

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-05
PRESCRIBING THE NEW MINIMUM WAGE RATES FOR WORKERS IN THE PRIVATE SECTOR

WHEREAS, the recent series of price adjustments in petroleum products have resulted to substantial increases in transportation fares;

WHEREAS, most of the prices of agricultural commodities have increased as compared to last year's prices;

WHEREAS, the purchasing power of peso has been continuously eroded which consequently affected the purchasing power of the minimum wage earners of the region;

WHEREAS, fixing the minimum wage as a safety net measure enables the minimum wage workers to cope with the rising standard of living;

WHEREAS, the Regional Tripartite Wages and Productivity Board (Regional Board) in Region XII conducted a series of public consultations/hearing-workshops on wages and productivity in selected areas covering nearby provinces, municipalities, and cities of the region; particularly in Cotabato City on December 10, 1996; in Kidapawan, Cotabato on December 11, 1996; and in Iligan City on December 13, 1996;

WHEREAS, prior to the December consultation-workshops, the Board has also conducted consultations on the wage structure of the region's Wage Order No. CMR-04 on March 22, 1996 in Kidapawan, Cotabato, on March 26, 1996 in Cotabato City, and on April 17, 1996 in Iligan City;

WHEREAS, the Regional Board recognizes the importance of linking productivity concepts to the wage system to encourage workers and employers improve their productivity and for them to meet the requirements of their respective needs and interests;

WHEREAS, recognizing the prevailing socio-economic conditions of the region, the Regional Board has taken cognizance of the need to induce investment and industry dispersal, the need to generate employment, and of the need to respond to the plight of the minimum wage earners and to the reasonable returns of investment, expansion, and growth of the businesses as well;

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 City	Iligan City	Marawi City
Non-Agriculture	P129.00	P134.00	P134.00
Agriculture			
Sugar and Rubber Plantation	107.00	112.00	112.00
Others	112.00	116.00	116.00
Retail/Service	90.00	90.00	90.00

Sector, Industry and Other Selected Indicators	Cotabato Province	Lanao del Norte Province	Sultan Kudarat Province
Non-Agriculture	P125.00	P130.00	P126.00
Agriculture			

Sugar and Rubber Plantation	103.00	108.00	104.00
Others	110.00	115.00	112.00
Retail/Service	90.00	90.00	90.00

To augment the adjusted amount, the Regional Board recommends and encourages the workers and employers to improve their production and to share the gains of such produce.

Section 2. Coverage. The new minimum wage rates prescribed under this 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 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 4. 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 5. Creditable Monetary Benefits Derived from Profit-Sharing or Gain-Sharing Schemes. The monetary benefits, derived from profit-sharing or productivity 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 are less than the prescribed new minimum wage rates, the employer shall pay the difference.

In the event that the profit-sharing or gain-sharing scheme is suspended, for whatever reason, the employer shall pay the minimum wage rates prescribed under this Order during the period of suspension.

Further, if the Productivity Gain-sharing is discontinued, the employer shall pay the wage rates prescribed under this Order retroactive to the date the discontinuance of the scheme took effect.

The Regional Board shall issue Rules that specify the procedure for integrating the productivity benefits or incentives into the minimum wage subject to the approval of the Secretary of Labor and Employment.

Section 6. Wage Distortion. Where the application of the new minimum wage rates prescribed under this Order results in wage distortion, the distortion shall be addressed through mutual agreements by the employer and its employees or their representative unions.

The Regional Board may, from time to time, issue an advisory distortion formula from which the parties may, at their own discretion, agree to adopt to resolve the distortion. The said advisory distortion formula, however, is neither compulsory nor mandatory in nature.

Disputes that may arise as a result of this Order shall be resolved in accordance with Article 124 of the Labor Code, as amended.

The pendency of a dispute arising from a wage distortion shall not in any way delay the applicability of the new minimum wage rates prescribed in this Order.

Section 7. Application to Private Educational Institutions. For private educational institutions of all levels which determine their rate of tuition and other school fees or charges subject to guidelines issued by the Department of Education, Culture and Sports or the Commission on Higher Education (CHED) as the case may be, the new minimum wage rates in this Order shall apply for school year 1997-1998 if tuition fees are increased for said school year. If no increase in tuition fees is planned for school year 1997-1998, payment of the new minimum wage rates may be deferred but in no case will this temporary deferment be for more than one school year.

Section 8. Application to Contractors. In the case of contracts for construction projects and for security, janitorial and similar services, the new minimum wage rates for covered workers shall be borne by the principals or clients of the contractor/agent and the contract shall be deemed amended accordingly.

Except for the mandated salary deductions such as withholding tax, Social Security System contributions, Medicare, and Pag-ibig contributions, no other deductions shall be made against the workers' wage rates as prescribed under this Order, unless specifically agreed by both parties.

In all cases, the principal and the contractor shall be jointly and severally liable for the compliance with the new minimum wage rates.

Section 9. 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 10. 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 11. Mobile 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.

Section 12. Branch Workers. 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 13. Transfer of Personnel. The transfer of personnel from one province or city to another or 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 14. 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 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 (A) of the NWPC Guidelines No. 01, Series of 1996;
 - c) New Business Establishments including non-profit institutions, established within two (2) years from the effectivity of this Order based on the latest registration with the appropriate government agency such as the Securities and Exchange Commission, Department of Trade and Industry, Cooperatives Development Authority and Mayor's Office classified under any of the following:
 - i. Agricultural establishments whether plantation or non-plantation.
 - ii. Establishments with total assets after financing of five million pesos (P5,000,000.00) and below.

- a) Establishments adversely affected by natural calamities as provided under Section 3 (D) of the NWPC Guidelines No. 01, Series of 1996.
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 8 of the NWPC Guidelines No. 01, Series of 1996.
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 Regional 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 Regional Board within fifteen (15) days from receipt of the notice of the application, an opposition to the application for exemption stating the reasons why the application should not be approved, furnishing the applicant a copy thereof. The fifteen (15) day period shall run only upon receipt of the complete supporting documents. The opposition shall be in three (3) legible copies, under oath and accompanied by pertinent documents, if any.
8. Motion for Reconsideration. The aggrieved party may file with the Regional Board a motion for reconsideration of the decision on the application for exemption within ten (10) days from its receipt and shall state the particular grounds upon which the motion is based, copy furnished the other party and the DOLE Regional Office concerned.

No second motion for reconsideration shall be entertained in any case. The decision of the Regional Board 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, through the Regional Board, in two (2) legible copies, not later than ten (10) days from date of receipt of the decision.

The appeal, with proof of service to the other party, shall be accompanied with a memorandum of appeal which shall state the date appellant received the decision, the grounds relied upon and the arguments in support thereof.

The appeal shall not be deemed perfected if it is filed with any office or entity other than the Regional Board.

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 15. 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 16. 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 17. 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 18. Penal Provisions. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed adjustments or increases in the new minimum wage rates made in accordance with this Order shall be punished by a fine not less than Twenty-five thousand pesos (P25,000.00) nor more than One hundred thousand pesos (P100,000.00) or imprisonment of not less than two (2) years nor more than (4) four years or both such fine and imprisonment at the discretion of the court: provided, that any person convicted under this Order shall not be entitled to the benefits provided for under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: Provided, that payment of indemnity shall not absolve the employer from the criminal liability imposable under this Order.

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 19. 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 Regional Board.

Section 20. Rules Implementing this Order. The Regional Board shall prepare the necessary rules to implement this Order, subject to approval of the Secretary of Labor and Employment.

Section 21. 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 22. 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, December 19, 1996, Cotabato City, Philippines.

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

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

(SGD) WALIASA D. ARSA
Member
Workers' Representative

(SGD) ALBERTO P. SOLIS
Member
Employers' Representative

(SGD) MA. LOURDES D. LIM
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
 National Wages and Productivity Commission
 REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
 Region XII, Cotabato City

**WAGE ORDER NO. CMR-05-A
 AMENDING CERTAIN PROVISIONS OF WAGE ORDER NO. CMR-05**

WHEREAS, the Regional Tripartite Wages and Productivity Board (Regional Board) No. XII issued on December 19, 1996 Wage Order No. CMR-05 and its Implementing Rules;

WHEREAS, the Wage Order, published on December 25, 1996 in one newspaper with general circulation in the region, took effect on January 9, 1997;

WHEREAS, in order to expedite the promotion and enforcement of the new minimum wage rates issued, the Regional Board forwarded to the National Wages and Productivity Commission (NWPC) the Wage Order No. CMR-05 and its Implementing Rules four days from their issuance for review and approval;

WHEREAS, pending approval of the said Implementing Rules, the Regional Board received constant public queries and clarifications on the proper interpretation and implementation of the new Wage Order;

WHEREAS, the Regional Board, by motu proprio, reexamined the new Wage Order and found out that the category of the retail/service establishment needs to be reclassified to safeguard those covered workers already receiving higher wage rates under the same category, and that the province of Sultan Kudarat needs to be excluded from the coverage of the Wage Order by virtue of Republic Act 7901;

WHEREAS, as part of their review, the Regional Board also took cognizance and decided to modify the other provisions of the new Wage Order vaguely stated to avoid confusion and misconceptions.

NOW, THEREFORE, in view of the foregoing and 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 amendatory Wage Order:

Section 1. Amendment to Section 1 of Wage Order No. CMR-05. Section 1 of Wage Order No. CMR.-05 is hereby amended to read as follows:

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

<i>Sector, Industry and Other Selected Indicators</i>	<i>Cotabato City</i>	<i>Iligan City</i>	<i>Marawi City</i>
<i>Non-Agriculture</i>	<i>129.00</i>	<i>134.00</i>	<i>134.00</i>
<i>Agriculture</i>			
<i>Sugar and Rubber Plantation</i>	<i>107.00</i>	<i>112.00</i>	<i>112.00</i>
<i>Others</i>	<i>112.00</i>	<i>116.00</i>	<i>116.00</i>
<i>Retail/Service</i>			
<i>Employing More Than Ten Workers</i>	<i>124.00</i>	<i>127.00</i>	<i>123.00</i>
<i>Employing Not More Than Ten Workers</i>	<i>90.00</i>	<i>90.00</i>	<i>90.00</i>

<i>Sector, Industry and Other Selected Indicators</i>	<i>Cotabato Province</i>	<i>Lanao del Norte Province</i>
<i>Non-Agriculture</i>	<i>125.00</i>	<i>130.00</i>
<i>Agriculture</i>		
<i>Sugar and Rubber Plantation</i>	<i>103.00</i>	<i>108.00</i>

<i>Others</i>	<i>110.00</i>	<i>115.00</i>
<i>Retail/Service</i>		
<i>Employing More Than Ten Workers</i>	<i>121.00</i>	<i>123.00</i>
<i>Employing Not More Than Ten Workers</i>	<i>90.00</i>	<i>90.00</i>

To augment the adjusted amount, the Regional Board recommends and encourages the workers and employers to improve their production and to share the gains of such produce.”

Section 2. Amendment to Section 2 of wage Order No. CMR-05. Section 2 of Wage Order No. CMR-05 is hereby amended to read as follows:

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

Section 3. Amendment to section 14 (4) of Wage Order No. CMR-05. Section 14 (4) of Wage Order No. CMR-05 is hereby amended to read as follows:

“Section 14 (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; Except, however, for New Business Enterprises of which the deadline for filing of application for exemption shall be sixty (60) days from the date of registration with the appropriate government agency.”

Section 4. Amendment to Section 22 of Wage Order No. CMR-05. Section 22 of wage Order No. CMR-05 is hereby amended to read as follows:

“Section 22. Effectivity. This Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.”

Section 5. Effectivity. This amendatory Wage Order No. CMR-05-A takes effect retroactive on January 9, 1997, the date of effectivity of Wage Order No. CMR-05.

APPROVED, May 30, 1997, Cotabato City, Philippines.

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

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

(SGD) WALIASA D. ARSA
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RULES IMPLEMENTING WAGE ORDER NOS. CMR-05 AND CMR-05-A

Pursuant to Section 5, Rule IV of the NWPC Guidelines No. 001-95, the Revised Rules of Procedure on Minimum Wage Fixing, and Section 20 of Wage Order No. CMR-05, 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-05 and CMR-05-A;
- 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 and Lanao del Norte;
- f) "Secretary" refers to the Secretary of Labor and Employment;
- g) "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;
- h) "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.
- i) "Minimum Wage" is the lowest wage rate fixed by the Board that an employer should pay his employees or workers;
- j) "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;
- k) "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;
- l) "Voluntary Arbitration" refers to the mode of settling labor-management disputes by which the parties select a competent, trained, and impartial person who shall decide on the merits of the case and whose decision is final, executory and unappealable;

- m) "Wage Order" refers to the Order promulgated by the Board pursuant to its wage fixing authority;
- n) "Industry" refers to a trade, businesses in similar or allied activities in which individuals are gainfully employed; and,
- o) "Establishment" refers to an economic unit which engages in one or predominantly one kind of economic activity at a single fixed location;

For purposes of determining eligibility for exemption, establishments under the same owner/s but separately registered with the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), or Cooperative Development Authority (CDA) as the case maybe, irrespective of their location, shall be treated as individual and distinct establishments.

- p) "Retail Establishment" refers to one principally engaged in the sale of goods to end users for personal or household use;

A retail establishment that regularly engages in wholesale activities loses its retail character.

- q) "Service Establishment" refers to one principally engaged in the sale of services to individuals for their own or household use and is generally recognized as such;
- r) "Distressed Establishment" refers to an establishment which meets the criteria enumerated in Section 3A of the NWPC Guidelines No. 01, Series of 1996;

NWPC Guidelines No. 01, Series of 1996 prescribes the Rules on Exemption from compliance with the prescribed wage increases/cost of living allowances granted by the Regional Tripartite Wages and Productivity Boards.

- s) "New Business Enterprises" refer to establishments, including non-profit institutions, established within two (2) years from effectivity of the Wage Order based on the latest registration with the appropriate government agency such as SEC, DTI, CDA, and Mayor's Office classified under any of the following:

- i. Agricultural establishments whether plantation or non-plantation.
- ii. Establishments with total assets after financing of five million pesos (P5,000,000.00) and below.

- t) "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, rubber, coconut, abaca, tobacco, pineapple, aquatic or other farm products;
- u) "Plantation Agricultural Enterprise on Sugar or Rubber" is one engaged in agriculture on sugar or rubber products. Any other agricultural enterprises whether plantation or non-plantation shall be considered as "Other Agricultural Enterprises;"
- v) "Non-Agriculture Enterprises" refer to establishments or industries regardless of employment size other than retail/service establishments, plantation agricultural enterprises on sugar or rubber, and other agricultural enterprises;
- w) "Productivity" refers to the relation of output to input in physical and/or monetary terms;
- x) "Profit-Sharing or Gain-Sharing Scheme" refers to a program formally and mutually agreed by the workers and employers involved of which establishes the system and procedures of sharing profits

or gains brought about by increased profit or improved productivity in accordance with an agreed proportion or formula;

- y) "Monetary Benefits" refer to cash incentives given to employees derived from profit-sharing or gain-sharing scheme.

Rule II - New Minimum Wage Rates

Section 1. Amount of Minimum Wage.^{1/} Upon the effectivity of the Order, the new minimum wage rates of all covered 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 City	Iligan City	Marawi City
Non-Agriculture	P129.00	P134.00	P134.00
Agriculture			
Sugar and Rubber Plantation	107.00	112.00	112.00
Others	112.00	116.00	116.00
Retail/Service			
Employing More Than 10 Workers	124.00	127.00	123.00
Employing Not More Than 10 Workers	90.00	90.00	90.00

Sector, Industry and Other Selected Indicators	Cotabato Province	Lanao del Norte
Non-Agriculture	P125.00	P130.00
Agriculture		
Sugar and Rubber Plantation	103.00	108.00
Others	110.00	115.00
Retail/Service		
Employing More Than 10 Workers	121.00	123.00
Employing Not More Than 10 Workers	90.00	90.00

To augment the adjusted amount, the Board recommends and encourages the workers and employers to improve their production and to share the gains of such produce.

Section 2. Coverage. The new minimum wage rates prescribed under the Order shall apply to all covered workers in the private sector, regardless of their position, designation or status of employment 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. 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:

^{1/}Annexes A & B on the Minimum Wage Rates differences' between Wage Order Nos. CMR-04 and CMR-05-A are attached hereto for references.

$$\begin{array}{l} \text{Equivalent} \\ \text{Monthly} \\ \text{Rate (EMR)} \end{array} = \frac{\text{Applicable Daily Wage Rate(ADR) X 391.50}^{2/} \text{ days}}{12}$$

Where 391.50 days

302	Days	-	Ordinary working days
18	Days	-	9 regular holidays x 200%
2.60	Days	-	1 regular holiday falling on last Sunday of August x 200% + (30% of 200%)
66.30	Days	-	51 rest days x 130%
2.60	Days	-	2 special days x 130%
<u>391.50</u>	Days	-	Total Equivalent Number of Days

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

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

Where: 365 days:

302	Days	-	Ordinary working days
51	Days	-	Rest days
10	Days	-	Regular holidays
2	Days	-	Special days 3/
<u>365</u>	Days	-	Total Equivalent Number of Days

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

$$\text{EMR} = \frac{\text{ADR} \times 314.6 \text{ days}}{12}$$

Where: 314.6 days:

302	Days	-	Ordinary working days
10	Days	-	Regular holidays
2.60	Days	-	2 special days x 130%
<u>314.60</u>	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:

$$\text{EMR} = \frac{\text{ADR} \times 262.6 \text{ days}}{12}$$

Where 262.6 days:

250	Days	-	Ordinary working days
10	Days	-	Regular holidays
2.60	Days	-	2 special days x 130%
<u>262.60</u>	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.

^{2/} Includes premium for holidays, special days and rest days

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

Rule III - Non-Diminution of Benefits, Creditable Monetary Benefits, and Wage Distortion

Section 1. 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.

Section 2. Creditable Monetary Benefits Derived from Profit-Sharing or Gain Sharing Schemes. The monetary benefits, derived from profit-sharing or productivity gain-sharing scheme as mutually agreed by the parties 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 are less than the prescribed new minimum wage rates, the employer shall pay the difference.

In the event that the gain-sharing scheme is suspended, for whatever reason, the employer shall pay the minimum wage rates prescribed under the Order during the period of suspension.

Further, if the Productivity Gain-sharing is discontinued, the employer shall pay the wage rates prescribed under the Order retroactive to the date the discontinuance of the scheme took effect.

The Board shall issue Rules, supplemental to this Rules, that specify the procedure for integrating the productivity benefits or incentives into the minimum wage subject to the approval of the Secretary of Labor and Employment.

Section 3. Wage Distortion. Where the application of the new minimum wage rates prescribed under the Order results in wage distortion, the distortion shall be addressed through mutual agreements by the employer and its employees or their representative unions.

The Board may, from time to time, issue an advisory distortion formula from which the parties may, at their own discretion, agree to adopt to resolve the distortion. The said advisory distortion formula, however, is neither compulsory nor mandatory in nature.

Disputes which may arise as a result of the Order shall be resolved in accordance with Article 124 of the Labor Code, as amended.

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

Rule IV - Application to Selected Establishments, Industries, and Groups of Workers

Section 1. Application to Private Educational Institutions. For private educational institutions of all levels which determine their rate of tuition and other school fees or charges subject to guidelines issued by the Department of Education, Culture and Sports (DECS) or the Commission on Higher Education (CHED) as the case may be, the new minimum wage rates in the Order shall apply for school year 1997-1998 if tuition fees are increased for said school year. If no increase in tuition fees is planned for school year 1997-1998, payment of the new minimum wage rates may be deferred but in no case will this temporary deferment be for more than one school year.

Section 2. Application to Contractors. In the case of contracts for construction projects and for security, janitorial and similar services, the new minimum wage rates for covered workers shall be borne by the principals or clients of the contractor/agent and the contract shall be deemed amended accordingly.

Except for the mandated salary deductions such as withholding tax, Social Security System contributions, Medicare, and Pag-ibig contributions, no other deductions shall be made against the workers' wage rates as prescribed under the Order, unless specifically agreed by both parties.

In all cases, the principal and the contractor shall be jointly and severally liable for the compliance with the new minimum wage rates.

Section 3. 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 the 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.

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 ANMW*/Previous AMW x 100 = % Increase;
* Where ANMW is the applicable new minimum wage rates.
- 2) Existing rate/piece x % increase = increase in rate/piece;
- 3) Existing rate/piece + increase in rate/piece = Adjusted rate/piece;

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 4. 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 the Order.

All recognized apprenticeship and learnership agreements entered 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 5. Mobile 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.

Section 6. Branch Workers. 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 7. 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.

Rule V - 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 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 (A) of the NWPC Guidelines No. 01, Series of 1996;
- (c) New Business Establishments including non-profit institutions, established within two (2) years from the effectivity of the Order based on the latest registration with the appropriate government agency such as the SEC, DTI, CDA, and Mayor's Office classified under any of the following:
 - i. Agricultural establishments whether plantation or non-plantation.

- ii. Establishments with total assets after financing of five million pesos (P5,000,000.00) and below.
- (d) Establishments adversely affected by natural calamities as pointed under Section 3 (D) of the NWPC Guidelines No. 01, series of 1996.

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 8 of the NWPC Guidelines No. 01, Series of 1996.

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 this Rules implementing the Order in at least one newspaper of general circulation in the region; Except, however, for New Business Enterprises of which the deadline for filing of application for exemption shall be sixty (60) days from the date of registration with the appropriate government agency.

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 within fifteen (15) days from receipt of the notice of the application, an opposition to the application for exemption stating the reasons why the application should not be approved, furnishing the applicant a copy thereof. The fifteen (15) day period shall run only upon receipt of the complete supporting documents. The opposition shall be in three (3) legible copies, under oath and accompanied by pertinent documents, if any.

Section 8. Motion for Reconsideration. The aggrieved party may file with the Board a motion for reconsideration of the decision on the application for exemption within ten (10) days from its receipt and shall state the particular grounds upon which the motion is based, copy furnished the other party and the DOLE Regional Office concerned.

No second motion for reconsideration shall be entertained in any case. The decision of the Board 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, through the Board, in two (2) legible copies, not later than ten (10) days from date of receipt of the decision.

The appeal, with proof of service to the other party, shall be accompanied with a memorandum of appeal which shall state the date appellant received the decision, the grounds relied upon and the arguments in support thereof.

The appeal shall not be deemed perfected if it is filed with any office or entity other than the Board.

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 VI - 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 VII - 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 less than Twenty-five thousand pesos (P25,000.00) nor more than One hundred thousand pesos (P100,000.00) or imprisonment of not less than two (2) years nor more than (4) four years or both such fine and imprisonment at the discretion of the court: provided, that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: Provided, that payment of indemnity shall not absolve the employer from the criminal liability imposable under the Order.

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 VIII - 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 IX - Effectivity

Section 1. Effectivity. This Rules takes effect retroactive on January 9, 1997, the date of effectivity of Wage Order No. CMR-05.

APPROVED, May 30, 1997, Cotabato City, Philippines.

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

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

(SGD) WALIASA D. ARSA
Member

(SGD) ALBERTO P. SOLIS
Member

Workers' Representative

(SGD) MA. LOURDES D. LIM
Vice-Chairman
NEDA Director

Employers' Representative

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

(SGD) ARTURO L. SODUSTA
Chairman
DOLE Director

APPROVED this 16th day of June, 1997.

(SGD) CRESENCIANO B. TRAJANO
Acting Secretary

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

SUPPLEMENTAL RULES NO. 01-97
SUPPLEMENTAL RULES IMPLEMENTING WAGE ORDER NO. CMR-05 ON THE INTEGRATION OF
PRODUCTIVITY BENEFITS OR INCENTIVES INTO THE MINIMUM WAGE

Pursuant to Section 5 of Wage Order No. CMR-05, and Section 2 of Rule III of the Rules Implementing Wage Order Nos. CMR-05 and CMR-05-A, the following Supplemental Rules are hereby issued for guidance and compliance by all concerned:

RULE I
GENERAL PROVISIONS

Section 1. Title. This Rules shall be known as the Supplemental Rules Implementing Wage Order No. CMR-05 on the integration of productivity benefits or incentives into the minimum wage.

Section 2. Construction. This Supplemental Rules shall be liberally construed to encourage higher levels of productivity, maintain industrial peace and harmony and promote the principle of shared responsibility in the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of business enterprises to reasonable returns on investments and to expansion and growth, and accordingly to provide corresponding incentives to both labor and capital by workers in the fruits of their labor.

Section 3. Scope. This Supplemental Rules shall govern proceedings in the crediting of monetary benefits derived from profit-sharing or gain-sharing scheme pursuant to Section 5 of Wage Order No. CMR-05, and Section 2 of Rule III of the Rules Implementing Wage Order Nos. CMR-05 and 05-A.

Section 4. Definition of Terms. As used in this Rules:

- a) "Order" means Wage Order No. CMR-05 and CMR-05-A;
- 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 and Lanao del Norte;
- f) "Productivity" refers to the relation of output to input in physical and/or monetary terms.
- g) "Gain-sharing" refers the provision of monetary benefits, or incentives, or rewards due to increased profits or improved productivity.
- h) "Productivity Gain-Sharing" refers to the sharing between the employees and the company of gains brought about by increased profit or productivity.
- i) "Profit-Sharing or Gain-Sharing Scheme" refers to a program formally and mutually agreed by the workers and employers involved of which establishes the system and procedures of sharing productivity gains in accordance with an agreed proportion or formula.
- j) "Output" refers to products and services expressed in physical and/or real monetary terms;
- k) "Input" refers to resources such as labor, raw materials, equipment, capital, and energy used to produce output and expressed in physical and/or real monetary terms;

- l) "Monetary Benefits" refers to cash incentives given to employees, as agreed by the parties, under the Productivity Gain-sharing Scheme.
- m) "Business Enterprise" refers to the industrial, agricultural, or agro-industrial establishments engaged in the production, manufacturing, processing, repacking, or assembly of goods, including service oriented enterprises;
- n) "Service-oriented Enterprise" refers to establishments other than agricultural, industrial and agro-industrial establishments;

RULE II
COVERAGE AND BASIS ON CREDITABILITY

Section 1. Coverage. This Supplemental Rules shall apply to:

- a) All private business enterprises with or without duly recognized or certified labor organizations; and,
- b) All employees and workers in the private sector, regardless of their position, designation, or status and irrespective of the method by which their wages are paid.

Section 2. Basis on Creditability. The basis on the creditability of monetary benefits into the new minimum wage rates prescribed under the Order are those derived from profit-sharing and gain-sharing scheme and are permanently or consistently granted to the workers within one year from the effectivity of the Order.

RULE III
PROCEDURE ON CREDITING

Section 1. Filing of Application. The owner/manager of the business establishment or his duly authorized representative shall file its application in two (2) typewritten copies to the Board in person or by registered mail.

The date of mailing shall be the date of filing for the applications filed through registered mail.

Section 2. Documents Required. The following supporting documents shall be submitted together with the application for crediting:

1. Affidavit of the employer regarding the following:
 - a. Principal economic activity, and
 - b. Number of employees.
2. Business Permit for the current year from the office of the City/Municipal Mayor
3. SEC, DTI, or CDA registration;
4. Copy of the Productivity Gain-sharing Scheme duly signed by both the representatives of the workers and employers in the establishment; and
5. Proof of notice of filing of application to labor union, if organized, or to all workers, if not organized, in the establishment.
6. Proof of payment of monetary benefits derived from productivity gain-sharing scheme granted to workers.

The Board, however, may require the submission of other documents to support the application for crediting.

Section 3. Criteria for Crediting. The following criteria shall be used to determine whether the applicant is qualified for crediting:

- a. It has a written document showing the profit-sharing or gain-sharing scheme duly certified by the authorized representatives of both workers and employers;
- b. The profit-sharing or gain-sharing scheme must contain, among others, the following:

- b.1. Long term goals, objectives, plans, and programs in relation to the employees welfare and the business enterprise as a whole.
- b.2. Methods and formula to measure productivity indicating the total and/or partial relation between outputs and inputs expressed in physical and/or monetary terms.
- b.3. The metrics or indicators mutually agreed and considered by both parties in measuring productivity gains which shall be the basis in determining the amount of the monetary benefits for distribution.
- b.4. The gain-sharing procedure that ensures fair and continuous distribution between and among the workers as well as the enterprise.
- b.5. The list of employees entitled to monetary benefits including the method of sharing the percentage share of each employee and the period of distribution of such benefits.
- b.6. The names of the authorized representatives of workers and employers, and their position in the company.
- b.7. Other terms and conditions of productivity gain-sharing scheme that need to be specified including agreements on duration and renewal of the scheme, the number of workers and employers' representatives, the process of electing representatives by both parties, the provision in case the agreed productivity gains are not attained and other related terms and conditions acceptable to both parties.

Section 4. Workers Opposition. Any worker or, if unionized, the union representative in the applicant establishment, may file an opposition with the Board within fifteen (15) days from receipt of the notice of the application for crediting, stating the reasons why the same should not be approved copy furnished the applicant. If no opposition has been filed by the workers or union within the period provided, an implied consent shall be construed thereon.

The fifteen day period shall run only upon receipt of complete supporting documents. The opposition shall be in two copies, under oath and accompanied by the pertinent supporting documents, if any.

Section 5. Action on Application for Crediting.

Upon receipt of an application with the complete documents, the Board shall:

- a. Notify the DOLE Regional Office having jurisdiction over the workplace of the pendency of the application requesting that the action on any complaint for non-compliance with the Order be deferred pending resolution of the application by the Board.
- b. Request the DOLE Regional Office to conduct ocular inspection, if necessary, of establishment applying for crediting to verify number of workers, nature of business and other relevant information.
- c. Act and decide on the application for exemption with complete documents, as much as practicable, within 45 days from the date of filing. In case of contested application, the Board may conduct conciliation or call hearing thereon.
- d. Transmit the decision of the Board to the applicant establishment, the workers or president of the union, if any, and the Commission, for their information; and the DOLE Regional Office concerned, for their implementation/ enforcement.
- e. The DOLE Regional Office shall, upon notice, of the approval of the application for crediting, make inspection in the establishment concerned to find out if there is actually implementation of the gain-sharing scheme.

The Board may create a Special Committee with one representative from each sector to expedite the processing of application for crediting.

Section 6. Extent and Duration Crediting. Where the monetary value of the benefits derived from the productivity gain-sharing scheme is less than the prescribed wage increase under the Order, the employer shall pay the difference.

In the event, however, that the gain-sharing benefits is suspended, for whatever reason, the employer shall pay the wage increase prescribed under the Order during the period of suspension.

If the Productivity Gain-sharing Scheme is discontinued, the employer shall also pay the wage increase prescribed thereof retroactive to the date when the discontinuance of the scheme took effect.

Section 7. Quorum and Votes Required. Four (4) members of the Board shall constitute a quorum to decide on the application for crediting, provided each sector is represented. The Board may dispense with the latter proviso if the two (2) representatives of any sector fail to attend two (2) consecutive scheduled meetings with proper notice. The affirmative vote of the majority of the members constituting a quorum shall be necessary to carry a decision.

Section 8. Effect of Disapproved Application for Crediting. In the event that the application for crediting is not approved, covered workers shall be paid the mandated new minimum wage rates as provided for under the Order retroactive to the date of effectivity of the Order.

RULE IV
SEPARABILITY CLAUSE

Section 1. Separability Clause. If, for any reason, any section or provision of this Supplemental Rules is declared unconstitutional, or illegal, the other parts or provision shall remain valid.

RULE V
EFFECTIVITY

Section 1. Effectivity. This Supplemental Rules takes effect retroactive on January 9, 1997, the date of effectivity of Wage Order No. CMR-05.

May 30, 1997, Cotabato City, Philippines

(SGD) WALIASA D. ARSA
Member
Workers' Representative

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

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

(SGD) ALBERTO P. SOLIS
Member
Employers' Representative

(SGD) MA. LOURDES D. LIM
Vice-Chairman
NEDA Director

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

(SGD) ARTURO L. SODUSTA
Chairman
DOLE Director

APPROVED this 14th day of July, 1997.

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

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

SUPPLEMENTAL RULES NO. 02-97
SUPPLEMENTAL RULES IMPLEMENTING WAGE ORDER
NOS. CMR-05 AND CMR-05-A PARTICULARLY ON THE MINIMUM WAGE ADJUSTMENTS OF
PAKYAW OR TASK BASIS RATES OF WORKERS IN THE SUGAR INDUSTRY

In consonance to Section 9 of Wage Order No. CMR-05 and to Rule IV, Section 3 of the Rules Implementing Wage Order Nos. CMR-05 and CMR-05-A and to ensure continuity of the minimum wage adjustments of pakyaw or task basis rates of workers in the sugar industry brought about by the issuance of R.A. 6727, Department Order No. 19, series of 1989 and the subsequent Wage Orders issued, the following Supplemental Rules are hereby issued for guidance and compliance by all concerned:

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

- a) "Bukas" - off-barring.
- b) "Dumaans" - regular plantation workers residing inside the hacienda and normally paid on salary basis.
- c) "Espading" - scythe, an implement used for mowing tall grass.
- d) "Guna" - small shovel by hand (for uprooting).
- e) "Gupod" - 5-month old sugar cane being used as seedling.
- f) "Lacsa" - 10,000 canepoints.
- g) "Pac-ad" - hoe, an implement used for soil cultivation.
- h) "Pakyaw" - work and pay arrangement based on output rather than on salary basis.
- i) "Pangayaws" - temporary or casual workers residing within the community (but outside the hacienda) who are hired during peak season and usually paid on pakyaw basis or per day.
- j) "Politana" - with 2 trunks; planting is in double lien or by 2's with interval.
- k) "Raton" - 2nd and 3rd generation; i.e. without replanting.
- l) "Sacadas" - migrant workers from other provinces who are recruited and managed by contractors to work in sugar farms. They are normally paid on pakyaw basis and viewed as the exploited class.
- m) "Sinsillo" - with 3-4 trunks per piece; planting is in single line.
- n) "Sipsip" - cutting of "raton" to ground level.
- o) "Tama" - punching implement, i.e. punching a hole first then inserted with canepoint.
- p) "Vagoneta" - small cane car.

Section 2. Adjustment of Sugar Industry Pakyaw or Task Basis Rates. The following are the pakyaw or task basis rates of workers according to specific activities and unit of measures in the sugar industry:

ACTIVITIES	Unit of Measure	Minimum Wage
A. CULTIVATION, PLOWING, PLANTING, WEEDING, FERTILIZER, ETC.		
1. Plowing by Carabao (Bungkag/Baliskad)	/ha.	567.91
2. Harrowing by Carabao (Pakalas)	/ha.	100.90
3. Furrowing by Carabao (Iras)	/ha.	202.05
4. Cutting Canepoints (Sinsillo)	/lacs	227.16
5. Cutting Canepoints (Politana)	/lacs	129.84
6. Cutting Canepoints (Gupod)	/lacs	113.79
7. Loading, Unloading Canepoints by Truck (Inside)	/lacs	45.92
8. Loading, Unloading Canepoints by Truck (Roadside)	/lacs	61.10
9. Hauling Canepoints by Pullcart (Inside)	/lacs	53.39
10. Hauling Canepoints by Pullcart (Roadside)	/lacs	90.96
11. Hauling Canepoints by Trailer (Inside)	/lacs	45.47
12. Hauling Canepoints by Trailer (Roadside)	/lacs	61.10
13. Planting Canepoints by Implement (Tama)	/lacs	239.41
14. Planting Canepoints by Hand (Sinsillo)	/lacs	227.16
15. Planting Canepoints by Hand (Politana)	/lacs	181.67
16. Replanting Canepoints by Hoe (Sinsillo)	/lacs	454.33
17. Replanting Canepoints by Tama (Sinsillo)	/lacs	413.16
18. Cultivation by Hoe (Bukas)	/ha.	454.33
19. Cultivation by "Sipsip"	/ha.	478.30
20. Cultivation by Hoe (Pak-ad)	/ha.	505.03
21. Weeding by Guna	/ha.	605.95
22. Cultivation Plowing by Carabao (1 Pass)	/ha.	129.84
23. Cultivation Plowing by Carabao (2 Passes)	/ha.	259.74
24. Cultivation Plowing by Serado (3 Passes)	/ha.	363.40
25. Fertilizer Application by Hand (Regardless of Number of Bags)	/ha.	302.97
26. Fertilizer Application of "Tama"	/bag	45.47
27. Fertilizer Application of "Bag" (50 kilos)	/bag	15.37
B. HARVESTING, LOADING, HAULING, ETC.		
1. Cutting Canes only	/ton	28.31
2. Cutting and Piling Canes	/ton	30.31
3. Piling (35 stalks per bundle)	/bundle	0.63
4. Cutting, Piling and Loading Canes to Railcar or Trucks (Inside Field)	/ton	51.78
5. Piling, Loading and Hauling Canes by Truck	/ton	25.55
6. Loading and Hauling Canes by Truck (Inside)	/ton	26.23
7. Piling and Hauling Canes by Vagoneta	/ton	26.23
8. Piling, Loading and Hauling Canes by Pullcart Radius of one (1) kilometer	/ton	26.23
9. Loading Canes to Railcar	/ton	15.37
10. Rail Mounting	/ton	7.05
11. Loading Canes to Small Trailer	/ton	18.12
12. Loading Canes to Big Trailer	/ton	18.12

Section 3. Notations. The following notations should be considered in determining the outputs of the activities herein stated:

- a. The use of one (1) carabao and its implements (plow, cart, etc.) shall be considered one-third (1/3) that of the worker's output and shall be added to the output of the worker on the assumption that the worker owns the carabao and its implements.

- b. The basis in the establishment of these pakyaw outputs shall be the performance of the ordinary normal worker of minimum skill or ability working continuously for eight (8) hours/day during normal condition, on light soil, average cane variety and density per hectare.
- c. In the case of "GUNA" weeding, the output is based on six (6) inches tall weeds with normal density in any given hectare of light soil.

Section 4. Effectivity. This Supplemental Rules takes effect retroactive on January 9, 1997, the date of effectivity of Wage Order No. CMR-05.

APPROVED, May 30, 1997, Cotabato City, Philippines.

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

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

(SGD) WALIASA D. ARSA
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(SGD) MA. LOURDES D. LIM
Vice-Chairman
NEDA Director

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

(SGD) ARTURO L. SODUSTA
Chairman
DOLE Director

APPROVED this 14th day of July, 1997.

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