

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

WAGE ORDER NO. CMR-02

PROVIDING A PROVISIONAL EMERGENCY LIVING ALLOWANCE

WHEREAS, the recent price increases in oil and oil products have resulted to substantial increases in transportation fares and prices of basic goods and services;

WHEREAS, it is necessary to provide workers in the private sector and their families immediate relief measure to enable them to cope with the rising cost of living without impairing the viability of business and industry;

WHEREAS, the increase provided under Wage Order No. CMR-01 has been overtaken by the increase in oil prices in the Philippines in December 1990;

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

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 (Region XII) hereby issues this Wage Order:

Section 1. Upon the effectivity of this Wage Order, all employers in the private sector in the Central Mindanao Region (Region XII) shall pay all their workers and employees a Provisional Emergency Living Allowance (ELA) according to the following schedule by specific area (province/city):

AREA	DAILY ELA
<u>Province</u>	
Lanao del Norte	P 8.50
Sultan Kudarat	8.50
Cotabato	7.00
<u>City</u>	
Iligan	10.00
Marawi	8.50
Cotabato	9.00

Section 2. All covered workers shall be entitled to the ELA provided herein for days actually worked and/or paid for including vacation, sick and maternity leaves.

Section 3. The ELA granted under this Wage Order shall not be considered as part of the regular wage of the workers for purposes of computing wage related benefits, such as, 13th month pay, overtime and premium pay, night shift differential pay as well as premium contributions to the State Insurance Fund, SSS, Medicare, Pag-IBIG and others.

Section 4. Exempted from the provision of this Wage Order are household or domestic helpers and persons in the personal service of another, including family drivers.

Establishments 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.

In the event that applications for exemption 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 5. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed Emergency Living Allowance of 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 allowance, the construction/service contractor shall be jointly and severally liable with the principal or client..

Section 6. All workers paid by results, including those who are paid on piecework, takay, pakyaw or task basis, shall be entitled to receive the prescribed daily ELA for eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 7. The Regional Board shall prepare the necessary rules and regulations to implement this Wage Order, subject to the approval of the Secretary of Labor and Employment.

Section 8. Any employer who refuses or fails to pay the Emergency Living Allowance under this Wage Order shall be subject to penalties specified under Republic Act No. 6727.

Section 9. 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 of agreement between workers and employers.

Section 10. This Wage Order shall take effect on January 1, 1991 up to March 31, 1991.

Approved, December 22, 1990.

(SGD) SIMPLICIO H. VILLARTA, JR.
Workers Representative

(SGD) DOMINIC A. SIMON
Employers Representative

(SGD) RODRIGO P. MENDEZ
Workers Representative

JUAN A. QUINTOS
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(SGD) IBRAHIM K. GUIAMADEL
Vice-Chairman

(SGD) GUTIERREZ A. MANGANSAKAN
Vice-Chairman

(SGD) MELENCIO Q. BALANAG
Chairman

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-02

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing and Section 7 of Wage Order No. CMR-02, 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-02;
- 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) "CBBEs" refer to countryside and barangay business enterprises;
- n) "Secretary" means the Secretary of Labor and Employment;
- o) "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;

- p) "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 - Emergency Living Allowance

SECTION 1. Coverage - The provisional emergency living allowance 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 and countryside barangay business enterprises (CBBEs) duly registered pursuant to RA 6810 otherwise known as "Kalakalan 20," 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.

SECTION 2. Amount of Allowance. - Effective January 1, 1991 up to March 31, 1991, all employers in the private sector shall pay all their workers and employees a provisional emergency living allowance (ELA) for each day actually worked and/or paid for in the following amounts by specific area (province/city)::

Iligan City	P10.00
Cotabato City	9.00
Marawi City	8.50
Lanao del Norte Province	8.50
Sultan Kudarat Province	8.50
Cotabato Province	7.00

SECTION 3. Daily Emergency Living Allowance. - The daily emergency living allowance of workers and employees in the Central Mindanao Region (Region XII) shall be as follows:

Sector/Industry	Under WO CMR-01 (Effective November 11, 1990)	ELA Under WO CMR-02 (Effective Jan. 1, 1991 up to March 31, 1991)
ILIGAN CITY		
Non-Agriculture		
Industrial		
Employing More Than 20 Workers	103.00	10.00
Employing 11-20 workers	100.20	10.00
Employing Not More Than 10 Workers	97.40	10.00
Commercial		
Employing More Than 20 Workers	103.00	10.00
Employing 11-20 workers	100.20	10.00
Employing Not More Than 10 Workers	97.40	10.00
Agriculture		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	93.00	10.00
Plantation with annual gross sales of less than P5M	85.20	10.00
Non-Plantation	66.90	10.00
Cottage/Handicraft		
Employing more than 30 workers	73.00	10.00
Employing not more than 30 workers	71.00	10.00
Private Hospitals	99.00	10.00
Retail/Service		
Employing More Than 20 Workers	103.00	10.00
Employing 11-20 workers	96.20	10.00
Employing Not > 10 Workers	66.40	10.00
Business Enterprises with capitalization of not more than P500,000 and employing not more than 20 workers		

Non-Agriculture	87.40	10.00
Agriculture Plantation		
Products other than sugar	77.40	10.00
Sugar	71.90	10.00

Sector/Industry	Under WO CMR-01 (Effective November 11, 1990)	ELA Under WO CMR-02 (Effective Jan. 1, 1991 up to March 31, 1991)
Private Hospitals	83.40	10.00
Retail/service		
Employing more than 15 workers	87.40	10.00
Employing 11 to 15 workers	83.40	10.00
COTABATO CITY		
Non-Agriculture		
Industrial		
Employing More Than 20 Workers	102.00	9.00
Employing 11-20 workers	99.40	9.00
Employing Not More Than 10 Workers	96.80	9.00
Commercial		
Employing More Than 20 Workers	102.00	9.00
Employing 11-20 workers	99.40	9.00
Employing Not More Than 10 Workers	96.80	9.00
Agriculture		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	92.00	9.00
Plantation with annual gross sales of less than P5M	84.40	9.00
Non-Plantation	66.30	9.00
Cottage/Handicraft		
Employing more than 30 workers	73.00	9.00
Employing not more than 30 workers	71.00	9.00
Private Hospitals	98.00	9.00
Retail/Service		
Employing More Than 20 Workers	102.00	9.00
Employing 11-20 workers	95.40	9.00
Employing Not More Than 10 Workers	65.80	9.00
Sugar		
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	104.00	9.00
Agriculture		
Plantation with annual gross sales of P5M or more	86.50	9.00
Plantation with annual gross sales of less than P5M	78.90	9.00
Non-Plantation	66.30	9.00
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers		
Non-Agriculture	86.80	9.00

Sector/Industry	Under WO CMR-01 (Effective November 11, 1990)	ELA Under WO CMR-02 (Effective Jan. 1, 1991 up to March 31, 1991)
Agriculture Plantation		
Products other than sugar	76.80	9.00
Sugar	71.30	9.00
Private Hospitals	82.80	9.00
Retail/service		
Employing more than 15 workers	86.80	9.00
Employing 11 to 15 workers	82.80	9.00
MARAWI CITY AND SULTAN KUDARAT AND LANA O DEL NORTE PROVINCES		
Non-Agriculture		
Industrial		
Employing More Than 20 Workers	101.00	8.50
Employing 11-20 workers	98.60	8.50
Employing Not More Than 10 Workers	96.20	8.50
Commercial		
Employing More Than 20 Workers	101.00	8.50
Employing 11-20 workers	98.60	8.50
Employing not more than 10 workers	96.20	8.50
Agriculture		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross of P5M or more	91.00	8.50
Plantation with annual gross sales of less than P5M	83.60	8.50
Non-Plantation	65.70	8.50
Cottage/Handicraft		
Employing more than 30 workers	73.00	8.50
Employing not more than 30 workers	71.00	8.50
Private Hospitals	97.00	8.50
Retail/Service		
Employing More Than 20 Workers	101.00	8.50
Employing 11 to 20 workers	94.60	8.50
Employing Not More Than 10 Workers	65.20	8.50
Sugar		
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	103.00	8.50
Agriculture		
Plantation with annual gross sales of P5M or more	85.50	8.50
Plantation with annual gross sales of less than P5M	78.10	8.50
Non-Plantation	65.70	8.50

Sector/Industry	Under WO CMR-01 (Effective November 11, 1990)	ELA Under WO CMR-02 (Effective Jan. 1, 1991 up to March 31, 1991)
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers		
Non-Agriculture	86.20	8.50
Agriculture Plantation		
Products other than sugar	76.20	8.50
Sugar	70.70	8.50
Private Hospitals	82.20	8.50
Retail/service		
Employing more than 15 workers	86.20	8.50
Employing 11 to 15 workers	82.20	8.50
Municipalities with population not more than 150,000		
Employing more than 10 workers	82.20	8.50
COTABATO PROVINCE		
Non-Agriculture		
Industrial		
Employing More Than 20 Workers	99.00	7.00
Employing 11-20 workers	97.00	7.00
Employing Not More Than 10 Workers	95.00	7.00
Commercial		
Employing More Than 20 Workers	99.00	7.00
Employing 11-20 workers	97.00	7.00
Employing Not More Than 10 Workers	95.00	7.00
Agriculture		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	88.00	7.00
Plantation with annual gross sales of less than P5M	82.00	7.00
Non-Plantation	64.50	7.00
Cottage/Handicraft		
Employing more than 30 workers	73.00	7.00
Employing not more than 30 workers	71.00	7.00
Private Hospitals	95.00	7.00
Retail/Service		
Employing More Than 20 Workers	99.00	7.00
Employing 11-20 workers	93.00	7.00
Employing Not More Than 10 Workers	64.00	7.00
Sugar		
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	101.00	7.00

Sector/Industry	Under WO CMR-01-ELA (Effective November 11, 1990)	Under WO CMR-02 (Effective Jan. 1, 1991 up to March 31, 1991)
Agriculture		
Plantation with annual gross sales of P5M or more	83.50	7.00
Plantation with annual gross sales of less than P5M	76.50	7.00
Non-Plantation	64.50	7.00
Business Enterprises with capitalization of not more than P500,000 and employing not more than 20 workers		
Non-Agriculture	85.00	7.00
Agriculture Plantation		
Products other than sugar	75.00	7.00
Sugar	69.50	7.00
Private Hospitals	81.00	7.00
Retail/service		
Employing more than 15 workers	85.00	7.00
Employing 11 to 15 workers	81.00	7.00
Municipalities with population of not more than 150,000		
Employing more than 10 workers	81.00	7.00

SECTION 4. Allowance for Unworked Days.

- a) All covered workers shall be entitled to their daily emergency living allowance during the days that they are paid their basic wages even if unworked.
- b) A worker or an employee who is on leave of absence but is receiving employee compensation, social security or maternity leave benefits, in lieu of wages, shall be entitled to the allowance provided in the Order in proportion to such compensation or benefits if the establishment has not ceased operations; provided that such worker shall be paid the full daily allowance if paid full basic wage.
- c) The emergency living allowance of part-time workers shall not be less than the amount in proportion to the time they actually worked.

SECTION 5. Allowance to be paid in cash. - the allowance required by the Order shall be paid in cash together with the regular wage of the employees on the customary pay days.

SECTION 6. - Application to Contractors. - In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed emergency living allowance 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 7. Exemption.

- a) Establishments, countryside barangay business enterprises (CBBEs) duly registered pursuant to RA 6810, and distressed establishment whose capital has been impaired by at least twenty five percent (25%) during the preceding year may be exempted from compliance with the emergency living allowance prescribed under the Order upon application with and as determined by the Board in accordance with applicable rules and regulations:
- 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 the effectivity of the Order.

SECTION 8. Basis for Allowances. - The allowances prescribed under the Order shall be for the normal working hours, which shall not exceed eight hours of work a day.

SECTION 9. - 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 emergency living allowance 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.

SECTION 10. - Wages of Special Groups of Workers. - Wages of apprentices, learners, and handicapped workers shall in no case be less than seventy-five percent (75%) of the applicable allowances prescribed under the Order.

All recognized learnership and apprenticeship agreements entered into before January 1, 1991 shall be considered as automatically modified insofar as their wage clauses are concerned to reflect the increase prescribed under the Order.

SECTION 11. - Mobile and Branch Workers. - The emergency living allowances 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 emergency living allowances 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 12. - 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 13. - 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 14. - Effects on the existing CBA. - The promulgation of the Order shall not be a ground for the renegotiation of existing collective bargaining agreements except where there exists an appropriate wage re-opening clause.

SECTION 15. - Special Features of Allowances. - Allowances granted to workers in compliance with the Order need not be considered as part of the wage of the workers for purposes of determining overtime and premium pay, fringe benefits, as well as premium contributions to the State Insurance Fund, Social Security, Medicare, Pag-IBIG, maternity pay, and private welfare and retirement plans.

SECTION 16. - 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 17. - 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 18. - 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 19. - 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 20. - Effectivity. - This Rules shall take effect on January 1, 1991 up to March 31, 1991.

Done in Cotabato City, Republic of the Philippines this 5th day of January, 1991.

(SGD) SIMPLICIO H. VILLARTA, JR.
Workers Representative

(SGD) DOMINIC A. SIMON
Employers Representative

(SGD) RODRIGO P. MENDEZ
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(SGD) MELENCIO Q. BALANAG
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(SGD) RUBEN D. TORRES
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