



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



2F Luna Building III, Gov. Infantado St., Calapan City, Oriental Mindoro

WAGE ORDER NO. RB-MIMAROPA-08

**PRESCRIBING NEW MINIMUM WAGE RATES
IN MIMAROPA REGION**

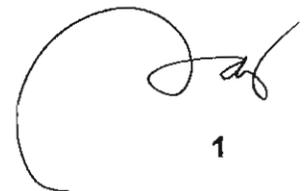
WHEREAS, the Regional Tripartite Wages and Productivity Board-MIMAROPA Region, hereinafter referred to as the Board, is mandated by Republic Act 6727 (The Wage Rationalization Act), to periodically assess wage rates and conduct continuing studies in the determination of the minimum wage applicable in the region or industry;

WHEREAS, no wage petition was filed nor did a supervening event occur in the more than two (2) years since the issuance of the last minimum wage adjustment under Wage Order No. IV-B-07 which took effect on February 3, 2015;

WHEREAS, in the absence of both a wage petition or a supervening event and with due notice to concerned sectors, the Board "motu proprio" conducted stakeholders' consultations/public hearings in the five (5) provinces of the Region, on 12 October 2016 in Occidental Mindoro, on 17 November 2016 in Marinduque, on 5 December 2016 in Palawan, on 30 March 2017 in Oriental Mindoro, and on 25 April 2017 in Romblon, to determine the propriety of issuing a new wage order for minimum wage earners;

WHEREAS, after a thorough evaluation of the existing socio-economic conditions in the Region, the Board has determined the need to provide workers with immediate relief measures to enable them to cope with the rising cost of living;

WHEREAS, in setting the minimum wage, the Board has to consider the various criteria under RA 6727 and the Guidelines of the Commission particularly on First Tier that the minimum wage should be higher than the poverty threshold but lower than the prevailing average wage;



WHEREAS, for the effective and efficient administration and enforcement of wage standards, the Board decided to simplify the sector classification in the Region;

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-MIMAROPA Region, hereby issues this Wage Order :

Section 1. NEW CLASSIFICATIONS AND MINIMUM WAGE INCREASE. Upon effectivity of this Wage Order:

1. The sector classification shall be changed into "Establishments with 10 workers and above" and Establishments with less than 10 workers". The previous area classifications shall be merged as "All Areas".
2. There shall be an increase in the basic wage as follows:
 - a. For workers in Establishments with 10 workers and above, a FIFTEEN PESO (P15.00) per day basic wage increase to be given in two (2) tranches:

Amount of Increase	Date of Effectivity
P 5.00 (1 st Tranche)	Upon Effectivity
P10.00 (2 nd Tranche)	February 1, 2018

- b. For workers in Establishments with less than 10 workers, a FORTY-SEVEN PESO (P47.00) per day basic wage increase to be given in four (4) tranches:

Amount of Increase	Date of Effectivity
P12.00 (1 st Tranche)	Upon Effectivity
P12.00 (2 nd Tranche)	February 1, 2018
P12.00 (3 rd Tranche)	August 1, 2018
P11.00 (4 th Tranche)	February 1, 2019

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Section 2. NEW MINIMUM WAGE RATES. The new daily minimum wage rates of covered workers in the private sector in MIMAROPA Region shall be as follows:

Sector/Industry	Minimum Wage Under WO No. IVB-07	Upon Effectivity		Effectivity					
				Second Tranche		Third Tranche		Fourth Tranche	
				February 1, 2018		August 1, 2018		February 1, 2019	
		Wage Increase	New Minimum Wage Rate	Wage Increase	New Minimum Wage Rate	Wage Increase	New Minimum Wage Rate	Wage Increase	New Minimum Wage Rate
All Sectors									
Establishment with 10 workers and above	285.00	5.00	290.00	10.00	300.00	-	300.00	-	300.00
Establishment with less than 10 workers	235.00	12.00	247.00	12.00	259.00	12.00	271.00	11.00	282.00

Section 3. COVERAGE. The wage increase prescribed in this Wage 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 workers, 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 4. BASIS OF NEW MINIMUM WAGE RATES. The minimum wage rates prescribed under this Wage Order shall be for the normal working hours which shall not exceed eight (8) hours of work a day.

Section 5 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 6. 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.

Section 7. 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 8 . 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 2017-2018 shall be considered as compliance with the minimum wage rates prescribed in this Wage Order. However, payment of any shortfall in the minimum wage rates set forth in the Wage Order shall be covered starting School Year 2018-2019.

Private educational institutions, which have not increased their tuition fees for the School Year 2017-2018, may defer compliance with the provisions of this Wage Order.

In any case, all private educational institutions shall implement the minimum wage rate prescribed herein starting School Year 2018-2019.

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 municipality to a higher rate municipality shall be entitled to the minimum wage rates applicable therein.

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Section 10. CREDITABLE WAGE INCREASE. Wage increases granted by an employer in an organized establishment within three (3) months prior to the effectivity of this Wage 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 Wage 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 11. EFFECT ON EXISTING WAGE STRUCTURE. Where the application of the wage increases prescribed in this Wage 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 12. 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 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 13. EXEMPTION. This Wage Order shall not allow exemption from compliance with the provisions of this Wage 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 14. 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 Wage Order.

Section 15. EFFECT OF FILING AN 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 surety or sureties

satisfactory to the Commission for payment of the corresponding increase to employees affected by the Wage Order, in the event such Order is affirmed.

Section 16. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Wage Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subject to either mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA) or Complaint Inspection especially for anonymous complaint. However, if settlement under SEnA fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 17. NON-DIMINUTION OF BENEFITS. Nothing in this Wage 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 18. FREEDOM TO BARGAIN. This Wage 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 19. 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, 2018 and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

Section 20. PENAL PROVISION. Any employer who refuses or fails to pay the minimum wage rate prescribed in this Wage Order shall be subject to the penalties imposed under R.A. 6727, as amended by R.A. 8188.

Section 21. 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 22. 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 23. 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 24. 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 25. IMPLEMENTING RULES. The Regional Tripartite Wages and Productivity Board - MIMAROPA shall submit to the NWPC the necessary Rules and Regulations to implement this Wage 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 26. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

APPROVED this 5th day of September 2017 at Calapan City, Oriental Mindoro, Philippines.



ROMEO R. ARICA
Board Member



OSIAS C. NAVARRO
Board Member



DARIUS M. GUERRERO
Board Member

VACANT
Board Member



SUSAN A. SUMBELING
Vice-Chairperson



JOEL B. VALERA
Vice-Chairperson



ALVIN M. VILLAMOR
Chairperson



Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
MIMAROPA REGION
2F Luna Building III, Gov. Infantado St., Calapan City, Oriental Mindoro



RULES IMPLEMENTING WAGE ORDER NO. RB-MIMAROPA-08

Pursuant to Section 6, Rule IV of the NWPC Guidelines No. 01, Series of 2007, otherwise known as the Amended Rules of Procedure on Minimum Wage Fixing and Section 25 of Wage Order No. RB-MIMAROPA-08, the following rules are hereby issued for the guidance and compliance by all concerned:

RULE I **GENERAL PROVISIONS**

Section 1. **TITLE.** This shall be known as the "Rules Implementing Wage Order No. RB-MIMAROPA-08"

Section 2. **DEFINITION OF TERMS.** As used in these Rules.

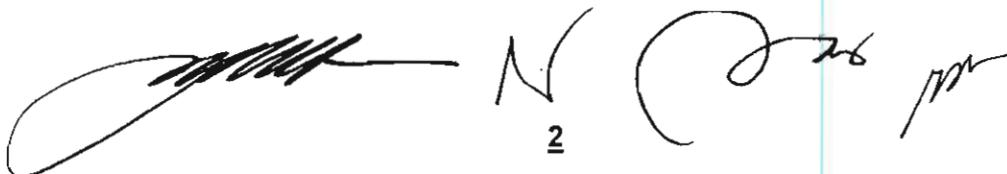
- a) **Order** refers to Wage Order No. RB-MIMAROPA-08.
- b) **Board** refers to the Regional Tripartite Wages and Productivity Board in MIMAROPA Region (RTWPB - MIMAROPA).
- c) **Commission** refers to the National Wages and Productivity Commission (NWPC).
- d) **Department** refers to the Department of Labor and Employment (DOLE).
- e) **MIMAROPA Region** covers the Provinces of Occidental Mindoro, Oriental Mindoro, Marinduque, Romblon and Palawan, including the City of Calapan and the Highly Urbanized City of Puerto Princesa.
- f) **Minimum Wage Rates** refers to the lowest minimum wage rates that an employer is obliged to pay his workers.
- g) **Establishment** refers to an economic unit which engages in one or predominantly one kind of economic activity at a single fixed location.
- h) **Barangay Micro Business Enterprise (BMBE)** refers to any business entity or enterprise granted a Certificate of Authority under Republic Act No. 9178, as amended by Republic Act No.10644 "Go Negosyo Act."

- i) **Two-Tiered Wage System** refers to a pay system consisting of a minimum wage and incentive pay based on productivity improvement and gainsharing.
- j) **Advisory** refers to the Advisory issued by the Board in accordance with the Two-Tiered Wage System.
- k) **Wage Distortion** as defined under Article 124 of the Labor Code, 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.
- l) **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").
- m) **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)]
- n) **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 CLASSIFICATIONS AND MINIMUM WAGE INCREASE.** Upon effectivity of this Wage Order:

1. The sector classification shall be changed into "Establishments with 10 workers and above" and "Establishments with less than 10 workers". The previous area classifications shall be merged as "All Areas".
2. There shall be an increase in the basic wage as follows:



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- a. For workers in Establishments with 10 workers and above, a FIFTEEN PESO (P15.00) per day basic wage increase to be given in two (2) tranches:

Amount of Increase	Date of Effectivity
P 5.00 (1 st Tranche)	Upon Effectivity
P10.00 (2 nd Tranche)	February 1, 2018

- b. For workers in Establishments with less than 10 workers, a FORTY-SEVEN PESO (P47.00) per day basic wage increase to be given in four (4) tranches:

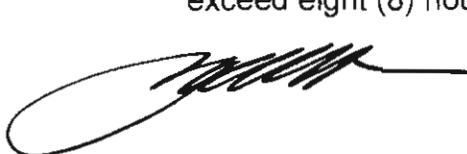
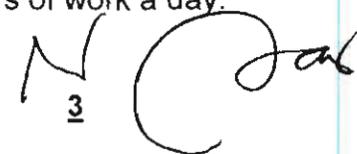
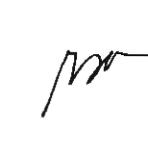
Amount of Increase	Date of Effectivity
P12.00 (1 st Tranche)	Upon Effectivity
P12.00 (2 nd Tranche)	February 1, 2018
P12.00 (3 rd Tranche)	August 1, 2018
P11.00 (4 th Tranche)	February 1, 2019

- Section 2. **NEW MINIMUM WAGE RATES.** Effective September 24, 2017 the daily minimum wage rates in MIMAROPA shall be increased as follows:

Sector/Industry	Minimum Wage Under WO No. IV-B-07	Upon Effectivity		Second Tranche Effective February 1, 2018		Third Tranche Effective August 1, 2018		Fourth Tranche Effective February 1, 2019	
		Wage Increase	New Minimum Wage Rate	Wage Increase	New Minimum Wage Rate	Wage Increase	New Minimum Wage Rate	Wage Increase	New Minimum Wage Rate
All Sectors									
Establishment with 10 workers and above	285.00	5.00	290.00	10.00	300.00	-	300.00	-	300.00
Establishment with less than 10 workers	235.00	12.00	247.00	12.00	259.00	12.00	271.00	11.00	282.00

- Section 3. **COVERAGE.** The new minimum wage rates provided in the Wage Order shall apply to all minimum wage earners/workers and employees in the private sector in MIMAROPA Region regardless of position, designation or status of employment and irrespective of the method by which their wages are paid. Not covered in this Wage Order are household or domestic workers and persons employed in the personal service of another including family drivers and workers of Barangay Micro Business Enterprises (BMBEs) with Certificates of Authority, pursuant to R.A. 9178, as amended by Republic Act No.10644 "Go Negosyo Act."

- Section 4. **BASIS OF INCREASE.** The wage increase prescribed under the Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours of work a day.

Section 5. **APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.** In the case of private educational institutions, the share of workers and employees covered in the increase in tuition fees for School Year 2017-2018 shall be credited as compliance with the Wage Order. In case of any shortfall, the employer shall pay the difference starting School Year 2018-2019.

Private educational institutions which have not increased their tuition fees for School Year 2017-2018 may defer compliance with the provisions of the Wage Order until the beginning of School Year 2018-2019.

In any case, all private educational institutions shall implement the new minimum wage rate prescribed in the Wage Order starting School Year 2018-2019.

Section 6. **APPLICATION TO CONTRACTORS.** In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage increase of the workers shall be borne by the principal or clients of the construction/service contractors and their contracts shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed wage increase, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 7. **APPLICATION TO WORKERS PAID BY RESULTS.** All covered workers paid by results, including those who are paid on piecework, "takay", "pakyaw", or task basis, shall receive not less than the prescribed wage increase under the Order for the normal working hours which shall not exceed eight (8) hours work a day, or a proportion thereof for work of less than the normal working hours.

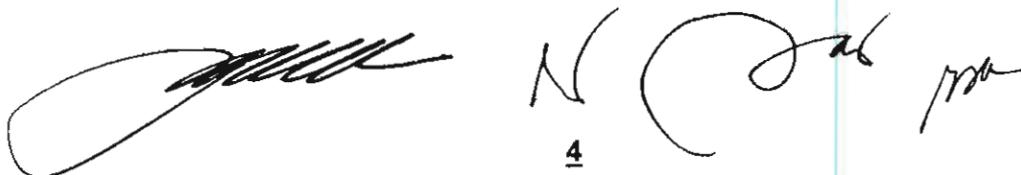
The adjusted minimum wage rates of workers paid by result shall be computed in accordance with the following steps:

- a. $\frac{\text{Amount of increase in AMW}^*}{\text{Previous AMW}} \times 100 = \% \text{ increase}$
- b. Existing rate/piece \times % 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 of the Philippines, as amended and its Implementing Rules and Regulations

Section 8. **WAGES FOR SPECIAL GROUPS OF WORKERS.** The minimum wage rate of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in the Wage Order.



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All recognized learnership and apprenticeship agreements entered into before the effectivity of the Wage Order shall be considered automatically modified in accordance with the Order.

All qualified handicapped workers shall receive the full amount of the minimum wage rate prescribed herein pursuant to Republic Act no 7277, otherwise known as the Magna Carta for Disabled Persons.

Section 9. **MOBILE AND BRANCH WORKERS.** 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. The prescribed minimum wage rates 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 other Regions with higher minimum wage rates shall be entitled to the prescribed minimum wage rates applicable therein.

Section 11. **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:

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

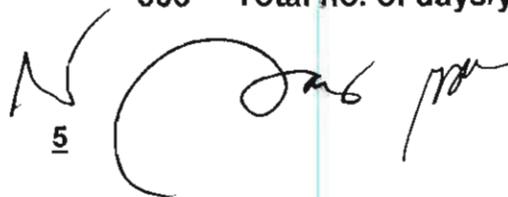
Where 393.5 days/year =	298	Ordinary days
	24	12 Regular holidays X 200%
	67.6	52 Rest days X 130%
	3.9	3 Special days X 130%
	<u>393.5</u>	Total no. of days/year

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

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

Where 365 days / year =	298	Ordinary working days
	52	Rest days
	12	Regular Holidays
	3	Special days
	<u>365</u>	Total no. of days/year



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

$$\frac{\text{ADR X 313}}{12 \text{ months}} = \text{EMMR}$$

Where 313 days / year	=	298	Ordinary working days
		12	Regular holidays
		3	Special days (if considered paid; if actually worked, this is equivalent to 3.9 days)
		313	Total No. of days/year

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

$$\frac{\text{ADR X 261}}{12 \text{ months}} = \text{EMMR}$$

Where 261 days/year	=	246	Ordinary working days
		12	Regular holidays
		3	
		261	Total No. of days/year

- * Factor 310 may be used instead of 313, if the 3 special days are not considered paid
- * Factor 258 may be used instead of 261, if the 3 special days are not considered paid

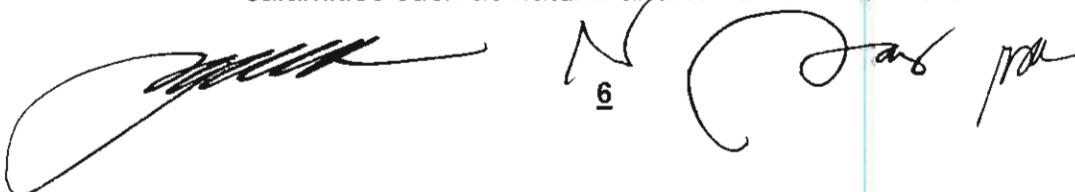
Section 12. **APPEAL TO THE COMMISSION.** Any party aggrieved by the Wage Order may file an appeal with the Commission through the Board within ten (10) calendar days from the publication of the Order. The Commission shall decide the appeal within sixty (60) calendar days from the date of filing. The 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 13. **EFFECT OF THE 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 to employees affected by the Wage Order of the corresponding increase, in the event such Wage Order is affirmed.

RULE III EXEMPTION

Section 1. **EXEMPTION.** The Wage Order does not allow exemption from compliance with the minimum wage increases prescribed therein. 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 disaster.

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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

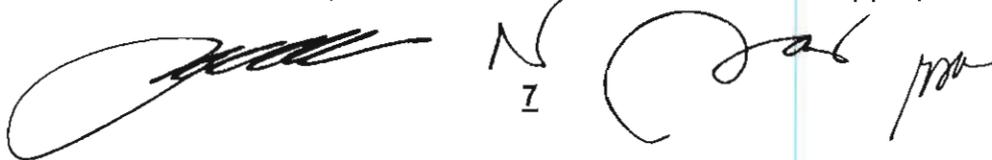
- Section 1. **Organized Establishments.** Increases granted by an employer in an organized establishment within three (3) months prior to the effectivity of the Wage Order may be credited as compliance with prescribed increase set forth herein. Provided that an agreement has been forged between the parties or that it is expressly provided in the collective bargaining agreement that allows the crediting of increases in wages granted by an employer within three (3) months prior to the effectivity of any Wage Order.
- Section 2. **Unorganized Establishments.** In unorganized establishments, wage increases granted by the employer within three (3) months prior to the effectivity of this Wage 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.

RULE V SPECIAL PROVISIONS

- Section 1. **EFFECT ON EXISTING WAGE STRUCTURE.** Pursuant to Article 124 of the Labor Code of the Philippines, as amended, any dispute that should arise as a result of a significant 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 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 (NCMB) and if it remains unresolved after ten (10) calendar days of conciliation, the same shall be referred to the appropriate branch of



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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 following advisory formula may be used to correct wage distortion:

$$\frac{\text{Minimum Wage Under Wage Order No. RB-IVB-07}}{\text{Present Salary}} \times \text{Amount of increase in WO RB-MIMAROPA-08} = \text{Amount of increase due to distortion}$$

The formula is neither compulsory nor mandatory in nature and any other agreement the parties may adopt shall take precedence to this formula.

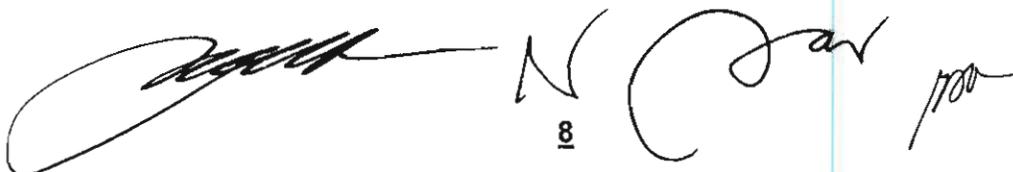
The pendency of a dispute arising from wage distortion shall not in any way delay the applicability of the wage increase prescribed in the Order.

Section 2. **PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE SCHEMES.** In order to sustain rising levels of wages and enhance competitiveness, businesses are strongly encouraged to adopt productivity improvement schemes, such as, time and motion studies, good housekeeping, quality circles, labor-management cooperation, as well as implement gainsharing and other performance incentive programs. Accordingly, the Regional Board shall provide the necessary studies and technical assistance pursuant to RA 6971, the Productivity Incentives Act of 1990.

Pursuant to the Two-Tiered Wage System and related Advisory of the Board, employers who recognize the value and contribution of their workers through increased productivity, improved work behavior or competitiveness of establishments, among others, may benefit from incentives provided under RA 6971 (Productivity Incentives Act of 1991), technical support from the Board in terms of capacity building, consulting services and skills training in coordination with the Technical Education Skills and Development Authority (TESDA).

Section 3. **COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with this Wage Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subject to either mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement under SEnA fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 4. **NON-DIMINUTION OF BENEFITS.** Nothing in the Wage Order and in these Rules shall be construed to reduce any existing wage rates, allowances, and benefits of any form under existing laws, decrees, issuance, executive orders and/or under any contract or agreement between the workers and the employers.



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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 wage adjustments 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 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.

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.

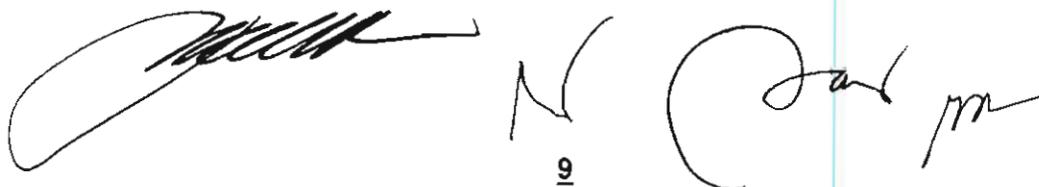
Section 6. **PROHIBITION AGAINST INJUNCTION.** No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal, or other entity against any proceedings before the Board.

Section 7. **FREEDOM TO NEGOTIATE.** The Wage Order shall not be construed to prevent workers in particular firms or enterprises of industries from negotiating for higher wages with their respective employers.

Section 8. **REPORTING REQUIREMENTS.** Any person, company, corporation, partnership, or any entities engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2018 and every year thereafter in accordance with the form prescribed by the Commission.

Section 9. **REPEALING CLAUSE.** All orders, 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 Wage Order and these Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Wage Order and these Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.



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Section 11. **EFFECTIVITY.** These Rules shall take effect on September 24, 2017.

DONE this 25th day of October 2017, City of Calapan, Oriental Mindoro, Philippines.

ROMEO R. ARICA
Board Member

OSIAS C. NAVARRO
Board Member

DARIUS M. GUERRERO
Board Member

VACANT
Board Member

RAUL S. ANLOCOTAN
Vice-Chairperson

JOEL B. VALERA
Vice-Chairperson

ALVIN M. VILLAMOR
Chairperson

APPROVED this 28th day of NOVEMBER 2017.

SILVESTRE H. BELLONI
Secretary
Department of Labor and Employment