

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Office No. 9
Zamboanga City

WAGE ORDER NO. RIX-03

PROVIDING A MINIMUM WAGE INCREASE

WHEREAS, the minimum wage rates set forth in Wage Order No. RIX-01 three years ago have not been able to keep pace with the successive devaluation of the peso;

WHEREAS, under said economic condition the purchasing power of the region's wage earners has been substantially eroded thereby necessitating adjustment in the minimum wage rates;

WHEREAS, inspite of the governments' efforts to keep the prices of basic commodities within affordable reach of workers and their families, it is imperative that workers and their families be provided with safety nets and immediate relief to cope with the day-to-day economic uncertainties and at the same time ensuring that business and industry be given assurances for their viability and fair return of investments;

WHEREAS, to encourage investments new business enterprises employing not less than twenty (20) workers with an equity of not less than P1,000,000.00 before borrowing and financing may be exempted from this Wage Order for a period of one (1) year;

WHEREAS, factors such as the consumer price index, unemployment rate, restoration of the purchasing power of the peso, labor productivity, and other standards/criteria for minimum wage fixing, and the capability of employers and industry to absorb adjustments in the minimum wage rates have been considered in the determination of the rates prescribed herein;

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 IX hereby issues this Wage Order :

Section 1. Upon the effectivity of this Order, the daily minimum wage rates applicable to covered workers and employees in the private sector in Western Mindanao shall be increased as follows:

- | | | |
|---|--------------------|--|
| a. The City of Zamboanga - | P 12.00
P 11.00 | for enterprises employing 20 or more workers
for enterprises employing less than 20 workers |
| b. The Provinces of Basilan,
Zamboanga del Sur and | P 11.00
P 10.00 | for enterprises employing 20 or more workers
for enterprises employing less than 20 workers |

Zamboanga del Norte and
the Cities of Pagadian,
Dipolog, and Dapitan

The rates provided in this Wage Order shall be across the board for workers/employees who are receiving less than P 150.00.

Section 2. In the case of private educational institution, the share of the covered workers and employees in the increase of tuition fees for school year 1993-94 shall be credited as compliance with the wage increases prescribed herein. Where their share is less than the wage increase provided therein, compliance of the difference shall be effective beginning School Year 1994-95.

Industries whose revenues are regulated by law shall be required to comply with the Wage Order upon approval of an adjustment in their rates by the concerned government agency. Provided that establishments granted rate adjustments by the appropriate government agency during the three (3) month period immediately preceding the issuance of this Wage Order shall comply with the minimum wage adjustments contained herein on the date this Wage Order takes effect.

Section 3. Exempted from the provisions of this Wage Order are:

(a) Household or domestic helpers and persons in the personal service of another, including family drivers;

(b) Retail/service establishment regularly employing not more than ten (10) workers and Countryside and Barangay Business Enterprises (CBBEs) duly registered pursuant to R.A. 6810 may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations;

(c) Distressed employers whose capital has been impaired by at least twenty-five percent (25%) during the preceding year may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations. The Regional Board has the option whether to grant full or partial exemption to such distressed employer with respect to the amount and the period which shall not exceed one year from effectivity of this Wage Order;

(d) To encourage investments, New Business Enterprises (NBEs) employing not less than twenty (20) workers with an equity of not less than P1,000,000.00 before borrowing and financing shall upon application with the Board be exempted from this Wage Order for a period of one (1) year from effectivity of this Wage Order.

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

In the event that an application for exemption is not granted, employees shall receive the appropriate compensation due them as provided for in this Wage Order plus simple interest of one percent (1%) per month retroactive to the effectivity of this Wage Order.

Section 4. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage increases for covered workers shall be borne by the principal or client of the construction/service contractor and the contract shall be deemed amended accordingly. In the event that the principal or client fails to pay the prescribed increase, the construction/service contractor shall be jointly and severally liable with the principal or client to such employees to the extent of the work performed under the contract.

Section 5. All workers paid by result, 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 6. Wage increases granted by an employer three (3) months prior to the effectivity of this Wage Order shall be credited as compliance with the minimum wage increase prescribed under this Wage Order. Provided that, where such increase is less than the prescribed adjustment, the employer shall pay the difference. Such increase shall not include anniversary wage increases, merit wage increase and those resulting from the regularization or promotion of employees.

Section 7. Where the application of the prescribed minimum wage increase under this Wage Order results in distortions of the wage structure in any establishment, such distortions shall be corrected using the procedure specified under Article 124 of the Labor Code as amended.

Section 8. The Regional Board shall prepare the necessary rules and regulations to implement this Wage Order, subject to approval of the Secretary of Labor and Employment.

Section 9. Any employer who refuses or fails to pay the minimum wage increase provided under this Wage Order shall be subject to the penalties specified under R.A. 6727.

Section 10. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid. Nothing in this Wage Order shall be construed to reduce any existing wage rate, allowance or other benefits under existing laws, decrees, issuances, executive order and/or under any contract or agreement between workers and employers.

Section 11. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

Approved, November 22, 1993, Zamboanga City.

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JOSE J. SUAN
Worker Representative

(SGD) ARSENIO L. GONZALES, JR.
Employer Representative

(Vacant)
Worker Representative

(SGD) RENE P. HORRILLEN
Employer Representative

(On Official Travel)
SOPHREMIANO B. ANTIPOLLO
Vice-Chairman

(SGD) NAZRULLAH B. MANZUR
Vice-Chairman

(SGD) LOURDES M. TRASMONT
Acting Chairman

* Dissented on the amount but actively participated in the deliberations.

Republic of the Philippines
Department of Labor and Employment
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Board No. 09
Zamboanga City

RULES IMPLEMENTING WAGE ORDER NO. RIX-03

Pursuant to Section 5, Rule IV of the NWPC, Rules of Procedure on Minimum Wage Fixing and the authority granted to the Regional Tripartite Wages and Productivity Board under Republic Act No. 6727, the following rules are hereby issued for the guidance and compliance by all concerned :

Chapter I - Definition of Terms

Section 1. Definition of Terms - As used in this Rules.

- a) "Act" means Republic Act No. 6727;
- b) "Order" means Wage Order No. RIX-03;
- c) "Commission" refers to the National Wages and Productivity Commission;
- d) "Board" refers to the Regional Tripartite Wages and Productivity Board of Region IX;
- e) "Department" refers to the Department of Labor and Employment;
- f) "Region IX" covers the Provinces of Zamboanga del Sur, Zamboanga del Norte and Basilan and includes the cities of Pagadian, Dipolog, Dapitan and Zamboanga;
- g) "Agriculture" refers to farming in all its 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 activity 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, tobacco, pineapple, aquatic or other farm products;
- h) "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 enterprises shall be considered as non-plantation agricultural enterprise.
- 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 generally recognized as such;
- k) "CBBE" refers to Countryside and Barangay Business Enterprises duly registered pursuant to R.A. 6810;

- l) "Establishment regularly employing not more than 10 workers" refers to an establishment employing not more than 10 workers regardless of status, except the owner/s, for at least six (6) months in any calendar year;
- m) "NBE" refers to establishment, industry and non-profit institutions newly registered with the appropriate government agency such as SEC, DTI, CDA and mayor's office within the period of one (1) year from effectivity of this Order;
- n) "Cottage/Handicraft Establishment" is one engaged in an economic endeavor in which the products are primarily done in the home or similar places for profit which requires manual dexterity and craftsmanship and whose capitalization does not exceed P 500,000.00;
- o) "Distressed Establishment" refers to establishments with capital impairment in the preceding year as may be determined by the Board;
- p) "Basic Wage" means all 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 investments, premium payments, 13th month pay and other monetary benefits, which are not considered as parts or integrated into the regular salary of the workers on the date the Wage Order became effective;
- q) "Statutory Minimum Wage" is the lowest wage rate fixed by law that an employer can pay his workers;
- r) "Minimum Wage Rates" refer to the lowest wage rate that an employer can pay his workers, as fixed by the Board, which shall not be lower than the applicable statutory minimum wage rates;
- s) "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 distinction embodied in such wage structure based on skills, length of service, or other logical bases of differentiation;
- t) "Wage Order Year Rule" means that within one year period from effectivity of the said Wage Order, no petition for wage increase may be entertained by the Board, provided that in the event supervening conditions exist as provided for under Section 3, Rule IV in the Rules of Procedure on Minimum Wage Fixing, the Board shall proceed to exercise its wage functions even before the expiration of the said period.

Chapter II - Wage Increase

Section 1. Coverage. The minimum wage increase prescribed under this Order shall apply to all workers and employees in Region IX receiving a basic wage of less than One Hundred Fifty Pesos (P150.00) per day or its monthly equivalent regardless of their position, designation or status and irrespective of the method by which their wages are paid, except :

- i) Household and domestic helpers, including family drivers and workers in the personal service of another;

- ii) Workers and employees in retail/service establishments regularly employing not more than 10 workers when exempted from compliance with the Order for a period fixed by the Board in accordance with Section 3 of the Order;
- iii) Workers and employees of distressed establishments whose capitalization has been impaired by at least 25% during the last two (2) full accounting periods and interim period immediately preceding the effectivity of the Order or those belonging to a distressed industry as defined by NWPC when exempted from compliance with the Order;
- iv) Workers and employees of New Business Enterprises that are established in the Region within one (1) year from effectivity of this Order, when exempted by the Board for not more than one (1) year;
- v) Workers/employees of Countryside and Barangay Business Enterprises (CBBEs) duly registered pursuant to R.A. 6810, when exempted by the Board;

Section 2. Amount of Minimum Wage Increase. Upon the effectivity of the Order, the daily minimum wage rates of covered workers and employees in Region IX shall be increased as follows:

a) P 12.00 for enterprises regularly employing 20 or more workers, and P11.00 for enterprises employing less than 20 workers in the City of Zamboanga.

b) P 11.00 for enterprises employing 20 or more workers, and P10.00 for enterprises employing less than 20 workers in the Provinces of Basilan, Zamboanga del Sur and Zamboanga del Norte and the cities of Pagadian, Dipolog and Dapitan.

Section 3. Effectivity. The wage increase prescribed under this Order shall take effect on December 10, 1993.

Section 4. Daily Minimum Wage Rates. Upon the effectivity of the Order, the daily minimum wage rates of workers and employees in Region IX shall be as follows:

	Under RA 6727 plus WO RIX-01	Required Wage Adjustment	Under Wage Order No. RIX-03 Upon Effectivity
A. City of Zamboanga			
1. Non-agricultural			
Employing 20 or more workers	P102.00	P12.00	P114.00
Employing less than 20 workers	101.00	11.00	112.00
2. Agricultural			
Plantation gross sales of P 5M or more			
Employing 20 or more workers	92.00	12.00	104.00
Employing less than 20 workers	91.00	11.00	102.00
Plantation with annual gross sales of less than P5M			
Employing 20 or more workers	87.00	12.00	99.00
Employing less than 20 workers	86.00	11.00	97.00
Non-plantation			
Employing less than 20 workers	70.50	11.00	81.50
3. Cottage/Handicrafts			
Employing more than 30	80.00	12.00	92.00
Employing 20 to 30 workers	78.00	12.00	90.00
Employing less than 20 workers	77.00	11.00	88.00
4. Private Hospitals			
Employing 20 or more workers	98.00	12.00	110.00
Employing less than 20 workers	97.00	11.00	108.00

5. Retail/Service			
Cities with population of more than 150,000			
Employing 20 or more workers	102.00	12.00	114.00
Employing less than 20 workers			
16 to 19 workers	101.00	11.00	112.00
11 to 15 workers	97.00	11.00	108.00
10 and below	70.00	11.00	81.00
Municipalities and cities with population of not more than 150,000.00			
Employing 20 or more workers	98.00	12.00	110.00
Employing less than 20 workers			
11 to 19 workers	97.00	11.00	108.00
10 and below	70.00	11.00	81.00
6. Sugar Mills			
Employing 20 or more workers	104.00	12.00	116.00
Employing less than 20 workers	103.00	11.00	114.00
Agriculture Plantation with annual gross sales of P5M or more			
Employing 20 or more workers	86.50	12.00	98.50
Employing less than 20 workers	85.50	11.00	96.50
Plantation w/ annual gross sales of less than P5M			
Employing 20 or more workers	81.50	12.00	93.50
Employing less than 20 workers	80.50	11.00	91.50
Non-plantation	70.50	11.00	81.50
7. Business Enterprises with capitalization of not more than P500,000 and employing less than 20 workers			
Non-Agriculture	91.00	11.00	102.00
Agriculture plantation			
Products other than sugar	81.00	11.00	92.00
Sugar	75.50	11.00	86.50
Private Hospitals	87.00	11.00	98.00
Retail/Service			
Cities with population of more than 150,000			
Employing more than 15 workers	91.00	11.00	102.00
Employing 11 to 15 workers	87.00	11.00	98.00
Employing 10 workers and below	70.00	10.00	81.00
Municipalities/cities with population of not more than 150,000			
Employing more than 10 workers	87.00	11.00	98.00
Employing 10 workers and below	70.00	10.00	81.00
B. <u>The Provinces of Zamboanga del Sur and Zamboanga del Norte and the Cities of Pagadian, Dapitan and Dipolog</u>			
1. Non-agriculture			
Employing 20 or more workers	P100.00	P11.00	P111.00
Employing less than 20 workers	99.00	10.00	109.00
2. Agricultural			
Plantation gross sales of P 5M or more			
Employing 20 or more workers	90.00	11.00	101.00
Employing less than 20 workers	89.00	10.00	99.00
Plantation with annual gross sales of less than P5M			
Employing 20 or more workers	85.00	11.00	96.00
Employing less than 20 workers	84.00	10.00	94.00
Non-plantation	68.50	10.00	78.50
3. Cottage/Handicraft			
Employing more than 30	78.00	11.00	89.00
Employing 20 to 30 workers	76.00	11.00	87.00
Employing less than 20 workers	75.00	10.00	85.00
4. Private Hospitals			
Employing 20 or more workers	96.00	11.00	107.00
Employing less than 20 workers	95.00	10.00	105.00
5. Retail/Service			
Cities with population of more than 150,000			

Employing 20 or more workers	100.00	11.00	111.00
Employing less than 20 workers			
16 to 19 workers	99.00	10.00	109.00
11 to 15 workers	95.00	10.00	105.00
10 and below	68.00	10.00	78.00
Municipalities and cities with population of not more than 150,000.00			
Employing 20 or more workers	96.00	11.00	107.00
Employing less than 20 workers			
11 to 19 workers	95.00	10.00	105.00
10 and below	68.00	10.00	78.00
6. Sugar Mills			
Employing 20 or more workers	102.00	11.00	113.00
Employing less than 20 workers	101.00	10.00	111.00
Agriculture Plantation with annual gross sales of P5M or more			
Employing 20 or more workers	84.50	11.00	95.50
Employing less than 20 workers	83.50	10.00	93.50
Plantation w/ annual gross sales of less than P5M			
Employing 20 or more workers	79.50	11.00	90.50
Employing less than 20 workers	78.50	10.00	88.50
Non-plantation	68.50	10.00	78.50
7. Business Enterprises with capitalization of not more than P500,000 and employing less than 20 workers			
Non-Agriculture	89.00	10.00	99.00
Agriculture plantation			
Products other than sugar	79.00	10.00	89.00
Sugar	73.50	10.00	83.50
Private Hospitals	85.00	10.00	95.00
Retail/Service			
Cities with population of more than 150,000			
Employing more than 15 workers	89.00	10.00	99.00
Employing 11 to 15 workers	85.00	10.00	95.00
Employing 10 workers and below	68.00	10.00	78.00
Municipalities/cities with population of not more than 150,000			
Employing more than 10 workers	85.00	10.00	95.00
Employing 10 workers and below	68.00	10.00	78.00
B. <u>The Province of Basilan</u>			
1. Non-agriculture (i.e. industrial, commercial)			
Employing 20 or more workers	P 97.00	P11.00	P 108.00
Employing less than 20 workers	96.00	10.00	106.00
2. Agricultural			
Plantation with annual gross sales of P 5M or more			
Employing 20 or more workers	87.00	11.00	98.00
Employing less than 20 workers	86.00	10.00	96.00
Plantation with annual gross sales of less than P5M			
Employing 20 or more workers	82.00	11.00	93.00
Employing less than 20 workers	81.00	10.00	91.00
Non-plantation	65.50	10.00	75.50
3. Cottage/Handicraft			
Employing more than 30	75.00	11.00	86.00
Employing 20 to 30 workers	73.00	11.00	84.00
Employing less than 20 workers	72.00	10.00	82.00
4. Private Hospitals			
Employing 20 or more workers	93.00	11.00	104.00
Employing less than 20 workers	92.00	10.00	102.00
5. Retail/Service			
Cities with population of more than 150,000			
Employing 20 or more workers	97.00	11.00	108.00

Employing less than 20 workers			
16 to 19 workers	96.00	10.00	106.00
11 to 15 workers	92.00	10.00	102.00
10 and below	65.00	10.00	75.00
Municipalities and cities with population of not more than 150,000.00			
Employing 20 or more workers	93.00	11.00	104.00
11 to 19 workers	92.00	10.00	102.00
10 and below	65.00	10.00	75.00
6. Sugar Mills			
Employing 20 or more workers	99.00	11.00	110.00
Employing less than 20 workers	98.00	10.00	108.00
Agriculture			
Plantation with annual gross sales of P5M or more			
Employing 20 or more workers	81.50	11.00	92.50
Employing less than 20 workers	80.50	10.00	90.50
Plantation with annual gross sales of less than P5M			
Employing 20 or more workers	76.50	11.00	87.50
Employing less than 20 workers	75.50	10.00	85.50
Non-plantation	65.50	10.00	75.50
7. Business Enterprises with capitalization of not more than P500,000 and employing less than 20 workers			
Non-Agriculture	86.00	10.00	96.00
Agriculture plantation			
Products other than sugar	76.00	10.00	86.00
Sugar	70.50	10.00	80.50
Private Hospitals	82.00	10.00	92.00
Retail/Service			
Cities with population of more than 150,000			
Employing more than 15 workers	86.00	10.00	96.00
Employing 11 to 15 workers	82.00	10.00	92.00
Employing 10 and below	65.00	10.00	75.00
Municipalities/cities with population of not more than 150,000			
Employing more than 10 workers	82.00	10.00	92.00
Employing 10 workers and below	65.00	10.00	75.00

Section 5. Without prejudice to existing company practices, agreements or policies, the suggested formula herein attached as Annex "A" maybe used as guide in determining the equivalent monthly wage rates.

Section 6. Basis of Minimum Wage Rates. The minimum wage rates prescribed under the Order shall be for the normal working conditions and hours which shall not exceed eight (8) hours a day.

Section 7. Creditable Wage Increase.

- a) Any wage increase or allowance (provided the employer agrees to convert it to basic salary) granted three (3) months prior to the effectivity of the Order shall be considered as compliance with the Order, provided that if the amount is less than that prescribed, the employer shall pay the difference.
- b) Anniversary and merit wage increase and those resulting from regularization or promotion of employees shall not be credited as compliance thereto.
- c) With respect to private educational institutions, the share of the covered workers and employees in the increase in tuition fees for school year 1993-1994 shall be credited as

compliance with the wage order increase prescribed in the Order. Where their share is less than that of the wage increase provided therein, compliance of the difference shall be effective beginning school year 1994-95.

Section 8. The change or increase in the minimum wage prescribed in the Order shall not be a ground to renegotiate any existing collective bargaining agreement, except where there is an expressed provision in said CBA on wage reopening as a result of an issuance of an order as mutually agreed upon by the parties.

Section 9. Workers Paid By Results

- a) All workers paid by results, including those who are paid on piece work, takay, pakyaw or task basis, shall receive not less than the applicable minimum wage rates prescribed under the Order for the normal working hours a day or a proportion thereof, for work less than the normal working hours.

The new applicable minimum wage rate for workers paid by results shall be computed in accordance with the following steps :

1.
$$\frac{\text{Amount of increase in applicable minimum wage}}{\text{Previous A M W}} \times 100 = \% \text{ increase}$$

2. Existing Rate/ Piece X % increase = increase in rate/piece
3. Existing rate/piece + increase in rate/piece = adjusted rate/piece

- b) The wage rate 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 10. Wages of Special Groups of Workers. Wages of apprentices, learners and handicapped workers shall in no case be less than 75 percent of the applicable minimum wage rates provided in the Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Wage Order shall be considered as automatically modified in so far as their wage clauses are concerned to reflect the increase prescribed under the Order.

Section 11. Application To Contractors. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage increase shall be borne by the principals or clients of the contractors/service contractors and the contract shall be deemed amended accordingly. In the event however, that the principal or clients fails to pay the prescribed wage rates, the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 12. Application on Private Educational Institutions Private educational institutions shall be required to comply with the wage increase prescribed under the Order effective School Year 1994-1995, provided that they shall immediately comply with the Order in case an increase in the tuition fee was granted them during the three (3) month period immediately preceding the effectivity of this Order.

Section 13. Application on Industries Whose Revenue Rates are Regulated by Laws. Other industries whose revenues are regulated by law (such as arrastre, transportation, utilities, etc.) shall

be required to comply with the Order immediately upon approval of an adjustment in their rates by the concerned government agency but not later than twelve (12) months from effectivity of this Order, including any adjustment in their rates granted by the government agency concerned during the three (3) months period immediately preceding the effectivity of this Order.

Section 14. Mobile and Branch Workers. The minimum wage rates of workers, who by the nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

The minimum wage rates for workers working in branches or agencies of establishments within the Region or outside the Region shall be those rates applicable in the place where they are stationed.

Section 15. Transfer of Personnel. The transfer of personnel from one province to another shall not be a valid ground for the reduction of the wage rate being enjoyed by the worker prior to such transfer.

Section 16. Exemptions. Employers falling under Section 1, Chapter II of this Rules may apply for exemption from compliance with the minimum wage increase prescribed under the Order within sixty (60) days from the effectivity thereof.

Applications for exemptions must be filed with the Board through the nearest office of the Department in the region and must be supported with documents as prescribed under Section 2(1)b of the NWPC Revised Guidelines on Exemptions.

1. Retail/establishments regularly employing not more than 10 workers;
2. New Business Establishments as prescribed in the Order;
3. Distressed establishments as prescribed herewith.
4. CBBEs under R.A. 6810.

Whenever an application for exemption has been duly filed with the Board, action on any complaint for alleged non-compliance with the Order shall be deferred pending resolution by the Board of said application. The Board shall have the option whether to grant full or partial exemption to such applicant establishment with respect to the amount and/or period covered.

In the event that the application for exemption is not granted, the workers and employees shall receive the appropriate adjustment due them as provided for under the Order plus simple interest of one (1) percent per month retroactive to the date of effectivity of the Order.

Section 17. Effects on Existing Wage Structure. Where the application of the prescribed minimum wage increase under the Order results in distortion in the wage structure in any establishment, such distortion shall be negotiated for correction by the recognized labor union and the management in the case of organized establishment, the representatives of the workers and employers in the case of unorganized establishments, provided further that in any wage adjustments arising therefrom, viability of the establishments shall be considered.

Any dispute arising from wage distortion shall be resolved 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 arbiter or panel of voluntary arbitrators within ten (10) days from the said 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 the wage distortion. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board (NCMB), and if it remains unresolved after ten (10) calendar days of conciliation, it shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

The pendency of a dispute arising from a wage distortion shall not in any way delay the applicability of the wage increase prescribed under the Order.

Any dispute involving wage distortion shall not be a ground for a strike or a lockout.

Section 18. Employees whose wage rates are equal to or over and above the ceiling wage rate per day as prescribed herein on the date of effectivity of the Order are exempted from compliance of said Order. This shall be without prejudice, however, on the part of unionized establishments from taking cognizance of the reasons promoting the issuance of the Order as basis for representatives of labor and management to sit down and explore possibilities of wage improvement through the processes of free and voluntary negotiation and collective bargaining.

Any dispute or disagreement arising out of such negotiations shall not be a ground for strike or lockout. Such dispute shall be referred to voluntary arbitration for resolution. The decision of the voluntary arbitration in this case shall be final and executory.

Section 19. Complaints for Non-Compliance The Department of Labor and Employment shall conduct inspections of establishments, as often as necessary, to determine whether the workers are paid the prescribed wage rates and other benefits granted by law or any Order.

In the interest of inspection of unionized establishments, Department Inspectors shall always be accompanied by the President or any other responsible officer of the recognized union. In the case of non-unionized establishments, a worker representing the workers therein shall accompany the inspector.

The workers' representative shall have the right to submit his own findings to the Department and to testify on the same if he does not concur with the findings of the labor inspector.

Section 20. Non-Diminution of Benefits. Nothing in the Order and in this Rules shall be construed as authorizing the reduction of any existing rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders and of any contract or employer practices or policies.

Section 21. Penal Provisions. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increases under the Order shall be punished by a fine not exceeding P25,000.00 and/or imprisonment of not less than one (1) year nor more than two (2) years as provided under RA 6727. Provided, that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

If the violation is committed by a corporation, trust or firm, partnership, association or any other 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.

Section 22. Registration/Reporting Requirements. Any person, company, corporation, partnership or any entity covered by the Order shall submit to the Board and the National Statistics Office not later than January 31 each year beginning Calendar Year 1994, a verified itemized listing of their workers/employees below managerial level, including learners, apprentices, disabled/handicapped workers using the form prescribed by the Commission, hereto attached, as Annex "B".

Section 23. Prohibition Against Injunction. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceeding before the Board.

Section 24. Effects on Other Issuances. The provisions of existing laws and decrees on wages and their implementing rules and regulations and issuances not otherwise repealed, modified or inconsistent with the Order and this Rules shall continue to have full force and effect.

Section 25. Payment of Wages. Upon written petition of the majority of the workers and employees concerned, all private establishments, companies, business and other entities with at least twenty five workers located within one kilometer radius to a commercial, saving or rural bank, shall pay the wages and other benefits of their workers through any said banks, within the period and in the manner prescribed under the Labor Code as amended.

Section 26. Duty of the Bank. Whenever applicable and upon request of a concerned worker or union, the bank, through which wages and other benefits are paid shall issue a certification of the record of payment of said wages and benefits to a particular worker or workers for a particular payroll period.

Section 27. Effectivity. This Rules shall take effect upon approval by the Secretary of Labor and Employment.

Done in the City of Zamboanga, Philippines, this 25th day of November 1993.

JOSE J. SUAN
Worker Representative

(SGD) ARSENIO L. GONZALES, JR.
Employer Representative

(*Vacant*)
Worker Representative

(SGD) RENE P. HORRILLEN
Employer Representative

(SGD) SOPHREMIANO B. ANTIPOL
Vice-Chairman

(SGD) NAZRULLAH B. MANZUR
Vice-Chairman

(SGD) LOURDES M. TRASMONT
Acting Chairman

APPROVED this 21st day of January 1994, subject to the notations contained on page 33 hereof.

(SGD) MA. NIEVES R. CONFESOR
Secretary

Annex "A"
SUGGESTED FORMULA IN DETERMINING
THE EQUIVALENT MONTHLY MINIMUM WAGE RATES

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

$$\text{Equivalent Monthly Rate (EMR)} = \frac{\text{ADR} \times 390.90 \text{ days}}{12} \quad 1/$$

Where 390.90 days =

302	days	=	Ordinary working days
20	days	=	10 Regular holidays X 200%
66.30	days	=	51 rest days X 130%
			2/
<u>2.60</u>	days	=	2 special days X 130%
390.90	days	=	Total equivalent number of days.

* ADR - Applicable daily wage rate

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

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

Where 365 days =

302	days	=	Ordinary working days
51	days	=	Rest days
10	days	=	Regular holidays
			2/
<u>2</u>	days	=	Special days
365	days	=	Total equivalent number of days

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

$$\text{EMR} = \frac{\text{ADR} \times 314 \text{ days}}{12}$$

Where 314 days =

302	days	=	Ordinary working days
10	days	=	Regular holidays
			2/
<u>2</u>	days	=	Special days (If considered paid; if actually worked, this is equivalent to 2.6 days
314	days	=	Total equivalent number of days

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

$$\text{EMR} = \frac{\text{ADR} \times 262 \text{ days}}{12}$$

Where 262 days =

250	days	=	Ordinary working days
10	days	=	Regular holidays
			2/
<u>2</u>	days	=	Special days
262	days	=	Total equivalent number of days

1/ Includes premium for holidays, special days and rest days.

2/ November 1 and December 31 under Executive Order No. 203 dated June 30, 1987.

Note : For workers whose rest days fall on Sundays, the number of rest days in a year is reduced from 52 days to 51 days, the last Sunday of August being a regular holiday, under Executive Order No. 203. For purposes of computation, said holiday, although still a rest day for them, is included in the ten regular holidays. For workers whose rest days do not fall on Sundays, the number of rest days is 52 days, as there are 52 weeks in a year.

ANNEX "B"

Republic of the Philippines
 Department of Labor and Employment
 National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
 Regional Board No. 09
 Zamboanga City

Pursuant to Section 20 of Rules Implementing Wage Order No. RIX-01, any person, company, corporation, partnership or any entity shall submit to the appropriate Board and the National Statistics Office, not later than January 31 each year, beginning calendar year 1994, a verified itemized listing of their workers/employees below managerial level, including learners, apprentices and disabled/handicapped workers.

NAME OF ESTABLISHMENT		ECONOMIC ACTIVITY/Principal Product	
ADDRESS		TOTAL EMPLOYMENT	
NAME OF UNION, if any	NO. OF UNION MEMBERS:	ARE WORKERS COVERED BY CBA?	NO. OF WORKERS
WORKERS/EMPLOYEES BELOW MANAGERIAL LEVEL			
EMPLOYEE'S NAME	STATUS OF EMPLOYMENT	BASIC WAGE/SALARY (Specify whether per day/wk/mo/pc)	Other Compensation Regularly Received (Specify amt & type of compensation)

* Regular, Temporary, Probationary, Contractual, Apprentices Learners, Seasonal, etc.
 Please use additional sheets, if necessary

CERTIFICATION:

I hereby certify that the above information are true and correct.

EMPLOYER OR AUTHORIZED REPRESENTATIVE

POSITION

Date

Telephone Number

SUBSCRIBED AND SWORN TO BEFORE ME, this ___ day of _____, 199_, employer exhibiting his/her Residence Certificate No. _____ issued at _____ on _____.

Administering Officer

NOTATIONS

1. *Section 1, item o) of Chapter 1 shall be revised as follows:*

“ ”Distressed Establishment” refers to an establishment which meets the criteria enumerated in Section 3(3) of the NWPC Revised Guidelines on Exemption”
2. *Section 3 of Chapter II shall be revised as follows:*

“The wage increase prescribed under this Order shall take effect on December 10, 1993.”
3. *Delete Section 12 of Chapter II as this provision does not conform with Section 2 of Wage Order No. RIX-03 and Section 7, item c), Chapter II of this Implementing Rules.*
4. *Section 13 of Chapter II shall be revised as follows:*

“Other industries whose revenues are regulated by law (such as arrastre, transportation, utilities, etc.) shall be required to comply with the Order immediately upon approval of an adjustment in their rates by the concerned government agency but not later than 12 months from effectivity of this Order, including any adjustment in their rates granted by the government agency concerned during the three (3) months period immediately preceding the effectivity of this Order.”
4. *Delete Section 8 of Chapter II.*