

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region 10 - Northern Mindanao
Cagayan de Oro City

INTERIM WAGE ORDER NO. RX-02

PROVIDING FOR AN INTERIM EMERGENCY COST OF LIVING ALLOWANCE

WHEREAS, the December 5, 1990 fuel price increases has made it imperative to review the existing wage levels in the region;

WHEREAS, the effect of said fuel price hikes will surely trigger increases in transportation fares and prices of basic commodities and services;

WHEREAS, the welfare of the workers is a primary concern of the Government;

WHEREAS, in response to the distressed conditions brought about by the recent fuel price increases, it is necessary to provide immediate relief to workers and their families in the spirit of Social Justice;

WHEREAS, by way of temporary measure while the Wage Board is yet assessing and evaluating the petition filed by the labor sector for a new wage increase, it is deemed necessary to grant an INTERIM ASSISTANCE to our workers in the form of an Emergency Cost of Living Allowance effective only for three (3) months period, or from January 7 up to April 6, 1991 unless extended, or sooner recalled or revoked by the Board through the issuance of a regular Wage Order in resolution of the wage hike petition now pending before it;

NOW THEREFORE, by virtue of the power and authority vested under RA 6727 otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board for Region 10 (Northern Mindanao) does hereby issue this Wage Order:

Section 1. Upon the effectivity of this Wage Order on January 7, 1991, all employers in the private sector in all of Region 10 (Northern Mindanao) shall provide their workers an Emergency Cost of Living Allowance good for a 3-month period or up to April 6, 1991 unless sooner revoked/recalled by the Board through the issuance of a regular wage order in resolution of the wage hike petition filed and now pending before it;

Section 2. That the amount of such Emergency Cost of Living Allowance shall be not less than the following:

<u>Category for Establishment</u>	<u>Amount of ECOLA</u>
1. With not more than 20 employees	P200/month;
2. With 21 but not more than 150 employees	P300/month;
3. With 151 but not more than 300 employees	P400/month;
4. With more than 300 employees	P500/month;

Section 3. That the amount of ECOLA mandated under this Order shall apply to all types of workers regardless of rank or position, except the following:

- a) Workers who are members of the family of the employer but dependent upon the latter for support;
- b) Household or domestic helpers;
- c) And persons in the personal service of another;

Section 4. That the employer may give the ECOLA in the form of rice allowance in cash. But whether granted as ECOLA or rice allowance the same shall not be considered part of the regular wage of the workers for purposes of computing wage-related benefits such as 13th month pay, overtime pay, Premium pay for working on Restdays and holidays, differential pay, and the like, as well as contributions to the State Insurance Fund, SSS, Medicare, Pag-IBIG, and others;

Section 5. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed ECOLA or rice allowance of covered workers shall be borne by the principals or clients of the construction/service contractors, and the contract shall be deemed amended accordingly while this Wage Order is in effect. In the event however, that the principal or client fails to pay prescribed ECOLA or rice allowance, then the construction/service contractor shall be jointly and severally liable with the said principal or client;

Section 6. All workers paid by result, including those who are paid on piece work, takay, pakyaw or task basis, shall be entitled to receive proportionately the prescribed ECOLA or rice allowance on a daily basis based on eight (8) hours work, or only a proportion thereof for working less than eight (8) hours;

Section 7. Wage increases, rice allowance (in kind or cash), and other allowances granted by employers to their workers because of, or in anticipation of the fuel price hikes on December 5, 1990 and exclusive of compliance with Wage Order Nos. RX-01 and RX-01-A are creditable, provided that if the amount is less than that prescribed in this Interim Wage Order, the employer shall give the difference;

Section 8. Any employer who fails to pay or refuses to comply with the ECOLA or rice allowance provided under this Interim Wage Order shall be subject to the penalties specified under Section 12 of RA 6727 and the Labor Code;

Section 9. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts remain valid. Nothing in this Order shall be construed to reduce any existing wage rate, allowance or other benefit granted under existing laws, decrees, issuances, executive orders and/or contract or agreement by and between workers and their employers.

Section 10. This Interim Wage Order shall take effect on January 7, 1991 provided that the same is published in a newspaper of general circulation in the region before said date, as required.

APPROVED: 20 December 1990.

(SGD)MILBERT M. MACARAMBON
Workers' Sector Representative

(SGD)ARSENIO L. SEBASTIAN III
Employers' Sector Representative

(SGD)DEMETRIO S. SUSON
Workers' Sector Representative

(SGD)JOVITO C. CAGAANAN
Employers' Sector Representative

NINFA A. ALBANIA
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(SGD)ERNESTO M. BALANGUE
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(SGD)PEDRITO J. SUSI
Chairman

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

RULES AND REGULATIONS IMPLEMENTING
WAGE ORDER NO. RX-02

Pursuant to Section 5, Rule IV of the National Wages and Productivity Commission, Rules of Procedure on Minimum Wage Fixing and the authority granted to the Regional Tripartite Wages and Productivity Board under Republic Act 6727, the following rules are hereby issued for the guidance and compliance of all concerned:

Section 1. Employers covered - The Wage Order shall apply to all agricultural and non-agricultural establishments and enterprises, as well as to all undertakings, institutions and organizations whether organized for profit or not in the private sector within Northern Mindanao (Region 10).

Section 2. Employees covered - The Wage Order shall apply to all employees of covered employers assigned within the region regardless of their position, designation or status and irrespective of the method by which their wages are paid, except:

- a. Household or domestic helpers including family drivers and persons in the personal service of another;
- b. Those paid purely on commission or boundary basis;

In the case of learners and apprentices, the allowances provided for in the Wage Order shall be proportionate to the wages they receive.

Section 3. Allowances to be paid in kind (as rice subsidy) or in cash - The allowances provided for in this Wage Order shall be paid in kind as rice subsidy or in cash at the end of each month. In case of cash the same shall be paid together with the last regular pay of the month or if in kind, it shall be given not later than the end of each month.

In case of temporary/casual workers who are hired for a period of less than one month they shall be given/paid their corresponding allowance under this Wage Order on the last payment of their regular pay unless the said allowance is already incorporated in the agreed rate.

Section 4. Amount of Allowance - Every covered employer shall give to each of his workers/employees every month an allowance equivalent to any of the following schedule:

- | | | |
|---|---|--------|
| a. Employers with 20 or less workers - | P | 200.00 |
| b. Employers with 21 to 150 workers - | | 300.00 |
| c. Employers with 151 to 300 workers - | | 400.00 |
| d. Employers with more than 300 workers - | | 500.00 |

In determining the bracket of the employer, the total number of employees of the establishment within the region shall be used as a basis.

Nothing herein shall prevent employers from granting an allowance more than that prescribed above.

Section 5. Creditable benefits - Any wage increase or adjustment granted between November 22, 1990 and January 6, 1991 exclusive of compliance with Wage Order Nos. RX-01 and RX-01-A shall be considered as compliance with the Order provided that if the amount is less than that prescribed, the employer shall pay the difference.

In addition, any of the following shall be considered as compliance:

- a. All forms of wage increases granted unilaterally or under collective bargaining agreements excluding company anniversary increases and those resulting from regularization, promotion and merit increases.
- b. All kinds of allowances in cash or in kind for whatever purpose such as transportation, meal allowance, rice subsidy and others.
- c. All forms of economic assistance such as housing, bus services for the family and other similar activities.

Section 6. Employees who are paid on a daily basis shall be paid their allowance for the number of days actually worked in a week or a month during the covered period based on the daily rate as computed in Section 8.

In case of part time employment, the allowances shall be paid in the amount equivalent to the number of days actually worked based on the daily rate computed in Section 8.

Section 7. Contractual employers - All contractors or sub-contractors including security and watchmans' agencies and janitorial services are covered by the Wage Order. Failure to pay the allowances prescribed in Section 4 hereof shall make their principals jointly and severally liable with them.

Section 8. Determination of the equivalent daily allowance - In the determination of the equivalent daily allowance of any covered employee, the applicable monthly allowance shall be divided by the number of the actual normal working days of the employees in a month. To insure uniformity in the determination of the equivalent daily allowance of an employee, the following computations may be used:

- a. Applicable monthly allowance X 12 month = Yearly Allowance
- b. Yearly allowance (a) divided by the number of actual normal working days in a year shall be the equivalent daily allowance. The normal working days shall exclude rest days and holidays.

Section 9. Leave of absence with pay - All covered employees shall be entitled to the allowances provided herein when they are on leave of absence with pay.

Section 10. Relations to Employees Compensation and Social Security Payments - An employee who is receiving employees' compensation and social security benefits such as sick leave, injury leaves or maternity benefits in lieu of wages, is entitled to the allowance proportionately to the compensation or benefit.

Section 11. Prohibition on reduction of benefits - Nothing in this Wage Order shall be construed to withdraw or reduce any existing allowances, bonus, and other employee benefits under existing

laws, wage orders and other issuances or employer practices or policies which provide higher benefits.

Section 12. Effects on other issuances, order and their implementing rules and regulations - All issuances, orders and their implementing rules not otherwise repealed, modified by or inconsistent with the Wage Order shall continue to be in full force and effect.

Section 13. Enforcement and Penal Provision - The Wage Order and its Rules shall be enforced in accordance with the applicable provision of the Labor Code, its implementing rules, regulations and other applicable laws.

Section 14. Effects on existing CBA - The Wage Order shall not be a ground for the negotiation of existing collective bargaining agreements except where there exist appropriate wage reopening clause. Where the application of the Wage Order results in a question of interpretation the employer or the union may initiate negotiations but only for the purpose of defining the correct interpretation. Should the case result in a dispute the same should be referred for voluntary arbitration.

Section 15. Reporting required - All covered employers shall report to the Department of Labor and Employment through the Provincial Office having jurisdiction over the business or undertaking of said employers, their allowance granted to their employees not later than April 30, 1991.

The report, under oath shall conform substantially to the following form:

REPORT OF COMPLIANCE WITH WAGE ORDER NO. 2

1. Name of Establishment;
2. Address;
3. Principal product, business or activity;
4. Capital Structure
 - a. Authorized Capital
 - b. Paid-up capital in case of a partnership or a single proprietorship
 - c. Total assets as of April 30, 1991
5. Total employment;
6. Particulars of the allowance granted:
 - a. Mode of payment: cash, in kind or others
 - b. Date of first and last payment
 - c. Total value of benefits granted per month
 - d. Total number of workers benefited
 - e. Other details if necessary
7. Name, position, and telephone number of person filing the report;

Section 16. Effectivity - This Wage Order and its implementing rules shall take effect on January 7, 1991 up to April 6, 1991 unless sooner revoked.

(SGD) MILBERT M. MACARAMBON
Workers' Sector Representative

(SGD) ARSENIO L. SEBASTIAN III
Employers' Sector Representative

(SGD) DEMETRIO S. SUSON

(SGD) JOVITO C. CAGAANAN

Workers' Sector Representative

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(SGD) NINFA A. ALBANIA
Vice-Chairman

(SGD) ERNESTO M. BALANGUE
Vice-Chairman

(SGD) PEDRITO J. SUSI
Chairman

Approved this ____ day of December 1990.

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