

Republic of the Philippines
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Northern Mindanao, Region X
Cagayan de Oro City

WAGE ORDER NO. RX-01

PROVIDING A MINIMUM WAGE INCREASE

WHEREAS, since the effectivity of RA 6727, the purchasing power of the peso has been eroded;

WHEREAS, the Gulf crisis has resulted in the spiraling of world oil prices and the uncertainty of its supply;

WHEREAS, the effect of this crisis and the adjustment in the value of the Philippine Peso vis-à-vis the US Dollar have made it imperative to increase the prices of domestic petroleum products on 21 September 1990;

WHEREAS, such adjustments have contributed to substantial increases in transportation fares and the prices of basic goods and services;

WHEREAS, corollary to government and private sector efforts to hold down prices of basic goods and services, still it is necessary to provide workers and their families with immediate relief measures to enable them to cope with the rising cost of living, without impairing the viability of business and industry;

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 Northern Mindanao (Region X) hereby issues this Wage Order;

Section 1. Upon the effectivity of this Wage Order, the increase in minimum wage rates applicable to workers and employees in the private sector in Northern Mindanao (Region X) shall be as follows:

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|---|-------------|
| a. The provinces of Agusan del Norte, Bukidnon, Misamis Oriental, and the Cities of Butuan, Gingoog, and Cagayan de Oro | P 13.00/day |
| b. The provinces of Agusan del Sur, Surigao del Norte and Misamis Occidental, and the Cities of Surigao, Oroquieta, Ozamiz and Tangub | P 11.00/day |
| c. The Province of Camiguin | P 9.00/day |

Section 2. Industries whose revenues are regulated by law shall be required to comply with the Wage Order immediately upon approval of an adjustment in their rates by the concerned government agency but not later than 3 months from effectivity hereof.

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.

Provided further that in the case of educational institutions, compliance shall be effective beginning School Year 1991.

Section 3. Exempted from the provisions of this Wage Order are household or domestic helpers and persons in the personal service of another, including family drivers.

Also may be exempted from this Wage Order are retail and/or service establishments regularly employing ten (10) workers or less, upon application with the Wage Board in accordance with the Revised National Wages and Productivity Commission (NWPC) Guidelines No. 01 on exemption of retail/service establishments under RA 6727.

Likewise, may be exempted are workers and employees of new business enterprises in all of Northern Mindanao (Region X) pursuant to Department Order No. 12 on exemptions of new business enterprises under RA 6727.

Distressed establishments, upon due and proper application with the Wage Board, may also be exempted either partly or fully for a period not exceeding one year, provided they qualify under the implementing guidelines issued by the Board.

Establishments whose employees' wage rates are over and above the minimum wage rates prescribed by this Wage Order, are exempted from compliance of this Wage Order. This shall be without prejudice on the part of unionized establishments from taking cognizance of the reasons for the issuance of this Wage Order as basis for representatives of labor and management to explore possibilities of wage improvement through the processes of voluntary negotiation and collective bargaining.

In the event that applications for exemptions are not granted, employees shall receive the appropriate wage rate adjustments due them as provided for in this Wage Order plus 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 rates for covered workers shall be borne by the principals or clients of the construction and/or 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 and/or service contractor shall be jointly and severally liable with the principal or client.

Section 5. All workers paid by results, including those who are paid on piecework, takay, pakyaw or task basis, shall receive not less than the prescribed minimum wage rates under this Wage Order for the normal eight (8) working hours work a day, or a proportion thereof for work of less than the normal working hours.

Section 6. Wage increases, and allowances (provided employer integrates the allowance into the basic wages), granted by an employer between 1st August 1990 up to effectivity of this Wage Order, shall be credited as compliance with the minimum wage increase prescribed under this Wage Order. Provided that, where such increases are less than the prescribed adjustment, the employer shall pay the difference. Such increases shall not include company anniversary and merit wage increases and those resulting from regularization or promotion of employees.

Section 7. The change in the minimum wage rates prescribed in this Wage 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 the issuance of a Wage Order, or as mutually agreed upon by the parties.

Section 8. The 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 rates provided under this Wage Order shall be subject to the penalties specified under existing labor laws.

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 benefit 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: October 20, 1990.

(SGD) MILBERT M. MACARAMBON
Worker's Representative

(SGD) ARSENIO L. SEBASTIAN III
Employer's Representative

(SGD) DEMETRIO S. SUSON
Worker's Representative

(SGD) JOVITO C. CAGAANAN
Employer's Representative

(SGD) NINFA A. ALBANIA
Vice-Chairman

(SGD) ERNESTO M. BALANGUE
Vice-Chairman

(SGD) PEDRITO J. SUSI
Chairman

Republic of the Philippines
Department of Labor and Employment
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region X, Cagayan de Oro City

W A G E O R D E R N O. R X - 0 1 - A

PROVIDING WAGE INCREASE TO WORKERS RECEIVING
WAGES ABOVE THE MINIMUM WAGE RATES

WHEREAS, the Regional Board has received motions for reconsideration from the Trade Union Congress of the Philippines (TUCP) and the ALU-TUCP regarding the amount and coverage of the minimum wage increase as provided for under Wage Order RX-01 and an opposition to the motions for reconsideration from the Cagayan de Oro Chamber of Industries (COCI) and the Cagayan de Oro Chamber of Commerce and Industries Foundation, Inc. (COCCIFI);

WHEREAS, after a thorough review of the various factors and criteria considered, the Board agrees that the ₱13, ₱11, ₱9 per day wage increase, as the case maybe, provided in Wage Order No. RX-01 are the most viable options under present conditions;

WHEREAS, the Board agrees that it has become a generally recognized and accepted method, based on wage adjustments made during the last two decades, that the coverage of wage issuances included not only those receiving the minimum wage rates up to a certain wage range and consistent with Section 4 (a) of Republic Act No. 6727 the Regional Board acted to prescribe similar increases.

NOW, therefore, by virtue of its power and authority under Republic Act No. 6727, the Regional Tripartite Wages and Productivity Board of Region X hereby issues this supplemental Wage Order.

Section 1. Upon the effectivity of the original Wage Order RX-01, all workers and employees in the private sector in Region X already receiving wages above the statutory minimum wage rates up to one hundred and twenty pesos (₱120.00) per day shall also receive an increase of ₱13, ₱11, ₱9 per day, as provided for under Wage Order No. RX-01;

Section 2. This Order shall be governed by all applicable provisions under Wage Order No. RX-01;

Section 3. This Order shall take effect on 22 November 1990 which is the date of effectivity of the original Wage Order No. RX-01, provided this supplemental Wage Order No. RX-01-A shall be published in a newspaper of general circulation in Region X.

Approved. November 6, 1990.

(SGD) MILBERT M. MACARAMBON
Workers' Representative

(SGD) ARSENIO L. SEBASTIAN III
Employers' Representative

(SGD) DEMETRIO S. SUSON
Workers' Representative

(SGD) JOVITO C. CAGAANAN
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(SGD) NINFA A. ALBANIA
Vice-Chairman

(SGD) ERNESTO M. BALANGUE
Vice-Chairman

(SGD) PEDRITO J. SUSI
Chairman

Republic of the Philippines
NATIONAL WAGES AND PRODUCTIVITY COMMISSION
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Northern Mindanao, Region X

RULES IMPLEMENTING WAGE ORDER NO. RX-01 AND RX-01-A

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing, and to 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 1 - 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 RX-01;
- c) "Supplemental Order" means Wage Order No. RX-01-A;
- d) "Commission" refers to the National Wages and Productivity Commission;
- e) "Board" refers to the Regional Tripartite Wages and Productivity Board of Region X;
- f) "Region X" covers the provinces of Agusan del Norte, Agusan del Sur, Bukidnon, Camiguin, Misamis Oriental, Misamis Occidental, Surigao del Norte and the cities of Butuan, Cagayan de Oro, Gingoog, Oroquieta, Ozamiz, Surigao and Tangub;
- 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 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, 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 enterprise 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) "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 and whose capitalization does not exceed ₱500,000;
- l) "Distressed Establishment" refers to establishments with capital impairment in the preceding year as may be determined by the Board;
- m) "Department" refers to the Department of Labor and Employment;
- n) "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 payments, premium payments, 13th month pay and other monetary benefits which are not considered as part of or integrated into the regular salary of the workers on the date the Wage Order became effective;

- o) "Statutory Minimum Wage" is the lowest wage rate fixed by law that an employer can pay his workers;
- p) "Minimum Wage Rates" refer to the lowest wage rates that an employer can pay his workers, as fixed by the Board, which shall not be lower than the applicable statutory minimum wage rates;
- 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 of differentiation;
- r) "Wage Order Year Rule" means that any Wage Order issued by the Board shall be effective for one (1) year and may not be disturbed during the said period. Therefore, within the said 1-year period, no petition for wage increase may be entertained by the Board, provided that in the event supervening conditions exist as provided under Section 3, Rule IV in the Rules on Minimum Wage-Fixing, the Board shall proceed to exercise its wage-fixing function even before the expiration of the said period;
- s) "Service charges" as used in this Rules refer only to the guaranteed minimum share received regularly by workers in the hotel and restaurant industries.

Chapter II - Wage Increase

Section 1. Coverage

- a) The minimum wage increase prescribed under this Order shall apply to all workers and employees in Region X receiving a basic wage of not more than one hundred twenty pesos (P120.00) 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 or 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 and the Supplemental 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 year preceding the application, or those belonging to a distressed industry as defined by NWPC, when exempted from compliance of the Order ;
 - iv) Workers and employees of new business enterprises that are established in the region, from July 1, 1989 to June 30, 1993 when exempted by the Board for not more than three years from start of operations;
 - v) Employees whose wage rates are over and above the ceiling wage rate of One Hundred Twenty (P120) pesos per day on the date of effectivity of the Order.
- b) Labor intensive establishments, where at least thirty percent (30%) of their employees are affected by wage adjustments pursuant to this Order, shall be granted ample time to prepare financially to cope with the added burden but in no case shall be more than three (3) months from the date of effectivity of this Order, provided that the establishment files an appropriate application with the Board to be accompanied with appropriate documentary proofs.

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

a) P 13.00 in the Provinces of Agusan del Norte, Bukidnon, Misamis Oriental and the Cities of Butuan, Cagayan de Oro and Gingoog;

b) P 11.00 in the Provinces of Agusan del Sur, Misamis Occidental, Surigao del Norte and the Cities of Oroquieta, Ozamiz, Surigao and Tangub;

c) P 9.00 in the Province of Camiguin.

Section 3. Effectivity.

a) The wage increase to minimum wage earners shall take effect on November 22, 1990, fifteen (15) days following complete publication of the Order in one newspaper of general circulation on November 6, 1990 pursuant to Section 11 thereof.

b) The wage increase to workers receiving wages above the minimum wage but not more than one hundred twenty pesos (P120.00) per day shall likewise take effect on November 22, 1990, pursuant to Section 3 of Wage Order No. RX-01-A;

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

	Under RA 6727 (Effective July 1, 1989)	Required Wage Adjustment	Under WO No. RX- 01 (Effective 22 Nov. 1990)
A. The Provinces of Agusan del Norte, Bukidnon, Misamis Oriental and the cities of Butuan, Cagayan de Oro and Gingoog			
Non-Agricultural	89.00	13.00	102.00
Agricultural			
Plantation with annual gross sales of P5M or more	79.00	13.00	92.00
Plantation with annual gross sales of less than P5M	74.00	13.00	87.00
Non-Plantation	58.50	13.00	71.50
Cottage/handicrafts			
Employing more than 30 workers	67.00	13.00	80.00
Employing not more than 30 workers	65.00	13.00	78.00
Private Hospitals	85.00	13.00	98.00
Retail /Service			
Employing more than 15 workers	89.00	13.00	102.00
Employing 11 to 15 workers	85.00	13.00	98.00
Employing not more than 10 workers	58.00	13.00	71.00
Municipalities and Cities with Population of not more than 150,000			
Employing more than 10 workers	85.00	13.00	98.00
Employing not more than 10 workers	58.00	13.00	71.00
Sugar Mills Agriculture	91.00	13.00	104.00

Plantation with annual gross sales of P5M or more	73.50	13.00	86.50
Plantation with annual gross sales of less than P5M	68.50	13.00	81.50
Non-Plantation	58.50	13.00	71.50
Business Enterprise with Capitalization of not more than P500,000 and not employing more than 20 workers			
Non-Agriculture	79.00	13.00	92.00
Agricultural Plantation			
Products other than sugar	69.00	13.00	82.00
Sugar	63.50	13.00	76.50
Private Hospitals	75.00	13.00	88.00

	Under RA 6727 Effective July 1, 1989	Required Wage Adjustment	Under WO No. RX- 01 Effective 22 Nov. 1990
B. The Provinces of Agusan del Sur, Misamis Occidental, Surigao del Norte and the cities of Oroquieta, Ozamiz, Surigao and Tangub			
Non-Agricultural	89.00	11.00	100.00
Agricultural			
Plantation with annual gross sales of P5M or more	79.00	11.00	90.00
Plantation with annual gross sales of less than P5M	74.00	11.00	85.00
Non-Plantation	58.50	11.00	69.50
Cottage/handicrafts			
Employing more than 30 workers	67.00	11.00	78.00
Employing not more than 30 workers	65.00	11.00	76.00
Private Hospitals	85.00	11.00	96.00
Retail /Service			
Employing more than 15 workers	89.00	11.00	100.00
Employing 11 to 15 workers	85.00	11.00	96.00
Employing not more than 10 workers	58.00	11.00	69.00
Municipalities and Cities with Population of not more than 150,000			
Employing more than 10 workers	85.00	11.00	96.00
Employing not more than 10 workers	58.00	11.00	69.00
Sugar			
Mills	91.00	11.00	102.00
Agriculture			
Plantation with annual gross sales of P5M or more	73.50	11.00	84.50
Plantation with annual gross sales of less than P5M	68.50	11.00	79.50
Non-Plantation	58.50	11.00	69.50
Business Enterprises with Capitalization of not more than P500,000 and not employing more than 20 workers			
Non-Agriculture	79.00	11.00	90.00

Agricultural Plantation			
Products other than sugar	69.00	11.00	80.00
Sugar	63.50	11.00	74.50
Private Hospitals	75.00	11.00	86.00

	Under RA 6727 Effective June 1989	Required Wage Adjustment	Under WO No. RX- 01 Effective 22 Nov. 1990
C. The Province of Camiguin			
Non-Agricultural	89.00	9.00	98.00
Agricultural			
Plantation with annual gross sales of P5M or more	79.00	9.00	88.00
Plantation with annual gross sales of less than P5M	74.00	9.00	83.00
Non-Plantation	58.50	9.00	67.50
Cottage/handicrafts			
Employing more than 30 workers	67.00	9.00	76.00
Employing not more than 30 workers	65.00	9.00	74.00
Private Hospitals	85.00	9.00	94.00
Retail /Service			
Employing more than 15 workers	89.00	9.00	98.00
Employing 11 to 15 workers	85.00	9.00	94.00
Employing not more than 10 workers	58.00	9.00	67.00
Municipalities and Cities with Population of not more than 150,000			
Employing more than 10 workers	85.00	9.00	94.00
Employing not more than 10 workers	58.00	9.00	67.00
Sugar Mills	91.00	9.00	100.00
Agriculture			
Plantation with annual gross sales of P5M or more	73.50	9.00	82.50
Plantation with annual gross sales of less than P5M	68.50	9.00	77.50
Non-Plantation	58.50	9.00	67.50
Business Enterprise with Capitalization of not more than P500,000 and not employing more than 20 workers			
Non-Agriculture	79.00	9.00	88.00
Agricultural Plantation			
Products other than sugar	69.00	9.00	78.00
Sugar	63.50	9.00	72.50
Private Hospitals	75.00	9.00	84.00

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

Section 6. Basis of Minimum Wage Rates. The minimum wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight 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 between August 1, 1990 to the effectivity of this Order shall be considered as compliance with this Order provided that if the amount is less than that prescribed, the employer shall pay the difference.

b) In computing the wage increase pursuant to this Order in hotel and restaurant establishments, any service charges as defined therein, regularly received by employees shall be creditable provided that if the amount received is less than that prescribed, the employer shall be required to pay the difference.

c) Company anniversary and merit wage increase and those resulting from regularization or promotion of employees shall not be credited as compliance thereto.

d) With respect to private educational institutions, the share of the covered workers and employees in the increase in tuition fees for school year 1990 shall be credited as compliance with the wage increase prescribed in the Order and the Supplemental Order. Where their share is less than the wage increase provided therein, the employer shall pay the difference.

Section 8. The change or increase in the minimum wage rates prescribed in this 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, or 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. $\frac{\text{Amount of increase in Applicable Minimum Wage}}{\text{Previous AMW}} \times 100 = \% \text{ Increase}$

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 November 1990 shall be considered as automatically modified insofar 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 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 wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 12. Application on Private Educational Institutions Private educational institutions shall be required to comply with the wage increase prescribed under this Order effective School Year 1991, provided that they shall immediately comply with the Order in case an increase in the tuition fee was granted them during the 3-month period immediately preceding the effectivity of the Order.

Section 13. Application on Industries whose Revenue Rates are Regulated by Law. Other industries whose revenue rates 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 including any adjustment in their rates granted by the government retroactive to August 1, 1990. Provided however, that compliance shall not be later than three (3) months from effectivity of the 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 rate of workers working in branches or agencies of establishments within the region or outside the region shall be those 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 and the Supplemental Order within ninety (90) days from the effectivity.

Applications for exemptions must be filed with the Board through the nearest office of the Department in the region and must be accompanied with the following documents as prescribed:

1. Retail/service establishments regularly employing not more than 10 workers as prescribed under RTWPB-X-Guidelines No. 1 derived from NWPC-Guidelines No. 01.
2. New establishments as prescribed under RTWPB-X-Guidelines No. 2 derived from Department Order No. 12.
3. Distressed establishments as prescribed under RTWPB-X-Guidelines No. 3.
4. Labor intensive establishments as prescribed under RTWPB-X-Guidelines No. 4.

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 interest of one percent (1%) 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 union and the management in the case of organized labor, and the representatives of the workers and employees in the case of unorganized establishments, provided further that in any wage adjustments arising therefrom, viability of the establishment 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 arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time 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 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 and the Supplemental Order.

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

Section 18. Employees whose wage rates are over and above the ceiling wage rate of One Hundred Twenty (P120) pesos per day 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 prompting 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 negotiation and/or collective bargaining shall not be a ground for strike or lockout. Such dispute shall be referred to voluntary arbitration for resolution. The decision of the voluntary arbitrator in this case shall be binding, final, executory and unappealable.

Section 19. Complaints for Non-Compliance. Complaints for non-compliance with the wage increase prescribed under the Order shall be filed with the nearest office of the Department in the region and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 20. Conduct of Inspection by the Department. The Department 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 conduct 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 21. Non-Diminution of Benefits. Nothing in the Order, the Supplemental Order and 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/or under any contract or agreement between the workers and employers or employer practices or policies.

Section 22. Penal Provision. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase under the Order and the Supplemental Order shall be punished by a fine not exceeding P 25,000 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 and the Supplemental 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 23. Registration/Reporting Requirement. Any person, company, corporation, partnership or any entity covered by the Order and Supplemental Order shall submit to the Board and the National Statistics Office, not later than January 31 each year, beginning Calendar Year 1991, a verified itemized listing of their workers/employees below managerial level, including learners, apprentices and disabled/handicapped workers using the form prescribed by the Commission, hereto attached as Annex "B".

Section 24. 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 25. 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, the Supplemental Order and this Rules shall continue to have full force and effect.

Section 26. 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 and 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 27. Duty of 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 a particular worker or workers for a particular payroll period.

Section 28. Effectivity. This Rules shall take effect on November 22, 1990.

Done in Cagayan de Oro City, Republic of the Philippines, this 19th day of November, 1990.

(SGD) MILBERT M. MACARAMBON
Workers' Sector Representative

(SGD) ARSENIO L. SEBASTIAN III
Employer's Sector Representative

(SGD) DEMETRIO S. SUSON
Workers' Sector Representative

(SGD) JOVITO C. CAGAANAN
Employer's Sector Representative

(SGD) NINFA A. ALBANIA
Vice-Chairman

(SGD) ERNESTO M. BALANGUE
Vice-Chairman

(SGD) PEDRITO J. SUSI

Chairman

Approved this ___ day of November 1990.

(SGD) RUBEN D. TORRES
Secretary of Labor and Employment
Annex "A"

SUGGESTED FORMULA IN DETERMINING THE EQUIVALENT
MONTHLY MINIMUM WAGE RATES

Without prejudice to existing company practices, agreements or policies, the following formula maybe, used as guides in determining the equivalent monthly statutory minimum wage rates.

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

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

Where 390.90 days =

$$\begin{aligned} 302 \text{ days} &= \text{Ordinary working days} \\ 20 \text{ days} &= 10 \text{ Regular holidays} \times 200\% \\ 66.30 \text{ days} &= 51 \text{ rest days} \times 130\% \\ & \quad 2/ \\ \frac{2.60}{390.90} \text{ days} &= 2 \text{ special days} \times 130\% \\ 390.90 \text{ days} &= \text{Total equivalent number of days.} \end{aligned}$$

b) For those who do not work but considered paid on Sundays or rest days:

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

Where 365 days =

$$\begin{aligned} 302 \text{ days} &= \text{Ordinary working days} \\ 51 \text{ days} &= \text{Rest days} \\ 10 \text{ days} &= \text{Regular holidays} \\ & \quad 2/ \\ \frac{2}{365} \text{ days} &= \text{Special days} \\ 365 \text{ days} &= \text{Total equivalent number of days} \end{aligned}$$

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

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

Where 314 days =

$$\begin{aligned} 302 \text{ days} &= \text{Ordinary working days} \\ 10 \text{ days} &= \text{Regular holidays} \\ & \quad 2/ \\ \frac{2}{314} \text{ days} &= \text{Special days (If considered paid; if actually worked, this is equivalent to 2.6 days)} \\ 314 \text{ days} &= \text{Total equivalent number of days} \end{aligned}$$

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.

d) For those who do not work and are not considered paid on Sundays and Saturdays 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

1/

2 days = Special days (If considered paid; if actually worked, this is equivalent to 2.6 days)

262 days = Total equivalent number of days

1/ 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.

Nothing herein shall be construed as authorizing the reduction of benefits granted under existing agreements or employer practices/policies.

Administering Officer