

Republic of the Philippines  
DEPARTMENT OF LABOR AND EMPLOYMENT  
National Wages and Productivity Commission  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
Regional Board No. VIII  
Tacloban City

WAGE ORDER NO. RB VIII-19

PRESCRIBING A NEW MINIMUM WAGE STRUCTURE FOR EASTERN VISAYAS

WHEREAS, the Regional Tripartite Wages and Productivity Board – Region VIII (RTWPB 8) is mandated under R.A. No. 6727 (The Wage Rationalization Act of 1989) to determine and fix minimum wage rates applicable in their region, provinces or industries therein and to issue the corresponding wage orders, periodically assess wage rates and conduct continuing studies in the determination of the minimum wage applicable in the region or industry;

WHEREAS, in consonance with the aforementioned mandate, the Regional Tripartite Wages and Productivity Board-Region VIII (herein referred to as the Board), continuously adopts the Two-Tiered Wage System (TTWS) in the exercise of its minimum wage function recognizing the need to improve workers' productivity and income, enhance enterprise competitiveness, generate jobs and strengthen the link between pay and productivity;

WHEREAS, in the exercise of its wage-fixing function, the Board "motu proprio" conducted sectoral wage consultations in Ormoc City and Catbalogan City, on August 10 and 23, 2016, respectively;

WHEREAS, a regional public hearing on 12 October 2016 was conducted to gather inputs from the public at large on wage concerns that will guide the Board in its review of the current minimum wage rates in the region. The notice of the public hearing was published on 26 September 2016 in the "Sunday Punch", a local newspaper of general circulation in the region;

WHEREAS, the results of the consultations and public hearing as well as the review of socio-economic indicators revealed that there is a need to increase the minimum wage in Eastern Visayas without impairing the viability of businesses in the region;

WHEREAS, the effects of Super Typhoon Yolanda and the successive subsequent typhoons to hit the region, has caused a very slow growth in the Agriculture Sector more so to smaller farms and in the Retail/Service sector employing not more than 30 workers. Hence there is a need: a) For the sub-classification of Agriculture into Non-Sugar and Sugar Farm; b) Merger of Sugar Mills to Non-Agriculture; c) To sub-classify Retail/Service into Employing 10 workers and below and Employing 11 up to 30 workers.

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, known as the Wage Rationalization Act, as amended by R.A. 8188, the Regional Tripartite Wages and Productivity Board, Eastern Visayas (RTWPB VIII) hereby issues this Wage Order;

**Section 1. SECTOR/INDUSTRY RECLASSIFICATION AND WAGE INCREASES.** Upon effectivity of this Wage Order, the industry/sector classifications shall be reclassified, as follows:

1.1 Sectoral/Industry Classifications

Sector/Industry
NON-AGRICULTURE (Including Sugar Mills)
COTTAGE/HANDICRAFT
RETAIL/SERVICE Employing 10 workers and below Employing 11 up to 30 workers
AGRICULTURE Non-Sugar Sugar Farm

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**SECTION 6. WORKERS PAID BY RESULTS.** All workers paid by result, including those who are paid on piecework, takay, pakyaw or task basis, shall be entitled to receive the prescribed new minimum wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours a day.

**SECTION 7. WAGES AND COLA OF SPECIAL GROUPS OF WORKERS.** The 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 and COLA 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 2016-2017 shall be considered as compliance with the wage increase prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be complied with starting school year 2017-2018.

Private educational institutions which have not increased their tuition fees for school year 2016-2017 may defer compliance with the minimum wage prescribed herein until the beginning of school year 2017-2018.

In any case, all private educational institutions shall implement the minimum wage prescribed herein starting school year 2017-2018.

**SECTION 9. APPLICATION TO CONTRACTORS.** In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage increase 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 increase, the construction/ service contractor shall be jointly and severally liable with his principal or client.

**SECTION 10. PRODUCTIVITY-BASED WAGES.** To attain higher levels of productivity for competitiveness, to preserve and generate gainful employment and to augment the incomes of workers, business enterprises are encouraged to adopt productivity improvement and gain-sharing programs.

**SECTION 11. APPEAL TO THE COMMISSION.** Any party aggrieved by this Wage Order may file a verified appeal with the National Wages and Productivity Commission (NWPC) 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 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 the payment of the corresponding increase to employees affected by the Order in the event such Order is affirmed.

**SECTION 13. CREDITABLE WAGE INCREASES.** Wage increases provided/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 14. EFFECTS ON EXISTING WAGE STRUCTURE.** Where the application of the new minimum wage rates results in the 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 15. 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) having jurisdiction over the workplace and shall be subjected to the mandatory thirty days (30) conciliation and mediation



1.2 COLA under Wage Order No. RB VIII-17.

All workers in the private sector in Eastern Visayas receiving the basic wage rates prescribed herein shall continue to receive the SEVEN PESOS (P7.00) COLA prescribed in Wage Order No.VIII-17.

1.3 Increase.

There shall be an increase in the basic wage, as follows:

- a. P25.00 per day for Non-Agriculture, except as stated hereunder;
- b. P23.00 per day for Sugar Mills (now merged to Non-Agriculture);
- c. P15.00 for Cottage/Handicraft;
- d. P10.00 for Retail/Service Employing 10 workers and below;
- e. P15.00 for Retail/Service Employing 11 up to 30 workers;
- f. P10.00 for Agriculture Non-Sugar; and
- g. P10.00 for Agriculture Sugar Farm.

Section 2. NEW MINIMUM WAGE RATES. Upon the effectivity of this Wage Order No. RB VIII-19 the new minimum wages in the region shall be as follows:

Sector/Industry	Basic Minimum Wage Rates under WO No. RB VIII-18	Amount of Increase in Basic Minimum Wage under WO No. RB VIII-19	New Daily Basic Minimum Wage Rates upon effectivity	COLA under Wage Order No. RB VIII-17	New Daily Minimum Wage Rates
NON-AGRICULTURE (Including Sugar Mills)	253.00 255.00	25.00 23.00	278.00 278.00	7.00 7.00	285.00 285.00
COTTAGE/HANDICRAFT	231.00	15.00	246.00	7.00	253.00
RETAIL/SERVICE Employing 10 workers and below	228.00	10.00	238.00	7.00	245.00
Employing 11 up to 30 workers	253.00	15.00	268.00	7.00	275.00
AGRICULTURE Non-Sugar	234.00	10.00	244.00	7.00	251.00
Sugar Farm	228.00	10.00	238.00	7.00	245.00

SECTION 3. BASIS OF WAGE INCREASE. The Minimum Wage Rates prescribed under this order shall be for the normal eight-hour work day.

SECTION 4. COVERAGE. The wage rates per worker prescribed under this Order shall apply to all minimum wage earners in the private sector in the Region, regardless of their position, designation or status of employment and irrespective of the method by which they are paid.

Not covered are kasambahay/domestic workers, persons in the personal service of another, including family drivers, and workers of duly registered Barangay Micro Business, Enterprises (BMBEs) with Certificate of Authority pursuant to Republic Act No. 9178, as amended.

SECTION 5. EXEMPTION. No exemption from compliance under this Order shall be allowed. However, in case of a calamity, the Board may accept applications for exemption for establishments adversely affected by calamities such as natural and/or human-included disasters, subject to the NWPC Guidelines No.02, Series of 2007 as amended by NWPC Resolution No. 01, Series of 2014.



process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

**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, as provided by Article 126 of R.A. 6727.

**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, 2017 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.

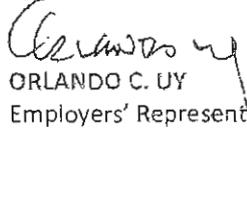
**SECTION 22. SEPARABILITY CLAUSE.** If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts thereof shall remain valid.

**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. ADVISORY ON PERFORMANCE-BASED PAY.** In line with the two-tiered wage system wherein the 1<sup>st</sup> tier is the mandatory wage adjustment prescribed in this Wage Order, the Board shall issue an advisory on the 2<sup>nd</sup> tier or the performance-based pay which shall serve as guidelines for private establishments on the range of productivity bonuses and incentives that an enterprise or industry may provide based on agreement between workers and management.

**SECTION 25. EFFECTIVITY.** This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Region.

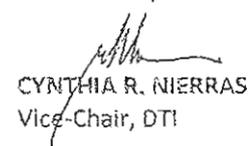
Approved this 19<sup>th</sup> day of December 2016.

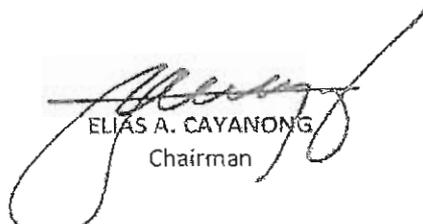
  
ORLANDO C. UY  
Employers' Representative

  
MIGUEL T. TEZON  
Workers' Representative

EFREN M. GABRIOLA  
Workers' Representative

BONIFACIO G. UY  
Vice-Chair, NEDA

  
CYNTHIA R. NIERRAS  
Vice-Chair, DTI

  
ELIAS A. CAYANONG  
Chairman

Republic of the Philippines  
DEPARTMENT OF LABOR AND EMPLOYMENT  
**National Wages and Productivity Commission**  
**Regional Tripartite Wage and Productivity Board**  
Regional Board No. VIII

**Rules Implementing Wage Order No. RB VIII-19**

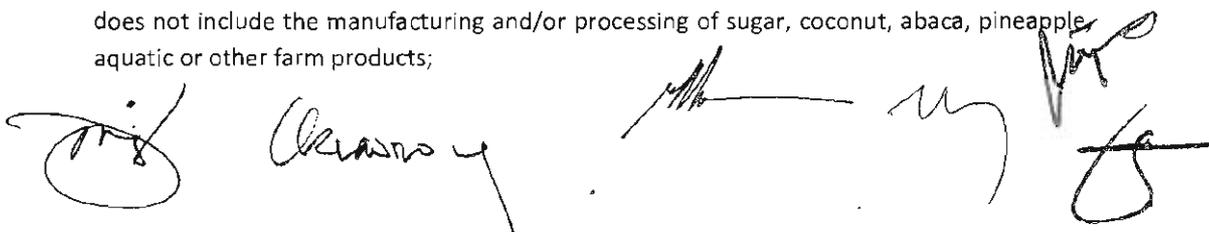
Pursuant to Section 6, Rule IV of the NWPC Revised Rules of Procedure on Minimum Wage Fixing and Section 23 of Wage Order RB VIII-19, the following rules are hereby issued for the guidance and compliance of all concerned.

***Rule I – General Provisions***

**Section 1. Title.** This Rules shall be known as the “Rules Implementing Wage Order No. RB VIII-19.”

**Section 2. Definition of Terms.** As used in this Rules.

- a.) “**Order**” refers to Wage Order No. RB VIII-19;
- b.) “**Board**” refers to the Regional Tripartite Wages and Productivity Board of Region VIII;
- c.) “**Basic Wage**” refers to all remunerations 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 allowance, profit sharing payments, premium payments, 13<sup>th</sup> month pay and other monetary benefits which are not considered as part of or integrated into the regular salary of the worker on the date the Order became effective.
- d.) “**Commission**” refers to the National Wages and Productivity Commission;
- e.) “**Department**” refers to the Department of Labor and Employment;
- f.) “**Region VIII**” covers the Provinces of Leyte, Southern Leyte, Biliran, Samar, Eastern Samar, Northern Samar and the Cities of Tacloban, Ormoc, Maasin, Catbalogan, Baybay, Borongan and Calbayog;
- g.) “**Minimum Wage Rates**” refers to the lowest wage rates that an employer can pay his workers, as fixed by the Regional Board;
- h.) “**Wage Distortion**” refers to the 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 in such wage structure based on skills, length of service, or other bases of differentiation;
- i.) “**Agriculture**” refers to the farming in all branches and among others, includes the cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural or horticultural commodities, 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, pineapple, aquatic or other farm products;



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- g.) “**Minimum Wage Rates**” refers to the lowest wage rates that an employer can pay his workers, as fixed by the Regional Board;
- h.) “**Wage Distortion**” refers to the 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 in such wage structure based on skills, length of service, or other bases of differentiation;
- i.) “**Agriculture**” refers to the farming in all branches and among others, includes the cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural or horticultural commodities, 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, pineapple, aquatic or other farm products;



- j.) **“Non-Agriculture Enterprise”** refers to all other activities not falling under “Agriculture”.
- k.) **“Retail Establishment”** refers to one principally engaged in the sale of goods to end-users for personal and household use. A retail establishment that regularly engages in wholesale activities loses its retail character;
- l.) **“Service Establishment”** refers to one principally engaged in the sale of service to individuals for their own household and is generally recognized as such;
- m.) **“COLA”** or Cost of Living Allowance granted under the Order to be paid by an employer to a workers for services rendered intended to help the latter cope with the rising cost of living and is not considered part of the basic wage;
- n.) **“Cottage/Handicraft Establishment”** refers to one engaged in an economic endeavour in which the products are primarily done in the home or such other places for profit which requires manual dexterity and craftsmanship and/or whose capitalization does not exceed PhP1,500,000.00 regardless of previous registration with the defunct NACIDA;
- o.) **“Productivity Based Wages”** refers to additional income given to workers as incentives derived from successful implementation of productivity programs through any gain-sharing scheme designed by the employer or by virtue of an agreement with the workers;
- p.) **“Two-Tiered Wage System”** refers to a pay system consisting of 1. Minimum Wage; 2. Incentive Pay based on productivity improvement and gainsharing;
- q.) **“Advisory”** refers to the Wage Advisory issued by the Board in accordance with the Two-Tiered Wage System.

**Rule II – New Minimum Wages**

**Section 1. SECTOR/INDUSTRY RECLASSIFICATION AND WAGE INCREASES.** Upon effectivity of this Wage Order, the industry/sector classifications shall be reclassified, as follows:

**1.1 Sectoral/Industry Classifications**

<b>Sector/Industry</b>
<b>NON-AGRICULTURE</b> (Including Sugar Mills)
<b>COTTAGE/HANDICRAFT</b>
<b>RETAIL/SERVICE</b> Employing 10 workers and below Employing 11 up to 30 workers
<b>AGRICULTURE</b> Non-Sugar Sugar Farm



**1.2 COLA under Wage Order No. RB VIII-17.**

All workers in the private sector in Eastern Visayas receiving the basic minimum wage rates prescribed herein shall continue to receive the SEVEN PESOS (P7.00) COLA prescribed in Wage Order No. VIII-17.

**1.3 Increase.**

There shall be an increase in the basic minimum wage, as follows:

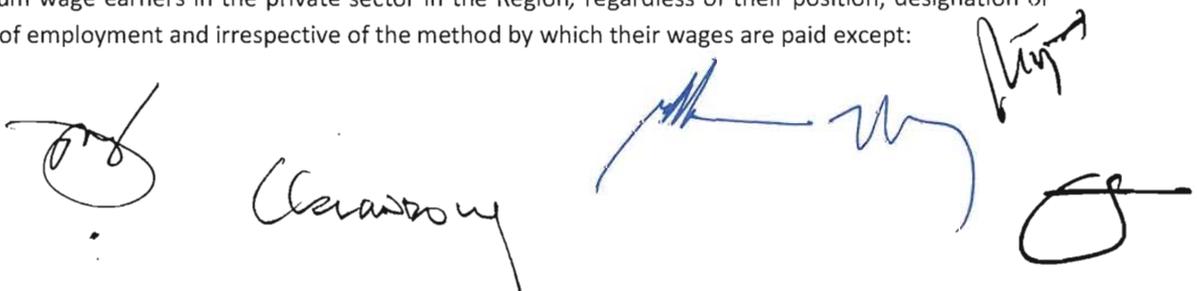
- a. P25.00 per day for Non-Agriculture;
- b. P23.00 per day for Sugar Mills (now merged to Non-Agriculture)
- c. P15.00 for Cottage/Handicraft;
- d. P10.00 for Retail/Service Employing 10 workers and below;
- e. P15.00 for Retail/Service Employing 11 up to 30 workers;
- f. P10.00 for Agriculture Non-Sugar; and
- g. P10.00 for Agriculture Sugar Farm.

**Section 2. New Minimum Wage Rates.** Upon effectivity of Wage Order No. RB VIII-19, the new minimum wage rates shall be as follows:

Sector/Industry	Basic Minimum Wage Rates under WO No. RB VIII-18	Amount of Increase in Basic Minimum Wage under WO No. RB VIII-19	New Daily Basic Minimum Wage Rates upon effectivity	COLA under Wage Order No. RB VIII-17	New Daily Minimum Wage Rates
NON-AGRICULTURE (Including Sugar Mills)	253.00 255.00	25.00 23.00	278.00 278.00	7.00 7.00	285.00 285.00
COTTAGE/HANDICRAFT	231.00	15.00	246.00	7.00	253.00
RETAIL/SERVICE Employing 10 workers and below	228.00	10.00	238.00	7.00	245.00
Employing 11 up to 30 workers	253.00	15.00	268.00	7.00	275.00
AGRICULTURE Non-Sugar	234.00	10.00	244.00	7.00	251.00
Sugar Farm	228.00	10.00	238.00	7.00	245.00

**Section 3. Basis of Wage Increase.** The Minimum Wage Rates prescribed under this Order shall be for the normal eight-hour work day.

**Section 4. Coverage.** The wage rates per worker prescribed under this Order shall apply to all minimum wage earners in the private sector in the Region, regardless of their position, designation or status of employment and irrespective of the method by which their wages are paid except:



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- a.) Kasambahay or domestic helpers, including family drivers and workers in the personal service of another pursuant to Article 143 of the Labor Code of the Philippines as amended by Republic Act No. 7655;
- b.) Workers in duly registered Barangay Micro Business Enterprises with Certificates of Authority pursuant to Republic Act No. 9178.

**Section 5. Exemption.** No exemption from compliance under this Wage Order shall be allowed. However, in case of calamity, the Board may accept applications for exemption filed by establishments adversely affected by calamities, such as natural and/ or human induced disasters.

In case there is an application for exemption filed by any establishment adversely affected by calamities, the criteria, procedure and documentary requirements provided under NWPC Resolution No. 01, series of 2014, and other applicable provisions of NWPC Guidelines No. 02, Series of 2007 shall apply.

**Section 6. Workers Paid by Result.** All workers paid by results, including those who are paid on piecework, takay, pakyaw or task basis, shall be entitled to 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 a day.

The adjusted rates for workers paid by results shall be computed in accordance with the following steps:

- a.  $\frac{(\text{New AMW} - \text{Previous AMW})}{\text{Previous AMW}} \times 100 = \% \text{ increase}$
- b. Existing rate/piece x % increase = Increase in rate/piece;
- c. Existing rate/piece + Increase in rate/piece = Adjusted rate/piece

\*Where AMW is the applicable minimum wage rate.

The wages of workers who are paid by results shall continue to be established in accordance with Article 101 of the Labor Code, as amended and its implementing regulations.

**Section 7. Wages and COLA 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 minimum wage rates prescribed herein.

All qualified handicapped workers shall receive the full amount of the minimum wage rate prescribed herein pursuant to Republic Act No. 7277, otherwise known as the Magna Carta for Disabled Persons.

**Section 8. Suggested Formula in Determining the Equivalent Monthly Rates.** Without prejudice to existing company practices, agreements or policies, the following formula may be used as guides in determining equivalent monthly rates:

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

$$\text{Equivalent Monthly Rates (EMR)} = \frac{\text{Applicable Daily Rate (ADR)} \times 393.50 \text{ days}}{12 \text{ months}}$$

Where 393.50 days:

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298	days - Ordinary working days
24	days - 12 regular holidays X 200%
67.60	days - 52 rest days X 130%
<u>3.90</u>	days - 3 special days X 130%
393.50	days Total equivalent number of days

- b. For those who do not work but are considered paid on rest days, special days and regular holidays:

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

Where 365 days:

298	days - Ordinary working days
52	days - Sundays/Rest Days
12	days - Regular Holidays
<u>3</u>	days - Special Days
365	days - Total equivalents number of days

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

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

Where 313 days:

298	days - Ordinary working days
12	days - Regular Holidays
<u>3</u>	days - Special days
313	days - Total equivalent number of days

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

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

Where 261 days:

246	days - Ordinary working days
12	days - Regular holidays
<u>3</u>	days - Special days
261	days - Total equivalent number of days

**Section 9. Mobile and Branch Workers.** The statutory minimum wage rates of workers who by 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.

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**Section 10. Transfer of Personnel.** The transfer of personnel to areas outside the Region shall not be 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 wages shall be entitled to the minimum wage rates applicable therein.

**Section 11. 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 2016-2017 shall be considered as compliance with the wage increase prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting school year 2017-2018.

Private educational institutions which have not increased their tuition fees for school year 2016-2017 may defer compliance with the minimum wage prescribed herein until the beginning of school year 2017-2018.

In any case, all private educational institutions shall implement the minimum wage prescribed herein starting School year 2017-2018.

**Section 12. Application to Contractors.** In the case of contractors for construction projects and for security, janitorial and similar services, the prescribed minimum wage rates 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 contractors shall be jointly and severally liable with his principal or client.

**Section 13. Productivity Based Wages.** To attain higher levels of productivity for competitiveness, to preserve and generate gainful employment and to augment the incomes of workers, business enterprises are encouraged to adopt productivity improvement and gain-sharing programs.

**Section 14. Appeal to the Commission.** Any party aggrieved by the Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of the Order. The Commission shall decide the appeal within sixty (60) days from date of filing. An 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. Grounds for Appeal.** An appeal may be filed on the following grounds:

- a.) Non-conformity with prescribed guidelines and/or procedures;
- b.) Questions of law;
- c.) Grave abuse of discretion.

**Section 16. Effect of Filing 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 the payment to employees affected by the Order of the corresponding increase, in the event such Order is affirmed.

**Section 17. Creditable Wage Increase.** Wage increases provided/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 the Order.



In unorganized establishments, wage increases granted by the employer within three (3) months prior to the effectivity of the Order shall be credited as compliance.

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

### ***Rule III – Special Provisions***

***Section 1. Effects on Existing Wage Structure.*** Should any dispute arise as a result of wage distortion, the employer and the union shall negotiate to correct the distortion 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 dispute shall be decided by the voluntary arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time such dispute was 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 therefrom shall be settled through the National Conciliation and Mediation Board 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 Relations Commission (NLRC).

The NLRC shall conduct continuous hearings and decide 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 of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subjected to the mandatory thirty days (30) conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

***Section 3. Non-Diminution of Benefits*** Nothing in the Order and in this Rules shall be construed to reduce any existing wage rates, allowances and other benefits of any form under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between the workers and employers.

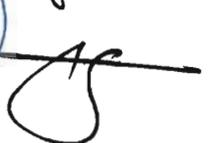
***Section 4. Penal Provision.*** Pursuant to the provisions of Section 12 of RA No. 6727, as amended by RA No. 8188, any person, corporation, trust, firm partnership, association or entity which refuses or fails to pay the prescribed increase in the Order shall be punished by fine of not less than Twenty-Five Thousand Pesos (PhP25,000.00) nor more than One Hundred Thousand (PhP100,000.00) 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.

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 RA No. 8188.

If the violation is committed by a corporation, trust or firm, 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.



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**Section 5. 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 Commission or Boards.

**Section 6. 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 7. Reporting Requirement.** Any 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, 2017 and every year thereafter in accordance with the form prescribed by the Commission.

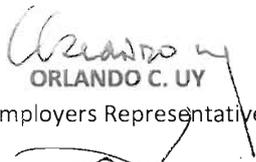
**Section 8. Repealing Clause.** All orders, issuances, rules and regulation on wages, or parts thereof inconsistent with the provisions of the Order and this Rules are hereby repealed, amended or modified accordingly.

**Section 9. 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 10. Advisory on Performance-Based Pay.** In line with the two tiered wage system the Board shall issue an advisory on the second tier or the performance-based pay which shall serve as guidelines for private establishments on the range of productivity bonuses and incentives that an enterprise or industry may provide based on agreement between workers and management.”

**Section 11. Effectivity.** This Rules shall take effect upon effectivity of the Order.

Done in Tacloban City this 24th day of January 2017.

  
ORLANDO C. UY  
Employers Representative

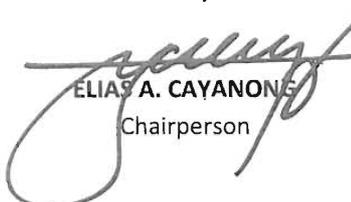
  
EFREN M. GABRIOLA  
Workers Representative

  
CYNTHIA R. NIERRAS  
Vice-Chairperson, DTI

VACANT  
Employers Representative

  
MIGUEL T. TEZON  
Workers Representative

  
BONIFACIO G. UY  
Vice-Chairperson, NEDA

  
ELIAS A. CAYANONE  
Chairperson

APPROVED: This 22nd day of FEBRUARY, 2017.

  
SILVESTRE H. BELLO III  
Secretary  
Department of Labor and Employment

Dept. of Labor & Employment  
Office of the Secretary



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