

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

WAGE ORDER NO. RB XI-14

**PROVIDING FOR AN ADDITIONAL COST OF LIVING
ALLOWANCE (COLA) TO THE WORKERS IN
DAVAO REGION**

WHEREAS, under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, which empowers the Regional Tripartite Wages and Productivity Boards 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 region;

WHEREAS, RTWPB-XI conducted series of public hearings in Digos City, Tagum City and Davao City on July 17, 18 and 19, 2007, respectively, and consultations with labor and employer sectors of the different industries in the region on July 24, 25 and 30, 2007 and August 8, 2007, to determine the propriety of issuing a new wage order;

WHEREAS, the results of the studies, public hearings, consultations 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 in the region;

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, otherwise known as the Wage Rationalization Act, the Regional Board (RTWPB-XI) hereby issues this Wage Order:

SECTION 1. THE NEW DAILY MINIMUM WAGE RATES. Upon the effectivity of this Wage Order:

- a) All minimum wage earners in Davao Region shall receive an increase in their Cost of Living Allowance in the amount of P10.00 per day in addition to the P16.00 COLA under Wage Order No. RTWPB-XI-13
- b) The new daily minimum wage rates of covered workers in the private sector in Davao Region shall be as follows:

SECTOR/INDUSTRY	Cities of: Davao, Digos, Island Garden of Samal, Mati, Panabo and Tagum		New Minimum Wage	Provinces of: Davao del Norte, Davao del Sur, Davao Oriental, Compostela Valley		New Minimum Wage
	Basic Wage	COLA		Basic Wage	COLA	
NON-AGRICULTURE	P224.00	P26.00	P250.00	P222.00	P26.00	P248.00
AGRICULTURE						
- Plantation (i.e. more than 24 hectares or employing at least 20 workers)	P214.00	P26.00	P240.00	P212.00	P26.00	P238.00
- Non-Plantation	P193.00	P26.00	P219.00	P191.00	P26.00	P217.00
RETAIL/SERVICE						
- Employing more than 10 workers	P224.00	P26.00	P250.00	P222.00	P26.00	P248.00
- Employing not more than 10 workers	P193.00	P26.00	P219.00	P191.00	P26.00	P217.00

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. This Wage Order shall not cover household or domestic helpers, family drivers, persons employed in the personal service of another, and workers in registered Barangay Micro Business Enterprises.

SECTION 3. 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 4. 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 5. 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 6. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2007-2008 shall be considered as compliance with the increase prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting School Year 2008-2009.

Private educational institutions which have not increased their tuition fees for the School Year 2007-2008 may defer compliance with the increase prescribed herein until the beginning of School Year 2008-2009.

In any case, all private educational institutions shall implement the increase herein starting School Year 2008-2009.

SECTION 7. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects, and for security, janitorial and similar services, the prescribed minimum wage rates in this Wage Order 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 new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

SECTION 8. 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 9. EXEMPTION. No exemption from compliance under this Wage Order shall be allowed except those provided under Section 2 above.

SECTION 10. 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 11. 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 increase to employees affected by this Wage Order in the event that the same is affirmed.

SECTION 12. 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 13. 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 14. 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 15. 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 16. 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 17. FREEDOM TO BARGAIN. This Wage Order shall not be construed to prevent workers from bargaining for higher wages with their respective employers.

SECTION 18. 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, 2008 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 19. 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 20. 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 21. 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 22. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in Davao Region.

Approved, this 21st day of August 2007 in Davao City, Philippines.



PONCIANO M. LIGUTOM
DOLE-XI, Regional Director
Board Chairman



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



NICASIO ANGELO J.
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