectively;

**WHEREAS**, the result of the consultations revealed the need to restore the purchasing power of the peso by adjusting/increasing and rationalizing the prevailing minimum wage rates of the workers;

**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 a need to build the capacity of business enterprises to be competitive through productivity improvement and gain sharing programs;

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

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**Section 1. THE NEW MINIMUM WAGE RATES.** Effective August 7, 2006 of this Order:

- a. The FIFTEEN PESOS (P15.00) COLA per day prescribed under Wage Order No. RB05-10 shall be integrated into the basic pay.
- b. The New Minimum Wage Rates shall be as follows:

SECTORS/AREA	Cities of Legazpi and Naga	Cities of Iriga and Tabaco and Municipalities of Pili and Daraga		
	Prescribed Minimum Wage Rates effective August 7, 2006 of Wage Order RB05-11	Prescribed Minimum Wage Rates		
		Effective August 7, 2006 of Wage Order RB05-11	By February 1, 2007	By May 1, 2007
<b>A. NON-AGRICULTURE</b>				
A.1 Establishments				
Employing more than 15 workers	220.00	213.00	216.50	220.00
Employing 11-15 workers	207.00	200.00	203.50	207.00
Employing not more than 10 workers	189.00	184.00	186.50	189.00
A.2 Cottage/Handicraft				
Employing 20 or more workers	195.00	188.00	191.50	195.00
Employing less than 20 workers	185.00	178.00	181.50	185.00
<b>B. AGRICULTURE</b>				
Plantation	198.00	193.00	195.50	198.00
Non-Plantation	178.00	173.00	175.50	178.00
<b>ALL OTHER AREAS</b>				
<b>A. NON-AGRICULTURE</b>				
A.1 Establishments				
Employing more than 15 workers	208.00			
Employing 11-15 workers	195.00			
Employing not more than 10 workers	177.00			
A.2 Cottage/Handicraft				
Employing 20 or more workers				
Employing less than 20 workers	183.00			
<b>B. AGRICULTURE</b>	173.00			
Plantation				
Non-Plantation	188.00			
	168.00			

**Section 2. COVERAGE.** The new minimum wage rates prescribed in this Order shall apply to all minimum wage earners in the private sector in the region, regardless of their positions, designations or status of employment and irrespective of the method by which their wages are paid.

Excluded from the coverage of this Order are household or domestic helpers, persons employed in the personal service of another including family drivers and workers in registered Barangay Micro Business Enterprises (BMBEs) with Certificates of Authority pursuant to R.A. 9178.

**Section 3. BASIS OF MINIMUM WAGE RATES.** The new 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 4. PRODUCTIVITY BASED WAGES.** In order to sustain the rising levels of wages and enhance competitiveness, businesses are strongly encouraged to adopt productivity improvement schemes such as time and motion studies, good housekeeping, quality circles, labor management cooperation as well as implement 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 5. CREDITABLE WAGE INCREASE.** Wage increases granted by an employer within three (3) months before the effectivity of this Order shall be credited as compliance herewith. Where the wage increases granted are less than that prescribed under this Order, the employer shall pay the difference.

Anniversary wage increases provided in collective bargaining agreements, merit wage increases and those resulting from the regularization or promotion of employees shall not be credited as compliance herewith.

Benefits derived from productivity gain-sharing schemes shall not be credited as compliance.

**Section 6. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.** In the case of private educational institutions, the share of covered workers in the increase in tuition fees for School Year 2006-2007 shall be considered as compliance with the increase prescribed herein. However, payment of any shortfall shall be covered starting School Year 2007-2008. Those which have not increased their tuition fees for the School Year 2006-2007 may defer compliance with the provisions of the Wage Order until the beginning of School Year 2007-2008. In any event, all private educational institutions shall implement the minimum wage rates prescribed herein starting School Year 2007-2008.

**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 prescribed minimum wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

**Section 8. APPLICATION TO CONTRACTORS.** In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage rates of the workers shall be borne by the principals or clients of the construction/service contractors and the contracts 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 his principal or client.

**Section 9. WAGES OF SPECIAL GROUPS OF WORKERS.** Apprentices and learners shall receive not less than seventy-five (75%) of the applicable minimum wage rate prescribed herein. All qualified handicapped workers shall receive the full amount of the minimum wage rate in this Order pursuant to R.A. 7277.

All 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 wage rates.

**Section 10. EXEMPTIONS.** The following establishments may be exempted from the applicability of this Wage Order upon application with and as determined by the Board in accordance with NWPC Guidelines No. 01, Series of 1996;

- a. Retail/service establishments regularly employing not more than ten (10) workers;
- b. Distressed establishments;
- c. New business enterprises; and
- d. Establishments adversely affected by calamities.

**Section 11. EFFECT OF APPLICATION FOR EXEMPTION.** An application for exemption duly filed shall have the effect of deferring any action on any complaint for non-compliance with this Order pending its final resolution.

In case the application for exemption is not approved, covered employees/workers of the applicant-establishment shall be paid the mandated wage rates under this Order plus one (1) percent simple interest per month retroactive to the effectivity of this Order.

**Section 12. 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 13. EFFECT 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 14. EFFECTS ON EXISTING WAGE STRUCTURE.** Where the application of the wage increase prescribed in the Order result in distortion in the wage structure within the establishment it shall be corrected in accordance with the procedure under Art. 124 of the Labor Code, as amended.

**Section 15. COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) and shall be subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

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

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

**Section 18. PROHIBITION AGAINST INJUNCTION.** No inferior court or entity shall issue temporary or permanent injunction or restraining order or otherwise assume jurisdiction over any case involving the enforcement orders in accordance with Article 128 of the Labor Code, as amended.

**Section 19. FREEDOM TO BARGAIN.** This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

**Section 20. REPORTING 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.

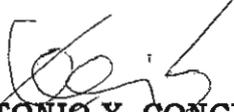
**Section 21. REPEALING CLAUSE.** All orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended or modified accordingly.

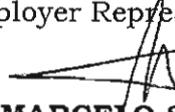
**Section 22. SEPARABILITY CLAUSE.** If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

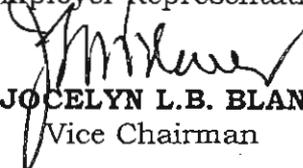
**Section 23. IMPLEMENTING RULES.** The Board shall prepare the necessary rules to implement this Order subject to the approval of the Secretary of Labor and Employment.

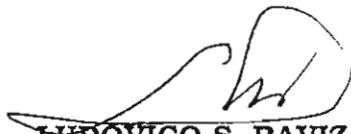
**Section 24. EFFECTIVITY.** This Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

**APPROVED: 17 July 2006.**

  
**ANTONIO Y. CONCEPCION**  
Employer Representative

  
**MARCELO S. TAN**  
Employer Representative

  
**DIR. JOCELYN L.B. BLANCO**  
Vice Chairman

  
**LUDOVICO S. RAVIZ**  
Labor Representative

  
**JOSE P. DIZON**  
Labor Representative

  
**DIR. ROMEO C. ESCANDOR**  
Vice Chairman

  
**DIR. ALEX E. MARAAN**  
Chairman