

Republic of the Philippines
 NATIONAL WAGES AND PRODUCTIVITY COMMISSION
 REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
 Region VI
 Iloilo City

WAGE ORDER NO. RO6-01

PROVIDING A COST OF LIVING ALLOWANCE

WHEREAS, the Gulf crisis has resulted in the withdrawal from the world market of oil from Iraq and Kuwait and despite increased production from other producers the oil supply continues to be uncertain, thus raising oil prices;

WHEREAS, the effect of this crisis and the adjustment in the value of the Philippines peso vis-à-vis the US dollar have made it imperative to increase the prices of domestic petroleum products by an average of P1.42 per liter on 21 September 1990;

WHEREAS, such adjustments have contributed to substantial increases in transportation fares and prices of basic goods and services;

WHEREAS, in addition to the efforts of government to hold down prices of basic commodities, it is necessary to provide immediate relief measures to workers and their families to enable them to cope with the rising cost of living, without impairing the viability of business and industry;

WHEREAS, in consideration of the socioeconomic conditions prevailing in Region VI and the adverse effects brought about by the above premises;

WHEREAS, the Regional Board feels that it is more prudent and appropriate to defer the adjustment of the minimum wage until the present situation of the region normalizes and to give instead substitute emergency relief to the affected workers in the form of cost of living allowance (COLA).

NOW, therefore, pursuant to the power vested in it by Republic Act No. 6727, the Regional Tripartite Wages and Productivity Board (RTWPB) of Region VI hereby issues this Wage Order.

Section 1. Upon the effectivity of this Order, the employees presently receiving a wage of P120 and below shall, in lieu of the minimum wage adjustment, be granted a cost of living allowance (COLA), per day as follows:

NON-AGRICULTURE (i.e., Industrial/Commercial)	P13.35
AGRICULTURE	
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	P 7.90
Plantation with annual gross sales of less than P5M	P 7.40
Non-Plantation	P 5.85
COTTAGE/HANDICRAFT	
Employing more than 30 workers	P 6.70
Employing not more than 30 workers	P 6.50
PRIVATE HOSPITALS	P 8.50
RETAIL/SERVICE	
Cities with population of more than 150,000	
Employing more than 15 workers	P 8.90
Employing 11-15 workers	P 8.50
Employing not more than 10 workers	P 5.80
Municipalities and cities with population of not more than	

150,000		P 8.50
	Employing more than 10 workers	P 5.80
	Employing not more than 10 workers	
SUGAR		
	Mills	P13.65
	Agriculture	
	Plantation with annual gross sales of P5M or more	P 7.35
	Plantation with annual gross sales of less than P5M	P 6.85
	Non-Plantation	P 5.85
BUSINESS ENTERPRISES WITH CAPITALIZATION OF NOT MORE THAN P500,000 AND EMPLOYING NOT MORE THAN 20 WORKERS		
	Non-Agriculture	P 7.90
	Agriculture Plantation Products other than sugar	P 6.90
	Sugar	P 6.35
Private Hospitals		
		P 7.50
Retail/Service		
	Cities with population of more than 150,000	
	Employing more than 15 workers	P 7.90
	Employing 11 to 15 workers	P 7.50
	Municipalities and Cities with Population of not more than 150,000	
	Employing more than 10 workers	P 7.50

Section 2. The COLA granted from the provisions under this Wage Order shall not be considered as part of the regular wage of the workers for purposes of computing wage related benefits, such as, 13th month pay, overtime and premium pay, night differential pay as well as premium contributions to the State Insurance Fund, SSS, Medicare, Pag-IBIG and others.

Section 3. All qualified workers paid by result, including those who are paid on piecework, "takay", "pakyaw" or task basis, shall be entitled to receive the prescribed cost of living allowance.

Section 4. The payment of the cost of living allowance herein granted shall apply to all qualified workers and employees in the educational institutions as soon as the latter have increased or been granted the authority to increase tuition fees during the school year 1991-1992. Otherwise, such cost of living allowance shall be applicable not later than the opening of the next school year beginning 1992 whether or not said increase or authority to increase is granted.

The share of covered workers and employees in the increase of tuition fees for school year 1990 shall be credited as compliance with the cost of living allowance provided herein. Where their share is less than the COLA provided herein, the employer shall pay the difference.

Section 5. Exempted from the provisions of this Wage Order are household or domestic helpers and persons in the personal service of another, including family drivers.

Retail/Service establishments regularly employing not more than ten (10) workers maybe exempted from this Wage Order upon application with and as determined by the Regional Board in accordance with applicable rules and regulations

Distressed employers whose capital has been impaired by at least twenty-five percent (25%) during the preceding year may be exempted from this Wage Order upon application with and as determined by the Regional Board in accordance with applicable rules and regulations. The Regional Board has the option to grant full or partial exemption to such distressed employers, the allowed maximum period of exemption being one (1) year.

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 Wage 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 Wage Order plus interest of one percent (1%) per month retroactive to the effectivity of this Wage Order.

Section 6. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed COLA of covered workers and employees shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, the principal or client fails to pay the prescribed allowance, the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 7. In lieu of the COLA prescribed under this Wage Order, employers may grant wage increases which shall be considered as compliance with this Wage Order, provided the amount is not less than what is required herein.

Section 8. Where the application of the cost of living allowance prescribed herein result in distortions of the pay structure within an establishment, such distortions shall be resolved using the procedure specified under Article 124 of the Labor Code of the Philippines.

Section 9. The Regional Board shall provide the necessary rules and regulations to implement this Wage Order subject to the approval of the Secretary of Labor and Employment.

Section 10. Any employer who refuses or fails to pay the cost of living allowance provided under this Wage Order shall be subjected to the penalties as specified under RA 6727.

Section 11. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowance or any benefit under existing laws, decrees, issuance of executive order and/or under any contract or agreement between workers and employers.

Section 12. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the Region.

Approved. October 30, 1990.

(SGD) JOSE Y. SORIANO
Employers' Representative

EDGARDO R. BALAJADIA
Workers' Representative

(SGD) JOSE MA. MONTINOLA
Employers' Representative

EDILBERTO C. FEDERICO
Workers' Representative

(SGD) DOMINIC P. ABAD
Vice-Chairman, RTWPB

(SGD) ALEX G. UMADHAY
Vice-Chairman, RTWPB

(SGD) MAE G. LASERNA
Chairman, RTWPB

Republic of the Philippines
NATIONAL WAGES AND PRODUCTIVITY COMMISSION
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region VI, Iloilo City

RULES IMPLEMENTING WAGE ORDER NO. RO6-01

Pursuant to the authority granted to the Regional Tripartite Wages and Productivity Board under Article 122 (b) Section 3 of Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the following rules are hereby issued for guidance and compliance by all concerned:

Definition of Terms. As used in this Rules.

- (a) "Order" means Wage Order No. RO6-01;
- (b) "Commission" means the National Wages and Productivity Commission;
- (c) "Board" means the Regional Tripartite Wages and Productivity Board;
- (d) "Agriculture" includes farming in all its branches and, among other things, includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of any agricultural or horticultural commodities, aquaculture, the raising of livestock or poultry, 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 deep-sea fishing, the manufacturing or processing of sugar, coconut, abaca, tobacco, pineapple or other farm products, marine and aquaculture products;
- (e) "Plantation agricultural workers" are those employed in any plantation or agricultural establishment with an area of more than 24 hectares in a locality or which employs at least 20 workers. All other agricultural workers shall be considered as "non-plantation agricultural workers";
- (f) "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 P500,000.00, regardless of previous registration with the defunct NACIDA;
- (g) "Retail Establishment" is one principally engaged in the sale of goods to end-users for personal or household use;
- (h) "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;
- (i) "Distressed Establishment" refers to establishment currently incurring substantial losses as determined by the Regional Tripartite Wages and Productivity Board;
- (j) "Region VI" covers the provinces of Iloilo, Sub-province of Guimaras, Antique, Capiz, Aklan and Negros Occidental;
- (k) "Department" means Department of Labor and Employment.

CHAPTER I
COST OF LIVING ALLOWANCE

Section 1. Coverage. This Chapter shall cover all workers in the private sector, regardless of their position, designation or status, and irrespective of the method by which their wages are paid, including learners and apprentices, except::

- (a) Workers who are receiving a daily wage of more than P120;
- (b) Workers of distressed establishment when exempted by the Board;
- (c) Workers of Retail/Service establishment employing less than 10 workers whose application has been approved by the Board;
- (d) Household or Domestic helpers or persons in personal services of another including family drivers.

Section 2. Amount of COLA. Effective November 27, 1990, each covered employer shall pay its employees the following COLAs:

NON-AGRICULTURE (i.e., Industrial/Commercial)	P 13.35
AGRICULTURE Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M	P 7.90
Plantation with annual gross sales of less than P5M	P 7.40
Non-plantation	P 5.85
COTTAGE/HANDICRAFT Employing more than 30 workers	P 6.70
Employing not more than 30 workers	P 6.50
PRIVATE HOSPITALS	P 8.50
RETAIL/SERVICE Cities with population of more than 150,000 Employing more than 15 workers	P 8.90
Employing 11-15 workers	P 8.50
Employing not more than 10 workers	P 5.80
Municipalities and cities with population of not more than 150,000 Employing more than 10 workers	P 8.50
Employing not more than 10 workers	P 5.80
SUGAR Mill	P 13.65
Agriculture Plantation with annual gross sales of P5M or more	P 7.35
Plantation with annual gross sales of less than P5M	P 6.85
Non-Plantation	P 5.85
BUSINESS ENTERPRISES WITH CAPITALIZATION OF NOT MORE THAN P500,000 AND EMPLOYING NOT MORE THAN 20 WORKERS Non-Agriculture	P 7.90
Agriculture Plantation Products other than Sugar	P 6.90
Sugar	P 6.35
Private Hospitals	P 7.50
Retail/Service Cities with population of more than 150,000 Employing more than 15 workers	P 7.90
Employing 11 to 15 worker	P 7.50
Municipalities and cities with population of not more than 150,000 Employing more than 10 workers	P 7.50

Section 3. Special Feature of COLA.

(a) COLA granted to the workers and employees in compliance with the Wage Order cannot be considered as part of the regular wage of the workers and employees for purposes of determining

overtime and premium pay, fringe benefits and contributions to the State Insurance Fund, SSS, Medicare, Pag-IBIG, Maternity benefits and retirement plan.

(b) In lieu of the COLA, employers may grant wage increases which shall be considered as compliance with the Wage Order provided the amount is not less than the COLA prescribed by the Wage Order; provided, further, that such wage increases shall be included in determining overtime and premium pay, fringe benefits, contribution to the State Insurance Fund, SSS, Medicare, Pag-IBIG, maternity benefits and retirement plan.

Section 4. COLA for unworked days.

(a) All covered workers shall be entitled to their daily living allowance during the days that they are paid their basic wage even if unworked.

(b) A worker who is on leave of absence but is receiving employee compensation, social security, or maternity leave benefits, in lieu of wages, shall be entitled to the allowance provided in the Order in proportion to such compensation or benefits; provided that such workers shall be paid the full daily allowance if paid the full basic wage.

(c) The allowance of part-time workers shall not be less than the amount in proportion to the time they actually worked.

Section 5. Workers paid by result. All workers paid by result including those who are paid on piece work, "takay", "pakyaw" or task basis, shall receive not less than the applicable COLA rates prescribed under the Wage 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 6. COLA of special group of workers. Apprentices, and learners shall in no case receive less than 75% of the applicable COLA rate.

Section 7. Application for Contractors. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed COLA for covered workers and employees 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, the principal or client fails to pay the prescribed allowance, the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 8. Application for Private Educational Institution

(a) The payment of the COLA herein granted shall apply to all qualified workers or employees of the educational institution as soon as the latter has increased or been granted the authority to increase tuition fees during the school year 1991-1992.

(b) Beginning school year 1992-1993, all schools shall implement the COLA provided therein, regardless or whether or not they actually increased tuition fees.

(c) In cases where the tuition fee increase was effected during the school year 1990-1991, the share of the covered workers and employees in the increase of the tuition fees in excess of P25 (wage increase under RA 6727) shall be credited as compliance with the COLA. Where the share is less than the COLA provided therein, the employer shall pay the difference.

(d) In case where there is no tuition fee increase effected in school year 1990-1991, the school is not covered by the prescribed COLA subject to paragraph (a) of this Section.

Section 9. Application for exemption. Distressed employer whose capital has been impaired by at least 25% during the preceding year and retail/service establishment employing not more than ten (10) workers may apply with the Board for exemption from compliance with the Wage Order in accordance with such guidelines as the Board may promulgate.

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

Exemption granted pursuant to the Wage Order shall in no case extend beyond one (1) year from the effectivity of the Wage Order.

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 the Wage Order plus an interest of 1% per month retroactive November 27, 1990.

Section 10. Payment of COLA. COLA prescribed by the Wage Order shall be paid in no case other than the legal tender together with the regular wage in the customary pay day.

Section 11. Complaints for non-compliance with COLA. Complaints for non-compliance with COLA prescribed under the Wage Order shall be filed with the Regional Office No. 6 of the Department and shall be the subject of the enforcement proceedings under Art. 128 and Art. 129 of the Labor Code, as amended.

CHAPTER II GENERAL PROVISIONS

Section 1. Non-diminution of benefits. Nothing in the Wage 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 the employers.

Section 2. Penal Provisions. Any person, corporation, trust, firm, partnership, association or entity which refuses to pay any of the prescribed increases or adjustment in the wage rates made in accordance with the Wage Order shall be punished by a fine not exceeding P25,000 and/or imprisonment of not less than 1 year nor more than 2 years: Provided that any person convicted under the Act shall not be entitled to the benefits provided under the Probation Law.

If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty or 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 3. Final Provision. If any provision or part of this Wage Order and this rule, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Wage Order and this rules or the application of such provision or part thereof to other person or circumstance shall not be affected thereby.

Section 4. Effectivity. This rules shall take effect on November 27, 1990.

Done in the City of Iloilo, Republic of the Philippines this 27th day of November 1990.

(SGD) JOSE Y. SORIANO
Employers' Representative

EDGARDO BALAJADIA
Workers' Representative

(SGD) JOSE MA. B. MONTINOLA
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APPROVED:

(SGD) RUBEN D. TORRES
Secretary