

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-03**

**PROVIDING A MINIMUM WAGE INCREASE**

WHEREAS, it has been almost three years now since Wage Order No. CMR-01 had been put into effect and the minimum wage rates provided therein had already been devaluated;

WHEREAS, the increase in the prices of energy especially in electricity and oil has resulted to the subsequent increases in the prices of basic goods and services;

WHEREAS, the economic conditions in the region demand for the restoration of the purchasing power of the wage earner and adjustment of the minimum wage rates;

WHEREAS, although the government is considering subsidies on fuel and other imported goods to hold down consumer prices, it is imperative that workers and their families must be provided with immediate relief measures to enable them to cope with the cost of living without impairing the viability of business and industry;

WHEREAS, to encourage employment, additional employees hired by the existing companies over and above their present workforce, shall be exempt from this Wage Order for a period of three (3) years;

WHEREAS, to encourage investments, new business enterprises employing not less than thirty (30) workers with an equity of not less than P1,000,000.00 before borrowing and financing shall be exempt from this Wage Order for a period of three (3) years;

WHEREAS, in determining the minimum wage adjustments of this Wage Order, the following factors shall be considered: consumer price index; unemployment rate; restoration of the peso purchasing power; labor productivity and other factors affecting cost of doing business such as holidays, brownouts, and peace and order; investment growth in the region; and other standards/ criteria for minimum wage fixing;

WHEREAS, for purposes of this Wage Order, the adopted administrative composition of Region XII shall be the provinces of Cotabato, Lanao del Norte and Sultan Kudarat and the cities of Cotabato, Iligan and Marawi;

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

Section 1. Upon the effectivity of this Wage Order, the statutory minimum wage rates in Region XII shall be increased according to the following schedule by provinces and cities:

AREA	DAILY WAGE INCREASE	
<u>Province</u>		
Cotabato	P	12.00
Lanao del Norte		12.50
Sultan Kudarat		12.50
 <u>City</u>		
Cotabato		13.00
Iligan		14.50
Marawi		12.00

A graduated scheme of one hundred percent (100%), eighty percent (80%), and sixty percent (60%) of the above increases shall be adopted in the determination of the corresponding increases for the different sectors/industries in each area while taking into account the sizes of establishments as may be provided by the Board.

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 as soon as they have increased or are granted authority to increase their tuition fees during school year 1993-1994. Otherwise, such increase shall be so applicable for school year 1994-1995.

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.

To encourage employment, additional employees hired by the existing companies over and above their present workforce, shall be exempt from this Wage Order for a period of three (3) years upon application within one year from the effectivity of this Wage Order and as determined by the Board.

To encourage investments, new business enterprises employing not less than thirty (30) workers with an equity of not less than P1,000,000.00 before borrowing and financing shall be exempt from the Wage Order for a period of three (3) years upon application within one year from the effectivity of this Wage Order and as determined by the Board.

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 July 1993 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 wage increases and those resulting from the regularization or promotion of employees.

Workers and employees receiving fixed, regular, and permanent subsidies and benefits such as rice, food, cost of living allowance, medical and housing shall be credited as compliance of the Wage Order upon determination or evaluation of the Department of Labor and Employment in Region XII.

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. This Wage Order is not intended to replace the labor unions collective bargaining prerogative but to encourage labor unions to negotiate.

Section 9. 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 10. 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 11. 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 12. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

Approved, October 25, 1993

(SGD) SIMPLICIO VILLARTA, JR.  
Worker Representative

(SGD) DOMINIC A. SIMON  
Employer Representative

*(Absent)*  
RODRIGO P. MENDEZ  
Worker Representative

(SGD) JUAN A. QUINTOS  
Employer Representative

(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  
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**REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD**  
Central Mindanao Region  
Cotabato City

**RULES IMPLEMENTING WAGE ORDER NO. CMR-03**

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing and Section 9 of Wage Order No. CMR-03, 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-03;
- b) "Commission" means the National Wages and Productivity Commission;
- c) "Board" means the Regional Tripartite Wages and Productivity Board in Central Mindanao Region or 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 P1,000,000.00, regardless of previous registration with the defunct NACIDA;
- i) "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 last two (2) full accounting period plus the interim and/or those meet the criteria enumerated in Section 3(3) of the NWPC Guidelines No. 01, Series of 1992.
- k) "Department" refers to the Department of Labor and Employment;
- l) "Wage" refers to the remuneration or earnings paid to any employee, however designated, capable of being expressed in terms of money, whether fixed or ascertain on a time, task, piece or commission basis, other method of calculating the same, which is payable by an employer to an employee under a written or unwritten contract of employment for work done or to be done, or for services rendered or to be rendered and includes the fair and reasonable value, as determined by the Secretary of Labor and Employment, of board, lodging or other facilities customarily furnished by the employer to the employee. "Fair and reasonable value" shall not include any profit to the employer or to any person affiliated with the employer.
- m) "Minimum Wage" is the lowest wage rate fixed by the Board that an employer can pay his workers;

- n) "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;
- o) "CBBEs" refer to countryside and barangay business enterprises duly registered pursuant to R.A. 6810;
- p) "Secretary" means the Secretary of Labor and Employment;
- q) "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.
- r) "Capitalization" means paid-up capital, in the case of a corporation, and total invested capital, in the case of a partnership or single proprietorship;
- s) "Additional Employees" refer to employees or workers hired from November 14, 1993 to November 13, 1996 by business establishments or companies already existing in Region XII over and above their present or existing workforce before the effectivity of the Order.
- t) "New Business Enterprises" refer to new establishments and/or pioneering establishments or establishments engaged in a unique kind of economic activity not yet existing in the province or city in Region 12 employing not less than an initial of 30 workers with an initial equity of not less than one million pesos (P1,000,000.00) before borrowing and financing which are established or set-up from November 14, 1993 to November 13, 1996 but do not include those establishments which change their names or economic activity and/or in any way to misconstrue or circumvent the provisions of the Order;

## 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 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) CBBEs duly registered pursuant to RA 6810 otherwise known as "Kalakalan 20."
- e) Additional employees hired by the existing business establishments or companies on or after the effectivity of this Order, over and above their present or existing workforce when exempted from compliance with the Order for a period of three (3) years as determined by the Board in accordance with the applicable guidelines.
- f) New Business Enterprises employing not less than initial of 30 workers and with an initial equity of not less than P1,000,000.00 before borrowing and financing when exempted from compliance with the Order for a period of three (3) years as determined by the Board in accordance with the existing rules.

SECTION 2. Amount of Minimum Wage Increase. - Effective November 14, 1993, the daily statutory minimum wage rates of covered workers and employees shall be increased as follows:

Cotabato Province	P 12.00
Lanao del Norte Province	12.50
Sultan Kudarat Province	12.50
Cotabato City	13.00
Iligan City	14.50
Marawi City	12.00

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 the Order and Non-Agriculture and Private Educational Institutions, Service and Retail Establishments employing eleven (11) to twenty (20) workers and Private Hospitals/Clinics with bed capacity of over fifty (50) but not more than one hundred (100), whose required wage increase shall approximate eighty percent (80%) of the above-listed wage increases, or:

Cotabato Province	P 9.60
Lanao del Norte Province	10.00
Sultan Kudarat Province	10.00
Cotabato City	10.40
Iligan City	11.60
Marawi City	9.60

- b) Non-Agriculture and Non-Plantation Agriculture Enterprises, Private Educational Institutions, Retail and Service and Retail Establishments employing not more than ten (10) workers and Private Hospitals/Clinics with bed capacity of not more than fifty (50), and Business Enterprises with capitalization of not more than P500, 000.00 and employing not more than twenty (20) workers, whose required wage increase shall approximate sixty percent (60%) of the above-listed wage increases, or:

Cotabato Province	P 7.20
Lanao del Norte Province	7.50
Sultan Kudarat Province	7.50
Cotabato City	7.80
Iligan City	8.70
Marawi City	7.20

- c) Cottage/Handicraft enterprises in all cities and provinces in Region XII whose required wage increase shall be P6.50, or:

Cotabato Province	P 6.50
Lanao del Norte Province	6.50
Sultan Kudarat Province	6.50
Cotabato City	6.50
Iligan City	6.50
Marawi City	6.50

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

Sector / Industry	Under WO CMR-01 (Effective Nov. 11, 1990)	Required Wage Adjustment (Graduated Scheme)	Under WO CMR-03 Effective (Nov. 14, 1993)
<b>COTABATO PROVINCE</b>			
<b>Non-Agriculture</b>			
<b>Industrial</b>			
Employing More Than 20 Workers	99.00	12.00	111.00
Employing 11-20 workers	97.00	9.60	106.60
Employing Not More Than 10 Workers	95.00	7.20	102.20
<b>Commercial</b>			
Employing More Than 20 Workers	99.00	12.00	111.00
Employing 11-20 workers	97.00	9.60	106.60
Employing Not More Than 10 Workers	95.00	7.20	102.20
<b>Agriculture</b>			
<b>Plantation</b>			
Plantation (i.e., more than 24 hectares or employing at least 20 workers with annual gross sales of P5M or more)	89.00	12.00	101.00
Plantation with annual gross			

sales of less than P5M	82.00	9.60	91.60
Non-Plantation	64.50	7.20	71.70
Cottage/Handicraft			
Employing more than 30 workers	73.00	6.50	79.50
Employing not more than 30 workers	71.00	6.50	77.50
Private Hospitals/Clinics			
With more than 100 bed capacity	95.00	12.00	107.00
With 50 - 100 bed capacity	95.00	9.60	104.60
With less than 50 bed capacity	95.00	7.20	102.20
Retail/Service			
Employing More Than 20 Workers	99.00	12.00	111.00
Employing 11-20 workers	93.00	9.60	102.60
Employing Not More Than 10 Workers	64.00	7.20	71.20

Sector / Industry	Under WO CMR-01 Effective Nov. 11, 1990	Required Wage Adjustment (Graduated Scheme)	Under WO CMR-03 Effective Nov. 14, 1993
Private Educational Institution			
Employing More Than 20 Workers/Teachers	99.00	12.00	111.00
Employing 11-20 workers/Teachers	99.00	9.60	108.60
Employing not more than 10 workers/Teachers	99.00	7.20	106.20
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	101.00	12.00	113.00
Agriculture			
Plantation with annual gross sales of P5M or more	83.50	12.00	95.50
Plantation with annual gross sales of less than P5M	76.50	9.60	86.10
Non-Plantation	64.50	7.20	71.70
Business Enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	85.00	7.20	92.20
Agriculture Plantation			
Products other than sugar	75.00	7.20	82.20
Sugar	69.50	7.20	76.70
Private Hospitals/Clinics	81.00	7.20	88.20
Private Educational Institutions	85.00	7.20	92.20
Retail/service			
Employing more than 15 workers	85.00	7.20	92.20
Employing not more than 15 workers	81.00	7.20	88.20
LANAO DEL NORTE PROVINCE			
Non-Agriculture			
Industrial			
Employing More Than 20 Workers	101.00	12.50	113.50
Employing 11-20 workers	98.60	10.00	108.60
Employing Not More Than 10 Workers	96.20	7.50	103.70

Commercial			
Employing More Than 20 Workers	101.00	12.50	113.50
Employing 11-20 workers	98.60	10.00	108.60
Employing Not More Than 10 Workers	96.20	7.50	103.70

Sector / Industry	Under WO CMR-01 Effective Nov. 11, 1990	Required Wage Adjustment (Graduated Scheme)	Under WO CMR-03 Effective Nov. 14, 1993
Agriculture			
Plantation			
Plantation (i.e., more than 24 hectares or hectares or employing at least 20 workers with annual gross sales of P5M or more)	91.00	12.50	103.50
Plantation with annual gross sales of less than P5M	83.60	10.00	93.60
Non-Plantation	65.70	7.50	73.20
Cottage/Handicraft			
Employing more than 30 workers	73.00	6.50	79.50
Employing not more than 30 workers	71.00	6.50	77.50
Private Hospitals/Clinics			
With more than 100 bed capacity	97.00	12.50	109.50
With 50 - 100 bed capacity	97.00	10.00	107.00
With less than 50 bed capacity	97.00	7.50	104.50
Retail/Service			
Employing More Than 20 Workers	101.00	12.50	113.50
Employing 11-20 workers	94.60	10.00	104.60
Employing Not More Than 10 Workers	65.20	7.50	72.70
Private Educational Institution			
Employing More Than 20 Workers/Teachers	101.00	12.50	113.50
Employing 11-20 workers/Teachers	101.00	10.00	111.00
Employing Not More Than 10 Workers/Teachers	101.00	7.50	108.50
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	103.00	12.50	115.50
Agriculture			
Plantation with annual gross sales of P5M or more . . .	85.50	12.50	98.00
Plantation with annual gross sales of less than P5M	78.10	10.00	88.10
Non-Plantation	65.70	7.50	73.20
Business Enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	86.20	10.00	96.20
Agriculture Plantation			
Products other than sugar	76.20	7.50	83.70
Sugar	70.70	7.50	78.20

Sector / Industry	Under WO CMR-01 Effective Nov. 11, 1990	Required Wage Adjustment (Graduated Scheme)	Under WO CMR-03 Effective Nov. 14, 1993
Private Hospitals/Clinics	82.20	7.50	89.70
Private Education Institutions	86.20	7.50	93.70
Retail/service			
Employing more than 15 workers	86.20	7.50	93.70
Employing not more than 15 workers	82.20	7.50	89.70
<b>SULTAN KUDARAT PROVINCE</b>			
<b>Non-Agriculture</b>			
<b>Industrial</b>			
Employing More Than 20 Workers	101.00	12.50	113.50
Employing 11-20 workers	98.60	10.00	108.60
Employing Not More Than 10 Workers	96.20	7.50	103.70
<b>Commercial</b>			
Employing More Than 20 Workers	101.00	12.50	113.50
Employing 11-20 workers	98.60	10.00	108.60
Employing Not More Than 10 Workers	96.20	7.50	103.70
<b>Agriculture</b>			
<b>Plantation</b>			
Plantation (i.e., more than 24 hectares or employing at least 20 workers with annual gross sales of P5M or more)	91.00	12.50	103.50
Plantation with annual gross sales of less than P5M	83.60	10.00	93.60
Non-Plantation	65.70	7.50	73.20
<b>Cottage/Handicraft</b>			
Employing more than 30 workers	73.00	6.50	79.50
Employing not more than 30 workers	71.00	6.50	77.50
<b>Private Hospitals/Clinics</b>			
With more than 100 bed capacity	97.00	12.50	109.50
With 50 - 100 bed capacity	97.00	10.00	107.00
With less than 50 bed capacity	97.00	7.50	104.50
<b>Retail/Service</b>			
Employing More Than 20 Workers	101.00	12.50	113.50
Employing 11-20 workers	94.60	10.00	104.60
Employing Not More Than 10 Workers	65.20	7.50	72.70
<b>Private Educational Institution</b>			
Employing More Than 20 Workers/Teachers	101.00	12.50	113.50
Employing 11-20 workers/Teachers	101.00	10.00	111.00
Employing Not More Than 10 Workers/Teachers	101.00	7.50	108.50

Sector / Industry	Under WO CMR-01 Effective Nov. 11, 1990	Required Wage Adjustment (Graduated Scheme)	Under WO CMR-03 Effective Nov. 14, 1993
<b>Sugar</b>			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	103.00	12.50	115.50
<b>Agriculture</b>			
Plantation with annual gross sales of P5M or more . . .	85.50	12.50	98.00

Plantation with annual gross sales of less than P5M	78.10	10.00	88.10
Non-Plantation	65.70	7.50	73.20
Business Enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	86.20	10.00	96.20
Agriculture Plantation			
Products other than sugar	76.20	7.50	83.70
Sugar	70.70	7.50	78.20
Private Hospitals/Clinics	82.20	7.50	89.70
Private Educational Institutions	86.20	7.50	93.70
Retail/service			
Employing more than 15 workers	86.20	7.50	93.70
Employing not more than 15 workers	82.20	7.50	89.70
<b>COTABATO CITY</b>			
Non-Agriculture			
Industrial			
Employing More Than 20 Workers	102.00	13.00	115.00
Employing 11-20 workers	99.40	10.40	109.80
Employing Not More Than 10 Workers	96.80	7.80	104.60
Commercial			
Employing More Than 20 Workers	102.00	13.00	115.00
Employing 11-20 workers	99.40	10.40	109.80
Employing Not More Than 10 Workers	96.80	7.80	104.60
Agriculture			
Plantation			
Plantation (i.e., more than 24 hectares or employing at least 20 workers with annual gross sales of P5M or more)	92.00	13.00	105.00

Sector / Industry	Under WO CMR-01 Effective Nov. 11, 1990	Required Wage Adjustment (Graduated Scheme)	Under WO CMR-03 Effective Nov. 14, 1993
Plantation with annual gross sales of less than P5M	84.40	10.40	94.80
Non-Plantation	66.30	7.80	74.10
Cottage/Handicraft			
Employing more than 30 workers	73.00	6.50	79.50
Employing not more than 30 workers	71.00	6.50	77.50
Private Hospitals/Clinics			
With more than 100 bed capacity	98.00	13.00	111.00
With 50 - 100 bed capacity	98.00	10.40	108.40
With less than 50 bed capacity	98.00	7.80	105.80
Retail/Service			
Employing More Than 20 Workers	102.00	13.00	115.00
Employing 11-20 workers	95.40	10.40	105.80
Employing Not More Than 10 Workers	65.80	7.80	73.60

Private Educational Institution			
Employing More Than 20 Workers/Teachers	102.00	13.00	115.00
Employing 11-20 workers/Teachers	102.00	10.40	112.40
Employing Not More Than 10 Workers/Teachers	102.00	7.80	109.80
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	104.00	13.00	117.00
Agriculture			
Plantation with annual gross sales of P5M or more	86.50	13.00	99.50
Plantation with annual gross sales of less than P5M	78.90	10.40	89.30
Non-Plantation	66.30	7.80	74.10
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	86.80	7.80	94.60
Agriculture Plantation			
Products other than sugar	76.80	7.80	84.60
Sugar	71.30	7.80	79.10
Private Hospitals/Clinics	82.80	7.80	90.60
Private Educational Institutions	86.80	7.80	94.60

Sector / Industry	Under WO CMR-01 Effective Nov. 11, 1990	Required Wage Adjustment (Graduated Scheme)	Under WO CMR-03 Effective Nov. 14, 1993
Retail/service			
Employing more than 15 workers	86.80	7.80	94.60
Employing not more than 15 workers	82.80	7.80	90.60
ILIGAN CITY			
Non-Agriculture			
Industrial			
Employing More Than 20 Workers	103.00	14.50	117.50
Employing 11-20 workers	100.20	11.60	111.80
Employing Not More Than 10 Workers	97.40	8.70	106.10
Commercial			
Employing More Than 20 Workers	103.00	14.50	117.50
Employing 11-20 workers	100.20	11.60	111.80
Employing Not More Than 10 Workers	97.40	8.70	106.10
Agriculture			
Plantation			
Plantation (i.e., more than 24 hectares or employing at least 20 workers with annual gross sales of P5M or more)	93.00	14.50	107.50
Plantation with annual gross sales of less than P5M	85.20	11.60	96.80
Non-Plantation	66.90	8.70	75.60
Cottage/Handicraft			
Employing more than 30 workers	73.00	6.50	79.50
Employing not more than 30 workers	71.00	6.50	77.50
Private Hospitals/Clinics			
With more than 100 bed capacity	99.00	14.50	113.50
With 50 - 100 bed capacity	99.00	11.60	110.60
With less than 50 bed capacity	99.00	8.70	107.70

Retail/Service			
Employing More Than 20 Workers	103.00	14.50	117.50
Employing 11-20 workers	96.20	11.60	107.80
Employing Not More Than 10 Workers	66.40	8.70	75.10
Private Educational Institutions			
Employing More Than 20 Workers/Teachers	103.00	14.50	117.50
Employing 11-20 workers/Teachers	103.00	11.60	114.60
Employing Not More Than 10 Workers/Teachers	103.00	8.70	111.70
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	105.00	14.50	119.50

Sector / Industry	Under WO CMR-01 Effective Nov. 11, 1990	Required Wage Adjustment (Graduated Scheme)	Under WO CMR-03 Effective Nov. 14, 1993
Agriculture			
Plantation with annual gross sales of P5M or more	87.50	14.50	102.00
Plantation with annual gross sales of less than P5M	79.70	11.60	91.30
Non-Plantation	66.90	8.70	75.60
Business Enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	87.40	8.70	96.10
Agriculture Plantation			
Products other than sugar	77.40	8.70	86.10
Sugar	71.90	8.70	80.60
Private Hospitals/Clinics	83.40	8.70	92.10
Private Education Institutions	87.40	8.70	96.10
Retail/service			
Employing more than 15 workers	87.40	8.70	96.10
Employing not more than 15 workers	83.40	8.70	92.10
MARAWI CITY			
Non-Agriculture			
Industrial			
Employing More Than 20 Workers	101.00	12.00	113.00
Employing 11-20 workers	98.60	9.60	108.20
Employing Not More Than 10 Workers	96.20	7.20	103.40
Commercial			
Employing More Than 20 Workers	101.00	12.00	113.00
Employing 11-20 workers	98.60	9.60	108.20
Employing Not More Than 10 Workers	96.20	7.20	103.40
Agriculture			
Plantation			
Plantation (i.e., more than 24 hectares or employing at least 20 workers with annual gross sales of P5M or more	91.00	12.00	103.00
Plantation with annual gross sales of less than P5M	83.60	9.60	93.20

Non-Plantation	65.70	7.20	72.90
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Sector / Industry	Under WO CMR-01 Effective Nov. 11, 1990	Required Wage Adjustment (Graduated Scheme)	Under WO CMR-03 Effective Nov. 14, 1993
Cottage/Handicraft			
Employing more than 30 workers	73.00	6.50	79.50
Employing not more than 30 workers	71.00	6.50	77.50
Private Hospitals			
With more than 100 bed capacity	97.00	12.00	109.00
With 50 - 100 bed capacity	97.00	9.60	106.60
With less than 50 bed capacity	97.00	7.20	104.20
Retail/Service			
Employing More Than 20 Workers	101.00	12.00	113.00
Employing 11-20 workers	94.60	9.60	104.20
Employing Not More Than 10 Workers	65.20	7.20	72.40
Private Educational Institution			
Employing More Than 20 Workers/Teachers	101.00	12.00	113.00
Employing 11-20 workers/Teachers	101.00	9.60	110.60
Employing Not More Than 10 Workers/Teachers	101.00	7.20	108.20
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	103.00	12.00	115.00
Agriculture			
Plantation with annual gross sales of P5M or more	85.50	12.00	97.50
Plantation with annual gross sales of less than P5M	78.10	9.60	87.70
Non-Plantation	65.70	7.20	72.90
Business Enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	86.20	7.20	93.40
Agriculture Plantation			
Products other than sugar	76.20	7.20	83.40
Sugar	70.70	7.20	77.90
Private Hospitals/Clinics	82.20	7.20	89.40
Private Educational Institutions	86.20	7.20	93.40
Retail/service			
Employing more than 15 workers	86.20	7.20	93.40
Employing not more than 15 workers	82.20	7.20	89.40

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 minimum wage rates:

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

$$= \frac{\text{Applicable daily wage rate (ADR)} \times 390.90 \text{ days}}{\text{Monthly Rate (EMR)}} \quad 1/ \quad \text{Equivalent}$$

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/
<u>2.60</u>	<u>days</u>	- 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:

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

Where 365 days =

302	days	- Ordinary working days
51	days	- Rest days
10	days	- Regular holidays
		2/
<u>2</u>	<u>days</u>	- Special days
365	days	- Total equivalent number of days

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

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

Where 314 days =

302	days	- Ordinary working days
10	days	- Regular holidays
		2/
<u>2</u>	<u>days</u>	- 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:

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

Where 262 days =

250	days	- Ordinary working days
10	days	- Regular holidays
		2/
<u>2</u>	<u>days</u>	- Special days (If considered paid; if actually worked this is equivalent to 2.6 days)
262	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.

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 July 1, 1993 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.
- c) Workers and employees receiving fixed, regular, and permanent subsidies and benefits such as rice, food, cost of living allowance (COLA), medical and housing shall be credited as compliance with increases prescribed under the Order upon determination or evaluation of the Department of Labor and Employment in Region XII. The said subsidies and benefits, however, should have been in existence or given prior to the effectivity of the Order.

SECTION 6. - Application to Private Educational Institutions. - Private Educational Institutions which increased tuition fees beginning school year 1993-1994 shall comply with the increases prescribed under the Order effective as follows:

- a) In cases where the tuition fee increase was effected before the effectivity of the Order, the wage increase shall take effect on July 1, 1993.
- b) In cases where the tuition fee increase was effected on or after the effectivity of the Order, the wage increase shall take effect not later than the date the school actually increased tuition fees but in the latter case, such wage increase may not be made retroactive to July 1, 1993.

Beginning school year 1994-1995, all schools shall implement wage increase regardless of whether or not they have actually increased tuition fees.

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.
  - 2) Distressed establishments may be given full or partial exemption as determined by the Board in accordance with the guidelines issued by the Commission.
  - 3) Additional employees hired from November 14, 1993 to November 13, 1996 by existing companies or establishments over and above their present or existing workforce shall be exempt for a period of three years. In which case the wage rates applicable shall be that of under Wage Order No. CMR-01. Provided further, that a certification on this matter shall be applied and availed of from the Board.

This exemption for additional workers hired within one year period shall expire at the end of three (3) years counted from the effectivity of the Order.

- 4) New business enterprises employing not less than thirty (30) workers with an equity of not less than P1,000,000.00 before borrowing and financing shall be exempt from the Order for a period of three (3) years. Provided, however, that the minimum number of workers and the amount of equity shall be maintained for a period of three (3) years. Provided further that new business enterprises shall not include existing establishments which change its business name or activity or in any other way or reason to misconstrue or circumvent the provisions of the Order. Provided furthermore, that an application to this effect must be filed within one year from the effectivity of the Order.
- 5) Applications for wage exemption shall be filed within 180 days from the effectivity of the Order considering the prevailing special and unique situation of the region; except those falling under paragraph 3 and 4 of this section.
- 6) The Board may grant full exemption to the above establishments except to distressed establishments for a period fixed by the Board in accordance with the guidelines issued by the Commission.

- 7) Whenever an application for exemption has been duly filed with the Board, action by the Regional Office of the Department of Labor and Employment Region XII on any complaint for alleged non-compliance with the Order shall be deferred pending resolution of the said application;
- 8) 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 14, 1993.

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\*/Previous AMW x 100 = % increase;
- 2) Existing rate/piece x % 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 14, 1993 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 Region XII.

The minimum wage rates of workers working in branches or agencies of establishments in the 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 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 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.

The Order, however, is not intended to replace the labor union's collective bargaining prerogative but to encourage labor unions to negotiate.

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 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 14, 1993, fifteen (15) days after the publication of Wage Order No. CMR-03.

Done in Iligan City, Republic of the Philippines this 19th day of November, 1993.

(*Out of the Country - Official Business*)  
SIMPLICIO H. VILLARTA, JR  
Worker Representative

(SGD) DOMINIC A. SIMON  
Employer Representative

(SGD) RODRIGO P. MENDEZ  
Worker Representative

(SGD) JUAN A. QUINTOS  
Employer Representative

(SGD) GUTIERREZ A. MANGANSAKAN  
Vice-Chairman

(SGD) IBRAHIM K. GUIAMADEL  
Vice-Chairman

(SGD) MELENCIO Q. BALANAG  
Chairman

Approved 17th day of February 1994, subject to the notations below.

(SGD) MA. NIEVES R. CONFESOR  
Secretary

NOTATIONS:

1. *The period of exemption for additional employees of existing establishments shall be subject to review by the Board after a year.*

2. *The crediting of fixed, regular and permanent subsidies and benefits upon determination and valuation of the DOLE Regional Office XII may be allowed provided such benefits were granted on or after July 1, 1993 to conform with the crediting period under the Order.*
3. *The deadline for filing applications for exemptions shall be 60 days from the date of publication of the approved Implementing Rules in at least one newspaper of general circulation in the region.*