

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Central Mindanao Region
Cotabato City

WAGE ORDER NO. CMR-01

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 per liter on 21 September 1990;

WHEREAS, such adjustments have contributed to a substantial increase 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;

WHEREAS, for purposes of this Wage Order, the old composition of Central Mindanao is hereby adopted; viz. the provinces of Lanao del Norte, Sultan Kudarat and Cotabato and the cities of Iligan, Marawi and Cotabato;

WHEREAS, per Regional Development Council-approved Updated Central Mindanao Regional Development Plan, the region's two primary growth centers, Iligan City and parts of Lanao del Norte shall continue to perform their role as the region's prime industrial hub while Cotabato City shall remain as the institutional and commercial center with the rest of the region enhancing their contribution to the accelerated agro-industrialization of Central Mindanao;

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Central Mindanao Region hereby issues this Wage Order;

Section 1. Upon the effectivity of this Wage Order, the statutory minimum wage rates applicable to all workers and employees in the private sector in Central Mindanao Region shall be increased according to the following schedule by specific area (province/city):

AREA	DAILY WAGE INCREASE	
<u>Province</u>		
Lanao del Norte	P	12.00
Sultan Kudarat		12.00
Cotabato		10.00
 <u>City</u>		
Iligan		14.00
Marawi		12.00
Cotabato		13.00

A graduated scheme shall be adopted taking into consideration various sectoral/industrial differences.

Section 2. The increase in the minimum wage prescribed above for non-agricultural workers shall apply to all workers and employees in private educational institutions in their respective areas beginning school year 1991.

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

Establishments regularly employing not more than ten (10) workers and countryside and barangay business enterprises (CBBEs) duly registered pursuant to RA 6810 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.

Distressed employers whose capital has been impaired by at least twenty-five percent (25%) during the preceding year may be exempted from 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 distressed employer the allowed maximum grant of exemption being one year.

In the event that applications for exemptions are not granted, employees shall receive the 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.

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. Wage increases granted by an employer on or after 1 August 1990 shall be credited as compliance with the minimum wage increase prescribed under this Wage Order. Provided that, where such increases are less than the prescribed adjustment, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit increases and those resulting from the regularization or promotion of employees.

Section 7. Where the application of the prescribed minimum wage increase under this Wage Order results in distortions, such shall be corrected using the procedure specified under Article 124 of the Labor Code as amended.

Section 8. The Regional Board shall prepare the necessary rules and regulations to implement this Wage Order, subject to approval of the Secretary of Labor and Employment.

Section 9. 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 RA 6727.

Section 10. 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 orders and/or under any contract or agreement between workers and employers.

Section 11. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

(SGD) SIMPLICIO VILLARTA, JR.
Worker Representative

(SGD) DOMINIC A. SIMON
Employer Representative

(SGD) RODRIGO P. MENDEZ
Worker Representative

(SGD) JUAN QUINTOS
Employer Representative

(SGD) IBRAHIM K. GUIAMADEL
Vice-Chairman

(SGD) GUTIERREZ A. MANGANSAKAN
Vice-Chairman

(SGD) MELENCIO Q. BALANAG
Chairman

Approved, October 21, 1990

(SGD) RUBEN D. TORRES
Secretary of Labor and Employment

Republic of the Philippines
Department of Labor and Employment
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region XII, Cotabato City

RULES IMPLEMENTING WAGE ORDER NO. CMR-01

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing and Section 8 of Wage Order No. CMR-01, the following rules are hereby issued for guidance and compliance by all concerned:

Chapter 1 - Definition of Terms

SECTION 1. Definition of Terms. - As used in this Rules,

- a) "Order" means Wage Order No. CMR-01;
- b) "Commission" means the National Wages and Productivity Commission;
- c) "Board" means the Regional Tripartite Wages and Productivity Board in the Central Mindanao Region (Region XII);
- 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 or ponds, and any activities performed by a farmer or 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, abaca, tobacco, pineapple, aquatic or other farm products;
- e) "Plantation Agricultural Enterprise" is one engaged in agriculture with an area of more than 24 hectares in a locality or which employs at least 20 workers. Any other agricultural enterprise shall be considered as "Non-Plantation Agricultural Enterprise";
- 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 is generally recognized as such;
- h) "Cottage/Handicraft Establishment" is one engaged in an economic endeavor in which the products are primarily done in the home or such other places for profit which requires manual dexterity and craftsmanship and/or whose capitalization does not exceed P500,000, regardless of previous registration with the defunct NACIDA;
- i) "Central Mindanao Region (Region XII)" covers the cities of Iligan, Cotabato and Marawi and the provinces of Cotabato, Sultan Kudarat and Lanao del Norte;
- j) "Distressed Establishments" refer to establishments with capital impairment by at least twenty five percent (25%) during the preceding year as may be determined by the Board;
- k) "Department" refers to the Department of Labor and Employment;

- l) "Statutory Minimum Wage" is the lowest wage rate fixed by law that an employer can pay his workers;
- 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) "CBBEs" refer to countryside and barangay business enterprises;
- o) "Secretary" means the Secretary of Labor and Employment;
- p) "Basic Wage" 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 or other monetary benefits which are not considered as part of or integrated into the regular salary of the workers on the date the Order became effective;
- q) "Capitalization" means paid-up capital, in the case of a corporation, and total invested capital, in the case of a partnership or single proprietorship.

Chapter II - Wage Increase

SECTION 1. Coverage - The wage increase prescribed under the Order shall apply to all workers and employees in the private sector in the Central Mindanao Region (Region XII) regardless of their position, designation or status, and irrespective of the method by which their wages are paid, except:

- a) Household or domestic helpers, including family drivers and workers in the personal service of another;
- b) Workers and employees in establishments regularly employing not more than 10 workers, when exempted from compliance with the Order, for a period fixed by the Board in accordance with applicable guidelines issued by the Commission.
- c) Workers and employees of distressed establishments when exempted from compliance for a period fixed by the Board in accordance with applicable guidelines issued by the Commission.
- d) Workers and employees receiving the applicable statutory minimum wage rates upon the effectivity of the Order.
- e) CBBEs duly registered pursuant to RA 6810 otherwise known as "Kalakalan 20."

SECTION 2. Amount of Minimum Wage Increase. - Effective November 11, 1990, the daily statutory minimum wage rates of covered workers and employees shall be increased as follows:

Iligan City	P	14.00
Cotabato City		13.00
Marawi City		12.00
Lanao del Norte Province		12.00
Sultan Kudarat Province		12.00
Cotabato Province		10.00

Except for:

- a) Plantation agricultural enterprises with an annual gross sales of less than P5 million in the fiscal year immediately preceding the effectivity of this Order and non-agriculture and retail/service enterprises employing eleven to twenty workers whose required wage increase shall approximate eighty percent (80%) of the above-listed wage increases or:

Iligan City	P	11.20
Cotabato City		10.40
Marawi City		9.60
Lanao del Norte Province		9.60
Sultan Kudarat Province		9.60
Cotabato Province		8.00

- b) Non-plantation agriculture, non-agriculture and retail/service regularly employing not more than 10 workers, and business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers, whose required wage increase shall approximate sixty percent (60%) of the above-listed wage increases or:

Iligan City	P	8.40
Cotabato City		7.80
Marawi City		7.20
Lanao del Norte Province		7.20
Sultan Kudarat Province		7.20
Cotabato Province		6.00

- c) Cottage/Handicraft enterprises in all cities and provinces in Central Mindanao Region (Region XII) whose required wage increase shall be P6.00 or:

Iligan City	P	6.00
Cotabato City		6.00
Marawi City		6.00
Lanao del Norte Province		6.00
Sultan Kudarat Province		6.00
Cotabato Province		6.00

SECTION 3. Daily Minimum Wage Rates. - The daily minimum wage rates of workers and employees in the Central Mindanao Region (Region XII) shall be as follows:

Sector/Industry	Under RA 6727 Effective July 01, 1989	Required Adjustment (Graduated Scheme)	Under WO CMR-01 Effective Nov. 11, 1990
ILIGAN CITY			
Non-Agriculture			
Industrial			
Employing More Than 20 Workers	89.00	14.00	103.00
Employing 11-20 workers	89.00	11.20	100.20
Employing Not More Than 10 Workers	89.00	8.40	97.40
Commercial			
Employing More Than 20 Workers	89.00	14.00	103.00
Employing 11-20 workers	89.00	11.20	100.20
Employing Not More Than 10 Workers	89.00	8.40	97.40
Agriculture			
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with			

annual gross sales of P5M or more	79.00	14.00	93.00
Plantation with annual gross sales of less than P5M	74.00	11.20	85.20
Non-Plantation	58.50	8.40	66.90
Cottage/Handicraft			
Employing more than 30 workers	67.00	6.00	73.00
Employing not more than 30 workers	65.00	6.00	71.00
Private Hospitals	85.00	14.00	99.00
Retail/Service			
Employing More Than 20 Workers	89.00	14.00	103.00
Employing 11-20 workers	85.00	11.20	96.20
Employing Not > 10 Workers	58.00	8.40	66.40
Business Enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	79.00	8.40	87.40
Agriculture Plantation			
Products other than sugar	69.00	8.40	77.40
Sugar	63.50	8.40	71.90
Private Hospitals	75.00	8.40	83.40
Retail/service			
Employing more than 15 workers	79.00	8.40	87.40
Employing 11 to 15 workers	75.00	8.40	83.40
COTABATO CITY			
Non-Agriculture			
Industrial			
Employing More Than 20 Workers	89.00	13.00	102.00
Employing 11-20 workers	89.00	10.40	99.40
Employing Not More Than 10 Worker	89.00	7.80	96.80

Sector/Industry	Under RA 6727 Effective July 01, 1989	Required Adjustment (Graduated Scheme)	Under WO CMR-01 Effective Nov. 11, 1990
Commercial			
Employing More Than 20 Workers	89.00	13.00	102.00
Employing 11-20 workers	89.00	10.40	99.40
Employing Not More Than 10 Workers	89.00	7.80	96.80
Agriculture			
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	79.00	13.00	92.00
Plantation with annual gross sales of less than P5M	74.00	10.40	84.40
Non-Plantation	58.50	7.80	66.30
Cottage/Handicraft			
Employing more than 30 workers	67.00	6.00	73.00
Employing not more than 30 workers	65.00	6.00	71.00
Private Hospitals	85.00	13.00	98.00
Retail/Service			
Employing More Than 20 Workers	89.00	13.00	102.00
Employing 11-20 workers	85.00	10.40	95.40
Employing Not More Than 10 Workers	58.00	7.80	65.80
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	91.00	13.00	104.00

Agriculture			
Plantation with annual gross sales of P5M or more	73.50	13.00	86.50
Plantation with annual gross Sales f less than P5M	68.50	10.40	78.90
Non-Plantation	58.50	7.80	66.30
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	79.00	7.80	86.80
Agriculture Plantation			
Products other than sugar	69.00	7.80	76.80
Sugar	63.50	7.80	71.30
Private Hospitals	75.00	7.80	82.80
Retail/service			
Employing more than 15 workers	79.00	7.80	86.80
Employing 11 to 15 workers	75.00	7.80	82.80

Sector/Industry	Under RA 6727 Effective July 01, 1989	Required Adjustment (Graduated Scheme)	Under WO CMR-01 Effective Nov. 11, 1990
MARAWI CITY, SULTAN KUDARAT PROVINCE, AND LANAO DEL NORTE PROVINCE			
Non-Agriculture			
Industrial			
Employing More Than 20 Workers	89.00	12.00	101.00
Employing 11-20 workers	89.00	9.60	98.60
Employing Not More Than 10 Workers	89.00	7.20	96.20
Commercial			
Employing More Than 20 Workers	89.00	12.00	101.00
Employing 11-20 workers	89.00	9.60	98.60
Employing Not More Than 10 Workers	89.00	7.20	96.20
Agriculture			
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	79.00	12.00	91.00
Plantation with annual gross sales of less than P5M	74.00	9.60	83.60
Non-Plantation	58.50	7.20	65.70
Cottage/Handicraft			
Employing more than 30 workers	67.00	6.00	73.00
Employing not more than 30 workers	65.00	6.00	71.00
Private Hospitals	85.00	12.00	97.00
Retail/Service			
Employing More Than 20 Workers	89.00	12.00	101.00
Employing 11-20 workers	85.00	9.60	94.60
Employing Not More Than 10 Workers	58.00	7.20	65.20
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	91.00	12.00	103.00
Agriculture			
Plantation with annual gross sales of P5M or more	73.50	12.00	85.50
Plantation with annual gross			

sales of less than P5M	68.50	9.60	78.10
Non-Plantation Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers Non-Agriculture	58.50	7.20	65.70
Agriculture Plantation Products other than sugar Sugar	79.00	7.20	86.20
	69.00	7.20	76.20
	63.50	7.20	70.70

Sector/Industry	Under RA 6727 Effective July 01, 1989	Required Adjustment (Graduated Scheme)	Under WO CMR-01 Effective Nov. 11, 1990
Private Hospitals	75.00	7.20	82.20
Retail/service			
Employing more than 15 workers	79.00	7.20	86.20
Employing 11 to 15 workers	75.00	7.20	82.20
Municipalities with population not not more than 150,000			
Employing more than 10 workers	75.00	7.20	82.20
COTABATO PROVINCE			
Non-Agriculture			
Industrial			
Employing More Than 20 Workers	89.00	10.00	99.00
Employing 11-20 workers	89.00	8.00	97.00
Employing Not More Than 10 Workers	89.00	6.00	95.00
Commercial			
Employing More Than 20 Workers	89.00	10.00	99.00
Employing 11-20 workers	89.00	8.00	97.00
Employing Not More Than 10 Workers	89.00	6.00	95.00
Agriculture			
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	79.00	10.00	89.00
Plantation with annual gross sales of less than P5M	74.00	8.00	82.00
Non-Plantation	58.50	6.00	64.50
Cottage/Handicraft			
Employing more than 30 workers	67.00	6.00	73.00
Employing not more than 30 workers	65.00	6.00	71.00
Private Hospitals	85.00	10.00	95.00
Retail/Service			
Employing More Than 20 Workers	89.00	10.00	99.00
Employing 11-20 workers	85.00	8.00	93.00
Employing Not More Than 10 Workers	58.00	6.00	64.00
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	91.00	10.00	101.00
Agriculture			
Plantation with annual gross sales of P5M or more	73.50	10.00	83.50
Plantation with annual gross sales of less than P5M	68.50	8.00	76.50
Non-Plantation	58.50	6.00	64.50

Sector/Industry	Under RA 6727 Effective July 01, 1989	Required Adjustment (Graduated Scheme)	Under WO CMR-01 Effective Nov. 11, 1990
Business Enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	79.00	6.00	85.00
Agriculture Plantation			
Products other than sugar	69.00	6.00	75.00
Sugar	63.50	6.00	69.50
Private Hospitals	75.00	6.00	81.00
Retail/service			
Employing more than 15 workers	79.00	6.00	85.00
Employing 11 to 15 workers	75.00	6.00	81.00
Municipalities with population of not more than 150,000			
Employing more than 10 workers	75.00	6.00	81.00

SECTION 4. Suggested Formula in Determining the Equivalent Monthly Minimum Wage Rates - without prejudice to existing company practices, agreements or policies, the following formula may be used as guides in determining the equivalent monthly statutory minimum wage rates:

- a) For those who are required to work everyday including Sundays or rest days, special days and regular holidays:

1/

$$\text{Equivalent Monthly Rate (EMR)} = \frac{\text{Applicable daily wage rate (ADR)} \times 390.90 \text{ days}}{12}$$

Where 390.90 days =

302 days - Ordinary working days
20 days - 10 regular holidays x 200%
66.30 days - 51 rest days x 130%

2/

2.60 days - 2 special days x 130%
390.90 days - Total equivalent number of days.

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

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

Where 365 days =

302 days - Ordinary working days
51 days - Rest days
10 days - Regular holidays

2/

2 days - Special days
365 days - Total equivalent number of days

1/ Includes premium for holidays, special and rest days.

2/ November 1 and December 31 under Executive Order No. 203 dated June 30, 1987.

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

$$\text{EMR} = \frac{\text{ADR} \times 314 \text{ days}}{12}$$

Where 314 days =

302	days	-	Ordinary working days
10	days	-	Regular holidays
			2/
2	days	-	Special days (If considered paid; if actually worked this is equivalent to 2.6 days)
314 days - Total equivalent number of days			

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

$$\text{EMR} = \frac{\text{ADR} \times 262 \text{ days}}{12}$$

Where 262 days =

250	days	-	Ordinary working days
10	days	-	Regular holidays
			2/
2	days	-	Special days (If considered paid; if actually worked this is equivalent to 2.6 days)
262 days - Total equivalent number of days			

2/ November 1 and December 31 under Executive Order No. 203 dated June 30, 1987.

Note: For workers whose rest days fall on Sundays, the number of rest days in a year is reduced from 52 to 51 days, the last Sunday of August being a regular holiday under Executive Order No. 203. For purposes of computation, said holiday, although still a rest day for them is included in the ten regular holidays. 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.

Nothing herein shall be construed as authorizing the reduction of benefits granted under existing agreements or employer practices/policies.

SECTION 5. - Creditable Wage Increase. - a) Wage increases granted on or after August 1, 1990 shall be credited as compliance with increases prescribed under the Order. Where the wage increase granted is less than the prescribed increase under the Order, the employer shall pay the difference.

b) Anniversary wage increases, merit wage increases, and those resulting from regularization or promotion of employees shall not be credited as compliance thereto.

SECTION 6. - Application to Private Educational Institutions. - With respect to private educational institutions, the share of the covered workers and employees in the increase in tuition fees for school year 1990 shall be credited as compliance with the wage increase prescribed under the Order. Where their share is less than the wage increase provided in the Order, the employer shall pay the difference.

SECTION 7. - Application to Contractors. - In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage increases 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 wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

SECTION 8. - Exemption.

- a) The following establishments may be exempted from compliance with the wage increase prescribed under the Order upon application with and as determined by the Board in accordance with applicable rules and regulations:
 - 1) Establishments regularly employing not more than 10 workers; and,
 - 2) Distressed establishments whose capital has been impaired by at least twenty-five (25%) percent during the preceding year.
- b) The Board has the option to grant full or partial exemption to the above establishments for a period fixed by the Board in accordance with the guidelines issued by the Commission;
- c) Whenever an application for exemption has been duly filed with the Board, action by the Regional Office of the Department in the Central Mindanao Region (Region XII) on any complaint for alleged non-compliance with the Order shall be deferred pending resolution of the said application;
- d) In the event that the application for exemption is not granted, the workers and employees shall receive the appropriate compensation due them as provided for under the Order plus interest of one percent per month retroactive to November 11, 1990.

SECTION 9. - Basis of Minimum Wage Rates. - The minimum wage rates prescribed under the Order shall be for the normal working hours, which shall not exceed eight hours of work a day.

SECTION 10. - Workers Paid by Results. - a) All workers paid by results including those who are paid on piece work, takay, pakyaw, or task basis, shall receive not less than the applicable minimum wage rates prescribed under the Order for the normal working hours which shall not exceed eight hours work a day, or a proportion thereof for work of less than the normal working hours.

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

- 1) Amount of increase in AMW $\frac{*/\text{Previous AMW} \times 100}{}$ = % increase;
- 2) Existing rate/piece \times % increase = increase in rate/piece;
- 3) Existing rate/piece + increase in rate/piece = adjusted rate/piece

*Where AMW is the applicable minimum wage rate.

b) 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 11. - Wages of Special Groups of Workers. - Wages of apprentices, learners, and handicapped workers shall in no case be less than 75 percent of the applicable minimum wage rates.

All recognized learnership and apprenticeship agreements entered into before November 11, 1990 shall be considered as automatically modified insofar as their wage clauses are concerned to reflect the increase prescribed under the Order.

SECTION 12. - Mobile and Branch Workers. - The minimum wage rates provided in the Order shall apply to workers who by the nature of their work have to travel if the domicile or head office of the employer is in the Central Mindanao Region (Region XII).

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

SECTION 13. - Transfer of Personnel. - The transfer of personnel to areas outside the Central Mindanao Region (Region XII) 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 Central Mindanao Region (Region XII) shall be entitled to the minimum wage rate applicable therein.

SECTION 14. - Wage Distortion. - Where the application of the wage increase provided under the Order results in distortions in the wage structure within an establishment, the employer and the union shall negotiate to correct the distortions. Any dispute arising from wage distortions shall be resolved 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 the wage distortion. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board and, if it remains unresolved after 10 calendar days of conciliation, it 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 20 calendar days from the time said dispute is submitted for compulsory arbitration.

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

SECTION 15. - Complaints for Non-Compliance. - Complaints for non-compliance with the wage increase provided in the Order shall be filed with the Regional Office of the Department in the Central Mindanao Region (Region XII) and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

SECTION 16. - Non-Diminution of Benefits. - Nothing in the Order and this Rules shall be construed as authorizing the reduction of 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 or employer practices or policies.

SECTION 17. - Penal Provision. - Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase under the Order shall be punished by a fine not exceeding P25,000 and/or imprisonment of not less than

one year nor more than two years. Provided, that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

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 18. - Prohibition Against Injunction. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceeding before the Board.

SECTION 19. - Effects on Other Issuances. - The provisions of existing laws and decrees on wages and their implementing rules and regulations and issuances not otherwise repealed, modified or inconsistent with the Order and this Rules shall continue to have full force and effect.

SECTION 20. - Separability Clause - If, for any reason, any section or provision of this Rules is declared null and void, no other section, provision, or part thereof shall be affected and the same shall remain in full force and effect.

SECTION 21. - Effectivity. - This Rules shall take effect on November 11, 1990, fifteen (15) days after the publication of Wage Order No. CMR-01.

Done in Iligan City, Republic of the Philippines this 25th day of November, 1990.

(SGD) SIMPLICIO VILLARTA, JR.
Worker Representative

(SGD) DOMINIC A. SIMON
Employer Representative

(SGD) RODRIGO P. MENDEZ
Worker Representative

(SGD) JUAN QUINTOS
Employer Representative

(SGD) IBRAHIM K. GUIAMADEL
Vice-Chairman

(SGD) GUTIERREZ A. MANGANSAKAN
Vice-Chairman

(SGD) MELENCIO Q. BALANAG
Chairman

Approved:

(SGD) RUBEN D. TORRES
Secretary