

Republic of the Philippines
 Department of Labor and Employment
 National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
 Regional Board No. XII, Cotabato City

WAGE ORDER NO. CMR-08

**PROVIDING FOR NEW MINIMUM WAGE RATES AND
 PROVISIONAL EMERGENCY RELIEF ALLOWANCES
 FOR PRIVATE SECTOR WORKERS IN REGION XII**

WHEREAS, the Regional Tripartite Wages and Productivity Board (Regional Board) in Region 12 issued Wage Order Nos. CMR-07 and CMR-07-A on March 25, 1998 and October 5, 1998; respectively,

WHEREAS, the Regional Board conducted a series of consultation-workshops on wages and productivity on March 17, 1999, March 24, 1999, March 25, 1999, and March 26, 1999 in Iligan City; Tacurong, Sultan Kudarat; Kidapawan City; and Cotabato City; respectively,

WHEREAS, the Regional Board received a petition for an across-the-board daily wage increase of P30.00 prompting the conduct of a public hearing on October 25, 1999 in Iligan City;

WHEREAS, the Regional Board conducted the public hearing in conformity with the requirements of its wage fixing function, giving notices to workers and employers groups as well as publication in local newspapers in the region, to gather views and accept position papers on minimum wage issues and concerns;

WHEREAS, the Regional Board recognizes the need to provide workers and their families with an adequate take-home pay that will contribute to their quality of life;

WHEREAS, the Regional Board takes cognizance of the development goals enunciated in the Medium-Term Philippine and Central Mindanao Development Plans for the period 1999 to 2004; foremost of which are the thrusts on poverty eradication, employment preservation and investment promotion,

WHEREAS, the Regional Board; in support of the Estrada Administration's thrusts on agriculture sector modernization; recognizes the need to tune the minimum wage of agricultural workers with that of non-agricultural workers with the end-view of minimizing, if not eliminating, distortions across the two main worker group categories;

NOW, THEREFORE by virtue of the power vested under republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Region 12, hereby issues this Wage Order:

Section 1- AMOUNT AND EFFECTIVITY OF NEW MINIMUM WAGE RATES AND PROVISIONAL EMERGENCY RELIEF ALLOWANCES – The amount and effectivity of the new minimum wage rates (NMWR) and provisional emergency relief allowances (PERA) are as follows:

EFFECTIVITY AND SECTOR/INDUSTRY	AMOUNT	
	NMWR	PERA
November 15, 1999		
Non-Agriculture	P135.00	P10.00
Retail/ Service Employing more than 10 Workers	132.00	10.00
Retail/ Service Employing not more than 10 Workers	123.00	10.00
Agriculture	125.00	10.00

February 15, 2000		
Non-Agriculture	P135.00	P10.00
Retail/ Service Employing more than 10 Workers	135.00	10.00
Retail/ Service Employing not more than 10 Workers	125.00	10.00
Agriculture	130.00	10.00
May 15, 2000		
Non-Agriculture	P135.00	P10.00
Retail/ Service Employing more than 10 Workers	135.00	10.00
Retail/ Service Employing not more than 10 Workers	130.00	10.00
Agriculture	130.00	10.00
August 15, 2000		
Non-Agriculture	P135.00	P10.00
Retail/ Service Employing more than 10 Workers	135.00	10.00
Retail/ Service Employing not more than 10 Workers	135.00	10.00
Agriculture	135.00	10.00

The amount and effectivity of the new minimum wage rates and PERA indicated above shall be subjected to review by the Regional Board after six months from the effectivity of this Wage Order. The purpose of the review, among others, is to determine whether the PERA shall be continued, discontinued, or integrated into the basic minimum wage, given available updated information on the socio-economic regional situation.

Section 2 - COVERAGE – This Wage Order (Order) applies to minimum wage earners only in the region. The household or domestic helpers and persons employed in the personal service of another, including family drivers, are not covered in this Wage Order.

Section 3 - BASIS OF MINIMUM WAGE - The new minimum wage rates and PERA prescribed under this Order shall be for the normal working hours, which shall not exceed eight hours work a day.

Section 4 - WORKERS PAID BY RESULTS - All workers paid by results, including those who are paid on piecework, “takay”, “pakyaw” or task basis, shall be entitled to receive the prescribed new minimum wage rates and PERA per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 5 - WAGES OF SPECIAL GROUPS OF WORKERS - Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates and shall be entitled to receive the full application of the PERA prescribed in this Order.

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

Section 6 - APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS - In the case of private educational institutions, the new minimum wage rates and PERA prescribed herein shall take effect on the dates specified in Section 1 of this Wage Order.

Section 7 - APPLICATION TO CONTRACTORS - In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed new minimum wage rates and PERA of the workers shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed new minimum wage rates and allowances, the construction/service contractor shall be held jointly and severally liable with his principal or client.

Section 8- APPEAL TO THE COMMISSION - Any party aggrieved by this Wage Order may file a verified appeal with the National Wages and Productivity Commission (hereinafter referred as the Commission) through the Regional Board within ten (10) calendar days from the publication of this Order.

Section 9 - EFFECT OF FILING OF APPEAL - The filing of the appeal does not operate to stay the Wage Order unless the party appealing such Wage Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding increase to employees affected by the Wage Order in the event such Wage Order is affirmed.

Section 10 - EFFECTS ON EXISTING WAGE STRUCTURE - Where the application of the increases in the wage rates under this Order results in distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Art. 124 of the Labor Code, as amended.

Section 11 - COMPLAINTS FOR NON-COMPLIANCE - Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) and shall be the subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

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 - PENAL PROVISION - Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase/allowance/rates in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

Section 14- 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 15 - FREEDOM TO BARGAIN - This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

Section 16 - REPORTING REQUIREMENT - Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Regional Board not later than January 31, 2000 and every year thereafter in accordance with the form prescribed by the Commission.

Section 17 - REPEALING CLAUSE - All laws, orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

Section 18 - 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 19 -IMPLEMENTING RULES - The Regional Board shall prepare the necessary rules to implement this Order subject to approval of the Secretary of Labor and Employment.

Section 20 - EFFECTIVITY- This Wage Order shall take effect fifteen (15) days after its publication in a local newspaper of general circulation in the region.

APPROVED, October 25, 1999, Iligan 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-Chairperson

(SGD) IBRAHIM K. GUIAMADEL
DTI Director
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(SGD) AIDA M. ESTABILLO
DOLE Director
Chairperson

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Board No. XII, Cotabato City

RULES IMPLEMENTING WAGE ORDER NO. CMR-08

Pursuant to Section 5, Rule IV of the NWPC Revised Rules of Procedure on Minimum Wage Fixing and Section 18 of Wage Order No. CMR-08, the following 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 "Rules Implementing Wage Order No. CMR-08."

Section 2. Definition of Terms - As used in this Rules:

- a) "Wage Order" or "Order" means Wage Order No. CMR-08;
- b) "CMR" refers to Central Mindanao Region or Region XII;
- c) "Regional Board" or "Board" means the Regional Tripartite Wages and Productivity Board in Region XII;
- d) "Region XII" refers to a geographical area composed of the cities of Cotabato, Iligan Marawi, and Kidapawan and the provinces of Cotabato, Sultan Kudarat, and Lanao del Norte;
- e) "Secretary" refers to the Secretary of Labor and Employment;
- f) "Commission" means the National Wages and Productivity Commission;
- g) "RA 6727" means Republic Act No. 6727;
- h) "Employer" refers to any person, corporation, trust, firm, partnership association or entity acting directly or indirectly in the interest of the employer in relation to an employee;
- i) "Worker" or "Employee" refers to any individual employed by an employer;
- j) "Party" means any legitimate organization of workers or employers with substantial interest in the region, province or industry therein as determined by the Regional Board, and who stands to be directly affected by the Board proceedings, orders, decisions or resolutions;
- k) "Minimum Wage" is the lowest wage rate fixed by the Regional Board that an employer should pay his employees or workers;
- l) "PERA" means the Provisional Emergency Relief Allowance granted by the Regional Board;
- m) "Wage Distortion" means a situation where an increase in prescribed wage rates results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service, or other logical bases of differentiation;
- n) "Non-Agriculture Enterprise" refers to establishments or industries regardless of employment size other than retail/service establishments, and other agricultural enterprises;

- o) "Agriculture" refers to farming in all its branches and among others, includes the 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;
- p) "Establishment" refers to an economic unit which engages in one or predominantly one kind of economic activity at a single fixed location;
- q) "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.
- r) "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;
- s) "Department" refers to the Department of Labor and Employment.

Rule II – New Minimum Wage Rates and Provisional Emergency Relief Allowances

Section 1. Amount and Effectivity of New Minimum Wage Rates¹ and Provisional Emergency Relief Allowances – The amount and effectivity of the new minimum wage rates (NMWR) and provisional emergency relief allowances (PERA) are as follows:

EFFECTIVITY AND SECTOR/INDUSTRY	AMOUNT	
	NMWR	PERA
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Non-Agriculture	P135.00	P10.00
Retail/ Service Employing more than 10 Workers	135.00	10.00
Retail/ Service Employing not more than 10 Workers	130.00	10.00
Agriculture	130.00	10.00
August 15, 2000		

¹ Annex A on the Comparative Structure under WO CMR-07 and CMR-08 and Annex B on the Comparative Wage Structure for Sultan Kudarat under WO RTWPBXI-06 & CMR-08 are attached hereto for reference.

Non-Agriculture	P135.00	P10.00
Retail/ Service Employing more than 10 Workers	135.00	10.00
Retail/ Service Employing not more than 10 Workers	135.00	10.00
Agriculture	135.00	10.00

The amount and effectivity of the new minimum wage rates and PERA indicated above shall be subjected to review by the Regional Board after six months from the effectivity of the Wage Order. The purpose of the review, among others, is to determine whether the PERA shall be continued, discontinued, or integrated into the basic minimum wage, given available updated information on the socio-economic regional situation.

Section 2. Coverage – The Wage Order (Order) applies to minimum wage earners only in the region. The household or domestic helpers and persons employed in the personal service of another, including family drivers, are not covered in the Wage Order.

Section 3. Basis of Minimum Wage - The new minimum wage rates and PERA prescribed under the Order shall be for the normal working hours, which shall not exceed eight hours work a day.

Section 4. Workers Paid By Results - All workers paid by results, including those who are paid on piecework, “takay”, “pakyaw” or task basis, shall be entitled to receive the prescribed new minimum wage rates and PERA per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

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

- a) Amount of increase in AMW*

$$\frac{\text{-----}}{\text{Previous AMW}} \times 100 = \% \text{ increase;}$$
- b) Existing rate/piece x % increase = Increase in rate/piece;
- c) Existing rate/piece + Increase in rate/piece = Adjusted rate/piece

* Where AMW is the applicable minimum wage rate.

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 5. Wages Of Special Groups Of Workers - Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates and shall be entitled to receive the full application of the PERA prescribed in the Order.

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

Section 6. Application To Private Educational Institutions - In the case of private educational institutions, the new minimum wage rates and PERA prescribed herein shall take effect on the dates specified in Section 1 of the Wage Order and that of Section 1, Rule II of this Rules.

Section 7. Application To Contractors - In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed new minimum wage rates and PERA of the workers shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed new minimum wage rates and allowances, the construction/service contractor shall be held jointly and severally liable with his principal or client.

Section 8. Suggested Formula in Determining the Equivalent Monthly Regional 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:

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

Where 391.50 days :

302 days - Ordinary working days
 18 days - 9 regular holidays x 200%
 2.6 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%
 391.50 days - Total equivalent number of days

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

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

Where 365 days:

302 days - Ordinary working days
 51 days - Rest days
 10 days - Regular Holidays
2 days - Special days
 365 days - Total equivalent number of days

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

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

Where 314.6 days:

302 days - Ordinary working days
 10 days - Regular Holidays
2.6 days - 2 Special days (if worked) x 130%
 314.6 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
2.6 days - 2 Special days (if worked) x 130%
 262.6 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 do not fall on Sundays, the number of rest days is 52 days, as there are 52 weeks in a year.

Section 9. Mobile and Branch Workers - The minimum wage rates and/or PERA of workers, who by nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

The minimum wage rates and/or PERA of workers working in branches or agencies of establishments within the Region shall be those applicable in the place where they are stationed.

Section 10. Transfer of Personnel - The transfer of personnel to areas outside the Region shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. The workers transferred to the other Regions with higher wage rates shall be entitled to the minimum wage rate and/or allowances applicable therein.

Section 11. Appeal to the Commission - Any party aggrieved by the Wage Order may file an appeal with the Commission within ten (10) calendar days from the publication of the Order. The Commission shall decide the appeal within sixty (60) calendar days from the date of filing. The appeal shall be accompanied by a memorandum of appeal which shall state the grounds relied upon and the arguments in support of the appeal.

Section 12. Effect of Appeal - The filing of the appeal does not operate to stay the Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment to employees affected by the Order of the corresponding increase, in the event such Order is affirmed.

Rule III - Special Provisions

Section 1. Effect on Existing Wage Structure - Should any dispute arise as a result of wage distortion, the employer and the union shall negotiate to correct the distortions through the grievance procedure under their collective bargaining agreement, and if it remains unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in writing, such dispute shall be decided by the voluntary arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time said dispute was referred to voluntary arbitration.

In cases where there are no collective bargaining agreements or recognized labor unions, the employers and workers shall endeavor to correct such distortions. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board and if it remains unresolved after ten (10) calendar days of conciliation, the same shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

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

Section 2. Complaints for Non-Compliance- Complaints for non-compliance with the Order shall be filed with the Regional Office of the Department having jurisdiction over the workplace and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 3. Conduct of Inspection by the Department - The Department shall conduct inspections of establishments, as often as necessary, to determine whether the workers are paid the prescribed wage rates and other benefits granted by law or any Wage Order. In the conduct of inspection in unionized companies, Department inspectors shall always be accompanied by the president or other responsible officer of the recognized bargaining unit or of any interested union. In the case of

non-unionized establishments, a worker representing the workers in the said company will accompany the inspector.

The workers' representative shall have the right to submit his own findings to the Department and to testify on the same if he does not concur with the findings of the labor inspector.

Section 4. Non-diminution of Benefits - Nothing in the Order and in this Rules 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 the employers.

Section 5. Penal Provision - Pursuant to the provisions of Section 12 of RA 6727, as amended by RA 8188, any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase in the Order shall be punished by a fine of not less than Twenty-five thousand pesos (P25,000.00) nor more than One hundred thousand pesos (P100,000) or imprisonment of not less than two (2) years nor more than four (4) 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 this Act.

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 6. 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 Commission or Board.

Section 7. Freedom to Bargain - The Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages and flexible working arrangements with their respective employers.

Section 8. Reporting Requirements - Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2000 and every year thereafter in accordance with the form prescribed by the Commission.

Section 9. Repealing Clause - All laws, orders, issuances, rules and regulations on wages, or parts thereof inconsistent with the provisions of the Wage Order and this Rules are hereby repealed, amended or modified accordingly.

Section 10. Separability Clause - If any provision or part of the Order and this Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Order and this Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 11. Effectivity of Rules – This Rules shall take effect on November 15, 1999.

APPROVED, October 25, 1999, Iligan City, Philippines.

(SGD) SIMPLICIO H. VILLARTA, JR.
Member

(SGD) JUAN A. QUINTOS, JR.
Member

Workers' Representative

(SGD) WALIASA D. ARSA
Member
Workers' Representative

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

Employers' Representative

(SGD) ALBERTO P. SOLIS
Member
Employers' Representative

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

(SGD) AIDA M. ESTABILLO
DOLE Director
Chairperson

APPROVED this 24th day of November 1999

(SGD) BIENVENIDO E. LAGUESMA
Secretary