

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD - VIII
Tacloban City
WAGE ORDER NO. RB VIII-12
PRESCRIBING FOR NEW WAGE RATES AND PROVIDING
AN ADDITIONAL COST OF LIVING ALLOWANCE
FOR WORKERS IN EASTERN VISAYAS

WHEREAS, under R.A. 6727 (The Wage Rationalization Act), Regional Tripartite Wages and Productivity Boards (RTWPBs) are mandated to determine and fix minimum wage rates in their respective regions;

WHEREAS, RTWPB issued Wage Order No. RB VIII-11 granting Cost of Living Allowance to all covered private sector workers in the region effective 29 August 2004;

WHEREAS, Section 3, Rule IV of NWPC Revised Rules of Procedures on Minimum Wage Fixing provides that any Wage Order issued by the Board may not be disturbed within 12 months from effectivity and no petition for wage increase shall be entertained within the said period, except when there is a supervening condition such as extraordinary increase in prices of petroleum products and basic goods/services which demands a review of minimum wage rates as determined by the Board and confirmed by the Commission;

WHEREAS, the Board has determined, as confirmed by the National Wages and Productivity Commission, that a supervening condition exists in the region due to the continuous increase in the prices of basic goods, agricultural products and commodities resulting in higher inflation rate thereby eroding the purchasing power of the workers;

WHEREAS, the Board, after due notice to all concerned sectors conducted public hearings/consultations/dialogues with employers' and workers' groups, local government officials and other interested parties in the region on May 26, 2005 in Tacloban City to determine the propriety of issuing new wage order;

WHEREAS, there is a need to grant relief to private sector workers in Region VIII to help them cope with the rising cost of living without impairing the productivity and viability of business and industry therein;

WHEREAS, consistent with the government's policy of achieving higher level of productivity to preserve and generate jobs and 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 6727, known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board, Eastern Visayas (RTWPB VIII) hereby issues this Wage Order.

Section 1. INTEGRATION OF THE ECOLA. Upon effectivity of this Wage Order, the ECOLA of P11.00 per day granted under Wage Order No. RB VIII-10 shall be integrated into the basic wage rates. However, the COLA of P7.00 per day given under Wage Order RB VIII-11 shall continue to be received by the covered workers.

Section 2. AMOUNT OF NEW COLA. Upon effectivity of this Wage Order, all workers and employees in the private sector in Region VIII receiving the minimum basic wage rates under Section 1 hereof, shall receive an additional Cost of Living Allowance in the amount of ELEVEN PESOS (P11.00) per day.

Section 3. NEW MINIMUM WAGE RATES. As a result of the integration of the ECOLA and the new COLA, the minimum wage rates in the Region shall be as follows:

Sector/Industry	New Minimum Basic Wage after Integration	COLA		TOTAL
		W.O. under RB VIII-11	W.O. under RB VIII-11	
NON AGRICULTURE	188.00	7.00	11.00	206.00
COTTAGE/HANDICRAFT	166.00	7.00	11.00	184.00
Employing more than 30 workers	164.00	7.00	11.00	182.00
Employing not more than 30 workers				
PRIVATE HOSPITALS	184.00	7.00	11.00	202.00
RETAIL SERVICES	188.00	7.00	11.00	206.00
Employing more than 15 workers	184.00	7.00	11.00	202.00
Employing 11 to 15 workers	157.00	7.00	11.00	175.00
Employing not more than 10 workers				
AGRICULTURE				
PLANTATIONS	169.00	7.00	11.00	187.00
With annual gross sales of PhP5M or more	164.00	7.00	11.00	182.00
With annual gross sale of less than PhP5M				
SUGAR INDUSTRY	190.00	7.00	11.00	208.00
Mills				
Plantations	163.50	7.00	11.00	181.50
With annual gross of PhP5M or more	158.50	7.00	11.00	176.50
With annual gross sale of less than PhP5M	148.50	7.00	11.00	166.50
Non-Plantation				
Business Enterprises with capitalization of not more than P500,000 and Employing not more than 20 workers				
Non- Agriculture	178.00	7.00	11.00	196.00
Agriculture				
Plantation	159.00	7.00	11.00	177.00
Products other than Sugar	153.50	7.00	11.00	171.50
Sugar				
Private Hospitals	174.00	7.00	11.00	192.00
Retail/Service	178.00	7.00	11.00	196.00
Employing more than 15 workers	174.00	7.00	11.00	192.00
Employing 11 to 15 workers	147.00	7.00	11.00	165.00
Employing not more than 10 workers				

Section 4. BASIS OF NEW 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 a day.

Section 5. COVERAGE OF THE NEW WAGE RATES. The new minimum wage rates under this Order shall be applicable to all covered workers under Section 1 hereof regardless of their position, designation or status.

Excluded from the coverage of this Wage Order are household or domestic helpers, persons in the personal service of another, including family drivers, and workers in duly registered Barangay Micro Business Enterprises with Certificates of Authority pursuant to Republic Act 9178.

Section 6. 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 new wage rates and COLA per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours a day.

Section 7. WAGES OF SPECIAL GROUPS OF WORKERS. The daily minimum wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed herein.

All recognized 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 prescribed minimum wage rates prescribed herein.

Section 8. 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 2005-2006 shall be considered as compliance with the emergency cost of living allowance prescribed herein. However, payment of any shortfall in the allowance set forth herein shall be covered starting School Year 2006-2007.

Private educational institutions, which have not increased their tuition fees for the School Year 2005-2006, may defer compliance with the provisions of the Wage Order until the beginning of School Year 2006-2007.

In any case, all private educational institutions shall implement the allowance prescribed herein starting School Year 2006-2007.

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 and the Cost of Living Allowance of workers prescribed under this Order 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 minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 10. 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 11. EFFECT OF FILING OF APPEAL. The filing of the appeal does not 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 12. CREDITABLE WAGE INCREASES. Wage Increases granted by an employer in an organized establishment within three (3) months prior to the effectivity of the Order shall be credited as compliance with the prescribed allowance set forth therein, provided that an agreement to this effect has been forged between the parties or a provision in the Collective Bargaining Agreement allowing creditability exists. In the absence of such an agreement or provision in the CBA, any increase granted by the employer shall not be credited as compliance with the increase prescribed in this Order

In case the increases given are less than the prescribed allowance, the employer shall pay the difference. Such increases shall not include anniversary increases, merit wage increases and those resulting from the regularization of employees.

Section 13. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the new minimum wage rates and COLA under this Order results in the distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for 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 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. 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 Regional Board shall provide the necessary

studies and technical assistance pursuant to republic Act No. 6971 or the Productivity Incentives Act of 1990.

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.

Section 17. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase 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 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 19. FREEDOM TO BARGAIN This Order shall not be construed to prevent workers in particular firms, enterprises or 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, 2006 and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

Section 21. REPEALING CLAUSE. All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision 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 a newspaper of general circulation in the Region.

Approved this 30th day of May 2005 at Tacloban City.

(Signed)
HERCULANO A. DUHAYLUNGSOD
Employers' Representative

(Signed)
MANUEL C. PORE
Workers' Representative

(Signed)
JORGE D. YU
Employers' Representative

VACANT

(Signed)
BUENAVENTURA C. GO-SOCO, JR.
Vice-Chairman, NEDA

(Signed)
CYNTHIA R. NIERRAS
Vice-Chairman DTI

(Signed)
FORTER G. PUGUON
Chairman