

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region 10, Northern Mindanao

WAGE ORDER NO. RX-09
PROVIDING FOR NEW MINIMUM WAGE RATES
AND COST OF LIVING ALLOWANCE IN REGION X

WHEREAS, the Regional Tripartite Wages and Productivity Board of Region X, recognizing the need to review the prevailing minimum wage levels and determine the socio-economic condition of the region, motu proprio, caused the publication of a notice of public hearing on November 26, 2001 in Cagayan de Oro City;

WHEREAS, the Board, after a thorough deliberation, decided to adjust the wage levels in the region to that which is financially feasible for business establishments at the same time taking into consideration the general welfare of workers in coping with the current standard of living;

WHEREAS, Executive Order No. 36 dated September 19, 2001, providing for the reorganization of Administrative Regions in Mindanao, integrated Iligan City and Lanao del Norte to Region X, otherwise known as Northern Mindanao;

WHEREAS, to effect a uniform wage structures in the Region through a reasonable and mutually acceptable scheme for both workers and employers, adjustments of the salaries of workers in Iligan City and Lanao del Norte shall be given in two (2) tranches in the manner herein prescribed;

WHEREAS, in line with the thrust towards wage simplification, the Board hereby establishes a new classification of the different areas in the Region from Classes A, B & C into Wage Categories 1 and 2;

NOW, THEREFORE, by virtue of the power and authority vested in the Board by Republic Act No. 6727, otherwise known as the WAGE RATIONALIZATION ACT, the Regional Tripartite Wages and Productivity Board of Region X, hereby issues this Wage Order:

Section 1. AREA RECLASSIFICATION.. The new wage classification shall be as follows:

a. WAGE CATEGORY 1 - Cities of Cagayan de Oro, Iligan, Gingoog, Malaybalay, Oroquieta, Ozamis, Tangub, and Valencia, and the Municipalities of Tagoloan, Villanueva and Jasaan of Misamis Oriental; and

b. WAGE CATEGORY 2 - all other Municipalities of Region X including the Province of Lanao del Norte.

Section 2. COLA/PERA INTEGRATION TO THE BASIC WAGE. The prevailing Cost of Living Allowance (COLA) of Seven Pesos (P7.00) under Wage Order No. RX-08 and the Provisional Emergency Relief Allowance (PERA) of Ten Pesos (P10.00) for Iligan City and Lanao del Norte under Wage Order No. CMR-09 shall be integrated to the basic pay of all workers receiving the said COLA/PERA upon the effectivity of this Order;

Section 3. GRANT OF A NEW COST OF LIVING ALLOWANCE. A grant of Twelve Peso (P12.00) cost of living allowance shall be given to all qualified private workers and employees in Region X, in the following manner:

- a. P5.00/day, effective February 23, 2002; and
- b. P7.00/day, effective May 1, 2002

Section 4. COVERAGE. All workers and employees in the private sector of Region X who are receiving a daily basic pay of Two Hundred Ten (P210.00) and below shall be entitled to the P12.00 COLA given in two (2) tranches except household or domestic helpers and persons in the personal service of another, including family drivers.

Section 5. AMOUNT AND EFFECTIVITY OF THE NEW WAGE RATES AND THE GRANT OF LIVING ALLOWANCE. Effective February 23, 2002, the minimum wage rates and the cost of living allowances of the workers and employees in the private sector in Region X shall be as follows:

WAGE CATEGORY 1

Cities of Cagayan de Oro, Gingoog, Malaybalay, Oroquieta, Ozamis, Tangub and Valencia; the Municipalities of Tagoloan, Villanueva and Jasaan of Misamis Oriental:	BASIC		COLA		TOTAL	
	Min. Wage	Ceiling				
	EFFECTIVITY					
	February 23, 2002			May 1, 2002	Min. Wage	Ceiling
Non - Agriculture	180.00	210.00	5.00	7.00	192.00	222.00
Agriculture	170.00	200.00	5.00	7.00	182.00	212.00

Iligan City	BASIC		Adjustment to Minimum Wage	COLA		TOTAL		
	Min. Wage	Ceiling						
	EFFECTIVITY							
	February 23, 2002			Jan 1, 2003	Feb. 23, 2002	May 1, 2002	Min. Wage	Ceiling
Non - Agriculture	160.00	190.00	5.00	15.00	5.00	7.00	192.00	222.00
Agriculture	160.00	190.00	5.00	5.00	5.00	7.00	182.00	212.00

WAGE CATEGORY 2

All other municipalities	BASIC		COLA		TOTAL	
	Min. Wage	Ceiling				
	EFFECTIVITY					
	February 23, 2002			May 1, 2002	Min. Wage	Ceiling
Non - Agriculture	173.00	203.00	5.00	7.00	185.00	215.00
Agriculture	163.00	193.00	5.00	7.00	175.00	205.00

Lanao del Norte	BASIC		Adjustment to Minimum Wage	COLA		TOTAL	
	Min. Wage	Ceiling					
	EFFECTIVITY						
	February 23, 2002			Jan 1, 2003	Feb. 23, 2002	May 1, 2002	Min. Wage

Non - Agriculture	160.00	190.00	5.00	8.00	5.00	7.00	185.00	215.00
Agriculture	160.00	190.00	3.00	-	5.00	7.00	175.00	205.00

Section 6. AGRICULTURAL WORKERS IN THE SUGAR INDUSTRY. The Board hereby retains the Applicable "Pakyaw Rates" for Agricultural Workers in the Sugar Industry, as a special category, under Wage Order No. RX-08, which shall be reviewed within six (6) months after the effectivity of this Order.

Section 7. BASIS OF MINIMUM WAGE. The minimum wage rates prescribed under this wage order shall be for the normal working hours, which shall not exceed eight (8) hours work a day excluding rest day.

Section 8. CREDITABLE WAGE INCREASE. All wages and/or allowances granted to each worker within three (3) months prior to February 23, 2002 shall be credited as compliance, provided where such allowances are less than the prescribed adjustment, the employer shall pay the difference.

Such creditable increases shall not include anniversary wage increases, merit increases and those resulting from the regularization or promotion of employees, unless there is an agreement expressly allowing such crediting.

Section 9. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takay", "pakyaw", or task basis, shall be entitled to receive the prescribed minimum wage rates and COLA per eight hours of work a day, or a proportion thereof for working less than eight (8) hours.

Section 10. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in this Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the new prescribed wage rates.

Section 11. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the minimum wage adjustment shall take effect not later than the beginning of School Year 2002-2003, subject to the provisions of RA 6728 and other issuances.

Section 12. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects, security, janitorial and similar services, the prescribed increases in the wage rates of the workers shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed increase or new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 13. APPLICATION TO SECTORS AND SUBSECTORS WHOSE REVENUES ARE REGULATED BY LAW AND OTHER APPROPRIATE GOVERNMENT ENTITIES. Entities whose revenues are regulated by law and other appropriate government offices shall be required to comply with this Wage Order effective upon approval of the adjustment in their rates by the concerned government agencies and instrumentalities but not later than six (6) months from the effectivity hereof, provided, that establishments granted by appropriate agencies during the three (3) months period immediately preceding this Wage Order shall comply with the minimum wage increase and COLA mandated herein on the date this Wage Order takes effect.

Section 14. EXEMPTIONS. Upon application with and as determined by the Board in accordance with applicable rules and regulations issued by the Commission, the following maybe exempted from the applicability of this Wage Order:

- a.) Retail/Service establishment employing not more than ten (10) workers;
- b.) Distressed establishment;
- c.) New business enterprise (NBEs);
- d.) Establishment adversely affected by natural calamities.

Section 15. EFFECT OF APPLICATION FOR EXEMPTION. An application for exemption duly filed shall have the effect of deferring any action in any complaint for non-compliance with the Order until resolution of the application by the Regional Board.

In case the application for exemption is not approved, covered employees/workers of the applicant-establishment shall be paid the mandated wage and COLA increase under this Wage Order plus one percent (1%) interest per month retroactive to the effectivity of this Wage Order.

Section 16. APPEAL TO THE COMMISSION. Any party aggrieved by this Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Order.

Section 17. EFFECT OF FILING OF APPEAL. The filing of the appeal does not operate to stay the Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding increase to employees affected by the Order in the event such Order is affirmed.

Section 18. EFFECTS ON EXISTING WAGE STRUCTURE OR WAGE DISTORTION. Where the application of the increases in the wage rates under this Order results in distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Art. 124 of the Labor Code, as amended.

The management and the officers of labor union or workers' representatives of affected establishments are enjoined to resolve the distortion through the labor-management councils/committees within sixty (60) days from the effectivity of this Wage Order with management having the primary responsibility of initiating the action using the Pineda Model as prescribed in the Implementing Guidelines.

Section 19. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance of this Wage Order shall be filed before the Regional Office of the Department of Labor and Employment (DOLE) or any of its Provincial Extension Offices and shall be the subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

Section 20.. NON-DIMINUTION OF BENEFITS. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowances, and benefits in any form under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between the workers and employers.

Section 21. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase/allowances/rates in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

Section 22. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any Court, Tribunal or other entity against any proceedings before the Board.

Section 23. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

Section 24. REPORTING REQUIREMENT. Any person, company, corporation, partnership, or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2003 and every year thereafter in accordance with the form prescribed by the Commission.

Section 25. REPEALING CLAUSE. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

Section 26. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 27. IMPLEMENTING RULES. The Board shall prepare the necessary rules to implement this Wage Order subject to the approval of the Secretary of Labor and Employment.

Section 28. EFFECTIVITY. This Wage Order shall take effect on February 23, 2002, pursuant to the requirement of publication.

APPROVED UNANIMOUSLY. *Cagayan de Oro City, Philippines, January 31, 2002*

(SGD) PRUDENCIO T. PLAZA JR.
Management Representative

(SGD) ARSENIO L. SEBASTIAN III
Management Representative

We dissent on Sec. 8 par. 2 provision (*Labor Representatives*)

(SGD) LORENZO C. TONGCO
Labor Representative

(SGD) FLORENCIA P. CABATINGAN
Labor Representative

(SGD) NINFA ALONG-ALBANIA
Vice-Chairman, DTI-X

(SGD) RAYMUNDO E. FONOLLERA
Vice-Chairman, NEDA-X

(SGD) ALAN M. MACARAYA
Chairman, RTWPB-X

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region 10, Northern Mindanao

WAGE ORDER NO. RX-09-A
AMENDING SECTIONS 2, 4, 5 and 18
OF WAGE ORDER NO. RX- 09

WHEREAS, on January 31, 2002, the Regional Tripartite Wages and Productivity Board of Region X issued Wage Order No. RX-09 pursuant to its mandate under Republic Act No. 6727;

WHEREAS, after conducting a series of Wage Clinique through "Operasyon Pawis" with various sectors of Region X, the Board found the need to clarify the amount of minimum wage rates for certain wage categories.

WHEREAS, the Board has given special consideration to cushion the effects of the wage adjustments in Iligan City and Lanao del Norte.

NOW, THEREFORE, premises considered and in view of the foregoing, the Board resolves as it hereby resolves, to amend sections 2, 4, 5 and 18 of Wage Order No. RX-09 to read as follows:

Section 2-A. BASIC WAGE ADJUSTMENT FOR ILIGAN CITY AND LANA DEL NORTE. The Basic wage for Iligan City and Lanao del Norte shall be adjusted as follows:

EFFECTIVITY DATES	ILIGAN CITY		LANAO DEL NORTE	
	Non -Agriculture	Agriculture	Non -Agriculture	Agriculture
February 23, 2002	P 5.00	P 5.00	P 5.00	P 3.00
January 1, 2003	P 15.00	P 5.00	P 8.00	-
TOTAL	P 20.00	P 10.00	P 13.00	P 3.00

Section 4. COVERAGE. All workers and employees in the private sector of Region X who are receiving a daily basic pay of Two Hundred Ten Pesos (P210.00) and below shall be entitled to the P12.00 COLA given in two tranches. However, in Iligan City and Lanao del Norte, only those who are receiving the prescribed daily basic pay shall be entitled to the P12.00 COLA.

Household or domestic helpers and persons in the personal service of another, including family drivers are not covered.

Section 5. AMOUNT AND EFFECTIVITY OF THE NEW MINIMUM WAGE RATES. In view of the area reclassification under section 1 of W.O. RX-09, the basic wage in all the cities which were formerly under class B of W.O. No. RX-08 shall be adjusted by P2.00.

Upon effectivity, the new minimum wage rates of workers and employees in the private sector of Region X shall be as follows:

EFFECTIVITY DATES/Classification	WAGE CATEGORY 1			WAGE CATEGORY 2		
	BASIC	COLA	Minimum Wage Range	BASIC	COLA	Minimum Wage Range
Feb. 23, 2002						
Non- Agriculture	P180.00	P 5.00	P185.00-215.00	P 173.00	P 5.00	P178.00-215.00
Agriculture	P170.00	P 5.00	P175.00-215.00	P 163.00	P 5.00	P168.00-215.00
May 1, 2002						
Non-Agriculture	P180.00	P 12.00	P192.00-222.00	P 173.00	P 12.00	P185.00-222.00
Agriculture	P170.00	P 12.00	P182.00-222.00	P 163.00	P 12.00	P175.00-222.00
EFFECTIVITY DATES/Classification	ILIGAN CITY			LANAO DEL NORTE		
	BASIC	COLA	Minimum Wage	BASIC	COLA	Minimum Wage

Feb. 23, 2002						
Non-Agriculture	P 165.00	P 5.00	P 170.00	P 165.00	P 5.00	P 170.00
Agriculture	P 165.00	P 5.00	P 170.00	P 163.00	P 5.00	P 168.00
May 1, 2002						
Non - Agriculture	P 165.00	P 12.00	P 177.00	P 165.00	P 12.00	P 177.00
Agriculture	P 165.00	P 12.00	P 177.00	P 163.00	P 12.00	P 175.00
Jan 1, 2003						
Non - Agriculture	P 180.00	P 12.00	P 192.00	P 173.00	P 12.00	P 185.00
Agriculture	P 170.00	P 12.00	P 182.00	P 163.00	P 12.00	P 175.00

SECTION 18. EFFECTS ON EXISTING WAGE STRUCTURE OR WAGE DISTORTION. Where the application of the increases in the wage rates under this Order results in distortion of the wage structure within an establishment, the same shall be corrected, in accordance with the procedure provided for under Art. 124 of the Labor Code as amended.

The effectivity of this Amendatory Order shall retroact to February 23, 2002 concurrent with the effectivity of Wage Order No. RX-09 of which this is a part of.

APPROVED. March 13, 2002, *CAGAYAN DE ORO CITY, PHILIPPINES.*

(SGD) PRUDENCIO T. PLAZA JR.
Management Representative

(SGD) ARSENIO L. SEBASTIAN III
Management Representative

(SGD) LORENZO C. TONGCO
Labor Representative

(SGD) FLORENCIA P. CABATINGAN
Labor Representative

(SGD) NINFA ALONG-ALBANIA
Vice-Chairman, DTI-X

(SGD) CASIMIRA V. BALANDRA
Vice-Chairman, NEDA-X

(SGD) MANUEL C. ROLDAN
Chairman, RTWPB-X
Regional Director, DOLE-X

**RULES IMPLEMENTING WAGE ORDER NO. RX-09 and RX-09-A
PROVIDING FOR NEW MINIMUM WAGE RATES
AND COST OF LIVING ALLOWANCE
IN REGION X**

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:

**RULE 1
PRELIMINARY PROVISIONS**

Section 1. TITLE. These Rules shall be known as the Rules Implementing Wage Order No. RX-09 and RX-09-A.

Section 2. DEFINITION OF TERMS.

- a) "Order" refers to Wage Order No. RX-09 and RX-09-A;
- b) "Commission" refers to the National Wages and Productivity Commission;
- c) "Board" refers to the Regional Tripartite Wages and Productivity Board of Region X;
- d) "Region X" covers the provinces of Bukidnon, Camiguin, Misamis Occidental, Misamis Oriental and Lanao del Norte and the Cities of Cagayan de Oro, Iligan, Gingoog, Oroquieta, Ozamis, Tangub, Malaybalay and Valencia;
- e) "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 of ponds and any activities performed by a farmer 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, or other farm products;
- f) "Retail Establishment" is one principally engaged in the sale of goods to end-users for personal or household use;
- g) "Service Establishment" is one principally engaged in the sale of service to individuals for their own or household use and generally recognized as such;
- h) "Distressed Establishment" refers to an establishment which meets the criteria enumerated under these Rules and Section 3(A) of NWPC Guidelines No. 01 Series of 1996;
- i) "Department" refers to the Department of Labor and Employment;
- j) "Basic Wage or Basic Pay" 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 this Wage Order becomes effective;
- k) "Minimum Wage Rates" refers to the lowest wage rate that an employer can pay his workers, including COLA as fixed by the Board.
- l) " Minimum Wage Range" refers to the lowest minimum basic wage rate to the highest ceiling rate of P210.00 plus COLA that an employer can pay his workers, as fixed by the Board.
- m) "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;
- n) "Establishment" refers to an economic unit which engages in one or predominantly one kind of economic activity at a single fixed location;

o) "Capital" refers to paid-up capital at the end of the last full accounting period, in the case of corporations or total invested capital at the beginning of the period under review, in the case of partnerships and single proprietorships;

p) "Full Accounting Period" refers to a period of twelve (12) months or one year of business operations;

q) "Deficit" refers to the negative balance of the retained earnings account of a corporation. Retained earnings represent the cumulative balance of periodic earnings, dividend distributions, prior period adjustments and other capital adjustments;

r) "New Business Enterprises" refers to establishments, including non-profit institutions, established outside export processing zones within two (2) years from effectivity of Wage Order No. RX-09 based on the latest registration with the appropriate government agency such as SEC, DTI, CDA and the Mayor's Office;

s) "Sugar Industry" refers to cultivation of the land appropriate for the plantation of sugar-cane, which includes all activities from the cultivation of the land, the planting of sugar-canes up to the time of the harvesting of the same;

t) "Pakyaw rate" refers to the rate of remuneration earned by a worker for performing a specific work regardless of the time consumed in the performance thereof;

u) "COLA" means cost of living allowance;

v) "PERA" means provisional emergency relief allowance

w) "Piece rate and takyaw" refers to the rate per unit of product or service.

Section 3. AREA RECLASSIFICATION. Classes A & B under W.O. RX-08 are now merged under one category and class C of the same order as another category. The new wage classification then shall be as follows:

a. WAGE CATEGORY 1 - Cities of Cagayan de Oro, Iligan, Gingoog, Malaybalay, Oroquieta, Ozamis, Tangub, and Valencia, and the Municipalities of Tagoloan, Villanueva and Jasaan of Misamis Oriental; and

b. WAGE CATEGORY 2 - all other Municipalities of Region X including the Province of Lanao del Norte.

RULE II NEW MINIMUM WAGE RATES AND COST OF LIVING ALLOWANCE

Section 1. COLA/PERA INTEGRATION TO THE BASIC WAGE. The prevailing Cost of Living Allowance (COLA) of Seven Pesos (P7.00) under Wage Order No. RX-08 and the Provisional Emergency Relief Allowance (PERA) of Ten Pesos (P10.00) for Iligan and Lanao del Norte under Wage Order No. CMR-09 shall be integrated to the basic pay of all workers receiving the said COLA/PERA upon the effectivity of this Order;

Section 2. GRANT OF A NEW COST OF LIVING ALLOWANCE. A grant of Twelve Peso (P12.00) cost of living allowance shall be given to all qualified private workers and employees in Region X, in the following manner:

a. P5.00/day, effective February 23, 2002; and

b. P7.00/day, effective May 1, 2002

Section 2-A. WAGE ADJUSTMENT FOR ILIGAN CITY AND LANA DEL NORTE. The minimum wage of Iligan City and Lanao del Norte shall be adjusted as follows:

EFFECTIVITY	WAGE CATEGORY 1	WAGE CATEGORY 2
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DATES/Classification	BASIC	COLA	Minimum Wage Range	BASIC	COLA	Minimum Wage Range
Feb. 23, 2002						
Non- Agriculture	P180.00	P 5.00	P185.00-215.00	P 173.00	P 5.00	P178.00-215.00
Agriculture	P170.00	P 5.00	P175.00-215.00	P 163.00	P 5.00	P168.00-215.00
May 1, 2002						
Non-Agriculture	P180.00	P 12.00	P192.00-222.00	P 173.00	P 12.00	P185.00-222.00
Agriculture	P170.00	P 12.00	P182.00-222.00	P 163.00	P 12.00	P175.00-222.00

Section 3. COVERAGE. All workers and employees in the private sector of Region X who are receiving a daily basic pay of Two Hundred Ten (P210.00) and below shall be entitled to the P12.00 COLA. However, in Iligan City and Lanao del Norte, only those receiving the basic daily pay shall be entitled to the P12.00 COLA.

Household or domestic helpers and persons in the personal service of another, including family drivers are not covered.

Section 4. AMOUNT AND EFFECTIVITY OF THE NEW MINIMUM WAGE RATES. Upon effectivity, the new minimum wage rates of workers and employees in the private sector of Region X shall be as follows:

EFFECTIVITY DATES/Classification WAGE CATEGORY 1 WAGE CATEGORY 2
BASIC COLA Minimum Wage Range BASIC COLA Minimum Wage Range

EFFECTIVITY DATES/Classification	WAGE CATEGORY 1			WAGE CATEGORY 2		
	BASIC	COLA	Minimum Wage Range	BASIC	COLA	Minimum Wage Range
Feb. 23, 2002						
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Agriculture	P170.00	P 5.00	P175.00-215.00	P 163.00	P 5.00	P168.00-215.00
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Non-Agriculture	P180.00	P 12.00	P192.00-222.00	P 173.00	P 12.00	P185.00-222.00
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EFFECTIVITY DATES/Classification	ILIGAN CITY			LANAO DEL NORTE		
	BASIC	COLA	Minimum Wage	BASIC	COLA	Minimum Wage
Feb. 23, 2002						
Non-Agriculture	P 165.00	P 5.00	P 170.00	P 165.00	P 5.00	P 170.00
Agriculture	P 165.00	P 5.00	P 170.00	P 163.00	P 5.00	P 168.00
May 1, 2002						
Non - Agriculture	P 165.00	P 12.00	P 177.00	P 165.00	P 12.00	P 177.00
Agriculture	P 165.00	P 12.00	P 177.00	P 163.00	P 12.00	P 175.00
Jan 1, 2003						
Non - Agriculture	P 180.00	P 12.00	P 192.00	P 173.00	P 12.00	P 185.00
Agriculture	P 170.00	P 12.00	P 182.00	P 163.00	P 12.00	P 175.00

Section 5. AGRICULTURAL WORKERS IN THE SUGAR INDUSTRY. The Board hereby retains the Applicable "Pakyaw Rates" for Agricultural Workers in the Sugar Industry, as a special category, under Wage Order No. RX-08, which shall be reviewed within six (6) months after the effectivity of this Order.

Section 6. BASIS OF MINIMUM WAGE. The minimum wage rates prescribed under this wage order shall be for the normal working hours, which shall not exceed eight (8) hours work a day excluding rest day

Section 7. CREDITABLE WAGE INCREASE. All wages and/or allowances granted to each worker within three (3) months prior to February 23, 2002 shall be credited as compliance, provided where such allowances are less than the prescribed adjustment, the employer shall pay the difference.

Such creditable increases shall not include anniversary wage increases, merit increases and those resulting from the regularization or promotion of employee, unless there is an agreement expressly allowing such crediting.

Section 8. APPLICATION TO SECTORS AND SUBSECTORS WHOSE REVENUES ARE REGULATED BY LAW AND OTHER APPROPRIATE GOVERNMENT ENTITIES. Entities whose revenues are regulated by law and other appropriate government offices shall comply with this Wage Order upon approval of the adjustment in their rates by the concerned government agencies and instrumentalities which shall not be later than six (6) months from the effectivity of the Wage Order.

However, establishments granted adjustment by appropriate government agencies and instrumentalities within the three (3) months-period immediately preceding Wage Order No. RX-09 shall comply with the new minimum wage rates and COLA mandated herein upon its effectivity.

Section 9. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of educational institutions, the minimum wage adjustment shall take effect not later than the beginning of School Year 2002-2003.

Section 10. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects, security, janitorial and similar services, prescribed wage increases shall be borne by the principals or clients of the constructions/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 or new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 11. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takay", "pakyaw", or task basis shall be entitled to receive the prescribed new minimum wage and COLA per eight hours of work a day, or a proportion thereof for working less than eight (8) hours.

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

a)
$$\frac{\text{Amount of increase in AMW}}{\text{Previous AMW}} \times 100 = \% \text{ increases;}$$

b) Existing rate/piece x % increase = Increase in rate/piece;

c) Existing rate/piece + Increase in rate/piece = Adjusted rate/piece

Where: AMW is the adjusted minimum wage rate.

The wage rates 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 12. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be less than 75 percent of the adjusted minimum wage rates prescribed in the Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of the Order shall be considered as automatically modified insofar as their wage clauses are concerned to reflect the prescribed minimum wage under the Order.

Section 13. SUGGESTED FORMULA IN DETERMINING THE EQUIVALENT MONTHLY REGIONAL MINIMUM WAGE RATES. Without prejudice to existing company practices, agreements or policies, the following formula shall be used 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 holidays:

$$\text{Equivalent Monthly Rate} = \frac{\text{Applicable Daily Wage Rate} \times 391.50 \text{ days}}{\text{-----}}$$

Where: $391.50 \text{ days} = A + B + C + D + E$

Where A = 302.0 ordinary working days
 B = 18.0 days which is 9 regular holidays x 200 %
 C = 2.6 days which 1 regular holiday falling on last
 Sunday of August x 200% + (30% of 200%)
 D = 66.3 days which is 51 rest days x 130%
 E = 2.6 days which is 2 special days (if worked)
 x 130%

391.5 days

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

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

Where: EMR is Equivalent Monthly Rate
 ADR is Adjusted Daily Rate

$$365 \text{ days} = A + B + C + D$$

Where: A = 302 Ordinary working days
 B = 51 Rest days
 C = 10 Regular Holidays
 D = 2 Special days

365 Days

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

$$\text{EMR} = \frac{\text{ADR} \times 314.6 \text{ days}}{12}$$

Where: $314.6 \text{ days} = A + B + C$

A = 302 ordinary working days
 B = 10 regular holidays
 C = 2.6 which is 2 special days (if worked)
 x 130%

314.6 days

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

$$\text{EMR} = \frac{\text{ADR} \times 262.6 \text{ days}}{12}$$

Where: $262.6 \text{ days} = A + B + C$

A = 250.0 Ordinary working days
 B = 10.0 Regular Holidays
 C = 2.6 which is 2 Special days (if worked)
 x 130%

262.6 days

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.

Section 14. MOBILE AND BRANCH WORKERS. The minimum wage rates of workers, who by nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

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

Section 15. TRANSFER OF PERSONNEL. The transfer of personnel to areas outside the Region shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. The workers transferred to the other Regions with higher wage rates shall be entitled to the minimum wage rate applicable therein.

Section 16. APPEAL TO THE COMMISSION. Any party aggrieved by the Wage Order may file an appeal with the Commission within ten (10) calendar days from the publication of the Order. The Commission shall decide the appeal within sixty (60) calendar days from the date of filing. The appeal shall be accompanied by a memorandum of appeal which shall state the grounds relied upon and the arguments in support of the appeal.

Section 17. EFFECT OF APPEAL. The filing of the appeal does not operate to stay the Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment to employees affected by the Order of the corresponding increase, in the event such Order is affirmed.

RULE III EXEMPTION

Section 1. WORKERS NOT COVERED IN THE ORDER. Not covered by the Order are household or domestic helpers and persons employed in the personal service of another, including family drivers.

Section 2. WHO MAY BE EXEMPTED. Upon application with, and as determined by the Board, in accordance with the applicable rules and regulations issued by the Commission, the following may be exempted from the applicability of the Order:

- a) Retail/Service establishments employing not more than ten (10) workers;
- b) Distressed establishments which include the following:
 - b.1) Stock Corporations/Cooperatives
 - b.2) Single Proprietorships/partnerships
 - b.3) Non-Stock Non-profit organizations
 - b.4) Bank and quasi-banks under receivership/liquidation and under controllership/conservatorship
- c) New Business Enterprises (NBEs) as defined under Rule I; and
- c) Establishments adversely affected by natural calamities.

Section 3. APPLICATION FOR EXEMPTION. Not later than SEVENTY-FIVE (75) days from the date of publication of these Rules, qualified establishments particularly, the owner/manager or duly authorized representative thereof, either through personal service or by registered mail, may file an application for exemption with the Board or with the Provincial Extension Offices of the Department, in three (3) copies.

All applications for exemption must be accompanied by complete supporting documents as enumerated under Section 4, Rule III of these Rules.

No extension for filing and submission of the required documents shall be allowed pursuant to NWPC Resolution No. 1, series of 1999.

The date of mailing shall be deemed as the date of filing.

New Businesses established after the effectivity of this Wage Order, may file an application for exemption with the Board or any Provincial Extension Office of the Department not later than sixty (60) days from date of registration.

All applications for exemption must be supported by proof of notice to the Union President/contracting party (in case the establishment is organized) or a copy of the circular giving general notice to all workers

(if there is no union), that an application for exemption from compliance with the Order has been filed with the Board. The proof of notice, which may be translated in the vernacular, shall state that the workers' representative was furnished a copy of the application with all the supporting documents. The notice shall be duly acknowledged by the union or the workers' representative of an unorganized establishment and shall be posted in a conspicuous place in the establishment.

Section 4. SUPPORTING DOCUMENTS. Aside from those prescribed in Sec. 3 Rule III of these Rules, and in accordance with the rules prescribed in the NWPC Revised Guidelines on Exemption, the following supporting documents shall be submitted together with the application:

A. For Retail/Service Establishments Employing not more than Ten (10) Workers:

1. Affidavit from the employer stating the following:
 - a) It is a retail/service establishment;
 - b) It is regularly employing not more than (10) workers for at least six months in any calendar year;
 - c) Number of employees with its corresponding names and date of Employment.
2. Business permit for the current year from the appropriate government agency.

B. For Distressed Establishments:

1. For Corporations, cooperatives, single proprietorships, partnerships, non-stock, non-profit organizations.

a) Audited financial statements (together with the Auditor's opinion and the notes thereto) for the last two (2) full accounting periods preceding the effectivity of the Order filed with and stamped "received" by the appropriate government agency;

b) Audited interim quarterly financial statements (together with the notes thereto) for the period immediately preceding the effectivity of the Order;

2. For Banks and Quasi-banks

a) Certification from Bangko Sentral ng Pilipinas that it is under receivership/liquidation

C. For New Business Enterprises

1. Affidavit from employer regarding the following:

- a) Principal economic activity;
- b) Date of registration with appropriate agency;
- c) Number of employees with its corresponding names and date of employment;
- d) Amount of total assets.

2. Certificate of registration from the appropriate government agency.

D. For Establishments Adversely Affected by Natural Calamities.

1. Affidavit from the General Manager or Chief Executive Officer of the establishment regarding the following:

- a) Date and type of calamity;
- b) Amount of losses/damages suffered as a direct result of the calamity;
- c) List of properties damaged/lost together with estimated evaluation;
- d) For properties that are not insured, a statement that the same are not covered by insurance.

2. Copies of insurance policy contracts covering the properties damaged, if any;

3. Adjuster's report for insured properties;

4. Audited financial statements for the last full accounting period preceding the effectivity of the Order stamped received by the appropriate government agency.

In case an application for exemption is filed with incomplete supporting documents, the applicant shall be notified and shall be given ten (10) days from receipt of the notice to complete the documents required, otherwise the application shall be dismissed.

The Board may require submission of other pertinent documents to support the application for exemption.

Section 5. DURATION AND EXTENT OF EXEMPTION. Establishments shall be granted full exemption of one (1) year from the effectivity of the Order for all categories of exemption.

However, a partial exemption of 50% with respect to the amount or period of exemption shall be granted only in the case of distressed establishments, as follows:

a) For corporations/cooperatives

When deficit as of the last full accounting period or interim period, if any, immediately preceding the effectivity of the Order amounts to less than 20% of the paid-up capital of the same period.

b) For single proprietorships/partnerships

When the net accumulated losses for the period under review amounts to at least 15% but less than 20% of the total invested capital at the beginning of the period under review.

c) Non-stock non-profit organizations

When the net accumulated losses for the period under review preceding the effectivity of the Order amounts to at least 15% but less than 20% of the fund balance/members' contribution at the beginning of the period under review.

Section 6. EFFECT OF FILING AN APPLICATION FOR EXEMPTION. 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 by the Regional Office of the Department.

Section 7. EFFECT OF DISAPPROVED APPLICATION. In the event that an application for exemption is denied, the employees of the applicant firm shall receive the appropriate wage increase due them as provided for under this Wage Order plus a simple interest of one percent (1%) per month retroactive to the effectivity of the Order.

Section 8. MOTION FOR RECONSIDERATION. An aggrieved party may file with the Board a motion for reconsideration of the decision on the application for exemption within ten (10) days from receipt of the decision, stating the particular grounds upon which the motion is based, copy furnished the other party. The DOLE Regional Office X should also be furnished a copy of the motion for reconsideration.

The decision of the Board, unless appealed to the Commission, shall be final and executory. No second motion for reconsideration shall be entertained in any case.

RULE IV SPECIAL PROVISIONS

Section 1. EFFECT ON EXISTING WAGE STRUCTURES. Should any dispute arise as a result of wage distortion, the employer and the union shall negotiate to correct such distortions 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 such distortions. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board and if it remains unresolved after ten (10) calendar days of conciliation, the same shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

The management and the officers of labor union or workers' representatives of affected establishments shall endeavor to resolve the distortion within sixty (60) days from the date of recognition

that a wage distortion exists from any of the parties thru the filing of a notice, with management having the primary responsibility of initiating the action.

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

Adjustment of wage distortions may be computed using the Pineda Model as a primary basis, illustrated as follows:

Pineda Formula:

Assume: Employee receives P220.00
Current minimum P180.00
Mandated wage increase P 12.00

Wage Distortion = Current minimum x Wage increase
Adjustment Wage employee

= P180 x P12.00 = P9.82
P220

Adjusted Wage = Wage of employee + WD Adjustment
= P220 + 9.82
= P229.82

Section 2. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with the Order shall be filed with the Regional Office of the Department having jurisdiction over the workplace and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 3. CONDUCT OF INSPECTION BY THE DEPARTMENT. The Department shall conduct inspections of establishments, as often as necessary, to determine whether that workers are paid the prescribed wage rates and other benefits granted by law or any Wage Order. In the conduct of inspection in unionized companies, Department inspectors shall always be accompanied by the president or other responsible officer of the recognized bargaining unit or of any interested union. In the case of non-unionized establishments, a worker representing the workers in the said company will 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 4. NON-DIMINUTION OF BENEFITS. Nothing in the Order and in this Rules shall be construed to reduce any existing wage rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between the workers and the employers.

Section 5. PENAL PROVISION. Pursuant to the provisions of Section 12 of RA 6727, as amended by RA 8188, any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase in the Order shall be punished by a fine of not less than **TWENTY-FIVE THOUSAND PESOS (P25,000.00)** nor more than **ONE HUNDRED THOUSAND PESOS (P100,000.00)** or imprisonment of not less than **TWO (2)** years nor more than **FOUR (4)** years or BOTH such fine and imprisonment at the discretion of the Court. Provided, that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees. Provided, that payment of indemnity shall not absolve the employer from the criminal liability imposable under the Act.

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 6. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any Court, tribunal or other entity against any proceedings before the Commission or Board.

Section 7. FREEDOM TO BARGAIN. The Order shall not be construed to prevent any party from granting or bargaining for higher wages and flexible working arrangements.

In view of the increase granted by this wage order, the employers and the workers are hereby encouraged to review their wage structure taking into account this Wage Order.

Section 8. REPORTING REQUIREMENTS. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2003 and every year thereafter in accordance with the form prescribed by the Commission. Henceforth, all establishments applying for exemptions from wage orders subsequently issued by this Board shall be required to submit said document.

Section 9. REPEALING CLAUSE. All laws, orders, issuances, rules and regulations on wages, or parts thereof inconsistent with the provisions of the Wage Order and these Rules are hereby repealed, amended or modified accordingly.

Section 10. SEPARABILITY CLAUSE. If any provision or part of the Order and these Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Order and these Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 11. EFFECTIVITY. These Rules shall take effect on February 23, 2002, pursuant to the requirement of publication.

APPROVED. March 20, 2002, CAGAYAN DE ORO CITY, PHILIPPINES.

PRUDENCIO T. PLAZA JR.
Management Representative

ARSENIO L. SEBASTIAN III.
Management Representative

LORENZO C. TONGCO
Labor Representative

FLORENCIA P. CABATINGAN
Labor Representative

NINFA ALONG-ALBANIA
Vice-Chairman, DTI-X

CASIMIRA V. BALANDRA
Vice-Chairman, NEDA-X

MANUEL C. ROLDAN
Chairman, RTWPB-X
Regional Director, DOLE-X

APPROVED this 30th day of March 2002

PATRICIA A. STO. TOMAS
Secretary
DEPARTMENT OF LABOR AND EMPLOYMENT

SUPPLEMENTAL WAGE ORDER NO. RX-09-B
THE NEW STANDARD "PAKYAW" RATES
For The Agricultural Workers in the Sugar Industry

WHEREAS, Section 6 of Wage Order No. RX-09 provided for the review of the "Pakyaw Rates" for the Agricultural Workers in the Sugar Industry;

WHEREAS, the Regional Tripartite Wages & Productivity Board of Region X conducted a Public Hearing/Consultation on June 24, 2002 at ABC Hall, Valencia City, Bukidnon after due publication on June 7, 2002;

WHEREAS, after the said hearing/consultation, the Board recognizes the need to adjust the applicable pakyaw rates for the agricultural workers in the Sugar Industry;

NOW, THEREFORE, by virtue of the power and authority vested in the Board by Republic Act No. 6727, otherwise known as the WAGE RATIONALIZATION ACT, the Regional Tripartite Wages and Productivity Board of Region X, hereby issues this Supplemental WAGE ORDER NO. RX-09-B:

Section 1. DEFINITION OF TERMS.

- a) "Order" refers to Supplemental Wage Order No. Rx-09-B;
- b) "Board" refers to the Regional Tripartite Wages and Productivity Board of Region X;
- c) "Region X" covers the provinces of Bukidnon, Camiguin, Misamis Occidental, Misamis Oriental and Lanao del Norte and the Cities of Cagayan de Oro, Iligan, Gingoog, Oroquieta, Ozamis, Tangub Malaybalay and Valencia;
- d) "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 of ponds and any activities performed by a farmer 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, or other farm products;
- e) "Sugar Industry" refers to cultivation of the land appropriate for the plantation of sugar-cane, which includes all activities from the cultivation of the land, the planting of sugar-canecanes up to the time of the harvesting of the same;
- f) "Sugar Planter" refers to the person in lawful possession of the land devoted to sugar-cane plantation;
- g) "Sugar Worker" refers to the person hired by the sugar planter to do any of the activities in the sugar-cane plantation;
- h) "Lacsa" is equivalent to 10,000 cane points;
- i) "Pakyaw rate" refers to the rate of remuneration earned by a worker for performing a specific work irrespective of the time consumed in the performance thereof;
- j) "Roamplow" refers to the activity which includes turning up the soil, casting out the roots, loosening the soil, aerating the soil, burying the stubble and weeds, with the end purpose of exposing the sub-soil;
- k) "Mold-board" refers to the curved metal plate of a plow attached to the tractor, by which the soil is turned over and pulverized;
- l) "Harrowing" refers to the act of breaking up clods and covering seeds by using a heavy frame with iron teeth dragged over ploughed lands;
- m) "Tagad" refers to the practice of applying fertilizer using an instrument also called "tagad";
- n) "Bubod" refers to the practice of applying fertilizer by spreading it on the soil;

- o) "Sinsillo" refers to the top portion of the sugar-cane which is fit for planting;
- p) "Gupod" refers to the lower portion of the sugar-cane which is ready for planting;
- q) "High Density" is when the spaces not planted with sugar-cane are covered with 70-100% weeds;
- r) "Medium Density" is when the spaces not planted with sugar-cane plant are covered with 50-69% weeds;
- s) "Low Density" is when the spaces not planted with sugar-cane plant are covered with less than 50% weeds;
- t) "Hilling-up" commonly known as "surko" is the practice of covering the planted sugar-cane with additional soil by using a plow drawn by a carabao;
- u) "Ratoon" means the second or third cropping of the sugar-canes;

Section 2. Effective fifteen (15) days from publication of this Supplemental Wage Order in at least one (1) newspaper of general circulation in the region, the applicable "Pakyaw Rates" for Agricultural Workers in the Sugar Industry in Region X, regardless of geographical location, are as follows:

ACTIVITY	RATES
A. LAND PREPARATION AND CULTIVATION	
1. Roamplow	
a) Moldboard	P273.00/hectare
b) Carabao	
b.1) Owned by Planter	P182.00/day
b.2) Owned by Worker	
>Normal Soil	P1,190.00/hectare
>Coarse and Hilly	P2,141.00/hectare
2. Harrowing (Karas)	P 53.00/hectare
3. Planting basal including peeling	P 535.00/lacsa
4. Hauling Cane Points	
a) Loading only	P 71.00/lacsa
b) Loading and unloading	P 118.00/lacsa
5. Cutting Cane Points	
a) Sinsillo	P 356.00/lacsa
b) Gupod	P 297.00/lacsa
6. Peeling	P 118.00/lacsa
7. Cutting Cane Points with Peeling	P 595.00/lacsa
8. Fertilizing	
a) Tagad	P 47.00/bag
b) Bubod	P 38.00/bag
9. Weeding	
a) High Density	P 1,190.00/hectare
b) Medium Density	P 713.00/hectare
c) Low Density	P 476.00/hectare
10. Hilling-up (1 meter distance Between rows)	P 182.00/pass/ha.*
11. Harvesting (cutting and Loading Zero trash)	P 118.00/ton
B. RATOON	
1. Peeling and Replanting	P 595.00/lacsa
2. Trash Scattering, burning and Cutting stump	P 476.00/hectare

Section 3. EXEMPTION. All applications for exemption shall be filed with the Board or with the Provincial Extension Offices of the Department of Labor not later than seventy-five (75) days from the date of publication of this Order.

Section 4. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase/allowances/rates in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

Section 5. REPEALING CLAUSE. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

Section 6. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 7. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days from its publication in at least one (1) newspaper of general circulation in the region.

APPROVED UNANIMOUSLY. Cagayan de Oro City, Philippines, August 27, 2002.

(SGD) FLORENCIA P. CABATINGAN
Labor Representative

(SGD) ARSENIO L. SEBASTIAN III
Management Representative

(SGD) LORENZO C. TONGCO
Labor Representative

(SGD) PRUDENCIO T. PLAZA JR.
Management Representative

(SGD) NINFA ALONG-ALBANIA
Vice-Chairman,

(SGD) RO-ANN A. BACAL, OIC
DTI-X Vice-Chairman, NEDA-X

(SGD) MANUEL C. ROLDAN
Chairman, RTWPB-X

RULES IMPLEMENTING WAGE ORDER NO. RX-09-B
PROVIDING FOR THE NEW STANDARD "PAKYAW" RATES
For The Agricultural Workers in the Sugar Industry

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.

RULE I
PRELIMINARY PROVISIONS

Section 1. TITLE. These Rules shall be known as the Rules Implementing Wage Order No. RX-09-B.

Section 2. DEFINITION OF TERMS.

- a) "Order" refers to Supplemental Wage Order No. Rx-09-B;
- b) "Board" refers to the Regional Tripartite Wages and Productivity Board of Region X;
- c) "Region X" covers the provinces of Bukidnon, Camiguin, Misamis Occidental, Misamis Oriental and Lanao del Norte and the Cities of Cagayan de Oro, Iligan, Gingoog, Oroquieta, Ozamis, Tangub Malaybalay and Valencia;
- d) "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 of ponds and any activities performed by a farmer 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, or other farm products;
- e) "Sugar Industry" refers to cultivation of the land appropriate for the plantation of sugar-cane, which includes all activities from the cultivation of the land, the planting of sugar-canes up to the time of the harvesting of the same;
- f) "Sugar Planter" refers to the person in lawful possession of the land devoted to sugar-cane plantation;
- g) "Sugar Worker" refers to the person hired by the sugar planter to do any of the activities in the sugar-cane plantation;
- h) "Lacsa" is equivalent to 10,000 cane points;
- i) "Pakyaw rate" refers to the rate of remuneration earned by a worker for performing a specific work irrespective of the time consumed in the performance thereof;
- j) "Roamplow" refers to the activity which includes turning up the soil, casting out the roots, loosening the soil, aerating the soil, burying the stubble and weeds, with the end purpose of exposing the sub-soil;
- k) "Mold-board" refers to the curved metal plate of a plow attached to the tractor, by which the soil is turned over and pulverized;
- l) "Harrowing" refers to the act of breaking up clods and covering seeds by using a heavy frame with iron teeth dragged over ploughed lands;
- m) "Tagad" refers to the practice of applying fertilizer using an instrument also called "tagad";
- n) "Bubod" refers to the practice of applying fertilizer by spreading it on the soil;
- o) "Sinsillo" refers to the top portion of the sugar-cane which is fit for planting;
- p) "Gupod" refers to the lower portion of the sugar-cane which is ready for planting;
- q) "High Density" is when the spaces not planted with sugar-cane are covered with 70-100% weeds;

- r) "Medium Density" is when the spaces not planted with sugar-cane plant are covered with 50-69% weeds;
- s) "Low Density" is when the spaces not planted with sugar-cane plant are covered with less than 50% weeds;
- t) "Hilling-up" commonly known as "surko" is the practice of covering the planted sugar-cane with additional soil by using a plow drawn by a carabao;
- u) "Ratoon" means the second or third cropping of the sugar-canes;

RULE II
The New Standard "Pakyaw" Rates

Section 1. Effective October 17, 2002, the applicable "pakyaw rates" for the Agricultural Workers in the Sugar Industry in Region X, regardless of geographical location, are as follows:

ACTIVITY	RATES
A. LAND PREPARATION AND CULTIVATION	
1. Roamplow	
a) Moldboard	P273.00/hectare
b) Carabao	
b.1) Owned by Planter	P182.00/day
b.2) Owned by Worker	
>Normal Soil	P1,190.00/hectare
>Coarse and Hilly	P2,141.00/hectare
2. Harrowing (Karas)	P 53.00/hectare
3. Planting basal including peeling	P 535.00/lacsa
4. Hauling Cane Points	
a) Loading only	P 71.00/lacsa
b) Loading and unloading	P 118.00/lacsa
5. Cutting Cane Points	
a) Sinsillo	P 356.00/lacsa
b) Gupod	P 297.00/lacsa
6. Peeling	P 118.00/lacsa
7. Cutting Cane Points with Peeling	P 595.00/lacsa
8. Fertilizing	
a) Tagad	P 47.00/bag
b) Bubod	P 38.00/bag
9. Weeding	
a) High Density	P 1,190.00/hectare
b) Medium Density	P 713.00/hectare
c) Low Density	P 476.00/hectare
10. Hilling-up (1 meter distance Between rows)	P 182.00/pass/ha.*
11. Harvesting (cutting and Loading Zero trash)	P 118.00/ton
B. RATOON	
1. Peeling and Replanting	P 595.00/lacsa
2. Trash Scattering, burning and Cutting stump	P 476.00/hectare

Section 2. Coverage. All Agricultural Workers in the Sugar Industry in Region X, regardless of geographical location, shall be entitled to the applicable pakyaw rates herein provided.

RULE III EXEMPTION

Section 1. WHO MAY BE EXEMPTED. Upon application with, and as determined by the Board, in accordance with the applicable rules and regulations issued by the Commission, the following may be exempted from the applicability of the Order:

- a) Distressed establishments;
- c) New Business Enterprises (NBEs) ; and
- b) Establishments adversely affected by natural calamities.

Section 2. APPLICATION FOR EXEMPTION. Not later than SEVENTY-FIVE (75) days from the date of publication of this Rules, the owner/manager or duly authorized representative of an establishment may file in person or by registered mail, an application for exemption in three (3) legible copies with the Board.

All applications for exemption must be accompanied by complete supporting documents as enumerated under Section 4, Rule III of these Rules.

No extension for filing and submission of the required documents shall be allowed pursuant to NWPC Resolution No. 1, series of 1999.

The date of mailing shall be deemed as the date of filing.

New Businesses established after the effectivity of this Wage Order, may file an application for exemption with the Board or any Provincial Extension Office of the Department not later than sixty (60) days from date of registration.

All applications for exemption must be supported by proof of notice to the Union President/contracting party (in case the establishment is organized) or a copy of the circular giving general notice to all workers (if there is no union), that an application for exemption from compliance with the Order has been filed with the Board. The proof of notice, which may be translated in the vernacular, shall state that the workers' representative was furnished a copy of the application with all the supporting documents. The notice shall be duly acknowledged by the union or the workers' representative of an unorganized establishment and shall be posted in a conspicuous place in the establishment.

Section 3. SUPPORTING DOCUMENTS. Aside from those prescribed in Sec. 3 Rule III of these Rules, and in accordance with the rules prescribed in the NWPC Revised Guidelines on Exemption, the following supporting documents shall be submitted together with the application:

A. For Distressed Establishments:

1. For Corporations, cooperatives, single proprietorships, partnerships, non-stock, non-profit organizations.

a) Audited financial statements (together with the Auditor's opinion and the notes thereto) for the last two (2) full accounting periods preceding the effectivity of the Order filed with and stamped "received" by the appropriate government agency;

b) Audited interim quarterly financial statements (together with the notes thereto) for the period immediately preceding the effectivity of the Order;

B. For New Business Enterprises

1. Affidavit from employer regarding the following:

- a) Principal economic activity;
- b) Date of registration with appropriate agency;
- c) Number of employees with its corresponding names and date of employment;
- d) Amount of total assets.

2. Certificate of registration from the appropriate government agency

C. For Establishments Adversely Affected by Natural Calamities.

1. Affidavit from the General Manager or Chief Executive Officer of the establishment regarding the following:

- a) Date and type of calamity;
- b) Amount of losses/damages suffered as a direct result of the calamity;
- c) List of properties damaged/lost together with estimated evaluation;
- d) For properties that are not insured, a statement that the same are not covered by insurance.

2. Copies of insurance policy contracts covering the properties damaged, if any;
3. Adjuster's report for insured properties;
4. Audited financial statements for the last full accounting period preceding the effectivity of the Order stamped received by the appropriate government agency.

The Board may require submission of other pertinent documents to support the application for exemption.

Section 4. DURATION AND EXTENT OF EXEMPTION. Establishments shall be granted full exemption of one (1) year from the effectivity of the Order for all categories of exemption.

However, a partial exemption of 50% with respect to the amount or period of exemption may be granted only in the case of distressed establishments.

Section 5. EFFECT OF FILING AN APPLICATION FOR EXEMPTION. 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 by the Regional Office of the Department.

Section 6. EFFECT OF DISAPPROVED APPLICATION. In the event that an application for exemption is denied, the employees of the applicant firm shall receive the appropriate wage increase due them as provided for under this Wage Order plus a simple interest of one percent (1%) per month retroactive to the effectivity of the Order.

Section 7. MOTION FOR RECONSIDERATION. An aggrieved party may file with the Board a motion for reconsideration of the decision on the application for exemption within ten (10) days from receipt of the decision, stating the particular grounds upon which the motion is based, copy furnished the other party. The DOLE Regional Office X should also be furnished a copy of the motion for reconsideration.

The decision of the Board, unless appealed to the Commission, shall be final and executory. No second motion for reconsideration shall be entertained in any case.

RULE IV SPECIAL PROVISIONS

Section 1. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with the Order shall be filed with the Regional Office of the Department having jurisdiction over the workplace and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 2. CONDUCT OF INSPECTION BY THE DEPARTMENT. The Department shall conduct inspections of establishments, as often as necessary, to determine whether that workers are paid the prescribed rates and other benefits granted by law or any Wage Order. In the conduct of inspection in unionized companies, Department inspectors shall always be accompanied by the president or other responsible officer of the recognized bargaining unit or of any interested union. In the case of non-unionized establishments, a worker representing the workers in the said company will 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 3. NON-DIMINUTION OF BENEFITS. Nothing in the Order and in this Rules shall be construed to reduce 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 the employers.

Section 4. PENAL PROVISION. Pursuant to the provisions of Section 12 of RA 6727, as amended by RA 8188, any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase in the Order shall be punished by a fine of not less than **TWENTY-FIVE THOUSAND PESOS (P25,000.00)** nor more than **ONE HUNDRED THOUSAND PESOS (P100,000.00)** or imprisonment of not less than **TWO (2)** years nor more than **FOUR (4)** years or **BOTH** such fine and imprisonment at the discretion of the Court. Provided, that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees. Provided, that payment of indemnity shall not absolve the employer from the criminal liability imposable under the Act.

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 5. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any Court, tribunal or other entity against any proceedings before the Commission or Board.

Section 6. FREEDOM TO BARGAIN. The Order shall not be construed to prevent any party from granting or bargaining for higher rates and flexible working arrangements.

In view of the new rates granted by this wage order, the employers and the workers are hereby encouraged to review their wage structure taking into account this Wage Order.

Section 7. REPEALING CLAUSE. All laws, orders, issuances, rules and regulations on wages, or parts thereof inconsistent with the provisions of the Wage Order and these Rules are hereby repealed, amended or modified accordingly.

Section 8. SEPARABILITY CLAUSE. If any provision or part of the Order and these Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Order and these Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 9. EFFECTIVITY. These Rules take effect on October 17, 2002.

APPROVED UNANIMOUSLY. Cagayan de Oro City, Philippines, December 19, 2002.

(SGD) FLORENCIA P. CABATINGAN
Labor Representative

(SGD) ARSENIO L. SEBASTIAN III
Management Representative

(SGD) LORENZO C. TONGCO
Labor Representative

(SGD) PRUDENCIO T. PLAZA JR.
Management Representative

(SGD) NINFA ALONG-ALBANIA
Vice-Chairman, DTI-X

(SGD) RO-ANN A. BACAL, OIC
Vice-Chairman, NEDA-X

(SGD) MANUEL C. ROLDAN
Chairman, RTWPB-X
APPROVED this 21st day of February 2003

(SGD) PATRICIA A. STO. TOMAS
Secretary
DEPARTMENT OF LABOR AND EMPLOYMENT