

Republic of the Philippines  
 Department of Labor and Employment  
 National Wages and Productivity Commission  
**REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD**  
 Regional Board No. VI  
 Iloilo City

WAGE ORDER NO.RB6-06

INCREASING THE MINIMUM WAGE RATES AND GRANTING  
 ADDITIONAL COST OF LIVING ALLOWANCE IN CERTAIN BUSINESS ESTABLISHMENTS

*WHEREAS*, petitions for wage increase from fourteen (14) local chapters of different labor unions in Region VI were filed with the Regional Board;

*WHEREAS*, acting on the memorandum issued by the Secretary of Labor and Employment, the Regional Board conducted a series of public hearings in the different provinces and consultations with various business sectors in Region VI;

*WHEREAS*, from these hearings and consultations, the Regional Board has determined the need to make the necessary adjustment in wages and Cost of Living Allowance in certain business enterprises;

*WHEREAS*, the Regional Board is cognizant of the fact that the sugar industry is now beset with the problem of coping with the drastic decrease in the price of sugar;

*WHEREAS*, the prevailing situation in small scale enterprises requires that it be given utmost consideration and understanding if it is to survive;

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

Section 1. Upon effectivity of this Wage Order, the new minimum wage rate in all enterprises in the Region shall be as follows:

CLASSIFICATION	Basic	COLA
SUGAR INDUSTRY		
MILLS	P104.65	P25.00
AGRICULTURE		
Plantation with capitalization of more than P1 M		
With annual gross sales of P5M or more	88.00	19.50
With annual gross sales of less than P5 M	82.00	18.00
Plantation with capitalization of not more than P1 M		
Employing at least 20 workers	76.00	16.50
Non-Plantation	70.00	15.50
NON-SUGAR INDUSTRIES		
BUSINESS ENTERPRISES WITH CAPITALIZATION OF MORE THAN P3 MILLION		
NON-AGRICULTURE (i.e., Industrial/Commercial)	126.85	* 10.00

AGRICULTURE		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	107.40	* 10.00
Plantation with annual gross sales of less than P5 M	100.90	* 10.00
Non-Plantation	79.85	* 10.00
COTTAGE/HANDICRAFT		
Employing more than 30 workers	91.20	* 10.00
Employing not more than 30 workers	89.00	* 10.00
* P5.00 upon effectivity plus P5.00 effective June 15, 1997		
PRIVATE HOSPITALS	116.00	* 10.00
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	121.40	* 10.00
Employing 11 – 15 workers	116.00	* 10.00
Employing not more than 10 workers	79.30	* 10.00
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	116.00	* 10.00
Employing not more than 10 workers	79.30	* 10.00
BUSINESS ENTERPRISES WITH CAPITALIZATION OF MORE THAN P 1 MILLION BUT NOT MORE THAN P 3 MILLION		
NON-AGRICULTURE (i.e., Industrial/Commercial)	102.35	24.50
AGRICULTURE		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	86.90	20.50
Plantation with annual gross sales of less than P5 M	81.40	19.50
Non-Plantation	64.35	15.50
COTTAGE/HANDICRAFT		
Employing more than 30 workers	73.70	17.50
Employing not more than 30 workers	71.50	17.50
PRIVATE HOSPITALS	93.50	22.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	97.90	23.50
Employing 11-15 workers	93.50	22.50
Employing not more than 10 workers	63.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	93.50	22.50
Employing not more than 10 workers	63.80	15.50
BUSINESS ENTERPRISES WITH CAPITALIZATION OF NOT MORE THAN P1 MILLION		
NON-AGRICULTURE	86.90	20.50
AGRICULTURE PLANTATION OTHER THAN SUGAR	75.90	18.50
PRIVATE HOSPITALS	82.50	19.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	86.90	20.50
Employing 11-15 workers	82.50	19.50
Employing not more than 10 workers	63.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	82.50	19.50

\* P5.00 upon effectivity plus P5.00 effective June 15, 1997

The Regional Board recommends and encourages the employers and their workers to adopt a productivity improvement program to improve their production/productivity and share the gains arising therefrom.

Section 2. The current wage rate of the workers in the sugar industry shall be reviewed by the Regional Board starting April 15, 1997.

Section 3. The COLA granted under this Wage Order shall not be considered as part of the basic wage of the workers for purposes of computing wage-related benefits such as 13<sup>th</sup>-month pay, overtime pay, premium pay, holiday pay and night differential pay.

Section 4. All qualified workers paid by results, including those who are paid by piece work, "takay", "pakyaw" or task basis, shall likewise be entitled to the new wage rate and the prescribed Cost of Living Allowance.

Section 5. In the case of private educational institutions, this Wage Order shall take effect beginning schoolyear 1997-1998.

Section 6. Wage increases/additional cash allowances, given on or after January 1, 1997 shall be credited as compliance with this Wage Order.

Section 7. Exempted from the provisions of this Wage Order are household or domestic helpers and persons in the personal services of another including family drivers. Exemptions of retail/service establishments employing not more than ten (10) workers, distressed establishments, new business enterprises and banks under receivership/liquidation shall be subject to applicable existing rules and regulations.

Section 8. In the case of contracts for construction projects and for security, janitorial and similar services, the herein prescribed benefits 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, that the principals or clients fail to pay the prescribed allowance, the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 9. 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 10. Where the application of the wage increase/Cost of Living Allowance prescribed herein results in distortion of the pay structure within an establishment, such distortion shall be resolved using  
the procedure specified under Article 124 of the Labor Code of the Philippines.

Section 11. 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 12. Any employer who refuses or fails to comply with this Wage Order shall be subjected to the penalties as specified under RA. 6727 as amended by RA 8188.

Section 13. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts thereof shall remain valid.

Section 14. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowances or any other benefits under existing laws, decrees, issuances or executive orders and/or under any contract or agreement between workers and employers.

Section 15. This Wage Order shall take effect on March 16, 1997.

Approved. Iloilo City, Philippines, February 17, 1997.

Wage increase, yes.

Amount, I dissent.

(SGD) VIRGILIO A. SINDICO

Employers' Representative

(SGD) WENNIE G. SANCHO

Workers' representative

Wage increase, yes.

Amount, I dissent.

(SGD) JAMES C. LEDESMA, SR.

Employers' Representative

(SGD) NATALIO V. SITJAR

Workers' representative

(SGD) DOMINIC P. ABAD

Vice Chairman

(SGD) TRUMAN T. CAINGLET

Vice Chairman

(SGD) CARLOS L. BOTEROS

Chairman

Regional Director, DOLE

Republic of the Philippines  
Department of Labor and Employment  
National Wages and Productivity Commission  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
Regional Board No. VI  
Iloilo City

RULES IMPLEMENTING WAGE ORDER NO. RB6-06

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 and Section 10 of Wage Order No. RB6-06, the following rules are hereby issued for guidance and compliance by all concerned:

RULE 1

Section 1. DEFINITION OF TERMS. As used in these Rules:

- (a) Order means Wage Order No. RB6-06;
- (b) Commission means the National Wages and Productivity Commission;
- (c) Board means the Regional Tripartite Wages and Productivity Board of Region VI;
- (d) Department means the Department of Labor and Employment;
- (e) Region VI covers the provinces of Aklan, Antique, Capiz, Guimaras, Iloilo, Negros Occidental and the cities of Bacolod and Iloilo;
- (f) Agriculture includes farming in all its branches and among others, 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 and 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;
- (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 20 workers. Any other agricultural enterprise shall be considered as *non-plantation agricultural enterprise*;
- (h) 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 with total assets of not more than P1,500,00.00 pursuant to SMED Council Resolution No. 3, Series of 1995;
- (i) Retail establishment is one principally engaged in the sale of goods to end users for personal or household use;
- (j) 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;

- (k) Distressed establishment refers to an establishment which meets the criteria enumerated in Section 3A of the NWPC Guidelines No. 1, Series of 1996;
- (l) New business enterprises refer to establishments, including non-profit institutions, newly registered with the appropriate government agency such as Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA) and Mayor's Office within two (2) years from the effectivity of the Wage Order;
- (m) Capital refers to paid-up capital at the end of the last full accounting period in the case of corporations or the total invested capital at the beginning of the period under review in the case of partnerships and single proprietorship, the fund balance/members' contribution at the beginning of the period under review in case of non-stock non-profit organizations;
- (n) Basic wage means all the 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, premium payments, 13<sup>th</sup>-month pay or other monetary benefits which are not considered as part of or integrated into the regular salary of the workers on the date the Order became effective;
- (o) COLA means Cost of Living Allowance;
- (p) Minimum wage rate is the lowest wage rate fixed by law that an employer can pay his workers;
- (q) Wage distortion means a situation where an increase in prescribed wage rates 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 or differentiations.

Section 2. AMOUNT OF BASIC WAGE AND COST OF LIVING ALLOWANCE. Upon effectivity of Wage Order No. RB6-06, the basic wages and Cost of Living Allowance of all employees and workers in the Region shall be as follows:

06	CLASSIFICATION	WO # RB6-05		WO # RB6-06		TOTAL	
		Effective	3-15-96	Upon Effectivity	Per	WO # RB6-	
		<u>Basic</u>	<u>COLA</u>	<u>Basic</u>	<u>COLA</u>	<u>Basic</u>	<u>COLA</u>
	SUGAR INDUSTRY						
	MILLS	P 104.65	P 25.00	-	-	104.65	25.00
	AGRICULTURE						
	Plantation with capitalization of more than P1 M						
	With annual gross sales of P5M or more	88.00	19.50	-	-	88.00	19.50
	With annual gross sales of less than P5 M	82.00	18.00	-	-	82.00	18.00
	Plantation with capitalization						

of not more than P1 M						
Employing at least 20 workers	76.00	16.50	-	-	76.00	16.50
Non-Plantation	70.00	15.50	-	-	70.00	15.50

NON-SUGAR INDUSTRIES

BUSINESS ENTERPRISES  
WITH CAPITALIZATION OF MORE THAN P3 MILLION

NON-AGRICULTURE (i.e., Industrial/Commercial)	102.35	24.50	126.85	* 10.00	126.85	* 10.00
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AGRICULTURE

Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5 M or more	86.90	20.50	107.40	*10.00	107.40	* 10.00
Plantation with annual gross sales of less than P5 M	81.40	19.50	100.90	*10.00	100.90	* 10.00
Non-Plantation	64.35	15.50	79.85	*10.00	79.85	* 10.00

COTTAGE/HANDICRAFT

Employing more than 30 workers	-	-	91.20	*10.00	91.20	*
10.00						
Employing not more than 30 workers	-	-	89.00	*10.00	89.00	*
10.00						

<u>CLASSIFICATION</u>	WO # RB6-05	WO # RB6-06	TOTAL	
	Effective 3-15-96	Upon Effectivity	Per WO # RB6-06	
	<u>Basic</u>	<u>COLA</u>	<u>Basic</u>	<u>COLA</u>

PRIVATE HOSPITALS	-	-	116.00	*10.00	116.00	* 10.00
RETAIL/SERVICE						

Cities with population of more than 150,000

Employing more than 15 workers	-	-	121.40	*10.00	121.40	* 10.00
Employing 11-15 workers	-	-	116.00	*10.00	116.00	* 10.00
Employing not more than 10 workers	-	-	79.30	*10.00	79.30	* 10.00

Municipalities and cities with population  
of not more than 150,000

Employing more than 10 workers	-	-	116.00	*10.00	116.00	* 10.00
Employing not more than 10 workers	-	-	79.30	*10.00	79.30	* 10.00

?? P5.00 upon effectivity plus P5.00 effective June 15, 1997

BUSINESS ENTERPRISES WITH CAPITALIZATION  
OF MORE THAN P1 MILLION BUT NOT MORE THAN P3 MILLION

NON-AGRICULTURE

(i.e., Industrial/Commercial)	102.35	24.50	-	-	102.35	24.50
<b>AGRICULTURE</b>						
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	86.90	20.50	-	-	86.90	20.50
Plantation with annual gross sales of less than P5 M	81.40	19.50	-	-	81.40	19.50
Non-Plantation	64.35	15.50	-	-	64.35	15.50
<b>COTTAGE/HANDICRAFT</b>						
Employing more than 30 workers	73.70	17.50	-	-	73.70	17.50
Employing not more than 30 workers	71.50	17.50	-	-	71.50	17.50
<b>PRIVATE HOSPITALS</b>						
	93.50	22.50	-	-	93.50	22.50
	WO # RB6-05		WO # RB6-06		TOTAL	
	Effective 3-15-96		Upon Effectivity		Per WO #	
RB6-06						
<u>CLASSIFICATION</u>	<u>Basic</u>	<u>COLA</u>	<u>Basic</u>	<u>COLA</u>	<u>Basic</u>	<u>COLA</u>
<b>RETAIL/SERVICE</b>						
Cities with population of more than 150,000						
Employing more than 15 workers	97.90	23.50	-	-	97.90	23.50
Employing 11-15 workers	93.50	22.50	-	-	93.50	22.50
Employing not more than 10 workers	63.80	15.50	-	-	63.80	15.50
Municipalities and cities with population of not more than 150,000						
Employing more than 10 workers	93.50	22.50	-	-	93.50	22.50
Employing not more than 10 workers	63.80	15.50	-	-	63.80	15.50
<b>BUSINESS ENTERPRISES WITH CAPITALIZATION OF NOT MORE THAN P1 MILLION</b>						
NON-AGRICULTURE	86.90	20.50	-	-	86.90	20.50
AGRICULTURE						
PLANTATION OTHER THAN SUGAR	75.90	18.50	-	-	75.90	18.50
PRIVATE HOSPITALS	82.50	19.50	-	-	82.50	19.50
<b>RETAIL/SERVICE</b>						
Cities with population of more than 150,000						
Employing more than 15 workers	86.90	20.50	-	-	86.90	20.50
Employing 11-15 workers	82.50	19.50	-	-	82.50	19.50
Employing not more than 10 workers	63.80	15.50	-	-	63.80	15.50
Municipalities and cities with population of not more than 150,000						
Employing more than 10 workers	82.50	19.50	-	-	82.50	19.50
Employing not more than 10 workers	63.80	15.50	-	-	63.80	15.50

Section 3. CREDITABLE WAGE INCREASE/ADDITIONAL ALLOWANCE. Wage increases/additional cash allowances given on or after January 1, 1997 up to the effectivity of the Wage Order shall be credited as compliance with this Wage Order including those expressly provided for and agreed upon to be credited in the collective bargaining agreements. These do not include increases due to promotion, merit, longevity or anniversary. Where the said increase/additional cash allowance is less than the wage increase and additional COLA provided herein, the employer shall pay the difference.

RULE II  
BASIC WAGE AND COST OF LIVING ALLOWANCE

Section 1. COVERAGE. The new minimum wage rates shall cover all workers in the Region regardless of their position, designation, status, irrespective of the method by which their wages are paid, including learners and apprentices, except:

- (a) Household and domestic helpers or persons in the personal service of another, including family drivers;
- (b) Distressed establishments, retail/service establishments employing not more than ten (10) workers, new business enterprises and banks under receivership/liquidation whose employers applied for exemption from the increase of the basic wage/COLA and whose application has been approved by the Board in accordance with the existing guidelines;

Section 2. COLA FOR UNWORKED DAYS.

- (a) All covered workers shall be entitled to their daily cost of living allowance during the days that they are paid their basic wage even if unworked;
- (b) The cost of living allowance (COLA) of part-time workers shall not be less than the amount in proportion to the time they actually worked.

Section 3. WORKERS PAID BY RESULTS. All workers paid by result, including those who are paid by piece work, "*takay*", "*pakyaw*" or task basis, shall receive not less than the applicable basic wage and COLA rates prescribed under the Wage Order for the normal working hours which shall not exceed eight (8) hours a day or a proportion thereof for work of less than the normal working hours.

Industries/Establishments currently paying their workers/employees specific unit rates in the different phases of its operations based on time and motion studies previously developed and approved by competent authority, shall, in the absence of a more updated study, continue the practice but shall proportionately adjust the said wage rates with respect to the basic wage and the cost of living allowance of all workers in the Region as mandated under Wage Order No. RB6-06 in accordance with its classification as mandated in the Wage Order.

Section 4. BASIC WAGE AND COLA OF SPECIAL GROUPS OF WORKERS. Apprentices, handicapped workers and learners shall in no case receive less than 75% of the applicable Basic Wage and COLA rates.

Section 5. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed basic wage and 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, that 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, subject to the Provisions on Exemption of the Principal per NWPC Guideline No. 01, Series of 1996, unless otherwise amended.

Section 6. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the new minimum wage rate and cost of living allowance shall be effective beginning schoolyear 1997-1998.

Section 7. SPECIAL FEATURES OF COLA. 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 wage-related benefits such as overtime pay, premium pay, holiday pay and night differential pay.

Section 8. PAYMENT OF BASIC WAGE AND COLA. The basic wage and COLA prescribed by the Wage Order shall be paid in legal tender together with the regular wage on the customary pay day.

Section 9. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance of the requirements prescribed under the Wage Order shall be filed with the Regional Office of the Department, Region VI and shall be the subject of enforcement proceedings under Art. 128 and Art. 129 of the Labor Code, as amended.

### RULE III EXEMPTIONS

Section 1. APPLICATION FOR EXEMPTION. Distressed employers, retail/service establishments employing not more than ten (10) workers, new business enterprises and banks under receivership/liquidation may apply with the Board for exemption from compliance with the Wage Order in accordance with existing laws and/or guidelines.

Whenever an application for exemption has been duly filed with the Regional 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 Regional 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 from the date when the Wage Order became effective.

Applications for exemption shall be filed within sixty (60) days after publication of the Rules in at least one newspaper of general circulation in the Region.

In the case of new business enterprises, the application for exemption shall be filed within sixty (60) days from date of registration.

### RULE IV GENERAL PROVISIONS

Section 1. NON-DIMINUTION OF BENEFITS. Nothing in the Wage Order shall be construed to reduce any existing wage rates, allowances or other benefits 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 or fails to pay any of the prescribed increases or adjustment in the wage rates and COLA in accordance with this Wage Order shall be punished by a fine of not less P25,000.00 nor more than 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 courts: *Provided*, That any person convicted under the Act shall not be entitled to the benefits provided for under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: *Provided*, That payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act.

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. SEPARABILITY PROVISION. If any provision or part of this Wage Order and these Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Wage Order and these Rules or application of such provision or part thereof to other person or circumstance shall not be affected thereby.

Section 4. EFFECTIVITY. These Rules shall take effect on March 16, 1997.

Done in the City of Iloilo, Republic of the Philippines this 26<sup>th</sup> day of February 1997.

(SGD) VIRGILIO A. SINDICO  
Employers' Representative

*Wage increase, Yes.  
Amount, I dissent.*  
(SGD) WENNIE G. SANCHO  
Workers' representative

(SGD) JAMES C. LEDESMA, SR.  
Employers' Representative

*Wage increase, Yes.  
Amount, I dissent.*  
(SGD) NATALIO V. SITJAR  
Workers' representative

(SGD) DOMINIC P. ABAD  
Vice Chairman  
REGIONAL DIRECTOR, DTI

(SGD) TRUMAN T. CAINGLET  
Vice Chairman  
REGIONAL DIRECTOR, NEDA

(SGD) CARLOS L. BOTEROS  
Chairman  
Regional Director, DOLE

APPROVED this 25<sup>th</sup> day of March 1997.

(SGD) CRESENCIANO B. TRAJANO  
ACTING SECRETARY

Republic of the Philippines  
Department of Labor and Employment  
National Wages and Productivity Commission  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
Regional Board No. VI  
Iloilo City

WAGE ORDER NO. RB6-06-A  
AMENDING THE TITLE AND SECTIONS 1,4,9 AND 10  
OF WAGE ORDER NO. RB6-06 TO REFLECT  
THE INTENT OF THE REGIONAL BOARD

WHEREAS, on February 17, 1997 the Regional Board issued Wage Order No. RB6-06 setting the new minimum wage rates in the Region;

WHEREAS, the Title of Wage Order No. RB6-06 was erroneously denominated as increasing the minimum wage rates and granting additional cost-of-living allowance in certain establishments;

WHEREAS, confusion/misinterpretation has been created in the implementation of Wage Order No. RB6-06;

WHEREAS, the Board finds it necessary to amend the Title and Sections 1, 4, 9 and 10 of Wage Order No. RB6-06 to reflect the true intent of the Board and the spirit of the Wage Order for proper implementation.

NOW, THEREFORE, under the above premises and by virtue of the power and authority vested under Republic Act No, 6727 otherwise known as the Wage Rationalization Act, this Board hereby issues this Wage Order amending the Title and Sections 1, 4, 9 and 10 of Wage Order No. RB6-06 dated February 17, 1997.

Section 1. The Title of Wage Order No. RB6-06 is hereby amended to read as follows:

“SETTING THE NEW MINIMUM WAGE RATES”

Section 2. Sections 1, 4, 9 and 10 of Wage Order No. RB6-06 are likewise hereby amended to read as follows:

“Section 1. Upon effectivity of this Wage Order, the new minimum wage rate in the Region shall be as follows:

CLASSIFICATION	Basic	COLA
SUGAR INDUSTRY MILLS	P104.65	P25.00
AGRICULTURE		
Plantation with capitalization of more than P1 M		
With annual gross sales of P5M or more	88.00	19.50
With annual gross sales of less than P5 M	82.00	18.00
Plantation with capitalization of not more than P1 M		
Employing at least 20 workers	76.00	16.50
Non-Plantation	70.00	15.50

NON-SUGAR INDUSTRIES		
BUSINESS ENTERPRISES WITH CAPITALIZATION		
OF MORE THAN P3 MILLION		
NON-AGRICULTURE (i.e., Industrial/Commercial)	126.85	*
		10.00
AGRICULTURE		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	107.40	* 10.00
Plantation with annual gross sales of less than P5 M	100.90	* 10.00
Non-Plantation	79.85	* 10.00
COTTAGE/HANDICRAFT		
Employing more than 30 workers	91.20	* 10.00
Employing not more than 30 workers	89.00	* 10.00
PRIVATE HOSPITALS	116.00	* 10.00
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	121.40	* 10.00
Employing 11 – 15 workers	116.00	* 10.00
Employing not more than 10 workers	79.30	* 10.00
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	116.00	* 10.00
Employing not more than 10 workers	79.30	* 10.00
BUSINESS ENTERPRISES WITH CAPITALIZATION		
OF MORE THAN P 1 MILLION BUT NOT MORE THAN P 3		
MILLION		
<u>OR EMPLOYING MORE THAN 20 WORKERS</u>		
NON-AGRICULTURE (i.e., Industrial/Commercial)	102.35	24.50
AGRICULTURE		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	86.90	20.50
Plantation with annual gross sales of less than P5 M	81.40	19.50
Non-Plantation	64.35	15.50
COTTAGE/HANDICRAFT		
Employing more than 30 workers	73.70	17.50
Employing not more than 30 workers	71.50	17.50
PRIVATE HOSPITALS	93.50	22.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	97.90	23.50
Employing 11-15 workers	93.50	22.50
Employing not more than 10 workers	63.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	93.50	22.50
Employing not more than 10 workers	63.80	15.50
BUSINESS ENTERPRISES WITH CAPITALIZATION		
OF NOT MORE THAN P1 MILLION		
<u>OR EMPLOYING NOT MORE THAN 20 WORKERS</u>		

NON-AGRICULTURE	86.90	20.50
AGRICULTURE PLANTATION OTHER THAN SUGAR	75.90	18.50
PRIVATE HOSPITALS	82.50	19.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	86.90	20.50
Employing 11-15 workers	82.50	19.50
Employing not more than 10 workers	63.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	82.50	19.50
Employing not more than 10 workers	63.80	15.50

\* P5.00 upon effectivity plus P5.00 effective June 15, 1997

For purposes of implementing the new minimum wage rate set under this Order, the cost-of-living allowance under Wage Order RB6-05 shall be integrated into the basic wage of the minimum wage earners in business establishments with capitalization of more than P3 Million. The integration may be full or partial to cover the difference between the prescribed basic wage under Wage Order No. RB6-05 and the new basic wage set by this Order.

The Regional Board recommends and encourages the employers and their workers to adopt a productivity improvement program to improve their production/productivity and share the gains arising therefrom.”

“Section 4. All qualified workers paid by result, including those who are paid by piece work, takay, pakyaw or task basis, shall likewise be entitled to the new wage rate which shall include the basic wage and cost-of-living allowance.”

“Section 9. In lieu of the COLA prescribed under this Wage Order, employers may grant basic wage increases which shall be considered as compliance with this Wage Order, provided, the amount is not less than what is required herein.”

“Section 10. Where the implementation of this Wage Order results in distortion of the pay structure within an establishment, such distortion shall be resolved using the procedure specified under Art. 124 of the Labor Code of the Philippines.”

Section 3. This Wage Order shall be published in at least one (1) newspaper of general circulation in the Region.

Section 4. This Wage Order shall retroact to March 16, 1997.

Approved, this 12<sup>th</sup> day of August, 1997 in the City of Iloilo, Philippines.

(SGD) VIRGILIO A. SINDICO  
Employers' Representative

(SGD) WENNIE G. SANCHO  
Workers' Representative

(SGD) JAMES C. LEDESMA, SR.  
Employers' Representative

(SGD) NATALIO V. SITJAR  
Workers' Representative

(SGD) DOMINIC P. ABAD  
Vice Chairman

(SGD) TRUMAN T. CAINGLET  
Vice Chairman

(SGD) CARLOS L. BOTEROS  
Chairman  
Regional Director, DOLE