

Republic of the Philippines  
**DEPARTMENT OF LABOR AND EMPLOYMENT**  
Regional Tripartite Wages and Productivity Board-Region XI  
Davao City

**WAGE ORDER NO. RTWPB-XI-11**

**PROVIDING FOR NEW MINIMUM WAGE RATES IN DAVAO REGION**

**WHEREAS**, pursuant to its mandate to conduct continuing studies of wage rates and to periodically assess the prevailing economic conditions, the Regional Tripartite Wages and Productivity Board-Region XI (RTWPB-XI) *motu proprio* initiated a review of the existing minimum wage rates in the light of economic realities brought about by the successive adjustments in the prices of oil and other petroleum products, which have contributed to increases in transport fare and the prices of basic goods and services;

**WHEREAS**, the Regional Board (RTWPB-XI) conducted consultations/dialogues with the different sectors since the 1<sup>st</sup> quarter of year 2004 and public hearings in Davao City and Tagum City on December 20, 2004 and December 21, 2004, respectively.

**WHEREAS**, the results of the studies, public hearings and deliberations conducted reveal that there is a need to alleviate the plight of workers and employees in the private sector without impairing the viability and sustainability of business in the region,

**NOW, THEREFORE**, by virtue of the power and authority vested under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Board (RTWPB-XI) hereby issues this Wage Order:

**SECTION 1. AMOUNT AND EFFECTIVITY OF INCREASE.** Upon the effectivity of this Wage Order, the regional minimum wage rates as provided in Wage Order No. RTWPB-XI-10 shall be increased by Fourteen Pesos (P14.00) per day.

**SECTION 2. COVERAGE.** The prescribed wage rates under this Wage Order shall apply to all workers and employees in the private sector receiving the minimum wage in Davao Region, regardless of position, designation or status of employment and irrespective of the method by which their wages are paid. Not covered in this Wage Order are household or domestic helpers, family drivers, persons employed in the personal service of another, and workers in registered Barangay Micro Business Enterprises.

**SECTION 3. NEW DAILY MINIMUM WAGE RATES.** Upon the effectivity of this Wage Order, the daily minimum wage rates in Davao Region shall be as follows:

<b>SECTOR/INDUSTRY</b>	<b>Cities of: Davao, Digos, Island Garden of Samal, Panabo and Tagum</b>	<b>Provinces of: Davao del Norte, Davao del Sur, Davao Oriental, Compostela Valley</b>
NON-AGRICULTURE	P209.00	P207.00
AGRICULTURE - Plantation (i.e. more than 24 hectares or employing at least 20 workers) - Non-Plantation	199.00 178.00	197.00 176.00
RETAIL/SERVICE - Employing more than 10 workers - Employing not more than 10 workers	209.00 178.00	207.00 176.00

**SECTION 4. BASIS OF MINIMUM WAGE RATES.** 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.

**SECTION 5. 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 per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

**SECTION 6. 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 Wage Order.

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

**SECTION 7. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.** The increase in the minimum wage rates prescribed under this Wage Order shall apply to all workers and employees entitled to the same in private educational institutions not later than the opening of School Year 2005-2006.

**SECTION 8. APPLICATION TO CONTRACTORS.** In the case of contracts for construction projects, and for 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 9. EXEMPTIONS.**

a. Upon Proper Application. Only the category of distressed establishments as defined in the NWPC Guidelines No. 01, series of 1996 may be exempted from the applicability of this Wage Order upon application with and as determined by the RTWPB-XI in accordance with the applicable rules and regulations issued by the Regional Board and the NWPC.

b. Duration and Extent of Exemption. A full exemption of one (1) year may be granted to establishments that meet the applicable criteria for exemption. However, a partial exemption of 50% with respect to the amount or period of exemption may be granted.

**SECTION 10. EFFECT OF FILING OF APPLICATION FOR EXEMPTION.** An application for exemption duly filed shall have the effect of deferring any action on 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 increase under this Wage Order plus one percent (1%) simple interest per month retroactive to the date of effectivity of this Order.

**SECTION 11. APPEAL TO THE COMMISSION.** Any party aggrieved by this Wage Order may file a verified appeal with the National Wages and Productivity Commission (NWPC) through the Regional Board within ten (10) calendar days from the publication thereof.

**SECTION 12. EFFECT OF FILING OF APPEAL.** The filing of the appeal does not operate to stay this Wage Order unless the party appealing this Wage Order shall file with the NWPC an undertaking with a surety or sureties satisfactory to the NWPC for payment of the corresponding increase to employees affected by this Wage Order in the event that the same is affirmed.

**SECTION 13. EFFECTS ON EXISTING WAGE STRUCTURE.** Where the application of the increases in the wage rates under this Wage Order results in distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Article 124 of the Labor Code of the Philippines, as amended.

**SECTION 14. COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with this Wage Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) 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 15. NON-DIMINUTION OF BENEFITS.** Nothing in this Wage Order 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 employers.

**SECTION 16. PENAL PROVISION.** Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage rates in accordance with this Wage Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

**SECTION 17. PROHIBITION AGAINST INJUNCTION.** No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against this Wage Order or any proceedings before the Regional Board.

**SECTION 18. FREEDOM TO BARGAIN.** This Wage Order shall not be construed to prevent workers from bargaining for higher wages with their respective employers.

**SECTION 19. 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, 2006 and every year thereafter in accordance with Section 3 of R.A. 6727 in relation to Art. 124 of the Labor Code, as amended and in the form as prescribed by the NWPC.

**SECTION 20. REPEALING CLAUSE.** All orders, issuances, rules and regulations, or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended or modified accordingly.

**SECTION 21. SEPARABILITY CLAUSE.** If for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts hereof shall remain valid.

**SECTION 22. IMPLEMENTING RULES.** The Regional Board shall prepare the necessary rules to implement this Wage Order subject to the approval of the Secretary of Labor and Employment.

**SECTION 23. EFFECTIVITY.** This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in Davao Region.

Approved, this 18<sup>th</sup> day of January 2005 in Davao City, Philippines.

**(SGD.) MA. GLORIA A. TANGO**  
DOLE-XI, Regional Director  
Board Chairman

**(SGD.) MERLY M. CRUZ**  
DTI-XI, Regional Director  
Vice-Chairman

**(SGD.) NICASIO ANGELO J. AGUSTIN**  
NEDA-XI, Regional Director  
Vice-Chairman

**(SGD.) RULFO V. ASIS**  
Management Representative  
Member

**(SGD.) BIENVENIDO D. CARIAGA**  
Management Representative  
Member

**We dissent: The minimum wage adjustment is grossly inadequate.**

**(SGD.) JORGE G. ALEGARBES**  
Labor Representative  
Member

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