

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD VI
Iloilo City

WAGE ORDER NO. RBVI-14

PROVIDING FOR NEW MINIMUM WAGE RATES

WHEREAS, the Regional Board is mandated to make a continuing study and review the applicable minimum wage rates in the Region;

WHEREAS, the National Congress of Unions in the Sugar Industry of the Philippines (NACUSIP) - TUCP, Philippine Agricultural Commercial Industrial Workers Union (PACIWU) – TUCP, Commercial Agricultural Industrial Labor Organization (CAILO) - TUCP and affirmed by the Alliance of Labor for Reform (ALARM) composed of Democratic Association of Labor Organizations (DALO), Commercial Agricultural Industrial Labor Organization (CAILO), United Sugar and Allied Services (USFO) and Workers Amalgamated Union of the Philippines (WAUP) filed a petition for a P75.00 per day across-the-board wage increase for workers in the Region;

WHEREAS, after a series of public hearing in Bacolod City on July 5, 2006 and consultations in Iloilo City on July 6, 2006; in Roxas City on July 7, 2006 and in Boracay, Malay, Aklan on July 11, 2006 with concerned sectors, there is a consensus to provide workers and their families with immediate relief measures, in addition to the efforts of the government to hold down prices of basic goods and services to cushion the impact of recent adjustments in the value of the Peso and prices of petroleum products;

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, 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 VI hereby issues this Wage Order:

Section 1. AMOUNT AND EFFECTIVITY OF NEW MINIMUM WAGE RATES - Upon effectivity of this Wage Order, the daily wage of the minimum wage earners in the Region shall be as follows:

INDUSTRY/SECTOR	<u>WO # RBVI-14</u> <u>Effective Aug. 1, 2006</u>
I. SUGAR INDUSTRY	
A. Mills	235.00
B. Agriculture	
b.1. Plantation with capitalization of:	
b.1.a. More than P3 Million	203.00
b.1.b. Not more than P3 Million	185.00
b. 2. Non-Plantation	180.00
II. NON-AGRICULTURE	
A. Industrial/Commercial - with capitalization of:	
More than P3 Million	222.00
More than P1 Million but less than P3 Million	212.00
Not more than P1 Million	199.00
B. HOSPITALS	222.00
C. COTTAGE/HANDICRAFT	180.00
D. RETAIL/SERVICE	
A. Employing more than 10 workers	
1. Highly urbanized cities with the following capitalization and employment size	
a. More than P3 Million employing:	
More than 15 workers	222.00
11 - 15 workers	212.00
b. More than P1 Million but not more than P3 M	203.00
c. Not more than P1 Million	194.00
2. Component cities and municipalities and with the following capitalization:	
a. More than P3 Million	208.00
b. More than P1 Million but not more than P3 Million	203.00
c. Not more than P1 Million	194.00
B. Employing not more than 10 workers	180.00
III. AGRICULTURE	
A. Plantation	
1. With capitalization of more than P3 Million and with annual gross sales of:	
P5 Million or more	203.00
Less than P5 Million	199.00
2. With capitalization of more than P1 Million but not more than P3 Million w/ annual gross sales of:	
P5 Million or more	199.00
Less than P5 Million	185.00
3. With capitalization of not more than P1 Million	185.00
B. Non-Plantation	180.00

Section 2. COVERAGE - This Order shall apply to all minimum wage earners in the Region except household or domestic workers and persons in the personal service of another, including family drivers, and workers of registered Barangay Micro-Business Enterprises with Certificates of Authority.

Section 3. BASIS OF MINIMUM WAGE - The minimum wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight hours work a day.

Section 4. WORKERS PAID BY RESULTS - All workers paid by results including those who are paid on piecework, "takay", "pakyaw" or task basis, shall be entitled to receive the prescribed minimum wage increase per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 5. WAGES OF SPECIAL GROUPS OF WORKERS - Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in this Order.

All recognized apprenticeship and learnership 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 6. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS - In the case of private educational institutions, the share of the covered workers and employees in the increase in tuition fees for school year 2006-2007 shall be considered as compliance with the wage increase prescribed in this Order. However, any shortfall in the wage rates set forth in the Order shall be covered starting school year 2007-2008.

Private educational institutions which have not increased their tuition fees for the school year 2006-2007 may defer compliance with the provisions of the Order until the beginning of school year 2007-2008.

In any case, all private educational institutions shall implement the wage increase prescribed in the Order starting school year 2007-2008.

Section 7. APPLICATION TO CONTRACTORS - In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increases in the wage rates of the workers 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, that the principal or client fails to pay the prescribed increase or new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 8. PRODUCTIVITY-BASED WAGES - In order to sustain rising levels of wages and enhance competitiveness, businesses are encouraged to adopt productivity-improvement schemes such as time and motion studies, good housekeeping, quality circles, labor-management cooperation as well as implement gain-sharing programs. Accordingly, the Board shall provide the necessary studies and technical assistance pursuant to Republic Act No. 6971 or the Productivity Incentives Act of 1990.

Section 9. EXEMPTIONS - Upon application with and as determined by the Regional Board, the following establishments maybe exempted from the wage increase provided in this Order for not more than one (1) year subject to applicable guidelines issued by the Commission:

- a. Distressed establishments; and,
- b. New business enterprises.

Section 10. 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 the Order until resolution of the application by the Regional Board.

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

Section 11. APPEAL TO THE COMMISSION - Any party aggrieved by this 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 FILING OF APPEAL - The filing of the appeal does not operate to stay the Order unless the appealing party shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding increase to affected employees in the event such Order is affirmed.

Section 13. EFFECTS ON EXISTING WAGE STRUCTURE - Where the application of the increases in the wage rates under this Order results in distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Article 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 the 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.

Section 16. PENAL PROVISION - Any person, corporation, trust or firm, partnership, association or entity which refuses 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, 2007 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 provision of this 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 provision or parts shall remain valid.

Section 22. IMPLEMENTING RULES - The Regional Board shall prepare the implementing rules of 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 publication.

APPROVED this 14th day of July 2006 in Iloilo City.

(Sgd.)
JOHN PETER Z. MILLAN
EMPLOYERS' REPRESENTATIVE

(Sgd.)
WENNIE G. SANCHO
WORKERS' REPRESENTATIVE

Absent
LUIS R. ESTRELLA
EMPLOYERS' REPRESENTATIVE

(Sgd.)
HERNANE P. BRAZA
WORKERS' REPRESENTATIVE

(Sgd.)
DOMINIC P. ABAD
REGIONAL DIRECTOR, DTI
VICE CHAIR

(Sgd.)
ARTURO G. VALERO
REGIONAL DIRECTOR, NEDA
VICE CHAIR

(Sgd.)
CARLOS L. BOTEROS
REGIONAL DIRECTOR, DOLE
CHAIR