

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

WAGE ORDER NO. RTWPB-XI-12

**PROVIDING FOR A DAILY COST OF LIVING ALLOWANCE (COLA) TO THE
WORKERS IN THE PRIVATE SECTOR
IN DAVAO REGION**

WHEREAS, pursuant to Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Boards (RTWPBs) are mandated to determine and fix minimum wage rates in their respective regions;

WHEREAS, the Regional Board (RTWPB-XI) issued Wage Order No. RTWPB-XI-11 granting wage increase to all covered private sector workers in the region effective 05 February 2005;

WHEREAS, Section 3, Rule IV of NWPC Revised Rules of Procedures on Minimum Wage Fixing provides that any Wage Order issued by the Board may not be disturbed within twelve (12) months from effectivity and no petition for wage increase shall be entertained within the said period, except when there is a supervening condition such as extraordinary increase in prices of petroleum products and basic goods/services which demands a review of minimum wage rates as determined by the Board and confirmed by the Commission;

WHEREAS, the Regional Board has determined, as confirmed by the National Wages and Productivity Commission, that a supervening condition exists in the region due to the continuous increase in the prices of basic manufactured goods, agricultural products and commodities resulting in higher inflation rate thereby eroding the purchasing power of the workers;

WHEREAS, the Regional Board *motu proprio* conducted a region-wide public hearing on 9 June 2005 in Davao City to determine the propriety of issuing a new wage order;

WHEREAS, the results of the studies, public hearings and deliberations conducted reveal that there is a need to grant relief to private sector workers in Davao Region to help them cope with the rising cost of living without impairing the productivity and viability of business and industry therein;









WHEREAS, consistent with the government's policy of achieving higher level of productivity to preserve and generate jobs, and to augment the income of workers, there is a need to build the capacity of business enterprises to be competitive through productivity improvement and gainsharing programs;

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

SECTION 1. AMOUNT OF THE COST OF LIVING ALLOWANCE. Upon the effectivity of this Wage Order, all minimum wage earners in the private sector in Davao Region shall receive a cost of living allowance (COLA) of FIFTEEN PESOS (P15.00) per day in addition to the prescribed basic wage rates under Wage Order RTWPB-XI-11. After six months from effectivity of this Wage Order, the Regional Board shall assess the effects of the COLA for the purpose of modifying the same if deemed necessary.

SECTION 2. NEW DAILY MINIMUM WAGE RATES. Upon the effectivity of this Wage Order, the daily minimum wage rates in Davao Region shall be as follows:

SECTOR/INDUSTRY	Cities of: Davao, Digos, Island Garden of Samal, Panabo and Tagum		Provinces of: Davao del Norte, Davao del Sur, Davao Oriental, Compostela Valley	
	Basic Wage	COLA	Basic Wage	COLA
NON-AGRICULTURE	P209.00	P15.00	P207.00	P15.00
AGRICULTURE				
- Plantation (i.e. more than 24 hectares or employing at least 20 workers)	P199.00	P15.00	P197.00	P15.00
- Non-Plantation	P178.00	P15.00	P176.00	P15.00
RETAIL/SERVICE				
- Employing more than 10 workers	P209.00	P15.00	P207.00	P15.00
- Employing not more than 10 workers	P178.00	P15.00	P176.00	P15.00

SECTION 3. COVERAGE. The prescribed COLA 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.

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

SECTION 4. EXEMPTION. No application for exemption from compliance under this Wage Order shall be allowed.

SECTION 5. 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 6. 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 COLA per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

SECTION 7. 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 8. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. The COLA prescribed under this Wage Order shall apply to all workers and employees entitled to the same in private educational institutions upon the effectivity of this Wage Order.

SECTION 9. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects, and for security, janitorial and similar services, the prescribed COLA 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 COLA, the construction/service contractor shall be jointly and severally liable with his principal or client.

SECTION 10. PRODUCTIVITY-BASED WAGES. In order to sustain rising levels of wages and enhance competitiveness, businesses are encouraged to adopt productivity improvement schemes such as time and motion studies, good housekeeping, quality circles, labor-management cooperation as well as implement gainsharing programs. Accordingly, the Board shall provide the necessary studies and technical assistance pursuant to Republic Act No. 6971 or the Productivity Incentives Act of 1990.

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 prescribed COLA 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 COLA prescribed 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 31 January 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.

[Handwritten signature]

[Handwritten initials]

[Handwritten signature]

[Handwritten signature]

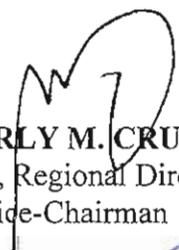
SECTION 21. SEPARABILITY CLAUSE. If for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts hereof shall remain valid.

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.

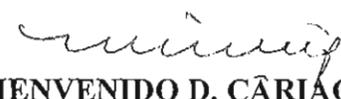
Approved, this 16th day of June 2005 in Davao City, Philippines.


MA. GLORIA A. TANGO
DOLE-XI, Regional Director
Board Chairman


MERLY M. CRUZ
DTI-XI, Regional Director
Vice-Chairman


NICASIO ANGELO J. AGUSTIN
NEDA-XI, Regional Director
Vice-Chairman


RULFO V. ASIS
Management Representative
Member


BIENVENIDO D. CARIAGA
Management Representative
Member

JORGE G. ALEGARBES
Labor Representative
Member

VIRGINIA T. CAMUS
Labor Representative
Member

I will not sign this wage order because the amount is unreasonably low considering the supervening condition in Davao Region.

NOTE: I will not sign this Wage Order because the amount is unreasonably low considering the supervening condition of Davao Region.