

Republic of the Philippines  
NATIONAL WAGES AND PRODUCTIVITY COMMISSION  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD-XI  
Regional Office No. XI, Davao City

WAGE ORDER NO. RTWPB-XI-01  
INCREASING THE STATUTORY MINIMUM WAGE RATE

WHEREAS, the Gulf crisis has resulted in the withdrawal from the world market of oil from Iraq and Kuwait and despite increased production from other producers the oil supply continues to be uncertain, thus raising oil prices;

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 by an average of P1.42 liter on 21 September 1990;

WHEREAS, such adjustment to increases in transportation fares and prices of basic goods and services;

WHEREAS, in addition to the efforts of government to hold down prices of basic goods, 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, at the same time containing within tolerable limits the unemployment rate considering the varying economic and living conditions within the region, and preserving the favorable investment climate;

NOW, therefore, by virtue of the power and authority vested under Republic Act No. 6727 otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Region XI, hereby issues this Wage Order:

Section 1. Upon the effectivity of this Wage Order, the statutory minimum wage applicable to all workers and employees in the private sector in the locality specified below shall be increased by the amount indicated herein:

(a) Davao City and General Santos City	P15.00/day
(b) Davao Province (Norte), Davao del Sur, and South Cotabato	P13.00/day
(c) Davao Oriental	P11.00/day
(d) Surigao del Sur	P10.00/day

Section 2. The applicable minimum wage increase for all workers and employees in private educational institutions shall take effect at the beginning of school year 1991-1992.

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

(b) Retail/service establishment regularly employing not more than ten (10) workers may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations. Whenever an application for exemption has been duly filed with the Regional Board, action on any complaint for alleged non-compliance with this Wage Order shall be deferred pending resolution of the application for the exemption by the Regional Board.

(c) Establishments which suffered substantial losses last year and/or which are suffering losses this year may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with applicable rules and regulations. The Regional Board has the option whether to grant FULL or PARTIAL EXEMPTION to such establishments. The exemption shall be for a duration of one (1) year only;

(d) Non-stock and non-profit institutions, like hospitals, asylums, orphanages, and school for the disabled, deaf and blind, may be exempted from the application of this Wage Order, as provided in paragraph "c" above.

Section 4. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage increase for covered 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 the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 5. All workers paid by result, including those who are paid on piecework, takay, pakyaw or task basis, shall be entitled to receive the prescribed minimum wage increase per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 6. Where the application of the prescribed minimum wage increase under this Wage Order results in distortions of the wage structure in any establishment, such distortions shall be corrected using the procedure as specified under Article 124 of the Labor Code of the Philippines as amended.

Section 7. Any employer who refuses or fails to pay the minimum wage increase provided under this Wage Order shall be subject to the penalties specified under R.A. 6727.

Section 8. 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 9. This Wage Order shall take effect fifteen (15) days its publication in at least two (2) newspaper of regional circulation.

Section 10. The Regional Board shall prepare the rules and regulations to implement this Wage Order.

Approved 30 October 1990, Davao City, Philippines.

(SGD) DIR. HENRY M. PAREL  
DOLE-XI, Regional Director  
RTWPB-XI, Board Chairman

(SGD) DIR. SANTIAGO G. ENGINCO  
NEDA-XI, Regional Director  
RTWPB-XI, Vice Chairman

(SGD) DIR. SYVELYN J. TAN  
DTI-XI, Regional Director  
RTWPB-XI, Vice Chairman

(SGD) TELESFORO O. ZOSA  
Employer Representative

*Dissenting*  
(SGD) FLORENCIA P. CABATINGAN  
Labor Representative

(SGD) AURELIO C. REGINALDO  
Employer Representative

*Dissenting*  
(SGD) VIRGINIA T. CAMUS  
Labor Representative

Republic of the Philippines  
NATIONAL WAGES AND PRODUCTIVITY COMMISSION  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
Regional Office No. XI, Davao City

RULES AND REGULATIONS IMPLEMENTING WAGE ORDER RTWPB-XI-01

Pursuant to Section 10 of Wage Order RTWPB-XI-01 promulgated by the Board on 30 October 1990, the following rules, regulations/or implementing guidelines are hereby issued for strict compliance by all concerned:

SECTION 1. Definition of Terms. - as used in these Rules -

(a) "REGIONAL BOARD" shall mean the Regional Tripartite Wages and Productivity Board of Region XI (i.e. Davao City, Davao Del Sur, General Santos City, South Cotabato, Davao Del Norte, Davao Oriental, and Surigao Del Sur);

(b) "WAGE ORDER" means Wage Order NO. RTWPB-XI-01 dated 30 October 1990 and signed by the members of the Regional Board;

(c) "STATUTORY MINIMUM WAGE" is the lowest wage rate fixed by the regional board that an employer can pay his workers;

(d) "DOMESTIC OR HOUSEHOLD HELPERS" shall mean workers who minister strictly to the personal needs of their employer including family drivers;

(e) "RETAIL ESTABLISHMENT" is one open for the general consuming public for the sale of goods that are commonly bought by end-users for personal or household use and is characterized by small sales;

(f) "SERVICE ESTABLISHMENT" is one engaged predominantly in the sale of services to individuals for their own or household use and is generally recognized as such;

(g) "PLANTATION AGRICULTURAL WORKERS" are those agricultural workers employed in any plantation or agricultural enterprises with an area of more than 24 hectares in a locality or which employs at least 20 workers. All other agricultural workers are considered Non-Plantation agricultural workers;

(h) "INDUSTRY" refers to a trade, business or a sector thereof, or group of businesses in similar or allied activities in which individuals are gainfully employed;

(i) "REGION" refers to a geographical area composed of a group of provinces and/or cities as defined under P.D. No. 01 as amended, including those that may be subsequently established by law;

(j) "REGION XI" includes the cities of Davao and General Santos and the provinces of Davao Province (Norte), Davao del Sur, South Cotabato, Davao Oriental and Surigao del Sur;

(k) "WAGE DISTORTION" means a situation where an increase in prescribed wage rates results in the elimination or severe contraction of intentional quantitative difference in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinctions in such wage structure based on skills, length of service or the logical bases of differentiation;

Section 2. Employer's Covered. The Wage Order shall apply to all employers in private sector, whether agricultural or non-agricultural, including undertakings, institutions and organizations not primarily organized for profit or gain except employers of exempted employees enumerated in Section 3 thereof;

Section 3. Employees Covered. The Wage Order shall apply to all employees of covered employers, regardless of their position, designation, or status, and irrespective of the method by which their wages are paid, including learners or apprentices EXCEPT:

a) household or domestic helpers including family drivers and those persons in the personal service of another;

b) workers in retail and service establishments regularly employing not more than ten(10) workers may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations. Whenever an application for exemption has been duly filed with the Regional Board, action on any complaint for alleged non-compliance with this Wage Order shall be deferred pending resolution of the application for exemption by the Regional Board;

c) workers of establishments which suffered losses last year and/or which are suffering losses this year may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations. The Regional Board has the option whether to grant FULL or PARTIAL EXEMPTION to such establishments. The exemption shall be for a duration of one (1) year only;

d) workers of non-stock and non-profit institutions, like hospitals, asylums, orphanages, and schools for the disabled, deaf and blind, may be exempted from the application of this Wage Order, as provided in paragraph "c" above.

Section 4. Amount of Statutory Minimum Wage Increase.

All covered employers shall pay to their covered employees the new minimum wage rates per day actually worked applicable in the locality/or province, to wit:

WAGE RATES UNDER RTWPB-XI-01					
SECTOR/INDUSTRY	RA 6727	DAVAO CITY/GSC (P15.00)	DVOPRO V (NORTE) DVO. SUR SO. COT. (P13.00)	DVO OR. (P11.00)	SURIGAO DEL SUR (P10.00)
NON-AGRICULTURE (Industrial/Commercial)	P89.00	104.00	P102.00	P100.00	P99.00
AGRICULTURE					
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	79.00	94.00	92.00	90.00	89.00
Plantation with Annual Gross Sales of less than P5M	74.00	89.00	87.00	85.00	84.00
Non-Plantation	58.50	73.50	71.50	69.50	68.50
COTTAGE/HANDICRAFT					
Employing more than 30 workers	67.00	82.00	80.00	78.00	77.00
Employing not more than 30 workers	65.00	80.00	78.00	76.00	75.00
PRIVATE HOSPITALS	85.00	100.00	98.00	96.00	95.00

RETAIL/SERVICE					
Cities with population of more than 150,000					
Employing more than 15 workers	89.00	104.00	102.00	100.00	99.00
Employing 11-15 workers	85.00	100.00	98.00	96.00	95.00
Employing not more than 10 workers	58.00	73.00	71.00	69.00	68.00
Municipalities and Cities with population of not more than 150,000					
Employing more than 10 workers	85.00	100.00	98.00	96.00	95.00
Employing not more than 10 workers	58.00	73.00	71.00	69.00	68.00
SUGAR					
Mills (P91.33 for mills that have integrated into the basic wage the P 10.00 COLA under LOI 1016)	91.00	106.00	104.00	102.00	101.00
AGRICULTURE					
Plantation w/ annual gross sales of P5M or more	73.50	88.50	86.50	84.50	83.50
Plantation w/ annual gross sales of less than P5M	68.50	83.50	81.50	79.50	78.50
Non-Plantation	58.50	73.50	71.50	69.50	68.50
BUSINESS ENTERPRISES WITH CAPITALIZATION OF NOT MORE THAN P500,000.00 AND EMPLOYING NOT MORE THAN 20 WORKERS					
Non-Agriculture	79.00	94.00	92.00	90.00	89.00
Agriculture Plantation w/ products other than sugar	69.00	84.00	82.00	80.00	79.00
Sugar	63.50	78.50	76.50	74.50	73.50
Private Hospitals	75.00	90.00	88.00	86.00	85.00
RETAIL/SERVICE					
Cities w/ population of more than 150,000					
Employing more than 15 workers	79.00	94.00	92.00	90.00	89.00
Employing 11 to 15 workers	75.00	90.00	88.00	86.00	85.00
MUNICIPALITIES AND CITIES WITH POPULATION OF NOT MORE THAN 150,000					
Employing more than 10 workers	75.00	90.00	88.00	86.00	85.00

This is not, therefore, a mandatory across the board increase. Hence, establishments already granting a daily wage above the new statutory minimum wage are exempted from this provision. However, establishments which are granting daily wages above the old statutory wage but below the new one are required to pay the difference (i.e. old statutory wage for agricultural plantation is P79.00 per day. The new wage in Davao City and General Santos City is equals P79.00 plus P15.00 = P94.00 per day. If establishment "A" is already paying minimum daily wage of P90.00 then it should grant P4.00 more to comply with the new minimum wage).

HOWEVER, SIGNIFICANT WAGE DISTORTIONS ARISING FROM THIS SHALL BE COVERED BY SECTION 6 OF THE WAGE ORDER.

Section 5. Contractual Employees.

(a) In cases of contracts for construction projects entered into prior to the promulgation of the Wage Order the principal or clients shall make the necessary adjustments in the salary of the contractor's employees for the remaining work to include the minimum wage increase provided herein. 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 and/or client.

(b) In cases of contracts for security, janitorial and similar services, the payment of the minimum wage increase of the employees, shall be borne by the principal and/or client of the service contractor and the contract shall be deemed amended accordingly.

(c) In the above cases, the adjustment shall be remitted through the contractor within 30 days from the effectivity of the Wage Order. In case of non-remittance the contractor or the affected workers may initiate legal action in the appropriate Regional Office of the Department of Labor and Employment-XI for the recovery of the same after the lapse of this period.

Section 6. Minimum Wage Rates of Special Groups of Workers. The minimum wage of learners/apprentices and handicapped workers shall in no case start below seventy five percent (75%) of the applicable minimum wage.

Section 7. Workers Paid By Results. All workers paid by results, including those who are paid on piece work, takay, pakyaw, or task basis, shall likewise receive the wage rate increase prescribed under this Wage Order for the normal working hours which shall not exceed eight (8) hours a day, or a proportion thereof for work less than the normal working hours.

Section 8. Reporting of Compliance Required. All covered employers shall report to the Department of Labor and Employment-XI thru the Labor Standards & Enforcement Division the statutory minimum wage increase granted to their employees not later than January 30, 1991 and on the same date every year thereafter. The report shall conform substantially to the following form:

Report on Compliance with Wage Order No. 01

1. Name of Establishment
2. Address
3. Principal Product/Business
4. Capital Structure:
  - (a) Authorized Capital
  - (b) Paid-up Capital
  - (c) Total Assets
5. Total Employment
6. Particulars of the Minimum Wage Increase granted:
  - (a) Mode of payment
  - (b) Date of effectivity
  - (c) Mode of granting (voluntary, CBA, etc.)
  - (d) Total value of benefits granted per month
  - (e) Total number of workers benefited
  - (f) Other details if necessary
7. Name/position and Telephone Number of persons filing the report.

Section 9. Effects on Existing CBA. The promulgation of the Wage Order shall not be a ground for the re-negotiation of existing collective bargaining agreement EXCEPT where there exists an appropriate wage re-opening clause. Where the application of the applicable Minimum Wage Increase results in significant distortion of the wage structure in an establishment the employer or

the union may initiate negotiations but only for the purpose of correcting the resulting distortions. Should a dispute arise in connection with the wage distortion, the same shall be treated in accordance with Article 124 of the Labor Code of the Philippines as amended.

Section 10. Exemptions from Wage Order. Application for exemption shall be filed with the regional board not later than ninety (90) days after the effectivity of this Wage Order.

1. The following are exempted/maybe exempted from the provisions of this Wage Order:

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

(b) workers in retail/service establishments regularly employing not more than ten (10) workers may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations. Whenever an application for exemption has been duly filed with the Regional Board, action on any complaint for alleged non-compliance with this Wage Order shall be deferred pending resolution of the application for exemption by the Regional Board.

(c) workers in establishments which suffered substantial losses last year and/or which are suffering losses this year may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with applicable rules and regulations. The Regional Board has the option whether to grant FULL or PARTIAL EXEMPTION to such establishments. The exemption shall be for a duration of one (1) year only.

(d) workers in non-stock and non-profit hospitals, asylum, orphanages and schools for the disabled, deaf and blind shall likewise be exempted upon application with and as determined by the Regional Board.

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

3. In the event that applications for exemptions is not granted, the workers and employees shall receive the appropriate compensation 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 or the start of operations whichever is applicable.

Section 11. Relation to Other Agreements and Issuances. Nothing in this Wage Order and in the Rules shall be construed to allow withdrawal or reductions of any existing allowances, bonuses and other fringe benefits provided under existing law, decrees, wage orders or other issuances, or employer's practice or policies, nor prevent employers from granting Minimum Wage Increase to their employees in excess of those provided herein.

Section 12. Effects on other Issuances. The provisions of existing laws on wages and their implementing rules and regulations shall continue to have full force and effect.

Section 13. Complaints for Non-Compliance. Complaints for non-compliance with the wage increases prescribed under this Wage Order shall be filed with the Regional Office of the Department of Labor and Employment of Region XI having jurisdiction over the work place and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code of the Philippines, as amended.

Section 14. Effectivity of Wage Order. This Wage Order will take effect November 21, 1990, fifteen (15) days following its complete publication in at least two (2) newspapers of regional circulation on November 05, 1990.

Done in this City of Davao, Philippines, this 5th day of November 1990.

(SGD) DIR. HENRY M. PAREL  
DOLE-ROXI, Regional Director  
RTWPB-XI, Board Chairman

(SGD) DIR. SANTIAGO G. ENGINCO  
NEDA-XI, Regional Director  
RTWPB-XI, Vice Chairman

(SGD) DIR. SYVELYN J. TAN  
DTI-XI, Regional Director  
RTWPB-XI, Vice Chairman

(SGD) TELESFORO O. ZOSA  
Employer Representative

*Dissented*  
(SGD) FLORENCIA P. CABATINGAN  
Labor Representative

(SGD) AURELIO C. REGINALDO  
Employer Representative

*Dissented*  
(SGD) VIRGINIA T. CAMUS  
Labor Representative

Approved this 21st day of December, 1990.

(SGD) RUBEN D. TORRES  
Secretary

Republic of the Philippines  
Department of Labor and Employment  
NATIONAL WAGES AND PRODUCTIVITY COMMISSION  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD-REGION XI  
Davao City

AMENDMENTS TO THE RULES AND REGULATIONS IMPLEMENTING  
WAGE ORDER NUMBER RTWPB-XI-01

Section 5(c) is hereby amended to read as follows:

Section 5. Contractual Employees.

- a.     x     x     x
- b.     x     x     x

c. In the above cases, the adjustment shall be remitted through the contractor within 30 days from the effectivity of the Wage Order. In case of non-remittance, the affected workers of the contractor may initiate legal action in the Regional Office of the Department of Labor and Employment-XI for the recovery of the same after the lapse of this period (underscoring supplied)..

x x x

Section 7 is hereby amended to read as follows:

Section 7. Workers Paid by Results. Wages of all workers paid by results, including those who are paid on piece work, takay, pakyaw or task basis, shall likewise be adjusted accordingly per computation established in Section 9 of the rules implementing RA 6727 in relation to the wage rate increases prescribed under this Wage Order.

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Approved in the City of Davao, Philippines, this 26th day of November 1990.

(SGD) TELESFORO O. ZOSA  
Employer Representative

(SGD) FLORENCIA P. CABATINGAN  
Labor Representative

(SGD) AURELIO C. REGINALDO  
Employer Representative

(SGD) VIRGINIA T. CAMUS  
Labor Representative

(SGD) DIR. SANTIAGO G. ENGINCO, JR.  
NEDA-XI, Regional Director  
RTWPB-XI, Vice Chairman

(SGD) DIR. SYVELYN J. TAN  
DTI-XI, Regional Director  
RTWPB-XI, Vice Chairman

(SGD) DIR. HENRY M. PAREL  
Regional Director  
DOLE-ROXI,  
RTWPB-XI, Board Chairman

Approved this \_\_\_ day of December 1990.

(SGD) RUBEN D. TORRES  
Secretary

