

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Office No. V
Legazpi City

WAGE ORDER NO. RB V-12

**GRANTING AN INCREASE TO THE MINIMUM WAGE RATES
IN THE BICOL REGION**

WHEREAS, Republic Act 6727 or the Wage Rationalization Act empowers the Regional Tripartite Wages and Productivity Board of Region V to determine and fix the minimum wage rates in the region and to issue the corresponding wage orders subject to the guidelines issued by the National Wages and Productivity Commission;

WHEREAS, the Board, in the exercise of its wage fixing function and in order to generate inputs from the labor, management and government sectors, conducted motu proprio, sectoral consultations/summit each for the management and labor sectors and Area Public Consultations and Workshops for the Provinces of Camarines Sur and Camarines Norte and for the Provinces of Albay, Catanduanes, Masbate and Sorsogon on October 4, 2007 and October 5, 2007, respectively;

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;

WHEREAS, the Board, cognizant of the results of the consultations and its study and analyzing the socio-economic factors, decided to adjust the regional minimum wage rates to enable the workers in the region to cope with the rising cost of living along with the policy of providing workers with "safety net" protection against unduly low wages without however, impairing the viability of business and industry;

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, hereby issues this Wage Order.

Section 1. AMOUNT OF INCREASE. Upon effectivity of this Wage Order, all covered workers shall be granted an increase of SIX PESOS (P6.00) per day in their basic wage.

Section 2. THE NEW MINIMUM WAGE RATES. Upon effectivity of this Wage Order, the new minimum wage rates in the region shall be, as follows:

SECTORS/AREA	Cities of Legazpi and NagaTabacco and Municipalities of Pili and Daraga			All other areas		
	Minimum Wage Rates Under W.O. No. RB05-11	Increase under W.O. RBV-12	New Minimum Wage Rates	Minimum Wage Rates Under W.O. No. RB05-11	Increase under W.O. RBV-12	New Minimum Wage Rates
A. NON-AGRICULTURE						
A.1 Establishments						
Employing more than 15 workers	220.00	6.00	226.00	208.00	6.00	214.00
Employing 11-15 workers	207.00	6.00	213.00	195.00	6.00	201.00
Employing not more than 10 workers	189.00	6.00	195.00	177.00	6.00	183.00
A.2 Cottage and Handicraft						
Employing 20 or more workers	195/00	6.00	201.00	183.00	6.00	189.00
Employing less than 20 workers	185.00	6.00	191.00	173.00	6.00	179.00
B. Agriculture						
Plantation	198.00	6.00	204.00	188.00	6.00	194.00
Non-Plantation	178.00	6.00	184.00	168.00	6.00	174.00

Section 3. 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 4. 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 5. 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 6. 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 7. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2007-2008 shall be considered as compliance with the increase set forth herein; provided that if such increase is less than the prescribed adjustment, the employer shall pay the difference in the School Year 2008-2009.

Private education institutions, which have not increased their tuition fees for the School Year 2007-2008, may defer compliance with the provisions of this Order until the beginning of School Year 2008-2009.

In any case, all private educational institutions shall implement the wage rates prescribed herein starting School Year 2008-2009.

Section 8. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takay", "pakyaw" or task basis, shall receive not less than the prescribed minimum wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 9. 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 10. 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 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.

All qualified handicapped workers shall receive the full amount of the minimum wage rate in this Order pursuant to R.A. 7277.

Section 11. 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 12. 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 13. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the wage increase prescribed in the Order results 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 14. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) and shall be subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

Section 15. NON-DIMINUTION OF BENEFITS. Nothing in this Order shall be construed to reduce any existing wage rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between the workers and employers or employer practices or policies.

Section 16. 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 17. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board.

Section 18. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

Section 19. REPORTING 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, 2008 and every year thereafter in accordance with the form prescribed by the Commission.

Section 20. 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 21. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 22. IMPLEMENTING RULES. The Board shall prepare the necessary rules to implement this Order subject to the approval of the Secretary of Labor and Employment.

Section 23. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

APPROVED: 05 October 2007.

(SGD)

MARCELO S. TAN

Employer Representative

(SGD)

EDGARDO T. NAVAROZA

Employer Representative

(SGD)

DIR. JOCELYN L.B. BLANCO

Vice Chairman

(SGD)

JOSE P. DIZON

Labor Representative

(SGD)

VACANT

Labor Representative

(SGD)

DIR. GERELYN BARNEG

Vice Chairman

(SGD)

DIR. ERNESTO BIHIS

Chairman

Republic of the Philippines
Department of Labor and Employment
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REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Office No. V
Legazpi City

RULES IMPLEMENTING WAGE ORDER NO. RB V-12

Rule I - General Provisions

Pursuant to Section 6, Rule IV of the NWPC Amended Rules of Procedure on Minimum Wage Fixing and Section 22 of Wage Order No. RB V-12, the following rules are hereby issued for the guidance and compliance by all concerned.

Section 1. Title. This Rules shall be known as the “Rules Implementing Wage Order No. RB V-12”.

Section 2. Definition of Terms.

- a. **“Order”** means Wage Order No. RB V-12;
- b. **“Commission”** refers to the National Wages and Productivity Commission;
- c. **“Board”** refers to the Regional Tripartite Wages and Productivity Board in Region V;
- d. **“Department”** refers to the Department of Labor and Employment;
- e. **“Region V”** covers the Provinces of Albay, Camarines Norte, Camarines Sur, Catanduanes, Masbate, Sorsogon and the Cities of Iriga, Legazpi, Ligao, Masbate, Naga, Sorsogon and Tabaco;
- f. **“Agriculture”** refers to farming in all its branches and among others, includes cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural commodity, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farms or ponds, and any activities performed by a farmer or on a farm as an incident to or in 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;
- g. **“Plantation Agricultural Enterprise”** is one engaged in agriculture with an area of more than 24 hectares in a locality or which employs at least twenty (20) workers. Any other agricultural enterprise shall be considered as “Non-Plantation Agricultural Enterprise”;
- h. **“Establishment”** refers to an economic unit that engages in one or predominantly one kind of economic activity at a single fixed location. For purposes of determining eligibility for exemption, establishments under the same owner but are separately registered with the LGU, SEC, DTI or CDA as the case may be irrespective of their location shall be treated as individual and distinct establishment;

- i. **"Barangay Micro Business Enterprise"** refers to any business entity registered and issued a Certificate of Authority in accordance with R.A. 9178;
- j. **"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;
- k. **"Basic Wage"** means all remuneration or earnings paid by an employer to a worker for services rendered on normal working days and hours but does not include cost-of-living allowances, profit-sharing payments, overtime and premium payments, 13th month pay or other monetary benefits which are not considered as part of nor integrated into the regular salary of the employees on the date the Order became effective;
- l. **"Minimum Wage Rate"** refers to the lowest wage rate that an employer can pay his worker;
- m. **"Wage Distortion"** means a situation where the application of the wage increase prescribed in a Wage Order, 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;

Rule II - The New Minimum Wage Rates

Section 1. AMOUNT OF INCREASE. Effective November 30, 2007, all covered workers shall be granted an increase of SIX PESOS (P6.00) per day in their basic wage.

Section 2. THE NEW MINIMUM WAGE RATES. Effective November 30, 2007, the new minimum wage rates in the region shall be as follows:

SECTORS/AREA	Cities of Legazpi and NagaTabacco and Municipalities of Pili and Daraga			All other areas		
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Employing less than 20 workers	185.00	6.00	191.00	173.00	6.00	179.00
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Plantation	198.00	6.00	204.00	188.00	6.00	194.00
Non-Plantation	178.00	6.00	184.00	168.00	6.00	174.00

Section 3. Coverage. The new minimum wage rates prescribed in the 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 the 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 4. Basis of Minimum Wage Rates. The new minimum wage rates prescribed under the Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 5. 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 6. Creditable Wage Increase. Wage increases granted by an employer within three (3) months before the effectivity of the Order shall be credited as compliance herewith. Where the wage increases granted are less than that prescribed under the 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 7. Application to Private Educational Institution. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2007-2008 shall be considered as compliance with the increase set forth herein; provided that if such increase is less than the prescribed adjustment, the employer shall pay the difference in the School Year 2008-2009.

Private education institutions, which have not increased their tuition fees for the School Year 2007-2008, may defer compliance with the provisions of this Order until the beginning of School Year 2008-2009.

In any case, all private educational institutions shall implement the wage rates prescribed herein starting School Year 2008-2009.

Section 8. Workers Paid by Results. All workers paid by results, including those who are 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.

Section 9. Application to Contractors. In the case of contracts for construction projects and for security and janitorial services, the prescribed minimum wage rates shall be borne by the principals or clients of the constructions/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 10. Wages of Special Groups of Workers. Apprentices and learners shall receive not less than seventy-five percent (75%) of the applicable minimum wage rate prescribed herein.

All 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 new prescribed wage rate.

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

Section 11. Suggested Formula in Determining the Equivalent Monthly Regional Minimum Wage Rates. Without prejudice to existing company practices, agreements or policies, the following formula may be used as guides in determining the equivalent monthly minimum wage rates:

A. For those who are required to work everyday including Sundays or rest days, special days and regular holidays:

$$\begin{array}{l} \text{Equivalent} \\ \text{Monthly} \\ \text{Rate (EMR)} \end{array} = \text{Applicable Daily Wage Rate (ADR)} \times 392.5 \text{ days/12}$$

Where 392.5 days are:

299.0	days - ordinary working days
22.0	days - 11 regular holidays x 200%
67.6	days - 52 rest days x 130%
3.9	days - 3 special days x 130%
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392.5	days - Total no. of days / year

B. For those who do not work but are considered paid on rest days, special days and regular holiday:

$$\text{EMR} = \text{ADR} \times 365 \text{ days} / 12$$

Where 365 days are:	299 days - ordinary working days
	52 days - Sundays / rest days
	11 days - regular holidays
	3 days - special days
	<hr/>
	365 days - Total no. of days / year

C. For those who do not work and are not considered paid on Sundays or rest days:

$$\text{EMR} = \text{ADR} \times 313 \text{ days} / 12$$

Where 313 days/year	299 days - ordinary working days
	1 days - regular holidays
	3 days - 3 Special days (if worked) x 130%
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	313 days - Total no. of days / year

D. For those who do not work and are not considered paid on Saturdays and Sundays or rest days:

$$\text{EMR} = \text{ADR} \times 261 \text{ days} / 12$$

Where 261 days/year	247 days - ordinary working days
	11 days - regular holidays
	3 days - 3 Special days (if worked) x 130%
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	261 days - Total no. of days / year

Section 12. Mobile and Branch Workers. The prescribed minimum wage rates of workers, who by the nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

The minimum wage rates of workers working in branches or agencies of establishments within the Region shall be those applicable in the place where they are stationed.

Section 13. Transfer of Personnel. The transfer of personnel to areas outside the Region shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. The workers transferred to other regions with higher wage rates shall be entitled to the minimum wage rates applicable therein.

Section 14. Appeal to the Commission. Any party aggrieved by the Wage Order may file an appeal with the Commission through the Board within ten (10) calendar days from its publication. The Commission shall decide the appeal within sixty (60) calendar days from the date of filing. The appeal shall be accompanied by a memorandum of appeal which shall state the grounds relied upon and the arguments in support of the appeal.

Section 15. 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 to employees affected by the Order of the corresponding minimum wage rates, in the event such Order is affirmed.

Rule III - Special Provisions

Section 1. Effect on Existing Wage Structure. Should any dispute arise as a result of wage distortion, the employer and the union shall negotiate to correct 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 disputes 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 (NCMB) 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.

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

Section 2. Complaints for Non-Compliance. Complaints for non-compliance with the Order shall be filed with the Regional Office of the Department having jurisdiction over the workplace and shall be subject of enforcement proceedings under Article 128 of the Labor Code, as amended.

Section 3. Conduct of Inspection by the Department. The Department shall conduct inspections of establishments, as often as necessary, to determine whether the workers are paid the prescribed wage rates, allowances and other benefits granted by law, any Wage Order or employer practices or policies. In the conduct of inspection in unionized companies, Department inspectors shall always be accompanied by the president or other responsible officer of the recognized bargaining unit. In the case of non-unionized establishments, a worker representing the workers in the said company will accompany the inspector.

The workers' representative shall have the right to submit his own findings to the Department and to testify on the same if he does not concur with the findings of the labor inspector.

Section 4. Non-diminution of Benefits. Nothing in the Order and 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 or employer practices or policies.

Section 5. Penal Provision. Pursuant to the provisions of Section 12 of RA 6727, as amended by RA 8188, any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed 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 than two (2) years nor more than four (4) years or both such fine and imprisonment at the discretion of the court. Provided, that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

If the violation is committed by a corporation, trust or firms, partnership, association or any entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers, including but not limited to the president, vice-president, chief executive officer, general manager, managing director or partner.

Section 6. Prohibition Against Injunction. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board.

Section 7. Freedom to Bargain. The 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 8. 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, 2008 and every year thereafter in accordance with the form prescribed by the Commission.

Section 9. Repealing Clause. All orders, issuances, rules and regulations on wage, or parts thereof inconsistent with the provisions of the Wage Order and this Rules are hereby repealed, amended or modified accordingly.

Section 10. Separability Clause. If any provision or part of the Order and this Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Order and this Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 11. Effectivity of Rules. This Rules shall take effect on November 30, 2007.

APPROVED: 05 October 2007.

(SGD) MARCELO S. TAN
Employer Representative

(SGD) JOSE P. DIZON
Labor Representative

(SGD) EDGARDO T. NAVAROZA
Employer Representative

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