



Republic of the Philippines  
Department of Labor and Employment  
National Wages and Productivity Commission  
**REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD**  
**REGION IV-B - MIMAROPA**  
Calapan City, Oriental Mindoro

**WAGE ORDER NO. IV-B-07**

**SETTING NEW MINIMUM WAGE RATES IN REGION IV-B**

**WHEREAS**, Republic Act No. 6727, otherwise known as the Wage Rationalization Act, empowers the Regional Tripartite Wages and Productivity Boards to determine and fix minimum wage rates applicable in the regions and to issue corresponding Wage Orders subject to the guidelines issued by the National Wages and Productivity Commission (NWPC);

**WHEREAS**, in consonance with the NWPC Guidelines No. 2, series of 2012, the Regional Tripartite Wages and Productivity Board, Region No. 4B (herein referred to as the Board), continuously adopts the Two-Tiered Wage System (TTWS) in the exercise of its minimum wage function recognizing the need to improve workers' productivity and income, enhance enterprise competitiveness, generate jobs and strengthen the link between pay and productivity;

**WHEREAS**, the TTWS comprising of two parts namely the First Tier which is mandatory for implementation, and the Second Tier which is voluntary in nature, is designed to allow employers and their workers to improve the existing terms and conditions of employment including levels of wages based on labor productivity and business performance;

**WHEREAS**, a petition for minimum wage increase of P185.00 a day on the First Tier was filed with the Regional Tripartite Wages and Productivity Board (Board), Region IV-B, on 21 January 2015 by the Association of Minimum Wage Earners and Advocates;

**WHEREAS**, public hearings and consultations on said petition were conducted in San Jose, Occidental Mindoro; Calapan City, Oriental Mindoro; Odiongan, Romblon; Puerto Princesa City, Palawan and; Boac, Marinduque on 09, 11, 20, 24 March 2015 and 15 April 2015, respectively. The results of the public hearings and consultations showed that the P185.00 wage increase being sought by the petitioner is unrealistically high and that it could result in business decline and displacement of workers if granted, and if ever there will be wage adjustments, it will not be that high;

**WHEREAS**, majority of the participants likewise stated the position that there is a need to adjust the minimum wage of those still receiving below the poverty threshold level along the region's current socio-economic conditions vis-a-vis economic development goals and the need for reasonable returns on investment and job preservation;

**WHEREAS**, participants from the mining industry likewise expressed the position that there is a need to review and make proper adjustments of the minimum wage applicable to their sector.

with notation  
on page 2

WHEREAS, the Board recognizes the need to simplify the current wage structure in the region to make it aligned with the wage simplification policy of the NWPC;

WHEREAS, considering the results of the sectoral consultations, public hearings and the changes in the socio-economic indicators in the region, the Board has decided to provide workers with immediate relief to cope with the rising cost of living without impairing the viability of business and industry. The Board deemed it wise to increase the minimum wage so that it reaches a decent level above the poverty threshold but still be reasonable and equitable;

WHEREAS, to simplify the different industrial and geographical classification, the Board agreed to provide a separate minimum wage rate for the mining industry.

NOW, THEREFORE, the REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD, REGION IV-B (MIMAROPA), by virtue of the powers granted to it under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, hereby issues this Wage Order:

**Section 1. NEW MINIMUM WAGE RATES.** Upon effectivity of this Wage Order, the existing Cost of Living Allowance (COLA) in the amount of five pesos (P5.00) provided under Wage Order No. IV-B-06 shall be integrated into the Basic Wage. In addition, the daily minimum wage rates of covered workers in the private sector in MIMAROPA shall be increased as follows:

**A. Upon effectivity of the Wage Order**

Industry Sector	AREAS											
	Highly Urbanized City (Puerto Princesa)			Calapan City, Puerto Galera, El Nido & Coron			First Class Municipalities of MIMAROPA			The Rest of the Region		
	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate
<b>NON-AGRICULTURE</b>												
Establishments with more than 10 workers	275.00	5.00	280.00	270.00	5.00	275.00	260.00	5.00	265.00	255.00	5.00	260.00
Establishments with 10 workers & below	215.00	5.00	220.00	210.00	5.00	215.00	207.00	5.00	212.00	205.00	5.00	210.00
<b>AGRICULTURE</b>	225.00	5.00	230.00	225.00	5.00	230.00	215.00	5.00	220.00	215.00	5.00	220.00
All Mining Companies (regardless of location)	280.00											

*(with notation on page 8)*

B. 2<sup>nd</sup> Tranche – Effective November 1, 2015

Industry Sector	AREAS							
	Highly Urbanized City (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First Class Municipalities of MIMAROPA		The Rest of the Region	
	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate
<b>NON-AGRICULTURE</b>								
Establishments with more than 10 workers	5.00	285.00	5.00	280.00	5.00	270.00	5.00	265.00
Establishments with 10 workers & below	5.00	225.00	5.00	220.00	5.00	217.00	7.00	217.00
<b>AGRICULTURE</b>	5.00	235.00	5.00	235.00	5.00	225.00	5.00	225.00
All Mining Companies (regardless of location)	285.00							

*Handwritten signature*

C. 3<sup>rd</sup> Tranche – Effective May 1, 2016

Industry Sector	AREAS							
	Highly Urbanized City (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First Class Municipalities of MIMAROPA		The Rest of the Region	
	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate
<b>NON-AGRICULTURE</b>								
Establishments with more than 10 workers	-	285.00	5.00	285.00	5.00	275.00	10.00	275.00
Establishments with 10 workers & below	5.00	230.00	5.00	225.00	8.00	225.00	8.00	225.00
<b>AGRICULTURE</b>	-	235.00	-	235.00	5.00	230.00	5.00	230.00
All Mining Companies (regardless of location)	285.00							

*Handwritten signature*

*Handwritten signature*

*(with notations on page 8)*

*Handwritten signature*

D. 4<sup>th</sup> Tranche – Effective November 1, 2016

Industry Sector	AREAS							
	Highly Urbanized City (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First Class Municipalities of MIMAROPA		The Rest of the Region	
	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate
<b>NON-AGRICULTURE</b>								
Establishments with more than 10 workers	-	285.00	-	285.00	10.00	285.00	10.00	285.00
Establishments with 10 workers & below	5.00	235.00	10.00	235.00	10.00	235.00	10.00	235.00
<b>AGRICULTURE</b>	-	235.00	-	235.00	5.00	235.00	5.00	235.00
All Mining Companies (regardless of location)	285.00							

**Section 2. COVERAGE.** The wage increase prescribed in this Order shall apply to all private sector minimum wage workers in the region, regardless of their position, designation or status of employment and irrespective of the method by which their wages are paid.

This Wage Order shall not cover household or domestic helpers, persons in the personal service of another including family drivers and workers of duly registered Barangay Micro-Business Enterprises with Certificate of Authority, pursuant to R.A. 9178.

**Section 3. BASIS OF MINIMUM WAGE RATES.** The minimum wage rates prescribed under this Order shall be for the normal working hours which shall not exceed eight (8) hours of work a day.

**Section 4. APPLICATION TO WORKERS PAID BY RESULT.** All workers paid by result, including those who are paid on piecework, "takay", "pakyaw" or task basis shall be entitled to receive the prescribed minimum wage rate for eight (8) normal working hours a day, or a proportion thereof for working less than eight (8) hours.

**Section 5. APPLICATION TO SPECIAL GROUPS OF WORKERS.** Apprentices and learners shall receive not less than seventy five (75%) percent of the applicable minimum wage rates 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 new prescribed wage rates.

All qualified handicapped workers shall receive the full amount of the minimum wage rate prescribed herein pursuant to R. A. 7277, otherwise known as Magna Carta for Disabled Persons.

*(with attachment  
in page 8)*

*[Signature]*

*[Handwritten mark]*

*[Handwritten mark]*

*[Handwritten mark]*

*[Handwritten mark]*

**Section 6. APPLICATION TO CONTRACTORS/SUB-CONTRACTORS.** In the case of contracts for construction, security, janitorial and similar services, the prescribed minimum wage rates for covered workers shall be borne by the principal or clients thereof, and the contracts shall be deemed amended accordingly. If the principal or client fails to pay the prescribed minimum wage rates, the construction/service contractors shall be jointly and severally liable with the principal or client.

**Section 7. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.** In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2015-2016 shall be considered as compliance with the minimum wage rates prescribed in this Order. However, payment of any shortfall in the minimum wage rates set forth in the Order shall be covered starting School Year 2016-2017.

Private educational institutions, which have not increased their tuition fees for the School Year 2015-2016, may defer compliance with the provisions of this Order.

In any case, all private educational institutions shall implement the minimum wage rate prescribed herein starting School Year 2016-2017.

**Section 8. APPLICATION TO MOBILE, BRANCH AND TRANSFERRED EMPLOYEES.** The minimum wage rates of workers, who by the nature of their work have to travel, shall be those applicable in the domicile or head office of the employer. For those workers working in branches or agencies of establishments in or outside the Region, the minimum wage rates shall be those applicable in the place where they are stationed or based.

The transfer of personnel from a high rate city/municipality to a lower rate city/municipality shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. Workers transferred from a lower rate municipality to a higher rate municipality shall be entitled to the minimum wage rates applicable therein.

**Section 9. CREDITABLE WAGE INCREASE.** Wage increases granted by an employer in an organized establishment within three (3) months prior to the effectivity of this Order shall be credited as compliance with the prescribed increase set forth herein, if expressly provided for and agreed upon in a collective bargaining agreement.

In unorganized establishments, wage increases granted by the employer within three (3) months prior to the effectivity of this Order shall be credited as compliance therewith.

If such increases are less than the prescribed minimum wage increase herein, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

**Section 10. EFFECT ON EXISTING WAGE STRUCTURE.** Where the application of the wage increases prescribed in this Order results in distortion in the wage structure within the establishment, it shall be corrected in accordance with the procedure under Article 124 of the Labor Code, as amended.

**Section 11. PRODUCTIVITY-BASED WAGES.** In order to sustain rising levels of wages and enhance competitiveness, private businesses are encouraged to adopt productivity improvement schemes such as Service Quality for the Supply Chain in the

*(with return to page 8)*

Tourism Industry, ISTIV Productivity Awareness Program, 5S good housekeeping, time and motion studies, as well as implement green productivity and gain-sharing programs and other related productivity incentive schemes. Accordingly, the Board shall provide the necessary studies and technical assistance, pursuant to Republic Act No. 6971 or the Productivity Incentives Act of 1990.

**Section 12. EXEMPTION.** This Wage Order shall not allow exemption from compliance with the provisions of this Order. However, in case of a calamity, the Board may accept applications for exemptions for establishments adversely affected by calamities such as natural and/or human induced disasters.

**Section 13. APPEAL TO THE COMMISSION.** Any party aggrieved by the Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Order.

**Section 14. EFFECT OF FILING AN 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 surety or sureties satisfactory to the Commission for payment of the corresponding increase to employees affected by the Order, in the event such Order is affirmed.

**Section 15. COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with the Wage 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 and 129 of Labor Code, as amended without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

**Section 16. NON-DIMINUTION OF BENEFITS.** Nothing in this Order shall be construed to reduce any existing wage rates, allowances or other benefits under existing laws, decrees, issuances and executive orders and/or under any contract or agreement between workers and employers.

**Section 17. FREEDOM TO BARGAIN.** This Order shall not be construed to prevent workers in particular firms or enterprises or industries from bargaining for higher wages with their respective employers.

**Section 18. REPORTING REQUIREMENTS.** Any person, company, corporation, partnership or any entity engaged in business shall submit an itemized listing under oath of their labor component to the Board not later than January 31, 2013 and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

**Section 19. PENAL PROVISION.** Any employer who refuses or fails to pay the minimum wage rate prescribed in this Order shall be subject to the penalties imposed under R.A. 6727, as amended by R.A. 8188.

**Section 20. 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.

*Car*  
*[Signature]*  
*(with notation on page 8)*

*[Signature]*

*[Handwritten mark]*

*[Handwritten mark]*

*[Handwritten mark]*

**Section 21. REPEALING CLAUSE.** All orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended or modified accordingly.

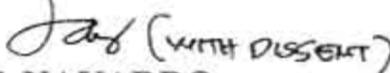
**Section 22. SEPARABILITY CLAUSE.** If any provision or part of this Wage Order is declared unconstitutional, or in conflict with existing law, the other provisions or parts thereof shall remain valid.

**Section 23. IMPLEMENTATION OF TIER-TWO.** Pursuant to the provisions of the Advisory on the Implementation of Productivity-Incentives Pay which the Board issued for the Tourism Industry, employers who recognize and value the contribution of their workers may provide productivity and incentives based pay to their workers based on indicators like business performance, labor productivity, work behaviour, competitiveness of establishments, among others.

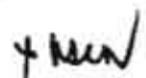
**Section 24. IMPLEMENTING RULES.** The Regional Tripartite Wages and Productivity Board IV-B (MIMAROPA) shall submit to the NWPC the necessary Rules and Regulations to implement this Order subject to the approval of the Secretary of Labor and Employment not later than ten (10) days from the publication of the Wage Order.

**Section 25. EFFECTIVITY.** This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

APPROVED this 29<sup>th</sup> of April 2015 at Calapan City, Oriental Mindoro, Philippines.

  
**OSIAS C. NAVARRO**  
Employers' Representative

(VACANT)  
Employers' Representative

  
**ARTURO A. BASEA**  
Workers' Representative

  
**ROMEO R. ARICA**  
Workers' Representative

  
**JOSE ROMEO C. ESCANDOR**  
Vice-Chairperson - NEDA

  
**JOEL B. VALERA**  
Vice-Chairperson - DTI

  
**TEODORO T. DELSON**  
Chairperson

DISSENT:

I STRONGLY DISSENT ON THE AMOUNT OF WAGE INCREASE GIVEN BECAUSE THEY ARE TOO HIGH AND THE DURATION OF TRANCHES IS SHORT.

OSIAS C. NAVARRO 

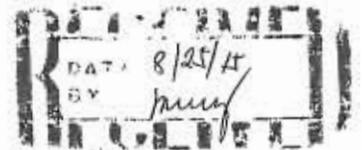
Note: I have dissenting opinion on wage order IV-B-07 due to the following reasons:  
1. 2016<sup>wage</sup> increase is not justified, since GDP/ GDP is increasing/improving 3 tranches since 2015 is not justifiable..  
2016 increase shall be tackled on 2016 especially the are supervening factors.

JOEL B. VALERA  
RD - 077-NB Vice Chair



Republic of the Philippines  
Department of Labor and Employment  
National Wages and Productivity Commission  
**REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD**  
**REGION IV-B - MIMAROPA**

**IMPLEMENTING RULES AND REGULATIONS**  
**WAGE ORDER NO. IV-B-07**



Pursuant to Section 6, Rule IV of the National Wages and Productivity Commission (NWPC) Amended Rules of Procedure on Minimum Wage Fixing, and Section 24 of Wage Order No. IV-B-07, the following rules are hereby issued for the guidance and compliance of all concerned.

**RULE 1 – GENERAL PROVISIONS**

**SECTION 1. TITLE.** This Rules shall be known as "Implementing Rules and Regulations Wage Order No. IV-B-06";

**SECTION 2. DEFINITION OF TERMS.** As used in this Rules:

- (a) "Order" means Wage Order No. IV - B - 07;
- (b) "Board" means the Regional Tripartite Wages and Productivity Board of Region IV-B;
- (c) "Commission" means the National Wages and Productivity Commission;
- (d) "Department" means the Department of Labor and Employment;
- (e) "Region IV-B" covers the Provinces of Occidental Mindoro, Oriental Mindoro, Marinduque, Romblon and Palawan, otherwise known as MIMAROPA, including the City of Calapan and the Highly Urbanized City of Puerto Princesa;
- (f) "Minimum Wage Rates" refer to lowest minimum wage rates that an employer is obliged to pay his workers, as fixed by the Board;
- (g) Wage – means the remuneration or earnings, however designated, capable of being expressed in terms of money, whether fixed or ascertained on a time, task, piece, or commission basis, or other method of calculating the same, which is payable by an employer to a worker or employee under a written or unwritten contract of employment for work done or to be done, or for services rendered or to be rendered and includes the fair and reasonable value, as determined by the Secretary of Labor and Employment, of board, lodging or other facilities customarily furnished by the employer to the worker or employee. "Fair and reasonable value" shall not include any profit to the employer, or to any person affiliated with the employer.
- (h) "Agriculture" refers to farming in all its branches and among others, includes the cultivation and tillage of the soil, production, 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 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;

(i) "Highly urbanized city" refers to Puerto Princesa City;

(j) "First class municipalities of MIMAROPA" refer to the following:

(1) Palawan

- a. Aborlan
- b. Bataraza
- c. Brooke's Point
- d. Narra
- e. Quezon
- f. Roxas
- g. San Vicente
- h. Taytay
- i. Rizal (Marcos)

(3) Occidental Mindoro

- a. Sablayan
- b. San Jose
- c. Santa Cruz

(4) Marinduque

- a. Boac
- b. Santa Cruz

(2) Oriental Mindoro

- a. Bongabong
- b. Naujan
- c. Pinamalayan

(k) "The rest of the region" -- areas that are not included in the aforementioned classifications.

(l) Certificate of Authority -- is the Certificate issued by the city or municipal treasurer to registered Barangay Micro-Business Enterprise pursuant to RA 9178, otherwise known as the "Barangay Micro - Business Enterprise Act of 2002".

(m) Barangay Micro Business Enterprise -- refers to any business entity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading and services, whose total assets inclusive of proceeds of loans but exclusive of the land on which the office plant and equipment are located, are not more than P3 million. However, "services" exclude those rendered by any one who is duly licensed by the government after having passed a government licensure examination in connection with the exercise of one's profession.

(n) Mining company -- refers to a corporation, partnership, association, or cooperative organized or authorized for the purpose of engaging in mining as defined under RA 7942 ("Philippine Mining Act of 1995), with technical and financial capability to undertake mineral resources development and duly registered in accordance with law at least sixty per cent (60%) of the capital of which is owned by citizens of the Philippines: Provided, That a legally organized foreign-owned corporation shall be deemed a qualified person for purposes of granting an exploration permit, financial or technical assistance agreement or mineral processing permit.

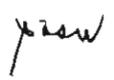
(o) Regional Poverty Threshold -- refers to the minimum income/expenditure required for a family/individual to meet the basic food and non-food requirements as determined by the National Statistics and Coordination Board (NSCB).

(p) Two-Tiered Wage System -- refers to a pay system consisting of a minimum wage and incentive pay based on productivity improvement and gainsharing.

(q) Advisory -- refers to the Advisory on the Implementation of Productivity - Based Pay Scheme which the Board issued for the Tourism Industry in Region IV-B in accordance with the Two-Tiered Wage System.

(r) Wage Distortion -- as defined under Article 124 of the Labor Code, it refers to a situation where an increase in the 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.

(s) State of Calamity -- refers to a condition involving mass casualty and/or major damage to property, disruption of means of livelihood, roads and normal way of life of people in the affected areas as a result of



the occurrence of a natural or human-induced hazard (Section 3 of RA 10121, "Philippine Disaster Risk Reduction and Management Act of 2010").

(t) Hazard – refers to a dangerous phenomenon, substance, human activity or condition that may cause loss of life, injury or other health impacts, property damage, loss of livelihood or services, social and economic disruption, or environmental damage; any potential threat to public safety and/or public health; any phenomenon which has the potential to cause disruption or damage to people, their property, their services or their environment, i.e., their communities. The four classes of hazards are natural, technological, biological and social hazards. (National Disaster Risk Reduction and Management Council NDRRMC)

(u) Disaster – refers to a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources; an actual threat to public health and safety where the local government and emergency services are unable to meet the immediate needs of the community; an event in which the local emergency management measures are insufficient to cope with a hazard, whether due to a lack of time, capacity or resources, resulting in unacceptable levels of damage or number of casualties. (NDRRMC)

## RULE II – NEW MINIMUM WAGE RATES

**SECTION 1. NEW MINIMUM WAGE RATES.** Effective July 3, 2015, the existing Cost of Living Allowance (COLA) in the amount of five pesos (P5.00) per day provided under Wage Order No. IV-B-06 shall be integrated into the Basic Wage. In addition, the daily minimum wage rates in MIMAROPA shall be increased as follows:

### A. Upon effectivity of the Wage Order

Industry Sector	AREAS											
	Highly Urbanized City (Puerto Princesa)			Calapan City, Puerto Galera, El Nido & Coron			First Class Municipalities of MIMAROPA			The Rest of the Region		
	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate
<b>NON-AGRICULTURE</b>												
Establishments with more than 10 workers	275.00	5.00	280.00	270.00	5.00	275.00	260.00	5.00	265.00	255.00	5.00	260.00
Establishments with 10 workers & below	215.00	5.00	220.00	210.00	5.00	215.00	207.00	5.00	212.00	205.00	5.00	210.00
<b>AGRICULTURE</b>	225.00	5.00	230.00	225.00	5.00	230.00	215.00	5.00	220.00	215.00	5.00	220.00
All Mining Companies (regardless of location)	280.00											

**B. 2<sup>nd</sup> Tranche – Effective November 1, 2015**

Industry Sector	AREAS							
	Highly Urbanized City (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First Class Municipalities of MIMAROPA		The Rest of the Region	
	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate
<b>NON-AGRICULTURE</b>								
Establishments with more than 10 workers	5.00	285.00	5.00	280.00	5.00	270.00	5.00	265.00
Establishments with 10 workers & below	5.00	225.00	5.00	220.00	5.00	217.00	7.00	217.00
<b>AGRICULTURE</b>	5.00	235.00	5.00	235.00	5.00	225.00	5.00	225.00
All Mining Companies (regardless of location)	285.00							

*RRB*

**C. 3<sup>rd</sup> Tranche – Effective May 1, 2016**

Industry Sector	AREAS							
	Highly Urbanized City (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First Class Municipalities of MIMAROPA		The Rest of the Region	
	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate
<b>NON-AGRICULTURE</b>								
Establishments with more than 10 workers	-	285.00	5.00	285.00	5.00	275.00	10.00	275.00
Establishments with 10 workers & below	5.00	230.00	5.00	225.00	8.00	225.00	8.00	225.00
<b>AGRICULTURE</b>	-	235.00	-	235.00	5.00	230.00	5.00	230.00
All Mining Companies (regardless of location)	285.00							

*RRB*

*Car*

*[Signature]*

*new*

**D. 4<sup>th</sup> Tranche – Effective November 1, 2016**

Industry Sector	AREAS							
	Highly Urbanized City (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First Class Municipalities of MIMAROPA		The Rest of the Region	
	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate
<b>NON- AGRICULTURE</b>								
Establishments with more than 10 workers	-	285.00	-	285.00	10.00	285.00	10.00	285.00
Establishments with 10 workers & below	5.00	235.00	10.00	235.00	10.00	235.00	10.00	235.00
<b>AGRICULTURE</b>	-	235.00	-	235.00	5.00	235.00	5.00	235.00
<b>All Mining Companies (regardless of location)</b>	285.00							

**SECTION 2. COVERAGE.** The minimum wage rates prescribed under the Order shall apply to all private sector minimum wage workers in the Region regardless of their position, designation or status, and irrespective of the method by which their wages are paid, except household or domestic helpers, persons in the personal service of another including family drivers and workers of registered Barangay Micro-Business Enterprises with Certificate of Authority, pursuant to R.A. 9178.

**SECTION 3. BASIS OF MINIMUM WAGE RATES.** The minimum wage rates prescribed herein shall be for the normal working hours, which shall not exceed eight (8) hours of work a day.

**SECTION 4. APPLICATION TO WORKERS PAID BY RESULT.** All workers paid by result, including those who are paid on piecework, takay, pakyaw, or task basis, shall receive not less than the applicable minimum wage rates prescribed under the Order for the normal working hours which shall not exceed eight hours work a day, or a proportion thereof for work of less than the normal working hours.

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

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

\* Where: AMW is the applicable minimum wage rate.

The wage rates of workers who are paid by result shall continue to be established in accordance with Article 101 of the Labor Code, as amended and its Implementing Rules and Regulations.







**SECTION 5. APPLICATION TO SPECIAL GROUPS OF WORKERS.** Wages of apprentices and learners shall in no case be less than 75 percent of the applicable minimum wage rates prescribed in the Order.

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

All qualified handicapped workers shall receive the full amount of the minimum wage rate prescribed herein pursuant to R. A. 7277, otherwise known as the Magna Carta for Disabled Persons.

**SECTION 6. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAMS.** In order to sustain rising levels of wages and enhance competitiveness, private businesses are encouraged to adopt productivity improvement schemes such as Service Quality for Key Employment Generators, ISTIV Productivity Awareness Program, 5S good housekeeping, time and motion studies, implement green productivity programs, gain-sharing programs and other related productivity incentive schemes. Accordingly, the Board shall provide the necessary studies and technical assistance, pursuant to Republic Act No. 6971 or the Productivity Incentives Act of 1990.

**SECTION 7. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.** In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2015-2016 shall be considered as compliance with the increase prescribed in the Order. However, payment of any shortfall shall be covered starting School Year 2016-2017.

Private educational institutions which have not increased their tuition fees for the School Year 2015-2016, may defer compliance with the wage increase prescribed in the Wage Order. 

In any case, all private educational institutions shall implement the increase prescribed herein starting School Year 2016-2017.

**SECTION 8. APPLICATION TO CONTRACTORS.** In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage rates for covered workers shall be borne by the principal or clients of the construction/service contractor and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed minimum wage rates, the construction/service contractor shall be jointly and severally liable with the principal or client.

**SECTION 9. APPLICATION TO MOBILE, BRANCH AND TRANSFERRED EMPLOYEES.** The minimum wage rates of workers, who by the nature of their work have to travel, shall be those applicable in the domicile or head office of the employer. For those workers working in branches or agencies of establishments in or outside the Region, the minimum wage rates shall be those applicable in the place where they are stationed or based. 

The transfer of personnel from a high rate city/municipality to a lower-rate city/municipality shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. Workers transferred from a lower-rate city/municipality to a higher rate city/municipality shall be entitled to the minimum wage rates applicable therein.

**SECTION 10. 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 (EMMR) 



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

$$\text{Applicable Daily Rate (ADR)} \times 393.5 / 12 \text{ months} = \text{EMMR}$$

Where 393.5 days/year	=	298	Ordinary working days
		24	12 Regular holidays X 200%
		67.6	52 Rest days X 130%
		3.9	3 Special days X 130%
		<u>393.5</u>	<b>Total no. of days/year</b>

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

$$\text{ADR} \times 313 / 12 \text{ months} = \text{EMMR}$$

Where 313 days/year	=	298	Ordinary working days
		12	Regular holidays
		3	Special days
		<u>313</u>	<b>Total no. of days/year</b>

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

$$\text{ADR} \times 261 / 12 \text{ months} = \text{EMMR}$$

Where 261 days/year		246	Ordinary working days
		12	Regular holidays
		3	Special days
		<u>261</u>	<b>Total No. of days/year</b>

Meanwhile, as to factor 365 days/year, although there is no effect as to the payment in monthly salary of employees as they are paid all days of the year, its breakdown will be as follows:

$$\text{ADR} \times 365 / 12 \text{ months} = \text{EMMR}$$

Where 365 days/year		298	Ordinary working days
		52	Sundays/rest days
		12	Regular holidays
		3	Special days
		<u>365</u>	<b>Total No. of days/year</b>

### RULE III – EXEMPTION

**SECTION 1. EXEMPTION.** This Wage Order does not allow exemption from compliance with the minimum wage increases prescribed herein. However, in case of a calamity, the Board may accept applications for exemption filed by establishments adversely affected by calamities such as natural and/or human induced disasters.

In case there is an application for exemption filed by any establishments adversely affected by calamities the criteria, procedures and documentary requirements provided under NWPC Resolution No. 01, series of 2014 and other applicable provisions of the NWPC Guidelines No. 02, series of 2007 shall apply.

**RULE IV – CREDITABLE INCREASE AND WAGE DISTORTION**

**SECTION 1. CREDITABLE WAGE INCREASE.** Wage increases granted by an employer in an organized establishment within three (3) months prior to the effectivity of this Order shall be credited as compliance with the prescribed increase set forth herein, if expressly provided for and agreed upon in a collective bargaining agreement.

In unorganized establishments, wage increases granted by the employer within three (3) months prior to the effectivity of this Order shall be credited as compliance therewith.

If such increases are less than the prescribed minimum wage increase herein, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

**SECTION 2. EFFECTS ON EXISTING WAGE STRUCTURE.** Should any dispute arise as a result of wage distortion, the employer and the union shall negotiate to correct the distortion 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 is 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 (NCMB) 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 arising from wage distortion shall not in any way delay the applicability of any increase prescribed in the Order.

**RULE V – SPECIAL PROVISIONS**

**SECTION 1. 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 2. 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.

**SECTION 3. PENAL PROVISION.** Pursuant to 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 (P100,000.00) or imprisonment of not less 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.

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 managers, managing director or partner.

The employer/s 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 criminal liability imposable under this Act.

**SECTION 4. 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 5. ADVISORY ON PRODUCTIVITY-BASED PAY SCHEME.** Pursuant to the provisions of the Advisory on the Implementation of the Productivity-Based Pay Scheme which the Board issued for the Tourism Industry, employers who recognize and value the contribution of their workers may provide productivity incentives pay to their workers based on indicators like business performance, labor productivity, work behavior, competitiveness of establishments, among others. Such employers shall be entitled to tax incentives provided under RA 6971 ("Productivity Incentives Act of 1991"), including technical support from the Board in terms of capacity building and consulting services and skills training through coordination by the Board with the Technical Education Skills and Development Authority (TESDA).

**SECTION 6. 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 7. CONDUCT OF INSPECTION BY THE DEPARTMENT.** The Department shall conduct inspections of establishment, 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 inspections 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 8. 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 9. 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 10. 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, 2016 and every year thereafter in accordance with the form prescribed by the Commission. Non-compliance shall be subject to the provision of Section 6, Rule V of this Rules.

**SECTION 11. REPEALING CLAUSE.** All orders, issuances, rules and regulations on wages, or parts thereof inconsistent with the provisions of the Wage Order and/or this Rules are hereby repealed, amended or modified accordingly.

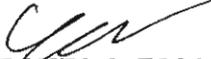


**SECTION 12. SEPARABILITY CLAUSE.** If any provision or part of the Order and this Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Order and this Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

**SECTION 13. EFFECTIVITY.** This Rules shall take effect on 03 July 2015.

Done this 17<sup>th</sup> day of June 2015, Calapan City, Oriental Mindoro, Philippines.

  
**TEODORO T. DELSON**  
Chairperson

  
**JOSE ROMEO C. ESCANDOR**  
Vice-Chairperson-NEDA

  
**ROMEO R. ARICA**  
Workers' Representative

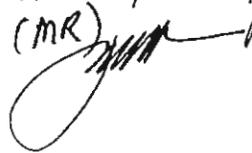
  
**OSIAS C. NAVARRO**  
Employers' Representative

**JOEL B. VALERA**  
Vice-Chairperson-DTI

*disputed opinion / refer  
to need to refer on this wage  
order due to  
my letter to  
NWPC / Sec. Dep.  
(MR)*

**ARTURO A. BASEA**  
Workers' Representative

**Vacant**  
Employers' Representative

*(MR)*  


**APPROVED:** This 22nd day of September, 2015.

  
**ROSALINDA DIMAPILIS-BALDOZ**  
Secretary, Department of Labor and Employment

*pass*