

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

**WAGE ORDER NO. CMR-04**  
**THE NEW MINIMUM WAGE RATES FOR WORKERS IN THE PRIVATE SECTOR**

WHEREAS, it has been two (2) years now since Wage Order No. CMR-03 took effect and the minimum daily wage rates prescribed under the Wage Order have devaluated;

WHEREAS, the Regional Tripartite Wages and Productivity Board in Region XII conducted public consultations/hearings in selected areas covering nearby provinces, municipalities, and cities of the region; particularly in Cotabato City on May 12, 1995, in Kidapawan, Cotabato on May 19, 1995, and in Iligan City on May 26, 1995;

WHEREAS, the prices of basic goods and services have increased and have been increasing because of the impending increase of oil prices and the effect of the recent crisis of rice;

WHEREAS, recognizing the prevailing economic condition of the region, the Board has taken cognizance to the plight of the minimum wage earners in the private sector;

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 now issues this Wage Order;

Section 1. Amount of Minimum Wage. Upon the effectivity of this Wage Order (Order), the new minimum wage rates of all workers in the private sector, according to specific province and city, sector, industry, and other selected indicators shall be as follows:

Sector, Industry and Other Selected Indicators	Cotabato Province	Lanao del Norte Province	Sultan Kudarat Province
Non-Agriculture	P121.00	P123.00	P123.00
Agriculture Plantation Other Than Sugar and Rubber	106.00	109.00	109.00
Agriculture Plantation on Sugar and Rubber	100.00	102.00	102.00
Non-Plantation	81.00	82.00	82.00
Cottage/Handicraft			
Employing more than 30 workers	88.00	88.00	88.00
Employing not more than 30 workers	85.00	85.00	85.00
Private Hospitals/Clinics			
With more than 50 bed capacity	118.00	119.00	119.00
With not more than 50 bed capacity	112.00	115.00	115.00
Retail/Service			
Employing not more than 10 workers	78.00	80.00	80.00

Sector, Industry and Other Selected Indicators	Cotabato City	Iligan City	Marawi City
Non-Agriculture	P124.00	P127.00	P123.00
Agriculture Plantation Other Than Sugar and Rubber	108.00	112.00	108.00
Agriculture Plantation on Sugar and Rubber	103.00	106.00	102.00
Non-Plantation	83.00	85.00	82.00
Cottage/Handicraft			
Employing more than 30 workers	88.00	88.00	88.00
Employing not more than 30 workers	85.00	85.00	85.00
Private Hospitals/Clinics			
With more than 50 bed capacity	121.00	123.00	119.00
With not more than 50 bed capacity	116.00	118.00	114.00
Retail/Service			
Employing not more than 10 workers	81.00	82.00	79.00

Section 2. Basis of Minimum Wage Rates. The new minimum wage rates prescribed in this Order shall be for the normal working hours, which shall not exceed eight (8) hours a day.

Section 3. Creditable Wage Increase. The wage increases granted by the employers on or after July 1, 1995 shall be credited as compliance with the new minimum wage rates prescribed in this Order, but if the increases are less than the prescribed new minimum wage rates under this Order, the employer shall pay the difference.

The wage increases granted by the employers shall not include anniversary wage increases, merit wage increases, and those resulting from the regularization or promotion of employees.

The monetary benefits, derived from profit-sharing or gain-sharing scheme as mutually agreed by the parties involved, permanently or consistently granted to the workers within one year from the effectivity of this Order and have been continuously granted even after the effectivity of this Order, shall be considered as compliance to the new minimum wage rates prescribed under this Order, but if the benefits given is less than the prescribed new minimum wage rates, the employer shall pay the difference, and if the profit-sharing or gain-sharing scheme is discontinued, the employer shall pay the difference retroactive to the period when the discontinuance of the scheme took effect.

Section 4. Application to Private Educational Institutions. The new minimum wage rates prescribed under this Order shall apply to all workers in the private educational institutions when they have increased or acquired authorization to increase their tuition fees during school year 1995-1996. Otherwise, the new minimum wage rates shall be so applicable not later than the opening of the next school year beginning 1996.

Section 5. Application to Contractors. In contracts for construction projects and for security, janitorial and similar services, the prescribed new minimum wage rates 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 new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 6. Workers Paid by Results. All workers paid by results, including those who are paid on piecework, takay, pakyaw, or task basis, shall receive not less than the new minimum wage rates prescribed under this Order for the normal working hours that shall not exceed eight (8) hours a day, or a proportion of the new minimum wage rates for work of less than the normal working hours.

Section 7. Wages of Special Groups of Workers. Wages of apprentices, learners and handicapped workers shall never be less than seventy-five percent (75%) of the new minimum wage rates prescribed under this Order.

All recognized apprenticeship and learnership agreements entered before the effectivity of this Order shall be considered as automatically modified as far as their wage clauses are concerned to reflect the new minimum wage rates prescribed under this Order.

Section 8. Mobile and Branch Workers. The new minimum wage rates provided in this Order shall apply to workers who by the nature of their work have to travel from one city or province to another 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 are those applicable in the place where they are stationed as prescribed in this Order.

Section 9. 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 before the transfer.

The workers transferred to Region XII shall be entitled to receive the new minimum wage rates provided under this Order.

#### Section 10. Exemptions.

1. Automatic Exemption. Automatically exempted from the provisions of this Order are households or domestic helpers and persons in the personal service of another including family drivers.

2. Non-Automatic Exemption. Upon proper application with and as determined by the Regional Tripartite Wages and Productivity Board (Board), the following categories of establishments maybe exempted from the applicability of this Order:

- a) Retail/Service establishments regularly employing not more than ten (10) workers;
- b) Distressed establishments as provided under Section 3 (3) of the NWPC Revised Guidelines on Exemptions;
- c) New Business Establishments duly registered with the appropriate government agencies, such as the Securities and Exchange Commission, Department of Trade and Industry, Cooperatives Development Authority and Mayor's Office, and established within the period of one (1) year from the effectivity of this Order; and,
- d) Additional Employees and New Business Enterprises who were given exemption under Section 3 of Wage Order No. CMR-03 and Section 8 (3) (4) of the Rules Implementing the Wage Order; Except, however, when the period of their exemptions already expired they shall comply with the new minimum wage rates prescribed under this Order.

3. Duration and Extent of Exemption. The establishments that properly applied and found qualified for exemptions shall be granted full exemption of one (1) year from the effectivity of this Order; Except for

distressed establishments which maybe granted either full or partial exemption as provided under Section 7 of the NWPC Revised Guidelines on Exemption.

4. **Deadline of Application for Exemption.** The deadline for filing of applications for exemptions shall be sixty (60) days from the date of publication of the approved Rules Implementing this Order in at least one newspaper of general circulation in the region.

5. **Effect of Application for Exemption.** Whenever an application for exemption has been duly filed with the Board, any action or complaint for alleged non-compliance of this Order shall be deferred pending the resolution of the application.

6. **Effect of Disapproved Application for Exemption.** In the event that the application for exemption is not approved, the workers shall be paid the new minimum wage rates due them as provided for under this Order retroactive to the date of effectivity of this Order plus simple interest of one percent (1%) per month.

7. **Workers' Opposition.** Any worker or, if unionized, the union in the applicant establishment, may file with the Board an opposition to the application for exemption stating the reasons why the application should not be approved, copy furnished the applicant.

8. **Motion for Reconsideration.** Only one (1) motion for reconsideration may be filed with the Board by the aggrieved party within ten (10) days from receipt of the decision and shall state the grounds upon which the motion is based, copy furnished the other party and the Department of Labor and Employment Regional Office concerned.

The denial of the motion for reconsideration shall be final and executory unless appealed to the Commission.

9. **Appeal to the Commission.** Any party aggrieved by the decision of the Board may file an appeal to the Commission in accordance with Section 9 of the NWPC Revised Guidelines on Exemption.

10. **Effect of Appeal to the Commission.** Whenever an appeal of disapproved application for exemption has been duly filed, any action or complaint for alleged non-compliance of this Order shall be deferred pending the resolution of the appeal.

Section 11. **Wage Distortions.** Where the application of the new minimum wage rates prescribed under this Order results in distortions, the distortions shall be corrected using the procedures specified under Article 124 of the Labor Code, as amended.

Section 12. **Non-Diminution of Benefits.** Nothing in this Order shall be construed to reduce any existing wage rates, allowances, and benefits of any form under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between the workers and employers.

Section 13. **Payment of Wages.** Upon written petition of the majority of the workers concerned, all private establishments, companies, businesses and other entities with at least twenty-five workers and located within one kilometer radius to a commercial, savings or rural bank, shall pay the wages and other benefits of their workers through any of the banks, within the period and in the manner and form prescribed under the Labor Code, as amended.

Section 14. **Duty of Bank.** Whenever applicable and upon request of a concerned worker or union, the bank through which wages and other benefits are paid shall issue a certification of the record of payment of the wages and benefits of a particular worker or workers for a particular payroll period.

Section 15. **Complaints for Non-Compliance.** Complaints for non-compliance with the new minimum wage rates prescribed under this Order may be filed with the Regional Office of the Department of Labor and Employment having jurisdiction over the workplace and shall be subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to the criminal prosecution.

Section 16. **Penal Provisions.** Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the new minimum wage rates made in accordance with this Order shall be punished by a fine not exceeding P25,000.00 and/or imprisonment of not less than one year nor more than two years: Provided, that any person convicted under this 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 proceedings before the Board.

Section 18. Rules Implementing this Order. The Board shall prepare the necessary rules to implement this Order, subject to approval of the Secretary of Labor and Employment.

Section 19. Separability Clause. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 20. Effectivity. This Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region and shall be implemented fifteen (15) days after the publication of the approved Rules Implementing this Order in at least one (1) newspaper of general circulation in the region.

APPROVED, November 15, 1995, Cotabato City, Philippines.

(SGD) RODRIGO P. MENDEZ  
Member  
Workers' Representative

(SGD) JUAN A. QUINTOS, JR.  
Member  
Employers' Representative

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

*(Resigned/Awaiting Replacement)*  
DOMINIC A. SIMON  
Member  
Employers' Representative

(SGD) GUTIERREZ A. MANGANSAKAN  
NEDA Director  
Vice-Chairman

(SGD) IBRAHIM K. GUIAMADEL  
DTI Director  
Vice-Chairman

(SGD) JESUS B. GADOR  
DOLE Officer In-Charge  
Chairman

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

**RULES IMPLEMENTING WAGE ORDER NO. CMR-04**

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing and Section 18 of Wage Order No. CMR-04, the following rules are hereby issued for guidance and compliance by all concerned:

Rule I - Definition of Terms

Section 1. Definition of Terms. As used in this Rules:

- a) "Order" means Wage Order No. CMR-04;
- b) "Board" means the Regional Tripartite Wages and Productivity Board in Region XII;
- c) "Commission" means the National Wages and Productivity Commission;
- d) "Department" means the Department of Labor and Employment;
- e) "Region XII" refers to a geographical area composed of the cities of Cotabato, Iligan and Marawi, and the provinces of Cotabato, Lanao del Norte and Sultan Kudarat;
- f) "Secretary" refers to the Secretary of Labor and Employment;
- g) "Wage" refers to the remuneration or earnings paid to any employee or worker, 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 or worker 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 or worker. "Fair and reasonable value" shall not include any profit to the employer or to any person affiliated with the employer.
- h) "Minimum Wage" is the lowest wage rate fixed by the Board that an employer can pay his employees or workers;
- i) "Basic Wage" means all remuneration or earnings paid by an employer to an employee or a worker for services rendered on normal working days and hours but does not include cost of living allowances, profit-sharing 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;
- j) "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 or worker 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;
- k) "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;
- l) "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 enterprises shall be considered as "Non-Plantation Agricultural Enterprise";
- m) "Retail Establishment" is one principally engaged in the sale of goods to end-users for personal or household use;
- n) "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;

- o) "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 P1,500,000.00, regardless of previous registration with the defunct NACIDA;
- p) "Distressed Establishment" refers 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 Revised Guidelines on Exemption;
- 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;
- r) "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;
- s) "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 XII 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;
- t) "Industry" refers to a trade, businesses in similar or allied activities in which individuals are gainfully employed; and,
- u) "Party" means any legitimate organization of workers or employers with substantial interest in the region, province or industry therein as determined by the Board, and who stands to be directly affected by the Board proceedings, orders, decisions or resolutions.

#### Rule II - New Minimum Wage Rates

Section 1. Amount of Minimum Wage.<sup>1</sup> Upon the effectivity of the Order, the new minimum wage rates of all workers in the private sector, according to specific province and city, sector, industry, and other selected indicators shall be as follows:

Sector, Industry and Other Selected Indicators	Cotabato Province	Lanao del Norte Province	Sultan Kudarat Province
Non-Agriculture	121.00	123.00	123.00
Agriculture			
Plantation Other Than Sugar and Rubber	106.00	109.00	109.00
Plantation on Sugar and Rubber	100.00	102.00	102.00
Non-Plantation	81.00	82.00	82.00
Cottage/Handicraft			
Employing More Than 30 workers	88.00	88.00	88.00
Employing Not More than 30 workers	85.00	85.00	85.00
Private Hospitals/Clinics			
With more than 50 bed capacity	118.00	119.00	119.00
With Not More than 50 bed capacity	112.00	115.00	115.00
Retail/Service			
Employing Not More Than 10 workers	78.00	80.00	80.00

Sector, Industry and Other Selected Indicators	Cotabato City	Iligan City	Marawi City
Non-Agriculture	124.00	127.00	123.00
Agriculture			
Plantation Other Than Sugar and Rubber	108.00	112.00	108.00
Plantation on Sugar and Rubber	103.00	106.00	102.00
Non-Plantation	83.00	85.00	82.00
Cottage/Handicraft			
Employing More Than 30 workers	88.00	88.00	88.00
Employing Not More than 30 workers	85.00	85.00	85.00
Private Hospitals/Clinics			

<sup>1</sup> Annexes on the Minimum Wage Rates differences' between Wage Order Nos. CMR-03 and CMR-04 are attached hereto for references.

With more than 50 bed capacity	121.00	123.00	119.00
With Not More than 50 bed capacity	116.00	118.00	114.00
Retail/Service			
Employing Not More Than 10 workers	81.00	82.00	79.00

Section 2. Coverage. The new minimum wage rates prescribed under the Order shall apply to all workers in the private sector, regardless of their position, designation or status and irrespective of the method by which their wages are paid.

Section 3. 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 (8) hours a day.

Section 4. Creditable Wage Increase.

a) The wage increases granted by the employers on or after July 1, 1995 shall be credited as compliance with the new minimum wage rates prescribed in the Order, but if the increases are less than the prescribed new minimum wage rates under the Order, the employer shall pay the difference.

b) The wage increases granted by the employers shall not include anniversary wage increases, merit wage increases, and those resulting from the regularization or promotion of employees.

c) The monetary benefits, derived from profit-sharing or gain-sharing scheme as mutually agreed by the workers and employers involved, permanently or consistently granted to the workers within one year from the effectivity of the Order and have been continuously granted even after the effectivity of the Order, shall be considered as compliance to the new minimum wage rates prescribed under the Order, but if the benefits given is less than the prescribed new minimum wage rates, the employer shall pay the difference, and if the profit-sharing or gain-sharing schemes is discontinued, the employer shall pay the difference retroactive to the period when the discontinuance of the scheme took effect.

Section 5. Application to Private Educational Institutions. Private educational institution which increased or acquired authorization to increase their tuition fees during school year 1995-1996 shall comply with the new minimum wage rates prescribed under the Order effective as follows:

- 1) In cases where the tuition fee increase took effect before the effectivity of the Order, the new minimum wage rates shall take effect on July 1, 1995; and,
- 2) In cases where the tuition fee increase took effect on or after the effectivity of the Order, the new minimum wage rates shall take effect not later than the date the school actually increased tuition fees and must not be made retroactive to July 1, 1995.

Beginning school year 1996-1997, all schools must implement the new minimum wage rates regardless of whether or not they have actually increased tuition fees.

Section 6. Application to Contractors. In contracts for construction projects and for security, janitorial and similar services, the prescribed new minimum wage rates prescribed under the Order, shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 7. Workers Paid by Results. All workers paid by results, including those who are paid on piece work, takay, pakyaw, or task basis, shall receive not less than the new minimum wage rates prescribed under the Order for the normal working hours that shall not exceed eight hours a day, or a proportion of the new minimum wage rates for work of less than the normal working hours.

The new minimum wage rates for employees or 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 rates.

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 8. Wages of Special Groups of Workers. Wages of apprentices, learners and handicapped workers shall never be less than seventy-five (75) percent of the new minimum wage rates prescribed under the Order.

All recognized apprenticeship and learnership agreements entered into before the effectivity of the Order shall be considered as automatically modified as far as their wage clauses are concerned to reflect the new minimum wage rates prescribed under the Order.

Section 9. Mobile and Branch Workers. The new minimum wage rates provided in the Order shall apply to workers who by the nature of their work have to travel from one city or province to another 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 are those applicable in the place where they are stationed as prescribed in the Order.

Section 10. 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 before the transfer.

The workers transferred to Region XII shall be entitled to receive the new minimum wage rates provided under the Order.

Section 11. 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 Sunday or rest day, special days and regular holidays:

$$\begin{array}{r} \text{Equivalent} \\ \text{Monthly} \\ \text{Rate (EMR)} \end{array} = \frac{\text{Applicable Daily Wage Rate(ADR) X 390.90 days}}{12} \quad 2$$

Where 390.90 days

302	Days	-	Ordinary working days
20	Days	-	10 regular holidays x 200%
66.30	Days	-	51 rest days x 130%
2.60	Days	-	2 special days <sup>3</sup> x 130%
390.90	Days	-	Total equivalent number of days

<sup>2</sup> Includes premium for holidays and rest days.

<sup>3</sup> November 1 and December 31 under Executive Order No. 203, dated June 30, 1987.

- 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	-	10 regular holidays x 200%
10	Days	-	51 rest days x 130%
2	Days	-	2 special days <sup>4</sup> x 130%
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365	Days	-	Total equivalent number of days

- 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 x 200%
2	Days	-	Special days (If considered paid; if actually worked, this is equivalent to 2.6 days)
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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	Days	-	Special days (If considered paid; if actually worked, this is equivalent to 2.6 days)
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262	Days	-	Total equivalent number of days

*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 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 is 52 days as there are 52 weeks in a year.*

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

### RULE III - Exemptions

Section 1. Automatic Exemption. Automatically exempted from the provisions of the Order are households or domestic helpers and persons in the personal service of another including family drivers.

Section 2. Non-Automatic Exemption. Upon proper application with and as determined by the Regional Tripartite Wages and Productivity Board (Board), the following categories of establishments maybe exempted from the applicability of the Order:

- (a) Retail/Service establishments regularly employing not more than ten (10) workers;
- (b) Distressed establishments as provided under Section 3 (3) of the NWPC Revised Guidelines on Exemptions;
- (c) New Business Establishments duly registered with the appropriate government agencies, such as the Securities and Exchange Commission, Department of Trade and Industry, Cooperatives Development Authority and Mayor's Office, and established within the period of one (1) year from the effectivity of the Order; and,
- (d) Additional Employees and New Business Enterprises who were given exemption under Section 3 of Wage Order No. CMR-03 and Section 8 (3) (4) of the Rules Implementing the Wage Order;

<sup>4</sup> November 1 and December 31 under Executive Order No. 203, dated June 30, 1987.

Except, however, when the period of their exemptions already expired they shall comply with the new minimum wage rates prescribed under the Order.

Section 3. Duration and Extent of Exemption. The establishments that properly applied and found qualified for exemptions shall be granted full exemption of one (1) year from the effectivity of the Order; Except for distressed establishments which maybe granted either full or partial exemption as provided under Section 7 of the NWPC Revised Guidelines on Exemption.

Section 4. Deadline of Application for Exemption. The deadline for filing of applications for exemptions shall be sixty (60) days from the date of publication of the approved Rules Implementing the Order in at least one newspaper of general circulation in the region.

Section 5. Effect of Application for Exemption. Whenever an application for exemption has been duly filed with the Board, any action or complaint for alleged non-compliance of the Order shall be deferred pending the resolution of the application.

Section 6. Effect of Disapproved Application for Exemption. In the event that the application for exemption is not approved, the workers shall be paid the new minimum wage rates due them as provided for under the Order retroactive to the date of effectivity of the Order plus simple interest of one percent (1%) per month.

Section 7. Workers' Opposition. Any worker or, if unionized, the union in the applicant establishment, may file with the Board an opposition to the application for exemption stating the reasons why the application should not be approved, copy furnished the applicant.

Section 8. Motion for Reconsideration. Only one (1) motion for reconsideration may be filed with the Board by the aggrieved party within ten (10) days from receipt of the decision and shall state the grounds upon which the motion is based, copy furnished the other party and the Department of Labor and Employment Regional Office concerned.

The denial of the motion for reconsideration shall be final and executory unless appealed to the Commission.

Section 9. Appeal to the Commission. Any party aggrieved by the decision of the Board may file an appeal to the Commission in accordance with Section 9 of the NWPC Revised Guidelines on Exemption.

Section 10. Effect of Appeal to the Commission. Whenever an appeal of disapproved application for exemption has been duly filed, any action or complaint for alleged non-compliance of the Order shall be deferred pending the resolution of the appeal.

#### RULE IV - Wage Distortions and Non-Diminution of Benefits

Section 1. Wage Distortions. Where the application of the new minimum wage rates prescribed under the Order results in distortions, the distortions shall be corrected using the procedures specified under Article 124 of the Labor Code, as amended.

Section 2. Non-Diminution of Benefits. Nothing in the Order shall be construed to reduce any existing wage rates, allowances, and benefits of any form under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between the workers and employers.

#### RULE V - Payment of Wages and Duty of Bank

Section 1. Payment of Wages. Upon written petition of the majority of the workers concerned, all private establishments, companies, businesses and other entities with at least twenty-five workers and located within one kilometer radius to a commercial, savings or rural bank, shall pay the wages and other benefits of their workers through any of the banks, within the period and in the manner and form prescribed under the Labor Code, as amended.

Section 2. Duty of Bank. Whenever applicable and upon request of a concerned worker or union, the bank through which wages and other benefits are paid shall issue a certification of the record of payment of the wages and benefits of a particular worker or workers for a particular payroll period.

#### RULE VI-Complaints for Non-Compliance and Penal Provisions

Section 1. Complaints for Non-Compliance. Complaints for non-compliance with the new minimum wage rates prescribed under the Order may be filed with the Regional Office of the Department of Labor and Employment having jurisdiction over the workplace and shall be subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to the criminal prosecution.

Section 2. Penal Provisions. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the new minimum wage rates made in accordance with the Order shall be punished by a fine not exceeding P25,000.00 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.

#### RULE VII-Prohibition Against Injunction and Separability Clause

Section 1. Prohibition Against Injunction. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board.

Section 2. 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 those shall remain in full force and effect.

#### RULE VIII-Effectivity

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

APPROVED, December 6, 1995, Cotabato City, Philippines.

(SGD) RODRIGO P. MENDEZ  
Member  
Workers' Representative

(SGD) JUAN A. QUINTOS, JR.  
Member  
Employers' Representative

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

*(Resigned/Awaiting Replacement)*  
DOMINIC A. SIMON  
Member  
Employers' Representative

(SGD) GUTIERREZ A. MANGANSAKAN  
NEDA Director  
Vice-Chairman

(SGD) IBRAHIM K. GUIAMADEL  
DTI Director  
Vice-Chairman

(SGD) JESUS B. GADOR  
DOLE Officer In-Charge  
Chairman

APPROVED this 14th day of February 1996.

(SGD) LEONARDO A. QUISUMBING  
Secretary of Labor and Employment and NWPC Chairman

MINIMUM WAGE RATES UNDER  
WAGE ORDER NOS. CMR-03 AND CMR-04 AND THEIR DIFFERENCE  
COTABATO PROVINCE

Sector/Industry	Under Wage Order No. CMR-03 (Effective Nov. 14, 1993)	Difference of Wage Rates under WOs CMR 03 & 04	Under Wage Order No. CMR - 04 (Effective Jan 2, 1996)
Non-Agriculture			
Industrial			
Employing more than 20 workers	111.00	10.00	121
Employing 11 - 20 workers	106.60	14.40	121
Employing not more than 10 workers	102.20	18.80	121
Commercial			
Employing more than 20 workers	111.00	10.00	121
Employing 11 - 20 workers	106.60	14.40	121
Employing not more than 10 workers	102.20	18.80	121
Agriculture			
Plantation			
Plantation with annual gross sales of P5M or more	101.00	5.00	106
Plantation with annual gross sales of less than P5M	91.60	14.40	106
Non-Plantation	71.70	9.30	81
Cottage/Handicraft			
Employing more than 30 workers	79.50	8.50	88
Employing not more than 30 workers	77.50	7.50	85
Private Hospitals/Clinic			
With more than 100 bed capacity	107.00	11.00	118
With 50 to 100 bed capacity	104.60	13.40	118
With less than 50 bed capacity	102.20	9.80	112
Retail/Service			
Employing more than 20 workers	111.00	10.00	121
Employing 11 - 20 workers	102.60	18.40	121
Employing not more than 10 workers	71.20	6.80	78
Private Educational Institution			
Employing more than 20 workers/teachers	111.00	10.00	121
Employing 11 - 20 workers/teachers	108.60	12.40	121
Employing not more than 10 workers/teachers	106.20	14.80	121
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	113.00	8.00	121
Agriculture			
Plantation with annual gross sales of P5M or more	95.50	4.50	100
Plantation with annual gross sales of less than P5M	86.10	13.90	100
Non-Plantation	71.70	9.30	81
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	92.20	28.80	121
Agricultural Plantation			
Products other than Sugar	82.20	23.80	106
Sugar	76.70	23.30	100
Private Hospitals/Clinics	88.20	23.80	112
Private Educational Institution	92.20	28.80	121
Retail/Service			
Employing more than 15 workers	92.20	28.80	121
Employing not more than 15 workers	88.20	-10.20	78

Note: The minimum wage rate for Rubber plantation is the same with Sugar Plantation under Wage Order No. CMR-04.

MINIMUM WAGE RATES UNDER  
WAGE ORDER NOS. CMR-03 AND CMR-04 AND THEIR DIFFERENCE  
SULTAN KUDARAT PROVINCE

Sector/Industry	Under Wage Order No. CMR-03 (Effective Nov. 14, 1993)	Difference of Wage Rates under WOs CMR 03 & 04	Under Wage Order No. CMR - 04 (Effective Jan 2, 1996)
Non-Agriculture			
Industrial			
Employing more than 20 workers	113.50	9.50	123
Employing 11 - 20 workers	108.60	14.40	123
Employing not more than 10 workers	103.70	19.30	123
Commercial			
Employing more than 20 workers	113.50	9.50	123
Employing 11 - 20 workers	108.60	14.40	123
Employing not more than 10 workers	103.70	19.30	123
Agriculture			
Plantation			
Plantation with annual gross sales of P5M or more	103.50	5.50	109
Plantation with annual gross sales of less than P5M	93.60	15.40	109
Non-Plantation	73.20	8.80	82
Cottage/Handicraft			
Employing more than 30 workers	79.50	8.50	88
Employing not more than 30 workers	77.50	7.50	85
Private Hospitals/Clinic			
With more than 100 bed capacity	109.50	9.50	119
With 50 to 100 bed capacity	107.00	12.00	119
With less than 50 bed capacity	104.50	10.50	115
Retail/Service			
Employing more than 20 workers	113.50	9.50	123
Employing 11 - 20 workers	104.60	18.40	123
Employing not more than 10 workers	72.70	7.30	80
Private Educational Institution			
Employing more than 20 workers/teachers	113.50	9.50	123
Employing 11 - 20 workers/teachers	111.00	12.00	123
Employing not more than 10 workers/teachers	108.50	14.50	123
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	115.50	7.50	123
Agriculture			
Plantation with annual gross sales of P5M or more	98.00	4.00	102
Plantation with annual gross sales of less than P5M	88.10	13.90	102
Non-Plantation	73.20	8.80	82
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	96.20	26.80	123
Agricultural Plantation			
Products other than Sugar	83.70	25.30	109
Sugar	78.20	23.80	102
Private Hospitals/Clinics	89.70	25.30	115
Private Educational Institution	93.70	29.30	123
Retail/Service			
Employing more than 15 workers	93.70	29.30	123
Employing not more than 15 workers	89.70	-9.70	80

Note: The minimum wage rate for Rubber plantation is the same with Sugar Plantation under Wage Order No. CMR-04.

MINIMUM WAGE RATES UNDER  
WAGE ORDER NOS. CMR-03 AND CMR-04 AND THEIR DIFFERENCE  
LANAO DEL NORTE PROVINCE

Sector/Industry	Under Wage Order No. CMR-03 (Effective Nov. 14, 1993)	Difference of Wage Rates under WOs CMR 03 & 04	Under Wage Order No. CMR - 04 (Effective Jan 2, 1996)
Non-Agriculture			
Industrial			
Employing more than 20 workers	113.50	9.50	123
Employing 11 - 20 workers	108.60	14.40	123
Employing not more than 10 workers	103.70	19.30	123
Commercial			
Employing more than 20 workers	113.50	9.50	123
Employing 11 - 20 workers	108.60	14.40	123
Employing not more than 10 workers	103.70	19.30	123
Agriculture			
Plantation			
Plantation with annual gross sales of P5M or more	103.50	5.50	109
Plantation with annual gross sales of less than P5M	93.60	15.40	109
Non-Plantation	73.20	8.80	82
Cottage/Handicraft			
Employing more than 30 workers	79.50	8.50	88
Employing not more than 30 workers	77.50	7.50	85
Private Hospitals/Clinic			
With more than 100 bed capacity	109.50	9.50	119
With 50 to 100 bed capacity	107.00	12.00	119
With less than 50 bed capacity	104.50	10.50	115
Retail/Service			
Employing more than 20 workers	113.50	9.50	123
Employing 11 - 20 workers	104.60	18.40	123
Employing not more than 10 workers	72.70	7.30	80
Private Educational Institution			
Employing more than 20 workers/teachers	113.50	9.50	123
Employing 11 - 20 workers/teachers	111.00	12.00	123
Employing not more than 10 workers/teachers	108.50	14.50	123
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	115.50	7.50	123
Agriculture			
Plantation with annual gross sales of P5M or more	98.00	4.00	102
Plantation with annual gross sales of less than P5M	88.10	13.90	102
Non-Plantation	73.20	8.80	82
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	96.20	26.80	123
Agricultural Plantation			
Products other than Sugar	83.70	25.30	109
Sugar	78.20	23.80	102
Private Hospitals/Clinics	89.70	25.30	115
Private Educational Institution	93.70	29.30	123
Retail/Service			
Employing more than 15 workers	93.70	29.30	123
Employing not more than 15 workers	89.70	-9.70	80

Note: The minimum wage rate for Rubber plantation is the same with Sugar Plantation under Wage Order No. CMR-04.

MINIMUM WAGE RATES UNDER  
WAGE ORDER NOS. CMR-03 AND CMR-04 AND THEIR DIFFERENCE  
COTABATO CITY

Sector/Industry	Under Wage Order No. CMR-03 (Effective Nov. 14, 1993)	Difference of Wage Rates under WOs CMR 03 & 04	Under Wage Order No. CMR - 04 (Effective Jan 2, 1996)
Non-Agriculture			
Industrial			
Employing more than 20 workers	115.00	9.00	124
Employing 11 - 20 workers	109.80	14.20	124
Employing not more than 10 workers	104.60	19.40	124
Commercial			
Employing more than 20 workers	115.00	9.00	124
Employing 11 - 20 workers	109.80	14.20	124
Employing not more than 10 workers	104.60	19.40	124
Agriculture			
Plantation			
Plantation with annual gross sales of P5M or more	105.00	3.00	108
Plantation with annual gross sales of less than P5M	94.80	13.20	108
Non-Plantation	74.10	8.90	83
Cottage/Handicraft			
Employing more than 30 workers	79.50	8.50	88
Employing not more than 30 workers	77.50	7.50	85
Private Hospitals/Clinic			
With more than 100 bed capacity	111.00	10.00	121
With 50 to 100 bed capacity	108.40	12.60	121
With less than 50 bed capacity	105.80	10.20	116
Retail/Service			
Employing more than 20 workers	115.00	9.00	124
Employing 11 - 20 workers	105.80	18.20	124
Employing not more than 10 workers	73.60	7.40	81
Private Educational Institution			
Employing more than 20 workers/teachers	115.00	9.00	124
Employing 11 - 20 workers/teachers	112.40	11.60	124
Employing not more than 10 workers/teachers	109.80	14.20	124
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	117.00	7.00	124
Agriculture			
Plantation with annual gross sales of P5M or more	99.50	3.50	103
Plantation with annual gross sales of less than P5M	89.30	13.70	103
Non-Plantation	74.10	8.90	83
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	94.60	29.40	124
Agricultural Plantation			
Products other than Sugar	84.60	23.40	108
Sugar	79.10	23.90	103
Private Hospitals/Clinics	90.60	25.40	116
Private Educational Institution	94.60	29.40	124
Retail/Service			
Employing more than 15 workers	94.60	29.40	124
Employing not more than 15 workers	90.60	-9.60	81

Note: The minimum wage rate for Rubber plantation is the same with Sugar Plantation under Wage Order No. CMR-04.

MINIMUM WAGE RATES UNDER  
WAGE ORDER NOS. CMR-03 AND CMR-04 AND THEIR DIFFERENCE  
ILIGAN CITY

Sector/Industry	Under Wage Order No. CMR-03 (Effective Nov. 14, 1993)	Difference of Wage Rates under WOs CMR 03 & 04	Under Wage Order No. CMR - 04 (Effective Jan 2, 1996)
Non-Agriculture			
Industrial			
Employing more than 20 workers	117.50	9.50	127
Employing 11 - 20 workers	111.80	15.20	127
Employing not more than 10 workers	106.10	20.90	127
Commercial			
Employing more than 20 workers	117.50	9.50	127
Employing 11 - 20 workers	111.80	15.20	127
Employing not more than 10 workers	106.10	20.90	127
Agriculture			
Plantation			
Plantation with annual gross sales of P5M or more	107.50	4.50	112
Plantation with annual gross sales of less than P5M	96.80	15.20	112
Non-Plantation	75.60	9.40	85
Cottage/Handicraft			
Employing more than 30 workers	79.50	8.50	88
Employing not more than 30 workers	77.50	7.50	85
Private Hospitals/Clinic			
With more than 100 bed capacity	113.50	9.50	123
With 50 to 100 bed capacity	110.60	12.40	123
With less than 50 bed capacity	107.70	10.30	118
Retail/Service			
Employing more than 20 workers	117.50	9.50	127
Employing 11 - 20 workers	114.60	12.40	127
Employing not more than 10 workers	111.70	15.30	82
Private Educational Institution			
Employing more than 20 workers/teachers	117.50	9.50	127
Employing 11 - 20 workers/teachers	114.60	12.40	127
Employing not more than 10 workers/teachers	111.70	15.30	127
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	119.50	7.50	127
Agriculture			
Plantation with annual gross sales of P5M or more	102.00	4.00	106
Plantation with annual gross sales of less than P5M	91.30	14.70	106
Non-Plantation	75.60	9.40	85
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	96.10	30.90	127
Agricultural Plantation			
Products other than Sugar	86.10	25.90	112
Sugar	80.60	25.40	106
Private Hospitals/Clinics	92.10	25.90	118
Private Educational Institution	96.10	30.90	127
Retail/Service			
Employing more than 15 workers	96.10	30.90	127
Employing not more than 15 workers	92.10	-10.10	82

Note: The minimum wage rate for Rubber plantation is the same with Sugar Plantation under Wage Order No. CMR-04.

MINIMUM WAGE RATES  
UNDER WAGE ORDER NOS. CMR-03 AND CMR-04 AND THEIR DIFFERENCE  
MARAWI CITY

Sector/Industry	Under Wage Order No. CMR-03 (Effective Nov. 14, 1993)	Difference of Wage Rates under WOs CMR 03 & 04	Under Wage Order No. CMR - 04 (Effective Jan 2, 1996)
Non-Agriculture			
Industrial			
Employing more than 20 workers	113.00	10.00	123
Employing 11 - 20 workers	108.20	14.80	123
Employing not more than 10 workers	103.40	19.60	123
Commercial			
Employing more than 20 workers	113.00	10.00	123
Employing 11 - 20 workers	108.20	14.80	123
Employing not more than 10 workers	103.40	19.60	123
Agriculture			
Plantation			
Plantation with annual gross sales of P5M or more	103.00	5.00	108
Plantation with annual gross sales of less than P5M	93.20	14.80	108
Non-Plantation	72.90	9.10	82
Cottage/Handicraft			
Employing more than 30 workers	79.50	8.50	88
Employing not more than 30 workers	77.50	7.50	85
Private Hospitals/Clinic			
With more than 100 bed capacity	109.00	10.00	119
With 50 to 100 bed capacity	106.60	12.40	119
With less than 50 bed capacity	104.20	9.80	114
Retail/Service			
Employing more than 20 workers	113.00	10.00	123
Employing 11 - 20 workers	104.20	18.80	123
Employing not more than 10 workers	72.40	6.60	79
Private Educational Institution			
Employing more than 20 workers/teachers	113.00	10.00	123
Employing 11 - 20 workers/teachers	110.60	12.40	123
Employing not more than 10 workers/teachers	108.20	14.80	123
Sugar			
Mills (P105.33 for Mills that have integrated into the basic wage P10.00 COLA under LOI 1016)	115.00	8.00	123
Agriculture			
Plantation with annual gross sales of P5M or more	97.50	4.50	102
Plantation with annual gross sales of less than P5M	87.70	14.30	102
Non-Plantation	72.90	9.10	82
Business enterprises with capitalization of not more than P500,000 and employing not more than 20 workers			
Non-Agriculture	93.40	29.60	123
Agricultural Plantation			
Products other than Sugar	83.40	24.60	108
Sugar	77.90	24.10	102
Private Hospitals/Clinics	89.40	24.60	114
Private Educational Institution	93.40	29.60	123
Retail/Service			
Employing more than 15 workers	93.40	29.60	123
Employing not more than 15 workers	89.40	-10.40	79

Note: The minimum wage rate for Rubber Plantation is the same with Sugar Plantation under Wage Order No. CMR-04.

NOTATIONS TO RULES IMPLEMENTING WAGE ORDER NO. CMR-04

1. *The definition of "cottage/handicraft establishment" in Rule 1, Section 1 (o) shall provide for a maximum capitalization of P1,500,000.00 to conform with SMED Council Resolution No. 3, series of 1995.*
2. *The Board shall issue a Supplemental Rules that specify the procedures for integrating the productivity increases into the minimum wage for approval by the Commission.*
3. *There should be a notation in Annexes A to F that those currently receiving the higher rates under WO No. CMR-03 shall continue to receive the same, in accordance with the principle of non-diminution of benefits.*